

**Arabian Cement Company S.A.E.
Condensed Consolidated Interim Financial Statements
together with Limited Review Report
for the three months ended March 31, 2025**

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Limited Review Report
for the Condensed Consolidated Interim Financial Statements

To: The Board of Directors of Arabian Cement Company S.A.E.

Introduction

We have conducted the limited review of the accompanying condensed consolidated interim statement of financial position of Arabian Cement Company S.A.E. as of March 31, 2025, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our limited review.

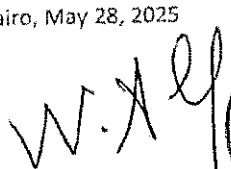
Scope of Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, May 28, 2025


Wafik Alfred Hanna
R.A.A. No. (9176)
F.R.A. No. (132)
FESAA, CPA



Arabian Cement Company (S.A.E.)
Condensed Consolidated Interim Statement of Financial Position
as of March 31, 2025

	Note No.	March 31, 2025 EGP	December 31, 2024 EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(10)	1 633 405 601	1 669 630 565
Assets under construction	(11)	735 907 286	706 855 633
Intangible assets (net)	(12)	128 013 229	134 955 866
Right of use assets (net)	(25.1)	3 624 006	4 436 332
Other assets (net)		--	--
Total non-current assets		2 500 950 122	2 515 878 396
Current assets			
Inventories	(13)	867 219 026	852 490 043
Trade receivables (net)	(14)	341 359 878	160 048 158
Debtors and other debit balances (net)	(15)	619 047 355	632 979 976
Due from related parties	(24)	--	156 657
Cash and bank balances	(16)	1 169 770 549	1 687 062 873
Total current assets		2 997 396 808	3 332 737 707
Total assets		5 498 346 930	5 848 616 103
Equity and liabilities			
Equity			
Issued and paid-up capital	(17)	757 479 400	757 479 400
Legal reserve	(18)	378 866 239	363 627 770
Retained earnings		1 757 473 793	1 182 365 129
Equity attributable to owners of the Parent Company		2 893 819 432	2 303 472 299
Non-controlling interests	(19)	86 136	53 721
Total Equity		2 893 905 568	2 303 526 020
Liabilities			
Non-current liabilities			
Borrowings	(20)	120 178 003	120 392 380
Deferred tax liabilities	(8.3)	245 517 260	241 146 994
Lease liabilities	(25.2)	1 743 551	1 642 532
Trade and notes payable	(21)	277 184 867	301 142 055
Total non-current liabilities		644 623 681	664 323 961
Current liabilities			
Trade and notes payable	(21)	839 619 791	839 311 693
Credit facilities	(20)	99 999 220	615 044 229
Current income tax liability	(8.2)	567 008 757	374 014 396
Current portion of long term borrowings	(20)	30 044 500	25 481 075
Lease liabilities	(25.2)	3 217 396	3 625 821
Creditors and other credit balances	(23)	350 241 378	345 087 344
Dividends payable		--	600 302 425
Provisions	(22)	69 686 639	77 899 139
Total current liabilities		1 959 817 681	2 880 766 122
Total Liabilities		2 604 441 362	3 545 090 083
Total equity and liabilities		5 498 346 930	5 848 616 103

- The accompanying notes form an integral part of the condensed consolidated interim financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
Chief Executive Officer

- Limited review attached.



Arturo Gallart Mauri
Chief Financial Officer



Arabian Cement Company (S.A.E)

Condensed Consolidated Interim Statement of Profit or Loss
for the three-months period ended March 31, 2025

	Note No.	<u>March 31, 2025</u> EGP	<u>March 31, 2024</u> EGP
Sales (net)	(3)	2 554 448 091	1 937 764 378
Cost of sales	(4)	(1 660 169 801)	(1 420 387 315)
Gross profit		894 278 290	517 377 063
<u>Add/(less):</u>			
General and administrative expenses	(5)	(76 483 746)	(55 020 218)
Provisions	(22)	(3 200 000)	(3 455 000)
Gain on sale of property, plant and equipment		1 140 000	--
Interest income		18 298 670	12 565 841
Other income		2 993 384	1 874 345
Finance costs	(6)	(24 095 330)	(24 958 742)
Foreign currency exchange losses		(25 187 093)	(244 198 044)
Net profit for the period before tax		787 744 175	204 185 245
Income tax	(8-1)	(197 364 627)	(51 537 984)
Net profit for the period after tax		590 379 548	152 647 261
<u>Profit attributable to:</u>			
Owners of the parent company		590 347 133	152 639 268
Non-controlling interests	(19)	32 415	7 993
		590 379 548	152 647 261
Earnings per share for the period	(9)	1.51	0.39

- The accompanying notes form an integral part of the condensed consolidated interim financial statements and to be read in conjunction with them.

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer



Translation of the consolidated financial statements
originally issued in Arabic

Arabian Cement Company (S.A.E)
Condensed Consolidated Interim Statement of Comprehensive Income
for the three months ended March 31, 2025

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period after tax	590 379 548	152 647 261
Items of other comprehensive income	--	--
Comprehensive income for the period	<u>590 379 548</u>	<u>152 647 261</u>

- The accompanying notes form an integral part of the condensed consolidated interim financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Arabian Cement Company (S.A.E)
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
for the three months ended March 31, 2025

	Issued and paid-up capital		Legal reserve		Retained earnings		Attributable to the owners of the Parent Company		Non-controlling interest		Total	
	EGP		EGP		EGP		EGP		EGP		EGP	
Balance as of January 1, 2024	757 479 400		294 829 534		701 912 725		1 754 221 659		48 010		1 754 269 669	
Transferred to legal reserve	--		68 798 236		(68 798 236)		--		--		--	
Dividends distributed to employees	--		--		(10 576 346)		(10 576 346)		--		(10 576 346)	
Total comprehensive income for the period	--		--		152 639 268		152 639 268		7 993		152 647 261	
Balance at March 31, 2024	757 479 400		363 627 770		775 177 411		1 896 284 581		56 003		1 896 340 584	
Balance as of January 1, 2025	757 479 400		363 627 770		1 182 365 129		2 303 472 299		53 721		2 303 526 020	
Transferred to legal reserve	--		15 238 469		(15 238 469)		--		--		--	
Total comprehensive income for the period	--		--		590 347 133		590 347 133		32 415		590 379 548	
Balance at March 31, 2025	757 479 400		378 866 239		1 757 473 793		2 893 819 432		86 136		2 893 905 568	

- The accompanying notes form an integral part of the condensed consolidated interim financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer

Arabian Cement Company (S.A.E)
Condensed Consolidated Interim Statement of Cash flow
for the three months ended March 31, 2025

	Note No.	March 31, 2025 EGP	March 31, 2024 EGP
Cash flows from operating activities			
Net profit for the period before tax		787 744 175	204 185 245
Adjusted by:			
Finance costs	(6)	24 095 330	24 958 742
Interest income		(18 298 670)	(12 565 841)
Depreciation of property, plant and equipment	(10)	58 755 996	53 232 333
Amortization of intangible assets	(12)	6 942 637	7 000 597
Amortization of right of use assets	(25.1)	812 326	1 868 420
Gain on sale of Property plant and equipment		(1 140 000)	--
Unrealized foreign currency exchange losses from lease liabilities		--	2 034 721
Provisions formed during the period	(22)	3 200 000	3 455 000
		862 111 794	284 169 217
(Increase) / decrease in inventories		(14 728 983)	61 324 114
Decrease / (increase) in debtors and other debit balances		13 932 621	(75 817 522)
(Increase) in trade receivables		(181 311 720)	(564 917 186)
Decrease / (increase) in amounts due from related parties		156 657	(50 256)
Increase / (decrease) in creditors and other credit balances		5 154 034	(83 973 545)
(Decrease) / Increase in trade and notes payable		(23 649 090)	631 799 484
Provisions used during the period	(22)	(11 412 500)	(300 000)
Cash flows generated from operating activities		650 252 813	252 234 306
Finance costs paid		(23 785 487)	(24 681 610)
Net cash flows generated from operating activities		626 467 326	227 552 696
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(22 531 032)	(18 551 605)
Proceeds from disposal of property, plant and equipment		1 140 000	--
Payments for assets under construction		(29 051 653)	(4 201 346)
Interest income received		18 298 670	12 565 841
Net cash flows used in investing activities		(32 144 015)	(10 187 110)
Cash flows from financing activities			
Net change in borrowings		4 349 048	--
Net change in credit facilities		(515 045 009)	(62 699 565)
Repayment for lease liabilities	(25.2)	(617 249)	(1 039 619)
Dividends paid		(600 302 425)	(99 229 802)
Net cash flows used in financing activities		(1 111 615 635)	(162 968 986)
Net change in cash and cash equivalents during the period		(517 292 324)	54 396 600
Cash and cash equivalents at the beginning of the period		1 687 062 873	561 096 680
Cash and cash equivalents at the end of the period	(16)	1 169 770 549	615 493 280

- The accompanying notes form an integral part of the condensed consolidated interim financial statements and to be read therewith.


Sergio Alcantarilla Rodriguez
Chief Executive Officer


Arturo Gallart Mauri
Chief Financial Officer

1- The Company's general information

Arabian Cement Company S.A.E. (The Company or the Parent Company), a joint stock Company incorporated in Cairo, Egypt, is a public company whose shares are traded at the EGX Egyptian Exchange. The Company was established on March 5, 1997 under the provisions of the Investment Law No. 230 of 1989 and the Capital Market Law No. 95 of 1992 according to the decree of the Chairman of the General Authority for Investment and Free Zone (GAFI) No. 167 of 1997.

The Company was registered in the Commercial Register under No. 13105 in Cairo, on April 3, 2005, which was changed to No. 53445 on August 16, 2011, as the Company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza - Egypt to be Villa 56 El Gihaz Street, Fifth Settlement, New Cairo, Egypt. The admin office changed to be on Gamal Abdel Nasser square (west Arabella), Fifth Settlement Arabella Plaza, Office Building (A), 5th floor.

The Company's objective is the manufacturing and sale of clinker, cement and the other related products and usage of mines and extraction of all mining materials required for the production of construction materials and road transportation for all the company's product. The Company may carry out other projects or amend its purpose according to the Investment Incentives and Guarantees Law.

The main shareholder of the Company is Aridos Jativa – Spanish Company, and it owns 60% of the Company's capital.

The Company's term is 25 years starting from the date of its registration at the Commercial Register.

The principal activities of the Company and its subsidiaries (the Group) are as follows:

Arabian Cement Company: a cement producer with a clinker capacity of 4.2 million tons per annum that can produce 5 million tons per annum of cement.

Andalus Concrete Company: a producer of concrete products and other constructions materials. The company owns 99.99% of the issued and paid-up capital of Andalus Concrete Company.

ACC Management and Trading Company: providing managerial restructuring services for companies, transportation of goods, projects management, general trading and preparation of feasibility studies. The Company owns 99% of the issued and paid-up capital of ACC Management and Trading Company.

Evolve for Investment and Project Management Principal Activities is Alternative Fuel - Construct and operate factories for recycling. The Company owns 99.99% of the issued and paid-up capital of Evolve for Investment and Project Management.

Egypt Green for environmental services, clean energy production and development: establishment and operate factory for recycle for the wastes of production and services activity. The Company owns 99.99% of the issued and paid-up capital of Egypt Green.

The condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issuance on May 28, 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) Interim Financial Reporting. These condensed consolidated interim financial statements do not include all the information required in the preparation of the full set annual consolidated financial statements and must be read in conjunction with the annual consolidated financial statements as of December 31, 2024.

2.2 Basis of preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies are set out below.

2.3 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of a group entity to bring its accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. Sales (net)

An analysis of the Group's revenue for the period is as follows:

EGP	March 31, 2025	March 31, 2024
Local		
Sales	1 765 036 781	999 818 738
Transportation services	62 583 495	30 753 619
	1 827 620 276	1 030 572 357
Export		
Sales	601 437 121	840 898 926
Transportation services	125 390 694	66 293 095
	726 827 815	907 192 021
TOTAL	2 554 448 091	1 937 764 378

4. Cost of sales

An analysis of the Group's cost of sales for the period is as follows:

EGP	March 31, 2025	March 31, 2024
Raw materials	1 270 564 137	1 197 709 014
Manufacturing depreciation	57 573 624	52 260 129
Amortization of intangible assets	6 942 637	7 000 597
Amortization of right of use	812 326	1 868 420
Transportation cost	192 118 933	95 584 284
Overhead cost	132 158 144	65 964 871
TOTAL	1 660 169 801	1 420 387 315

5. General and administrative expenses

The analysis of the Group's general and administration expenses for the period is as follows:

EGP	March 31, 2025	March 31, 2024
Professional fees	3 789 104	3 607 549
Salaries and wages	34 760 547	23 112 400
Security and cleaning services	601 354	970 692
Rentals	651 173	171 016
Transportation	2 418 876	1 600 847
Advertising	1 237 335	2 001 979
Administration depreciation	1 182 372	972 204
Other expenses	31 842 985	22 583 531
TOTAL	76 483 746	55 020 218

6. Finance costs

An analysis of the Group's finance costs for the period is as follows:

EGP	March 31, 2025	March 31, 2024
Finance lease	309 843	277 132
Credit facilities interest expense	22 650 600	24 398 190
Finance interest on trade payables and long term notes payable	1 134 887	283 420
TOTAL	24 095 330	24 958 742

7. Compensation of key management personnel *

An analysis of the Group's compensation of key management personnel for the period is as follows:

EGP	March 31, 2025	March 31, 2024
Board of directors salaries and allowance	21 441 884	15 454 247
TOTAL	21 441 884	15 454 247

* Included in salaries and wages in general and administrative expenses.

8. Income taxes

8.1 Income tax expense recognised in condensed consolidated interim statement of profit or loss

EGP	March 31, 2025	March 31, 2024
CURRENT TAX		
Current tax expense for the current period	192 994 361	99 878 025
DEFERRED TAX		
Net deferred tax recognized in the current period	4 370 266	(48 340 041)
TOTAL INCOME TAX EXPENSE RECOGNIZED IN THE CURRENT PERIOD	197 364 627	51 537 984

8.2 Current tax liabilities

EGP	March 31, 2025	December 31, 2024
Current tax liabilities	567 008 757	374 014 396
CURRENT TAX LIABILITIES	567 008 757	374 014 396

8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

31 March 2025	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(LIABILITIES):			
<i>Temporary differences</i>			
Depreciation of property, plant and equipment and intangible assets	237 734 026	6 999 680	244 733 706
Unrealized foreign currency exchange gain	3 412 968	(2 629 414)	783 554
Net deferred tax liability	241 146 994	4 370 266	245 517 260

31 December 2024	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(LIABILITIES)			
<i>Temporary differences</i>			
Depreciation of property, plant and equipment and intangible assets	282 218 616	(44 484 590)	237 734 026
Unrealized foreign currency exchange gain	--	3 412 968	3 412 968
NET DEFERRED TAX LIABILITY	282 218 616	(41 071 622)	241 146 994

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the company does not have any dilutive potential, the basic and diluted earnings per share are the same.

Arabian Cement Company S.A.E.
Condensed consolidated interim financial statements
Together with limited review report
For the three-months ended March 31, 2025

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

EGP	March 31, 2025	March 31, 2024
EARNINGS (for basic and diluted earnings per share)		
Profit for the period attributable to owners of the parent	590 347 133	152 639 268
Employees share in distributable profits (Note 15)	(18 065 060)	(3 290 313)
Distributable profit for the period	572 282 073	149 348 955
NUMBER OF SHARES (for basic and diluted earnings per share)		
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700
EARNINGS PER SHARE	1.51	0.39

10. Property, plant and equipment (net)

EGP	Freehold land	Buildings and improvements	Vehicles	Machinery and equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST								
Balance at January 1, 2024	50 243 436	695 148 822	67 485 657	2903 406 606	17 375 697	308 453 384	28 093 778	4 070 207 380
Additions	--	12 687 108	2 471 253	2 321 627	831 087	--	240 530	18 551 605
Balance at March 31, 2024	50 243 436	707 835 930	69 956 910	2905 728 233	18 206 784	308 453 384	28 334 308	4 088 758 985
Balance at January 1, 2025	50 243 436	731 931 246	182 247 579	2 942 889 482	20 188 085	320 111 780	30 182 102	4 277 793 710
Additions	--	11 374 372	7 998 802	553 848	17 000	1 109 118	1 477 892	22 531 032
Disposals	--	--	(166 375)	--	--	--	--	(166 375)
Balance at March 31, 2025	50 243 436	743 305 618	190 080 006	2943 443 330	20 205 085	321 220 898	31 659 994	4 300 158 367
ACCUMULATED DEPRECIATION								
Balance at January 1, 2024	--	358 985 496	42 982 928	1762 441 704	12 553 665	185 879 501	23 756 987	2 386 600 281
Depreciation expense	--	7 262 912	1 708 672	39 183 360	280 935	4 088 113	708 341	53 232 333
Balance at March 31, 2024	--	366 248 408	44 691 600	1 801 625 064	12 834 600	189 967 614	24 465 328	2 439 832 614
Balance at January 1, 2025	--	388 891 342	55 563 186	1920 700 864	13 639 763	202 851 441	26 516 549	2 608 163 145
Depreciation expense	--	7 338 808	5 986 865	39 950 044	247 174	4 297 907	935 198	58 755 996
Disposals	--	--	(166 375)	--	--	--	--	(166 375)
Balance at March 31, 2025	--	396 230 150	61 383 676	1 960 650 908	13 886 937	207 149 348	27 451 747	2 666 752 766
CARRYING AMOUNT								
At March 31, 2025	50 243 436	347 075 468	128 696 330	982 792 422	6 318 148	114 071 550	4 208 247	1 633 405 601
At March 31, 2024	50 243 436	341 587 522	25 265 310	1 104 103 169	5 372 184	118 485 770	3 868 980	1 548 926 371
At December 31, 2024	50 243 436	343 039 904	126 684 393	1 022 188 618	6 548 322	117 260 339	3 665 553	1 669 630 565

- The depreciation expense of furniture and computers is included in the item of general and administrative expenses, Note (5) amounted to EGP 1 182 372. The depreciation expense for the remaining assets is included in the cost of sales of Note (4) amounted to EGP 57 573 624.

11. Assets under construction

EGP	March 31, 2025	December 31, 2024
Balance as of January 1	706 855 633	2 426 563
Additions	29 051 653	705 472 770
Transferred to fixed assets		(1 043 700)
Ending balance	735 907 286	706 855 633

Assets under construction are represented in the following categories:

EGP	March 31, 2025	31 December 2024
Machinery and equipment*	733 171 622	704 824 139
Other installations	2 735 664	2 031 494
Ending balance	735 907 286	706 855 633

* The machinery and equipment as of March 31, 2025, represents the following projects:

- Project of conversion of the Electrostatic Precipitators (Main ESP) to a cutting-edge Bag Filters for dust emission control amounted to EGP 265 210 552.
- Project of installing four units producing Hydrogen from water via electrolysis process amounted to EGP 467 961 070.

12. Intangible assets (net)

EGP	Operating license	Electricity contract	Total
Cost			
Cost as of January 1, 2025	563 204 713	225 200 000	788 404 713
Cost as of March 31, 2025	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2025	(428 248 847)	(225 200 000)	(653 448 847)
Amortization for the period	(6 942 637)	--	(6 942 637)
Total accumulated amortization as of March 31, 2025	(435 191 484)	(225 200 000)	(660 391 484)
Net book value March 31, 2025	128 013 229	--	128 013 229
Net book value December 31, 2024	134 955 866	--	134 955 866

Operating license

As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 281.4 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months according to interest rate determined by the Central Bank of Egypt (CBE).

The above-mentioned value will be also applied for the second line and a 25% will be paid as an advance payment and residual amount will be settled over a period of 3 years according to the interest rate determined by the Central Bank of Egypt (CBE).

13. Inventories

EGP	March 31, 2025	December 31, 2024
Raw materials	138 953 978	155 347 331
Fuel	277 090 250	374 392 183
Packing materials	97 216 701	49 406 144
Spare parts	71 290 060	70 811 159
Work in progress	5 068 274	4 629 032
Goods in transit	1 295 900	1 735 050
Finished goods	276 303 863	196 169 144
TOTAL	867 219 026	852 490 043

14. Trade receivables (net)

EGP	March 31, 2025	December 31, 2024
Trade receivables	345 395 507	164 083 787
Less: Expected credit loss	(4 035 629)	(4 035 629)
TOTAL	341 359 878	160 048 158

15. Debtors and other debit balances (net)

EGP	March 31, 2025	December 31, 2024
Advance to suppliers	326 308 370	337 937 203
Withholding tax	70 175 494	62 598 958
Prepaid expenses	28 882 594	28 900 619
Value added tax	5 174 906	3 603 571
Real estate tax	1 572 127	1 572 127
Deposit with others	3 553 453	3 582 653
Employees' dividends paid in advance	18 065 060	15 045 727
Letters of guarantee – cash margin	121 008 176	160 105 255
Unbilled receivables	33 390 212	12 445 359
Cash Imprest funds	13 075 826	9 353 543
Other debit balances	37 227	31 051
Less: Impairment losses on other debit balances	(2 196 090)	(2 196 090)
TOTAL	619 047 355	632 979 976

16. Cash and bank balances

EGP	March 31, 2025	December 31, 2024
Cash in hand	14 264 540	11 916 374
Current account – local currency	458 435 513	845 120 286
Current account – foreign currency	691 794 224	824 749 941
Bank deposits	5 276 272	5 276 272
Total	1 169 770 549	1 687 062 873

17. Capital

EGP	March 31, 2025	December 31, 2024
Par value per share in EGP	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued capital	757 479 400	757 479 400

18. Legal reserve

In accordance with the Companies Law No.159 of 1981 and the Company's Articles of Incorporation, 10% of annual net profit is transferred to legal reserve. The entity shall cease such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders. The applied percentage of legal reserve is as follow:

Description	%
Arabian Cement Company	10%
Andalus Concrete Company	10%
ACC for Management and Trading Company	5%

19. Non-controlling interests

EGP	March 31, 2025	December 31, 2024
Balance at beginning of period / year	53 721	48 010
Profit attributable to non-controlling interest	32 415	5 711
Balance at end of period / year	86 136	53 721

20. Borrowings and credit facilities

EGP	Current		Non-current	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
First: Credit facilities				
Credit facilities – CIB	99 999 046	615 044 229	--	--
Credit facilities – NBE	174	--	--	--
Total Facilities	99 999 220	615 044 229	--	--
Second: Borrowings				
Bank loans – NBE	30 044 500	25 481 075	120 178 003	120 392 380
Total bank Loans	30 044 500	25 481 075	120 178 003	120 392 380

21. Trade and notes payable

EGP	Current		Non-current	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Local trade payables	364 651 544	368 420 410	--	--
Foreign trade payables**	474 179 252	469 102 287	277 184 867	301 142 055
Notes payable*	788 995	1 788 996	--	--
Total	839 619 791	839 311 693	277 184 867	301 142 055

* The value of the notes payable represents the value of the checks issued in favour of City Gas, which resulted from the settlement of the previous dispute with the company regarding the differences in gas consumption, and a settlement agreement in 2020 was reached whereby the company was charged by an amount of EGP 19 847 553, which was paid by notes payables until 2025 and is recognized at net present value. The undiscounted value of the notes payables obligation at the end of the period amounted to EGP 1 145 067.

** The foreign trade payables as of December 31, 2024, include the present value for installing four units producing green Hydrogen from water via electrolysis process. The undiscounted value for the project amounted to Euro 8 031 000 (equivalent to EGP 421 980 061), and the total present value for the project amounted to Euro 7 219 856 as of 31 March 2025 (equivalent to EGP 405 754 454). The non-current portion of the present value amounted to EGP 277 184 867.

22. Provision for claims

EGP	
Balance at January 1, 2025	77 899 139
Additional provisions recognized	3 200 000
Provisions used during the period	(11 412 500)
Balance at March 31, 2025	69 686 639

Management annually reviews and adjusts these provisions based on the latest developments, discussions and agreements with the involved parties.

23. Creditors and other credit balances

EGP	March 31, 2025	December 31, 2024
Advances from customers	94 605 858	75 134 462
Accrued development fees	9 713 677	9 173 338
Accrued customers rebates	111 939 258	115 642 455
Accrued expenses	66 285 280	48 828 254
Retention	32 943 565	30 472 002
Accrued interest	1 266 822	12 334 452
Accrued taxes	22 235 499	41 798 685
Accrued revenue – Grant	9 071 813	9 466 637
Other	2 179 606	2 237 059
TOTAL	350 241 378	345 087 344

24. Related party transactions

During the period, group entities entered into the following transactions with related parties:

EGP	Nature of relationship	Nature of transaction	Amount of transaction	
			March 31, 2025	March 31, 2024
Cementos La Union – Spain Company	Ultimate Parent Company	Services	2 045 072	--

The following balances were outstanding at the end of the reporting period:

EGP	Due from related parties	
	March 31, 2025	December 31, 2024
Cementos la Union – Spain Company	--	156 657
Total	--	156 657

25. Lease contract

25.1 Right of Use (net)

EGP	Land & Buildings	Machinery and Equipment	Total
<u>Cost</u>			
Cost as of January 1, 2025	28 504 633	16 900 557	45 405 190
Cost as of March 31, 2025	28 504 633	16 900 557	45 405 190
<u>Less: Accumulated amortization</u>			
Accumulated amortization as of January 1, 2025	(24 068 301)	(16 900 557)	(40 968 858)
Amortization during the period	(812 326)	--	(812 326)
Total accumulated amortization as of March 31, 2025	(24 880 627)	(16 900 557)	(41 781 184)
Net book value March 31, 2025	3 624 006	--	3 624 006
Net book value December 31, 2024	4 436 332	--	4 436 332

25.2 Lease liabilities

Lease liabilities recognized in the condensed consolidated statement of financial position

EGP	Current		Non-current	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Lease liabilities	3 217 396	3 625 821	1 743 551	1 642 532
TOTAL	3 217 396	3 625 821	1 743 551	1 642 532

* The lease interest cost during period amounted to EGP 309 843 (refer to note 6)

Amount EGP	March 31, 2025	December 31, 2024
Beginning balance	5 268 353	11 220 907
Additions	--	2 719 197
Termination	--	(5 625 996)
Interest expenses	309 843	1 237 302
Repayment of finance leasing	(617 249)	(4 283 057)
Ending Balances	4 960 947	5 268 353

26. Significant events during the period

- On February 19, 2025, the Company has signed a loan agreement of EUR 25 million with the European Bank for Reconstruction and Development (EBRD) with interest rate calculated at the three-months Euribor plus margin of 4.35% to support its decarbonization efforts and enhance energy efficiency. The total loan amount of EUR 25 million consists of two tranches:
 - Tranche (1) not to exceed an amount of EUR 15,900,000 for the purpose of expanding the Alternative Fuel capacity for kiln 2 in addition to acquiring and installing Hydrogen injection system for kiln 1.
 - Tranche (2) not to exceed an amount of EUR 9,100,000 for the purpose of acquiring and installing Hydrogen injection system for kiln 2.The Company shall repay the loan in 15 equal quarterly instalments commencing on the first interest payment date occurring 18 months after the date of the loan agreement.

The loan amount has not been disbursed by EBRD yet as Company is still fulfilling some conditions and documentation required by EBRD.

27. Significant events subsequent to the date of the condensed consolidated interim financial statements

- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on April 17, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 225 basis points to reach 25%, 26% and 25.5%, respectively. The discount rate was also reduced by 225 basis points to 25.5%.
- The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting on May 22, 2025, to decrease the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points to reach 24%, 25% and 24.5%, respectively. The discount rate was also reduced by 100 basis points to 24.5%.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Arturo Gallart Mauri
Chief Financial Officer