

**ARAB DAIRY PRODUCTS CO. ARAB DAIRY - PANDA (ADPC) (S.A.E.)
SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2026
TOGETHER WITH LIMITED REVIEW REPORT**

ARAB DAIRY PRODUCTS CO. ARAB DAIRY - PANDA (ADPC) (S.A.E.)
SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 March 2026
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Translation Of Review report
Originally Issued in Arabic**Limited Review Report on Separate Interim Financial Statements****To The Board of Directors of Arab Dairy Products Co. Arab Dairy - Panda (ADPC)****Introduction**

We have performed a limited review for the accompanying Separate Interim statement of financial position of **Arab Dairy Products Co. Arab Dairy - Panda (ADPC)** as of 31 March 2026, as well as the Separate Interim statements of profit or loss, comprehensive income, changes in equity, and cash flows for the Three months ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying Separate Interim financial statements do not present fairly, in all material respects, the Separate financial position of the Company as of 31 March 2026, and of its Separate Interim financial performance and its Separate Interim cash flows for the Three months ended in accordance with Egyptian Accounting Standards.

Cairo: 22 June 2026



UHY United
Mohamed Abu Elkassim
RESEARCH & Financial Services
Auditing Tax & Financial Services
(R.A.A 17553)
(EFSAR. 359)
UHY- United

SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 31 March 2026

	Notes	31 March 2026 EGP	31 December 2025 EGP
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	(3)	916,520,373	928,153,541
Projects under construction	(4)	22,459,285	21,199,584
Intangible assets	(5)	487,442	543,683
Right-of-use assets	(16-1)	26,831,596	29,081,884
Investment in subsidiaries and associates	(6)	3,250,003	3,250,003
TOTAL NON-CURRENT ASSETS		969,548,699	982,228,695
CURRENT ASSETS			
Non-current asset held for sale	(26)	33,457,300	33,457,300
Inventories	(7)	655,728,442	611,318,381
Trade, notes receivable and other debit balances	(8)	941,986,577	943,369,179
Cash on hand and at banks	(9)	70,345,906	23,763,221
TOTAL CURRENT ASSETS		1,701,518,225	1,611,908,081
TOTAL ASSETS		2,671,066,924	2,594,136,776
EQUITY AND LIABILITIES			
EQUITY			
Capital	(10)	500,000,000	500,000,000
Treasury shares	(10)	(20,553,648)	(20,553,648)
Legal reserve		16,517,832	16,517,832
Revaluation surplus of fixed assets		444,582,617	447,675,795
(Accumulated losses) / Retained Earnings		(175,402,621)	22,524,008
Loss for the period / year		(125,917,901)	(201,019,807)
TOTAL EQUITY		639,226,279	765,144,180
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	(11)	74,941,953	112,886,540
Non-current portion of lease liabilities	(16-2)	49,727,768	70,851,004
TOTAL NON-CURRENT LIABILITIES		124,669,721	183,737,544
CURRENT LIABILITIES			
Provisions	(12)	178,860	178,860
Credit facilities	(13)	1,207,790,690	1,112,529,744
Short-term loans	(14)	16,885,858	44,885,858
Trade, notes payable and other credit balances	(15)	537,408,682	391,539,147
Current portion of lease liabilities	(16-2)	144,906,834	96,121,443
TOTAL CURRENT LIABILITIES		1,907,170,924	1,645,255,052
TOTAL LIABILITIES		2,031,840,645	1,828,992,596
TOTAL LIABILITIES AND EQUITY		2,671,066,924	2,594,136,776

Chief Financial Officer

Chief Executive Officer

Chairman of Board of
Directors

Mostafa Elhamy

Khaled Elsadek

Ahmed Abdelhalim Alarousy

- The accompanying notes from (1) to (31) are an integral part of these separate interim financial statements.
- limited review report "attached".

SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED 31 MARCH 2026

	Notes	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Operations revenue	(17)	564,035,734	769,824,853
Operations cost	(18)	(529,286,486)	(649,917,270)
GROSS PROFIT		34,749,248	119,907,583
Selling and distribution expenses	(19)	(78,692,326)	(52,926,519)
Marketing expenses	(20)	(20,933,702)	(11,225,578)
General and administrative expenses	(21)	(26,862,764)	(22,891,256)
Expected credit loss in the trade and notes receivable balance	(8)	(250,648)	(670,495)
Other operating income		828,181	303,933
Board members allowances		(10,000)	(59,000)
OPERATING (LOSS) INCOME		(91,172,011)	32,438,668
Finance expense		(87,588,666)	(75,159,200)
Finance income		89,286	154,638
Gain from sale of fixed assets	(3)	1,883,966	88,291
Foreign exchange differences		12,924,937	(2,618,941)
LOSS BEFORE INCOME TAXES		(163,862,488)	(45,096,544)
Income taxes	(11)	37,944,587	8,503,011
LOSS FOR THE PERIOD		(125,917,901)	(36,593,533)
LOSSES PER SHARE	(22)	(0.256)	(0.074)

Chief Financial Officer

Mostafa Elhamy



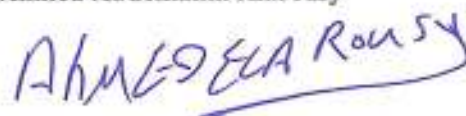
Chief Executive Officer

Khaled Elsadek



Chairman of Board of Directors

Ahmed Abdelhalim Alarousy



SEPARATE INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2026

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Loss for the period	(125,917,901)	(36,593,533)
Items related to comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(125,917,901)	(36,593,533)

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2026

	Capital	Treasury shares	legal reserve	Revaluation surplus of fixed assets	(Accumulated losses) Retained earnings	Loss for the period	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
1 January 2026	500,000,000	(20,553,648)	16,517,832	447,675,795	22,524,008	(201,019,807)	765,144,180
Transferred to accumulated losses	-	-	-	-	(201,019,807)	201,019,807	-
Amortization Revaluation surplus of fixed assets	-	-	-	(3,093,178)	3,093,178	-	-
Loss for the period	-	-	-	-	-	(125,917,901)	(125,917,901)
Balance as of 31 March 2026	500,000,000	(20,553,648)	16,517,832	444,582,617	(175,402,621)	(125,917,901)	639,226,279
1 January 2025 (before adjustments)	500,000,000	(20,553,648)	12,413,258	-	(67,027,377)	82,091,488	506,923,721
Adjustments*	-	-	-	463,240,266	-	-	463,240,266
1 January 2025 (After adjustments)	500,000,000	(20,553,648)	12,413,258	463,240,266	(67,027,377)	82,091,488	970,163,987
Transferred to legal reserve and (accumulated losses)	-	-	4,104,574	-	77,986,914	(82,091,488)	-
Amortization Revaluation surplus of fixed assets	-	-	-	(2,979,845)	2,979,845	-	-
Loss for the period	-	-	-	-	-	(36,593,533)	(36,593,533)
Balance as of 31 March 2025	500,000,000	(20,553,648)	16,517,832	460,260,421	13,939,382	(36,593,533)	933,570,454

SEPARATE INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2026

		For the three months ended 31 March 2026	For the three months ended 31 March 2025
	Notes	EGP	EGP
Cash flows from operating activities			
Loss before income taxes		(163,862,488)	(45,096,544)
Depreciation of fixed assets	(3)	12,788,366	10,674,229
Amortization of right-of-use assets	(16-1)	2,250,288	1,763,062
Amortization of intangible assets	(5)	56,241	15,622
Gain from sale of fixed assets	(3)	(1,883,966)	(88,291)
Expected credit loss in the trade and notes receivable balance	(8)	250,648	670,495
Finance income		(89,286)	(154,638)
Finance expense		87,588,666	75,159,200
Operating (loss) profit before changes in working capital		(62,901,531)	42,943,135
Changes in inventories		(44,410,061)	37,320,489
Changes in Trade, notes receivable and other debit balances		1,131,954	(161,571,479)
Changes in Trade, notes payable and other credit balances		137,090,705	4,120,071
Net cash flows provided from (used in) operating activities		30,911,067	(77,187,784)
Cash flows from investing activities			
Payments to acquire fixed assets	(3)	(1,196,145)	(5,974,432)
Proceeds from sale of fixed assets	(3)	1,924,913	123,189
Payments in projects under construction	(4)	(1,259,701)	(1,942,351)
Finance income received		89,286	154,638
Net cash flow (used in) investing activities		(441,647)	(7,638,956)
Cash flows from financing activities			
Proceeds from credit facilities		95,260,946	189,297,338
Proceeds from (Payments in) lease liabilities		27,662,155	(16,661,919)
Payments in short term loans		(28,000,000)	(639,547)
Finance expense paid		(78,809,836)	(86,000,975)
Net cash flows provided from financing activities		16,113,265	85,994,897
Net change in cash and cash equivalent during the period		46,582,685	1,168,157
Cash and cash equivalent – beginning of the period	(9)	23,763,221	44,651,439
Cash and cash equivalent – end of the period	(9)	70,345,906	45,819,596

1- Background

Arab Dairy Products Co. Arab Dairy - Panda (ADPC) (S.A.E) was established on 9 June 1985 in accordance with the provisions of Investment Law No. 43 of 1974 and its executive regulations, provided that the company's term is twenty-five years starting from the date of its acquisition of legal personality. The company's term has been extended for five years, twenty years starting from the end of the previous period on 8 September 2010.

The company was registered in the commercial registry under No. 151100 on 15 July 2020.

The company's registered address is Sindbis - Al-Qanater Al-Khairiyah Centre – Qalyubia.

The company's purpose is to produce all dairy products and all types of cheese.

The company's shares are listed on the Egyptian Stock Exchange.

The parent holding company is Gadwa Industrial Development Company (S.A.E).

The separate interim financial statements for the Three months ended 31 March 2026 were approved by the Board of Directors resolution on 22 June 2026.

2- Significant Accounting Policies

2-1 Basis of preparation the financial statements

The financial statements are prepared and presented in Egyptian Pounds (EGP), which is the company's functional currency.

The financial statements have been prepared under the going concern assumption on a historical cost basis.

2-2 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

The accounting policies applied this period are those applied in the previous periods.

2-3 Financial Instruments

A. Initial Recognition

The institution is to recognize in the balance sheet the financial asset, or liability only when the institution is a contractual part in a financial instrument.

At initial recognition the financial asset, or liability is measured at fair value if they are classified as financial assets, or liabilities at fair value through profits or losses.

At initial recognition, the financial assets classified as financial assets at fair value through other comprehensive income, and financial assets at amortized cost are recognized at fair value plus the transaction cost.

At initial recognition, the financial liabilities classified as amortized cost are recognized at fair value minus the transaction cost.

2- Significant Accounting Policies (Cont'd)

2-3 Financial Instruments (Cont'd)

B. Classification and measurement of financial assets and liabilities

The Egyptian standard number (47) – Financial Instruments include nine main categories based on the subsequent measurement for the financial assets, as follows:

- Financial assets by amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets through profits or losses.

In general, the classification of the financial assets as per the Egyptian standard number (47) – Financial Instruments is based on the business model managing the financial asset and related contractual cash flows.

Financial assets are classified based on amortized cost, or fair value through other comprehensive income, or fair value through profits or losses.

The financial asset is classified based on the business model managing the financial asset and related contractual cash flows.

Financial assets are measured by amortized cost, if two conditions were met, and if was not measure by fair value through profits or losses.

- The asset is included in a business model planning to keep the asset for its contractual future cash flows.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.

The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measured by fair value through profits or losses.

- The asset is included in a business model, its goal is to collect contractual cash flows and sale of the financial asset.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.

The financial asset must be measured at fair value through profits or losses, if not measured by the amortized cost, or at fair value through comprehensive income.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, if this would materially result in reducing the volatility of measurement and recognition.

The institution must classify all its assets to be subsequently measure at amortized cost, except for the following:

- Financial liabilities at fair value through profits or losses, where those kinds of liabilities and related derivatives representing these liabilities, subsequently, at fair value.
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.
- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the larger one of the two following amounts:
 - A- Impairment loss in accordance with Egyptian accounting standard.
 - B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the larger one of the two following amounts:
 - A- Impairment loss in accordance with Egyptian accounting standard.
 - B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).

2- Significant Accounting Policies (Cont'd)

2-3 Financial Instruments: (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

- Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, when applicable by the Egyptian Accounting Standards, or when it results in better information, for:

- A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes – as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.
- B- There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for this group on this base to the top management of the institution (also as defined in the Egyptian Accounting Standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president.

Financial assets and liabilities – re-classification: financial instruments are re-classified only when the financial model of the portfolio as a total change.

B. Impairment of financial assets value

The "Expected Credit Loss" model is applied on the financial assets measured at amortized cost, and contractual assets, and debt investments, at fair value through other comprehensive income, but not based on investments in equity.

The company valuates all available information, including future-based information for the expected credit losses related to the included assets at amortized cost.

The "Expected Credit Loss" model is based on if there is an increase in the expected credit losses. And to value if there is a material increase in credit risk, the failure to pay risk, at the financial statements date, is compared with the failure to pay risk at the initial recognition date, according to all the available information, and reasonable supporting future information.

As for only trading debtors' balances, due from related parties, and cash and cash equivalent, the company recognize the expected credit losses according to simple approach as per Egyptian Accounting Standard number (47).

The simple approach for recognizing expected credit losses, don't require the company to track the credit risk changes, but it can recognize impairment losses according to the permanent expected credit losses, at the preparation date of the financial statements.

The impairment in the credit losses value guide may include indicators showing that debtors or group of debtors are facing material financial problems, or failure, or delay in profits or principal payment, or liquidation problem, or any other financial restructuring, and as the observable information are showing a measurable impairment in the expected future cash flows, like, delays variables, or economic conditions related to payment failure. The trading debtors are audited in kind, depending on each situation, to detect if there is any reason for disposal.

The company measures the expected credit losses through considering payment failure risks during the contractual period, and includes, during measurement, the future information.

D- Disposing of the financial asset from the books

The institution is to dispose of the financial assets from the books, only when:

- The contractual rights of the financial asset cash flows are over, or
- The institution transfers the financial asset.

2- Significant Accounting Policies (Cont'd)

2-3 Financial Instruments: (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

The institution must dispose of the financial asset from the books (or part of the financial liability) from the balance sheet, when only it is reconciled – meaning that, the liability is paid to the contractual exact time, or canceled, or expired.

2-4 Foreign currency translation

- The financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.
- Transactions in currencies other than Egyptian pound are initially recorded using the prevailing exchange rates on the transaction date.
- Monetary assets and liabilities denominated in currencies other than Egyptian pound are retranslated using the exchange rates prevailing at the statement of financial position date, all differences are recognized in the statement of profit or loss.
- Nonmonetary items that are measured at historical cost in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date of the initial recognition.
- Nonmonetary items measured at fair value in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date when the fair value is determined.

2-5 Fixed assets

Initial Recognition

The cost of an item of property, plant and equipment shall be recognized as an asset only when:

- a. It is probable that future economic benefits associated with the item will flow to the entity.
- b. The cost of the item can be measured reliably.

Subsequent Measurement

The Company shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

First: Cost Model

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of an item of property, plant and equipment when that cost is incurred and the recognition criteria are met. Likewise, when major comprehensive improvements are performed, their costs are recognized in the carrying amount of the property, plant and equipment as a replacement, provided that the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation of an asset commences when it is in the location and condition necessary for it to operate in the manner intended by management. Depreciation is calculated using the straight-line method (except for production machinery) based on the estimated useful lives of the assets as follows:

Description	Useful Life (Years)
Buildings	50
Machinery	Based on actual operating hours
Equipment	10-20
Leasehold Improvements	5
Furniture	8
Vehicles	5
Tools	5
Computer	4
Decorations	3-9

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

The residual values, useful lives, and depreciation methods of assets are reviewed at the end of each financial year.

2 – Significant Accounting Policies (Cont'd)

2-5 Fixed assets (Cont'd)

First: Cost Model (Cont'd)

Any gain or loss arising on derecognition of an asset is recognized in the statement of profit or loss in the period in which the asset is derecognized.

Effective January 1, 2025, the land and buildings category, currently included within property, plant and equipment, became subject to the revaluation model. This change was implemented in accordance with Prime Minister's Decree No. 883 of 2023, which amended Egyptian Accounting Standard No. 10 to permit the revaluation model for property, plant and equipment, with revaluation differences recognized in other comprehensive income.

Second: Revaluation Model

Property, plant and equipment are carried at fair value as of the revaluation date, less subsequent accumulated depreciation and any subsequent impairment losses, provided that fair value can be measured reliably.

- Revaluations shall be performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the reporting date.
- The revaluation model shall be applied to an entire class of assets and not to individual assets within the class.

When an increase in value results from a revaluation:

- The increase is recognized directly in equity under the revaluation reserve.
- However, if the increase reverses a previous decrease recognized in profit or loss, it shall be recognized in profit or loss to the extent of the previously recognized decrease.

When a decrease in value results from a revaluation:

- The decrease is recognized immediately in profit or loss.
- Unless there is an existing balance in the revaluation reserve relating to the same asset, in which case the decrease is first charged against the reserve, with any excess recognized in profit or loss.

Depreciation Treatment Following Revaluation

The entity may choose one of the following methods upon revaluation:

1. Restate both the gross carrying amount and accumulated depreciation proportionately so that the carrying amount equals the revalued amount.
2. Eliminate accumulated depreciation against the gross carrying amount of the asset and restate the net carrying amount to equal the revalued amount. The Company applies the second method.

Subsequent Expenditure

The cost of major renewals is capitalized as part of property, plant and equipment when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. Such expenditure is depreciated over the remaining useful life of the related asset or the expected useful life of the renewal, whichever is shorter.

All other expenditures are recognized as expenses in the statement of profit or loss as incurred.

The residual values, useful lives, and depreciation methods of assets are reviewed at the end of each financial year.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized in prior periods. Any reversal of an impairment loss is recognized in the statement of profit or loss.

2 – Significant Accounting Policies (Cont'd)

2-6 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing assets until it is ready to be used in the operation, upon which it is transferred to relevant asset category. Projects under construction are valued at cost less decline in value.

2-7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated decline in value.

Internally generated intangible assets are not capitalized, and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for decline in value whenever there is an indication that the intangible asset may be impaired. the amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

2-8 Investments

Investments in subsidiaries

Investments in subsidiaries are investments in entities which the Company has control. Control is presumed to exist when the parent has direct or indirect control through subsidiaries on the investee having the power to control the financial and operating policies of the Company to benefit from its operations, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

Investments in subsidiaries are accounted for in the separate financial statements at cost inclusive transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the separate statement of profit or loss for each investment separately.

Investments in associate

Investments in associate companies are investments in companies in which the Company has significant influence, but it is not a subsidiary company nor is it a share in a joint venture. Significant influence is assumed when the Company owns, directly or indirectly through its subsidiaries, 20% or more of the voting rights of the investee, except where it is clearly demonstrated that such ownership does not constitute significant influence.

Investments in associate companies are accounted for in the separate financial statements using Acquisition cost. According to the equity method, the investment in any associate company is initially recorded at cost, then the investment balance is increased or decreased to record the company's share of the investee company's profits or losses after acquisition, and the company's share in the investee company's profits or losses is recognized within the company's profits or losses the investment balance is reduced by the value of the dividends obtained from the investee company.

2- Significant Accounting Policies (Cont'd)

2-9 Inventory

The inventories elements are valued as follows:

- **Raw materials and packing:** at the lower of cost (using the moving average method) or net realizable value.
- **Work in process:** at the lower of the cost of production of the latest completed phase (based on the costing sheets) or net realizable value.
- **Finished goods:** at the lower of the cost of production (based on the costing sheets) or net realizable value. Cost includes direct material, direct labour, and allocated share of manufacturing overhead and excluding borrowing cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any decline in value of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the statement of profit or loss in the period the decline in value occurs, the amount of any reversal of any decline in value of inventories, arising from an increase in net realizable value, shall be recognized as reduction of cost of sales in the statement of profit or loss in the period in which the reversal occurs.

2-10 Trade and notes receivable

Trade and notes receivable are stated at original invoice amount net of any impairment losses.

Impairment losses are measured as the difference between the accounts and other receivables carrying amount and the present value of estimated future cash flows. The impairment loss is recognized in the statement of profit or loss. Reversal of impairment is recognized in the statement of profit or loss in the year in which it occurs.

2-11 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. In the case of discount, the increase in the provision due to the passage of time is recognized in the income statement (profit or loss) as part of finance costs.

2-12 Legal reserve

According to the company's articles of association, 5% of the profits are transferred to the legal reserve until this reserve reaches 50% of the capital. The reserve is used upon a decision from the general assembly meeting according to board of directors' suggestion.

2-13 Borrowings

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the balance sheet date, then the loan balance should be classified as long-term liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate, the effective interest rate amortization is included in the statement of income.

2- Significant Accounting Policies (Cont'd)

2-14 Taxes

Income taxes

Income tax is calculated in accordance with the Egyptian Tax Law.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Tax Authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of profit or loss for the period, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different year, directly in equity.

2-15 Revenue recognition

Revenue from contracts with customers

An Egyptian standard no.48 revenue from contract with customers set out five step model to be applied as follow:

Step one: Identify the contract (contracts) with the customer. A contract is an agreement between two parties or more creates enforceable rights or obligations A company applies the revenue guidance to contracts with customers.

Step two: Identify the separate performance obligations in the contract. A performance obligation is a promise in a contract to provide a product or service to a customer.

Step three: Determine the transaction price. The transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services, except the amount that collect on behalf of third parties.

Step Four: Allocate the transaction price to the separate performance obligations. if more than one performance obligation exists in a contract, allocate the transaction price based on relative standalone selling prices.

Step five: Recognize revenue: when the company satisfies its performance obligation.

Companies satisfy performance obligations and recognize revenue over a period of time if one of the following criteria is met.

- A. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- B. The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- C. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If an entity does not satisfy its performance obligation over time according to previous conditions, the entity will recognize revenue at point in time when performance obligation is satisfied.

If an entity does not satisfy its performance obligation over time according to previous conditions, the entity will recognize revenue at point in time when performance obligation is satisfied.

If an entity satisfies its performance obligation through rendering services that has been promised, this leads to initiate an asset based on the consideration of the contract related to the performance obligation. If the value that the customer has received is more than the recognised revenue, there might be a performance obligation created on the contract.

2- Significant Accounting Policies (Cont'd)

2-15 Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

Revenue is measured at the fair value of the consideration due or received, excluding discounts and rebates. Also excluding taxes and other fees. The company revises the revenue according to specific measures to grasp whether it acts as a principal agent or an agent.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

2-16 Expenses

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss in the fiscal year in which these expenses were incurred.

2-17 Cost of borrowings

Costs of borrowings directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. all other borrowing costs are expensed in the period they occur.

Cost of borrowings consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization cost of borrowing expenses should be stopped during the periods which the contract process for the assets is postponed.

2-18 Related party transactions

Related parties represent associated companies, major quota holders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the board of directors. Pricing policies and terms of these transactions with related parties are similar to those with others.

2-19 Significant accounting estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses during the fiscal years, while the actual results may vary from those estimates.

2-20 Impairment

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. a financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired, where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. impairment losses are recognized in the statement of profit or loss

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years, such reversal is recognized in the statement of profit or loss.

2-21 Statement of cash flows

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

2- Significant Accounting Policies (Cont'd)

2-22 Cash and cash equivalent

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months after deducted banks credit balances.

2-23 Non-current assets held for sale

Non-current assets are classified as assets for the purpose of selling, if it is expected that their book value will be recovered mainly from a sale transaction and not from continuing to use it, and this includes assets acquired in exchange for debt settlement and fixed assets that the establishment ceases to use for the purpose of selling it, and subsidiaries and sister companies acquired by the establishment for the purpose of selling it.

The asset (or the group being disposed of) shall be available for immediate sale in the condition it is in without any conditions other than the traditional and usual sale conditions for those assets. A non-current asset (or a group being disposed of) that is classified as assets non-current held for sale is measured on the basis of the book value at the date of classification or the fair value fewer selling costs, whichever is less.

If the sale is expected to take more than one year, the entity shall measure the selling costs at their present value, and for any increase in the present value of the selling costs arising from the passage of time, it shall be recorded in profit or loss as a financing cost.

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3- Fixed Assets

	Land	Buildings	Machinery	Equipment	Leaschold Improvements	Furniture	Vehicles	Tools	Computers	Decorations	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2026	107,959,200	555,000,000	214,900,170	168,110,346	76,850,770	11,589,542	18,060,300	12,753,588	12,448,924	4,324,374	1,181,997,214
Additions for the period	-	-	-	962,407	-	7,049	-	-	226,689	-	1,196,145
Disposals for the period	-	-	(354,777)	(2,427,840)	(711,116)	-	(122,739)	(23,193)	(4,617)	-	(3,644,282)
31 March 2026	107,959,200	555,000,000	214,545,393	166,644,913	76,139,654	11,596,591	17,937,561	12,730,395	12,670,996	4,324,374	1,179,549,077
Accumulated depreciation											
1 January 2026	-	(17,356,481)	(46,299,213)	(101,453,205)	(47,304,299)	(6,634,774)	(12,362,557)	(8,982,416)	(9,126,356)	(4,324,372)	(253,843,673)
Depreciation for the period	-	(4,339,121)	(708,709)	(3,850,022)	(2,033,751)	(195,385)	(1,006,084)	(326,825)	(328,469)	-	(12,788,366)
Depreciation of disposals	-	-	354,772	2,427,816	711,113	-	81,825	23,192	4,617	-	3,603,335
31 March 2026	-	(21,695,602)	(46,653,150)	(102,875,411)	(48,626,937)	(6,830,159)	(13,286,816)	(9,286,049)	(9,450,208)	(4,324,372)	(263,028,704)
Net book value											
31 March 2026	107,959,200	533,304,398	167,892,243	63,769,502	27,512,717	4,766,432	4,650,745	3,444,346	3,220,788	2	916,520,373
Fully Depreciated assets and still in use	-	-	4,776,694	68,929,261	35,600,239	5,347,537	9,757,614	6,244,010	7,294,959	4,324,373	142,274,687

- In accordance with Prime Minister Decree No. 883 of 2023, which amends Egyptian Accounting Standard No. 10, the company began applying the revaluation model to some of its fixed assets (land and buildings) starting 1 January 2025. The value of these assets reached EGP 597,729,375, as per the report from the accredited real estate appraiser approved by the Financial Regulatory Authority for this purpose.

- The company arranged finance lease contract secured by certain assets with the carrying amount 118,231,888 of EGP (Note 16).

- Depreciation expenses have been allocated to profit or loss Separate Interim statement as follows - Gain from sale of fixed assets during the period is presented as follows:

	For the three months ended 31 March 2026	For the three months ended 31 March 2025		For the three months ended 31 March 2026
	EGP	EGP		EGP
Cost of sales (Note 18)	11,238,029	9,499,333	Proceeds from sale of fixed assets	1,924,913
Selling and distribution expenses (Note 19)	1,372,377	983,686	Cost of disposed asset	(3,644,282)
Marketing expense (Note 20)	14,925	9,790	Accumulated depreciation of disposed asset	3,603,335
General and administrative expenses (Note 21)	163,035	181,420	Net book value of disposed asset	(40,947)
	12,788,366	10,674,229	Gain on sale of fixed assets	1,883,966

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3- Fixed Assets (Cont'd)

	Land	Buildings	Machinery	Equipment	Leaschold Improvements	Furniture	Vehicles	Tools	Computers	Decorations	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2025 (Before adjustment)	11,853,629	69,495,372	214,900,170	144,497,995	52,828,345	9,931,983	13,380,082	12,409,422	10,877,191	4,324,374	544,498,563
Revaluation surplus of fixed assets	96,105,571	501,623,804	-	-	-	-	-	-	-	-	597,729,375
Adjustment to accumulated depreciation	-	(16,119,176)	-	-	-	-	-	-	-	-	(16,119,176)
1 January 2025 (After adjustment)	107,959,200	555,000,000	214,900,170	144,497,995	52,828,345	9,931,983	13,380,082	12,409,422	10,877,191	4,324,374	1,126,108,762
Additions for the year	-	-	-	12,632,390	-	1,695,096	164,074	344,166	1,719,472	-	16,555,198
Transferred from Projects under constructions (Note 4)	-	-	-	11,104,481	24,022,425	-	4,595,945	-	-	-	39,722,851
Disposals for the year	-	-	-	(124,520)	-	(37,537)	(79,801)	-	(147,739)	-	(389,597)
31 December 2025	107,959,200	555,000,000	214,900,170	168,110,346	76,850,770	11,589,542	18,060,300	12,753,588	12,448,924	4,324,374	1,181,997,214
Accumulated depreciation											
1 January 2025 (Before adjustment)	-	(16,119,176)	(43,378,868)	(87,920,845)	(43,481,056)	(5,935,093)	(9,839,771)	(7,632,164)	(7,931,023)	(4,276,387)	(226,514,383)
Adjustment to accumulated depreciation	-	16,119,176	-	-	-	-	-	-	-	-	16,119,176
1 January 2025 (After adjustment)	-	-	(43,378,868)	(87,920,845)	(43,481,056)	(5,935,093)	(9,839,771)	(7,632,164)	(7,931,023)	(4,276,387)	(210,395,207)
Depreciation for the year	-	(17,356,481)	(2,920,345)	(13,656,879)	(3,823,243)	(737,217)	(2,602,585)	(1,350,252)	(1,276,961)	(47,985)	(43,771,948)
Depreciation of disposals	-	-	-	124,519	-	37,536	79,799	-	81,628	-	323,482
31 December 2025	-	(17,356,481)	(46,299,213)	(101,453,205)	(47,304,299)	(6,634,774)	(12,362,557)	(8,982,416)	(9,126,356)	(4,324,372)	(253,843,673)
Net book value											
31 December 2025	107,959,200	537,643,519	168,600,957	66,657,141	29,546,471	4,954,768	5,697,743	3,771,172	3,322,568	2	928,153,541
Fully Depreciated assets and still in use	-	-	5,093,521	69,786,213	35,972,162	5,323,649	9,387,488	6,196,523	7,299,576	4,324,373	143,383,505

4- Projects under construction

	Balance as of 1 January 2026 EGP	Additions during the period EGP	Balance as of 31 March 2026 EGP
Leasehold	5,453,738	547,224	6,000,962
Intangible assets	2,300,235	-	2,300,235
Buildings	13,445,611	-	13,445,611
Vehicles	-	712,477	712,477
	<u>21,199,584</u>	<u>1,259,701</u>	<u>22,459,285</u>

	Balance as of 1 January 2025 EGP	Additions during the year EGP	Reclassified during the year EGP	Transferred to fixed assets (Note 3) EGP	Balance as of 31 December 2025 EGP
Tools	1,235,468	3,180,922	6,688,091	(11,104,481)	-
Leasehold	33,355,980	2,808,274	(6,688,091)	(24,022,425)	5,453,738
Intangible assets	525,557	1,774,678	-	-	2,300,235
Buildings	13,445,611	-	-	-	13,445,611
Vehicles	22,237	4,573,708	-	(4,595,945)	-
	<u>48,584,853</u>	<u>12,337,582</u>	<u>-</u>	<u>(39,722,851)</u>	<u>21,199,584</u>

5- Intangible assets (software)

	31 March 2026 EGP	31 December 2025 EGP
Cost		
Beginning balance	3,864,174	3,189,285
Additions during the period / year	-	674,889
Ending balance	<u>3,864,174</u>	<u>3,864,174</u>
Accumulated amortization		
Beginning balance	(3,320,491)	(3,140,208)
Amortization for the period / year	(56,241)	(180,283)
Ending balance	<u>(3,376,732)</u>	<u>(3,320,491)</u>
Net book value at the end of the period / year	<u>487,442</u>	<u>543,683</u>

- The intangible assets consist of the total expenditure on computer software purchased for business management purposes in the company.
- Amortization expenses of intangible assets have been allocated to the profit or loss separate Interim statement as follows:

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Selling and distribution expenses (Note 19)	-	8,906
General and administrative expenses (Note 21)	56,241	6,716
	<u>56,241</u>	<u>15,622</u>

6- Investment in subsidiaries and associates

	Share	31 March 2026 EGP	31 December 2025 EGP
Investments in subsidiaries			
Arab Developed Company for Trade and Imports (ACTY)*	80%	2,250,000	2,250,000
		<u>2,250,000</u>	<u>2,250,000</u>
Investments in Associates			
Panda for Trading and Distribution Company**	50,00015%	1,000,003	1,000,003
		<u>1,000,003</u>	<u>1,000,003</u>
		<u>3,250,003</u>	<u>3,250,003</u>

* During year 2008, the company established the Arab Trading Development Company (S.A.E) and set the issued capital at EGP 3,000,000 with a 70% ownership stake amounting to 210000 shares, The company paid its share value of EGP 2,100,000, During the year 2015, the company increased its stake to 80%, owning 240,000 shares, with a share value of EGP 2,250,000.

** During year 2020, the company established Panda Trading and Distribution Company (S.A.E) with an issued capital of EGP 8,000,000, holding a 50,00015% ownership stake equivalent to 400,001 shares, The amounts paid reached EGP 2,000,000, representing 25% of the issued capital, The company also paid EGP 1,000,003, representing its share.

During year 2025, the investment in Panda Trading and Distribution Company (previously classified as a subsidiary) was reclassified to "Investments in Associates" due to the loss of control over the financial and operational policies of the investee, while the Company retained significant influence arising from its representation on the Board of Directors.

7- Inventory

	31 March 2026 EGP	31 December 2025 EGP
Raw materials	134,139,155	130,679,184
Packing and warping material	241,463,967	182,361,678
Equipment and spare parts	60,769,881	61,231,971
Work in process	8,666,123	8,534,987
Finished goods	186,423,047	170,674,802
Fuel and oils	676,334	521,104
Stationery and publications	999,947	1,008,247
	<u>633,138,454</u>	<u>555,011,973</u>
Decline in inventories value	<u>(235,860)</u>	<u>(235,860)</u>
	<u>632,902,594</u>	<u>554,776,113</u>
Goods in transit	22,825,848	56,542,268
	<u>655,728,442</u>	<u>611,318,381</u>

8- Trade and notes receivable and other debit balances

	31 March 2026	31 December 2025
	EGP	EGP
Trade receivable	378,993,978	451,011,430
Notes receivables	18,524,770	16,595,688
Prepaid expenses	33,067,547	7,427,311
Export support due from the export support fund	214,827,170	210,196,076
Tax Authority - value added taxes refunded	147,269,324	139,906,723
Tax Authority - withholding tax	80,699,158	77,151,728
Advance payments - suppliers	89,545,378	51,003,800
Deposits with others	7,731,507	7,731,507
Employees' custodies and petty cash	5,281,729	1,566,029
Letters of guarantee cover (note 23)	10,000	10,000
Dues from sales representatives	7,065,303	7,082,428
Other debit balances	1,676,556	16,155,651
	984,692,420	985,838,371
Expected credit loss in trade receivable and other debit balances	(42,705,843)	(42,469,192)
	941,986,577	943,369,179

- Expected credit loss of trade receivable balances and other debit balances as follows:

	31 March 2026	31 December 2025
	EGP	EGP
Expected credit loss of trade receivables	35,511,836	35,180,649
Expected credit loss of other debit balances	7,194,007	7,288,543
	42,705,843	42,469,192

- The change in expected credit loss in trade and notes receivable is as following:

	For the three months ended 31 March 2026	For the three months ended 31 March 2025
	EGP	EGP
Beginning balance	42,469,192	40,451,619
Charged during the period	250,648	670,495
Used during the period	(13,997)	-
Ending balance	42,705,843	41,122,114

9- Cash on hand and at banks

	31 March 2026	31 December 2025
	EGP	EGP
Cash on hand	9,212,845	9,018,970
Current accounts - Local currency	11,132,469	8,810,761
Current accounts - Foreign currency	46,149,754	2,972,579
Checks under collection	3,850,838	2,960,911
	70,345,906	23,763,221

10- 1 Capital

The authorized capital of the company is EGP 500 million, and the issued and paid-up capital is also EGP 500 million, distributed over 500 million shares, with a nominal value of EGP 1 per share.

	Percentage %	Number of shares	Value EGP
Gadwa For Industrial Development Company (S,A,E,)	36.22	181093734	181,093,734
Baraka for Trading and Investment Company	12.19	60938806	60,938,806
Alhishn For Consulting Company (S,A,E)	8.76	43807587	43,807,587
Mr, Mohamed Al-Abbas Al-Sayed Al-Gohary	3.82	19086458	19,086,458
Mr, Mohamed Al-Nasser Al-Sayed Al- Gohary	3.82	19086455	19,086,455
Mr, Mohamed Al-Maamoun Al-Sayyid Al-Gohary	3.82	19086455	19,086,455
Mrs, Martina Fouad Bekhet	3.62	18087609	18,087,609
Semow For Consulting Company (S.A.E)	3.27	16332061	16,332,061
Mr, Al-Sayed Al- Gohary	1.46	7276113	7,276,113
Other shareholders	23.02	115204722	115,204,722
	100	500000000	500,000,000

Treasury Shares

- the company purchased treasury stock. The number of treasury shares purchased amounted to 8130000 shares. with a total value of EGP 20,553,648.

11- Income Taxes

Deferred income tax	31 March 2026 EGP	31 December 2025 EGP
Beginning balance – liability	112,886,540	37,290,792
Adjustments on deferred tax arising from liability	-	134,489,109
Deferred income tax - (Assets)	(37,944,587)	(58,893,361)
Ending balance – liability	74,941,953	112,886,540

Income Tax	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Deferred income tax - (revenue)	(37,944,587)	(8,503,011)
Income tax	(37,944,587)	(8,503,011)

12- Provisions

	31 March 2026 EGP	31 December 2025 EGP
Provision for claims	178,860	178,860
	178,860	178,860

13- Credit facilities

	31 March 2026 EGP	31 December 2025 EGP
Credit facilities - local currency	1,153,606,735	1,017,973,181
Credit facilities - foreign currency	54,183,955	94,556,563
	1,207,790,690	1,112,529,744

Facilities in local currency are granted with an average annual interest rate ranging between 0,5% and 2%, above the corridor rate of the central bank, Facilities in foreign currency are granted with an average annual interest rate ranging between 3% and 5 %, above the SOFR rate.

14- Short-term loans

	31 March 2026 EGP	31 December 2025 EGP
Short-term loan - foreign currency	16,885,858	44,885,858
	<u>16,885,858</u>	<u>44,885,858</u>

It is a short-term loan represented zero interest loan from Gadwa for Industrial Development Company (the parent company) is approximately \$2,9 million as of the grant date.

15- Trade, notes payable and other credit balances

	31 March 2026 EGP	31 December 2025 EGP
Suppliers	305,759,914	215,602,540
Notes payable	79,502,878	96,863,117
Accrued expense	57,629,610	21,491,529
Deposits from others	24,235,400	20,370,904
Tax authority	9,434,295	6,649,106
Social Insurance Authority	5,832,979	1,014,924
Accrued interest	8,778,830	-
Other credit balances	46,234,776	29,547,027
	<u>537,408,682</u>	<u>391,539,147</u>

16- Lease Contracts

16-1 Right-of-use assets

	31 March 2026 EGP	31 December 2025 EGP
Cost		
Beginning balance	45,507,154	38,177,691
Additions for the period / year	-	7,329,463
Ending balance	<u>45,507,154</u>	<u>45,507,154</u>
Accumulated Amortization		
Beginning balance	(16,425,270)	(7,094,622)
Amortization for the period / year	(2,250,288)	(9,330,648)
Ending balance	<u>(18,675,558)</u>	<u>(16,425,270)</u>
Net book value at the end of the period / year	<u>26,831,596</u>	<u>29,081,884</u>

-Amortization expenses of right of use assets have been allocated to the profit or loss separate statement as follows:

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Selling and distribution expenses (Note 19)	1,963,091	1,628,562
General and administrative expenses (Note 21)	287,197	134,500
	<u>2,250,288</u>	<u>1,763,062</u>

16-2 Lease liabilities

	Finance Lease Contracts EGP	Operating Lease Contracts EGP	31 March 2026 EGP
Lease liabilities balance	169,594,863	25,039,739	194,634,602
Current portion	(137,698,366)	(7,208,468)	(144,906,834)
Non-Current portion	<u>31,896,497</u>	<u>17,831,271</u>	<u>49,727,768</u>

16- Lease Contracts (Cont'd)
16-2 Lease liabilities (Cont'd)

	Finance Lease Contracts EGP	Operating Lease Contracts EGP	31 December 2025 EGP
Lease liabilities balance			
Current portion	140,378,733	26,593,714	166,972,447
Non-Current portion	(89,551,416)	(6,570,027)	(96,121,443)
	<u>50,827,317</u>	<u>20,023,687</u>	<u>70,851,004</u>

- A. In December 2019, a sale and leaseback contract were signed, consisting of lands and buildings owned by the company (classified as fixed assets).
 The re-leased asset amounted to EGP 175,448,375 with an advance payment amounting to EGP 26,314,895 with the quarterly rental value being EGP 8,683,429 for a period of seven years, the liability balance as of 31 March 2026, amounted to EGP 39,396,852.
- B. In December 2021, a sale and leaseback contract were signed, consisting of machinery and buildings owned by the company, and dated March 2022 The second phase of the buildings contract was completed, dated June 2022 the third phase of the buildings contract (classified by fixed assets) was completed, dated September 2022 the fourth phase of the buildings contract (classified as fixed assets) was completed.
 The re-leased asset amounted to EGP 161,836,480 with a down payment of EGP 24,454,700 provided that the quarterly rental value is EGP 8,303,556 and for a period of six years.
 Given the company's right to repurchase and the customer not having control over the asset (the lessor), the financial leasing transaction was classified as a financing arrangement in accordance with paragraphs (66B) through (68B), From the appendix to the new Egyptian Accounting Standard No. (48), the liability balance as of 31 March 2026, amounted to EGP 130,198,011.
- C. The company has signed Finance lease contracts to rent (25) freight vehicles(1,5 tons) for a period starting from 25 June 2024 until 25 May 2029, the total lease value of car rental contracts amounted to EGP 44,686,200 and the contract values are paid in equal instalments over the pied of 60 month, The company has the right to purchase these cars at the end of the term of each lease contract separately and after paying the lease value, for EGP 1 for each car, the liability balance as of 31 March 2026, amounted to EGP 17,603,653
- D. The company has signed Finance lease contracts to rent (1) freight vehicles for a period starting from 8 October 2024 until 8 September 2029, the total lease value of car rental contracts amounted to EGP 5,299,620 and the contract values are paid in equal instalments over the pied of 60 month, The company has the right to purchase these cars at the end of the term of each lease contract separately and after paying the lease value, for EGP 1 for each car, the liability balance as of 31 March 2026, amounted to EGP 2,226,303
- E. The company has signed finance lease contracts to rent a food distribution and sales centre, a warehouse, cold storage units, and an administrative headquarters in the industrial area of El-Kattameya – El-Basatin and Dar El-Salam district, the lease period starts from 1 January, 2025, until 31 December 2027, total lease value of the headquarters' contracts amounted to EGP 10,923,000, The majority of the contract values are paid in monthly instalments with an annual increase of 10% for a period of 36 months the liability balance as of 31 March 2026, amounted to EGP 5,209,783.

17- Sales

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Net domestic sales	329,494,759	348,374,459
Net export sales	234,540,975	421,450,394
	<u>564,035,734</u>	<u>769,824,853</u>

NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS
AS OF 31 MARCH 2026**18- Cost of sales**

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Raw materials and packaging materials	458,609,175	575,807,680
Salaries and equivalents	39,426,773	33,723,835
Other Manufacturing expenses	20,012,509	30,886,422
Depreciation of fixed assets (Note 3)	11,238,029	9,499,333
	<u>529,286,486</u>	<u>649,917,270</u>

19- Selling and distribution expenses

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Salaries and salaries equivalents	34,060,820	23,665,776
Promoting expenses	13,036,457	4,425,165
Agents Discount	3,319,426	659,820
Depreciation of fixed assets (Note 3)	1,372,377	983,686
Amortization of intangible assets (Note 5)	-	8,906
Amortization of right-of-use assets (Note 16-1)	1,963,091	1,628,562
Other expenses	24,940,155	21,554,604
	<u>78,692,326</u>	<u>52,926,519</u>

20- Marketing expenses

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Salaries and salaries equivalents	1,664,489	2,030,948
Promoting expenses	10,930,047	5,995,670
Advertising	7,863,375	2,839,781
Depreciation of fixed assets (Note 3)	14,925	9,790
Other expenses	460,866	349,389
	<u>20,933,702</u>	<u>11,225,578</u>

21- General and administrative Expenses

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Salaries and equivalents	18,239,273	15,114,413
Depreciation of fixed assets (Note 3)	163,035	181,420
Amortization of intangible assets (Note 5)	56,241	6,716
Amortization of right of use asset (Note 16-1)	287,197	134,500
Other expenses	8,117,018	7,454,207
	<u>26,862,764</u>	<u>22,891,256</u>

22- Loss per share

Loss per share is based on a projected distribution, by dividing loss for the period by weighted average number of outstanding shares during the Period as follows:

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Loss for the Period	(125,917,901)	(36,593,533)
Weighted average number of shares outstanding	491870000	491870000
Loss per share	<u>(0,256)</u>	<u>(0,074)</u>

23- Contingent liabilities

The balance of letters of guarantee issued at the company's request by banks in Favor of third parties reached 31 March 2026 amounted to EGP 10,000 (31 December 2025 the amounted to EGP 10,000) while the balance of the cash cover for these letters reached 31 March 2026 an amount of EGP 10,000 (31 December 2025 an amount of EGP 10,000) (Note 8).

24- Tax position

A. Tax on the profits of legal persons

- Tax returns are submitted on the legal dates and the company is committed to preparing the annual tax return in accordance with the provisions of Law No. 91 of 2005 and submitting it on the legal dates.
- The company's books and records were examined for the years 2006 through 2019 the final assessment was made, the assessment was approved, and the settlement was completed.
- The company's books and records were not examined for the years from 2020 to date.

B. Payroll tax

- The company's books and records were examined up to 2022, and the taxes owed were paid.
- The company's books and records were not examined for the years from 2023 to date.

C. Stamp tax

- The company's books and records were examined up to 2015, and the taxes owed were paid.
- The company's books and records were not examined for the years from 2016 to date.

D. Value Added Tax

- The company's books and records were examined up to 2023, and the taxes owed were paid.
- The company's books and records were not examined for the years from 2024 to date.

25- Related Parties

Related parties are associate companies, major shareholders, members of the board of directors and members of the top management of the Company or any company that controls or has a significant influence on the Company, Pricing policies and terms related to these transactions are approved by the Company's management.

Transactions with related parties included in the separate interim statement of profit or loss are represented as follows:

Company	Affiliation	For the three months ended 31 March 2026			For the three months ended 31 March 2025		
		Purchases EGP	Sales EGP	Expenses EGP	Purchases EGP	Sales EGP	Expenses EGP
Universal For Papers and Packing Materials Company (Unipack)	Associate	1,438,069	-	-	3,028,462	-	-
Integrated Egyptian Company for Food Industries	Associate	-	-	-	-	27,936,946	-
Panda for Trading and Distribution Company	Associate	-	12,260,998	-	-	21,304,931	-
Delta Insurance Company	Shareholder	-	-	398,662	-	-	695,113
		<u>1,438,069</u>	<u>12,260,998</u>	<u>398,662</u>	<u>3,028,462</u>	<u>49,241,877</u>	<u>695,113</u>

The balances of related parties included in the separate interim statement of financial position represented as follows:

	31 March 2026		31 December 2025	
	Trade, notes receivables and other debtors EGP	Trade, notes payable and others creditors EGP	Trade, notes receivables and other debtors EGP	Trade, notes payable and others creditors EGP
Universal For Papers and Packing Materials Company (Unipack)	-	11,651,341	-	10,213,272
Delta Insurance Company	766,354	-	1,048,866	-
Integrated Egyptian Company for Food Industries	-	-	-	-
Panda for Trading and Distribution Company	-	17,297,865	14,908,334	-
The Arab Trading Development Company	84,337	505,762	-	505,762
	<u>850,691</u>	<u>29,454,968</u>	<u>15,957,200</u>	<u>10,719,034</u>

26- Non-current assets for sale

Non-current assets for the purpose of sale represent the value of the assets (land, real estate, and spare parts) amounted to EGP 48,544,167 recorded at the net sales value, which includes the amount of EGP 46,845,700. The value of the assets received (land and real estate) in return for a debt owed to the company which was evaluated by one of the accredited evaluators and which the company's management wishes to dispose of within a year, and they were settled and included as assets for the purpose of sale in accordance with paragraph No. 6 of Egyptian Accounting Standard No. 32 during the fourth quarter of 2022 the marketing process offered the asset at the appropriate price according to the company's plan to sell it.

During the year 2023, some of these assets were sold at a value of EGP 5,160,000 and some of these were recognised assets within the fixed assets (lands) of the company valued at EGP 8,228,400 (Note 3), so that the balance at the date of the financial statements became EGP 33,457,300, and the rest of the assets are being marketed during the current period.

27- Financial tools and risk management

Introduction

The company is exposed to the following risks due to the usage of financial instruments:

- Market risk.
- Foreign currency risk.
- Interest rate risk.
- Credit risk.
- Liquidity risk.

This note presents the information on the company's exposure to the previously mentioned risks and the company's objectives, policies, and operations in terms of measuring and managing these risks as well as how the company manages its capital.

27- Financial tools and risk management (Cont'd)

The Board of Directors of the parent company is responsible for establishing and supervising a general framework for managing the risks to which the company is exposed, And the company's senior management is responsible for developing and following up on risk management policies and submitting reports to the parent company on its activities on a regular, periodic basis.

The Company's current financial risk management framework is a mixture of formally documented risk management policies in some areas and non-formally documented risk management policies in other areas.

Financial instruments of the company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade and notes receivable, due from related parties, and other receivables), the financial liabilities include (customers – credit balances, credit facilities, lease liabilities, trade payable, contractors, notes payable, loans, and creditors, due to related parties, tax liabilities, shareholders' credit balances, accrued expenses and other credit balances).

Note (2) in the accompanying notes of the consolidated financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

The fair value of financial assets and liabilities are not materially different from their carrying amounts at the financial position date.

A) Market Risk

Market risk represents the risk of fluctuation of the fair value of future cash flows of a financial instrument as a result of changes in market prices, such as foreign exchange rate risk and interest rate risk, which are risks that would affect the company's profits, Financial instruments affected by market risk include loans, interest-bearing facilities and deposits, The objective of market risk management is to manage and control risk within acceptable limits while at the same time achieving attractive returns, The Company does not hold or issue derivative financial instruments.

B) Foreign Currency Risk

The foreign currency risk represents the risk that the value of the inflows and outflows in foreign currencies, as well as, valuation of monetary assets and liabilities in foreign currencies, will fluctuate due to changes in foreign currency exchange rates, The major financial instruments that include foreign currency balances represents cash and cash equivalent, current accounts, due to/from related parties, accrued expenses, other credit balances and loans.

The assets (liabilities) value in foreign currency in the date of the financial position amounted to:

	31 March 2026	31 December 2025
Currency	Net	Net
	EGP	EGP
US Dollar	146,717,144	43,479,665
Euro	(61,210,756)	(9,107,626)

	31 March 2026		31 December 2025	
Currency	Change percentage	Effects on the profit before tax	Change percentage	Effects on the profit before tax
	%	EGP	%	EGP
US Dollar	+10%	14,671,714	+10%	4,347,967
US Dollar	-10%	(14,671,714)	-10%	(4,347,967)
Euro	+10%	(6,121,076)	+10%	(910,763)
Euro	-10%	6,121,076	-10%	910,763

C) Interest rate risk

Interest risk represents the risk that results from changes in interest rates that may have an adverse effect on business results, The company's total liabilities (loans, credit facilities, lease liability, due to subsidiaries and associates) on 31 March 2026 amounted to EGP 1,419,311,150, (as of 31 December 2025, the amount of EGP 1,324,388,049,). The total interest charged on these liabilities during the three months ended on 31 March 2026 amounted to EGP 87.588.666 (as of 31 December 2025, amounted to EGP 74.118.950 included in finance expenses).

27- Financial tools and risk management (Cont'd)

C) Interest rate risk (Cont'd)

The company's management always works to obtain the best borrowing terms available.

There are no effects on the shareholders' equity except for the effect on net profit as shown below:

	31 March 2026		31 December 2025	
	Changes in interest rate	Effects on the profit before tax EGP	Changes in interest rate	Effects on the profit before tax EGP
Financial liability	+1%	14,193,112	+1%	13,243,880
	-1%	(14,193,112)	-1%	(13,243,880)

D) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, resulting in financial losses beard by the other party, The Company is exposed to credit risk from its notes receivable, other debtors, other debit balances, due from related parties, credit given to subsidiaries and associates, deposits with banks, accounts receivables as well as some other assets as represented on the financial position.

Other financial assets and cash deposits

Other credit risks arising from other financial assets related to the company which includes the balances at the banks, financial assets at amortized cost, the company is exposed the credit risks due to the failure of the other party to settle the amounts, The maximum exposure level to the credit risk equals the fair value of the assets,

The financial department of the company with the support of the parent company takes over and manages the credit risk that arise from the balances at the banks and financial entities, The company limits its exposure to credit risk through depositing the company's balances in international banks only or local banks with good reputation, According to the information available to the company about the banks that deals with it, the management does not expect that any party would default on repaying the liabilities.

Due from related parties

Balances due from related parties are related to transactions that arise within the normal course of business, and the exposure of these balances to credit risk is low, and the maximum exposure to risk is the book value of these balances.

E) Liquidity risk

The Company's management monitors the company's cashflows, financing, and liquidity requirements and its objective is to maintain a balance between continuity of funding and flexibility through the use of retained earnings, and company bank balances to match the maturity of the company liabilities when due, It also manages liquidity risks by maintaining sufficient reserves and by obtaining credit facilities.

The below table summarizes the dates of the accrual financial liabilities related to the company based on undiscounted contractual payments.

	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Total
Financial liabilities				
31 March 2026	EGP	EGP	EGP	EGP
Loans and operating lease contracts	-	161,792,692	49,727,768	211,520,460
Credit facilities	-	1,207,790,690	-	1,207,790,690
Accounts payable and notes payable	-	385,262,792	-	385,262,792
Accrued expenses and other credit balances	-	152,145,890	-	152,145,890
Total undiscounted financial liabilities	-	1,906,992,064	49,727,768	1,956,719,832

	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Total
Financial liabilities				
31 December 2025	EGP	EGP	EGP	EGP
Loans and operating lease contracts	-	141,007,301	70,851,004	211,858,305
Credit facilities	-	1,112,529,744	-	1,112,529,744
Accounts payable and notes payable	-	312,465,657	-	312,465,657
Accrued expenses and other credit balances	-	79,073,490	-	79,073,490
Total undiscounted financial liabilities	-	1,645,076,192	70,851,004	1,715,927,196

28- Fair value of financial instruments

Financial instruments include financial assets and liabilities, financial assets include cash in the fund, bank balances, investments, and debtors, financial liabilities also include term loans, creditors, and credit facilities, The fair value of financial instruments does not differ materially from their book value,

29- Main sources of estimation uncertainty

The company makes estimates and assumptions for the future, The results of accounting estimates, according to their definition, are rarely equal to actual results, Estimates and assumptions with important risks that may cause a fundamental amendment to the book values of assets and obligations during the following fiscal year have been referred to down:

Productive ages of machines and equipment

The management of the company determines the expected productive ages of real estate, machines and equipment to calculate the depreciation, On an annual basis, the administration reviews the remaining value and productive ages, and the future depreciation allowance is modified when the administration believes that production ages differ from previous estimates,

Income tax

The company is subject to corporate tax, The company estimates the income tax provision using expert opinion, and when there are any differences between the actual and preliminary results, these differences affect the income tax provision and deferred tax in these periods

30- Professional Fees

In accordance with the instructions of the Financial Regulatory Authority under Decision No, 26 of 2026, the annual audit fees of the external auditor amounted to 400,000 EGP.

31- Subsequent Events

- A. On 12 February 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 100 basis points to 19,00%, 20,00%, and 19,50%, respectively, The Committee also decided to cut the credit and discount rate by 100 basis points to reach 19,50%, This decision reflects the Committee's assessment of the latest inflation developments and its outlook since the previous meeting,
- B. the region witnessed an escalation in geopolitical tensions between the United States of America and Iran, along with resulting military and political developments that may have implications for the global and regional economy, These developments could potentially lead to disruptions in global supply chains, particularly regarding increased shipping, insurance, and transportation costs, in addition to possible fluctuations in energy and basic commodity prices, These events may also place pressure on foreign exchange markets, including potential volatility in the exchange rate of the U.S. dollar against other currencies, including the Egyptian pound, which may affect import costs and the prices of certain inputs used in the company's operations,
The company's management is continuously monitoring these developments to assess any potential financial impacts on the company's operations and financial position, as of the date of approval of the financial statements,