ARAB DAIRY PRODUCTS CO. ARAB DAIRY - PANDA (ADPC) (S.A.E.)
CONSOLIDATED 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.)
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2026
CONTENTS

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Translation Of Review Report
Originally Issued in Arabic

Limited Review Report on consolidated 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 consolidated Interim statement of financial position of **Arab Dairy Products Co. Arab Dairy - Panda (ADPC)** as of 31 March 2026, as well as the consolidated Interim statements of profit or loss, comprehensive income, changes in equity, and cash flows for the three - months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated Interim financial statements.

Conclusion

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

Cairo: [illegible] June [illegible]

Mohamed Abu Elkassim
FESAA, FEST
(R.A.A 17553)
(EFSAR. 359)
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ARAB DAIRY PRODUCTS CO. ARAB DAIRY - PANDA (ADPC) COMPANY (S.A.E.)

Translation Of Financial Statements Originally Issued in Arabic

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2026

	Note	31 March 2026	31 December 2025
ASSETS		**EGP**	EGP
Non-current assets			
Fixed assets	(3)	**916.520.409**	928,153,577
Investments in associates	(4)	**22.792.862**	19,832,422
Projects under construction	(5)	**22.459.285**	21,199,584
Intangible assets	(6)	**487.442**	543,683
Right-of-use assets	(17-1)	**26.831.596**	29,081,884
Total non-current assets		**989.091.594**	998,811,150
Current assets			
Non-current assets held for sale	(20)	**33.457.300**	33.457.300
Inventories	(7)	**655.728.442**	611.318.381
Trade, notes receivable and other debit balances	(8)	**941,920,520**	945,508,211
Cash on hand and at banks	(9)	**75,729,366**	29.057.276
Total current assets		**1,706,835,628**	1.619.341.168
TOTAL ASSETS		**2,695,927,222**	2,618,152,318
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		**(154.211.309)**	33,310,876
Loss for the period / year		**(122.929.479)**	(188,785,671)
Total equity attributable to the equity holders of the parent company		**663.406.013**	788.165.184
Non-controlling interests		**1.159.219**	1,152,223
TOTAL EQUITY		**664.565.232**	789.317.407
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	(11)	**74.941.953**	112,886,540
Non-current portion of lease liabilities	(17-2)	**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
Current portion of short-term loans	(14)	**16,885,858**	44,885,858
Trade payable, other credit balances and notes payable	(15)	**536,930,027**	391,381,462
Current portion of lease liabilities	(17-2)	**144,906,834**	96,121,443
Total current liabilities		**1,906,692,269**	1.645.097.367
TOTAL LIABILITIES		**2,031,361,990**	1.828.834.911
TOTAL LIABILITIES AND EQUITY		**2,695,927,222**	2.618.152.318

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Mostafa Elhamy	**Khaled Elsadek**	**Ahmed Abdelhalim Alarousy**

- The accompanying notes from (1) to (25) are an integral part of these consolidated interim financial statements.
- Limited review report "attached".

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

	Note	**For the three months ended 31 March 2026 EGP**	For the three months ended 31 March 2025 EGP
Operation revenue		**564.035.734**	775.951.171
Operation cost		**(529.286.486)**	(649.917.270)
GROSS PROFIT		**34.749.248**	126.033.901
Selling and distribution expenses		**(78.692.326)**	(53.734.275)
Marketing expenses		**(20.933.702)**	(11.225.578)
General and administrative expenses		**(26.918.481)**	(23.102.880)
The expected credit loss in trade and notes receivable	(8)	**(250.648)**	(670.495)
Other operating income		**828.181**	1.533.933
Board of directors' allowances		**(10.000)**	(59.000)
OPERATING (LOSS) PROFIT		**(91.227.728)**	38.775.606
Finance expense		**(87.588.666)**	(75.159.200)
Finance income		**152.404**	214.700
Gain from sale of fixed assets	(3)	**1.883.966**	88.290
profit share from investments in Associates	(4)	**2.960.440**	-
Foreign exchange differences		**12.952.514**	(2.620.002)
LOSS BEFORE INCOME TAXES		**(160.867.070)**	(38.700.606)
Income taxes	(11)	**37.944.587**	7,049,711
LOSS FOR THE PERIOD		**(122.922.483)**	(31,650,895)
Attributable to:			
Equity holders of the parent company		**(122.929.479)**	(34,120,586)
Non-controlling interest		**6.996**	2,469,691
LOSS FOR THE PERIOD		**(122.922.483)**	(31,650,895)
LOSSES PER SHARE FOR THE HOLDING COMPANY	(18)	**(0.250)**	(0.069)

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Mostafa Elhamy	**Khaled Elsadek**	**Ahmed Abdelhalim Alarousy**

AHMED ELAROUS

- The accompanying notes from (1) to (25) are an integral part of these consolidated interim financial statements.

CONSOLIDATED 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	**(122,922,483)**	(31,650,895)
Items related to comprehensive income	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(122,922,483)**	(31,650,895)
Attributable to:		
Equity holders of the parent company	**(122,929,479)**	(34,120,586)
Non-controlling interests	**6,996**	2,469,691
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(122,922,483)**	(31,650,895)

- The accompanying notes from (1) to (25) are an integral part of these consolidated interim financial statements.

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

	Paid up capital	Treasury shares	Legal reserve	Revaluation surplus of fixed assets	(Accumulated losses) Retained Earnings	Loss for the period	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2026	500,000,000	(20,553,648)	16,517,832	447,675,795	33,310,876	(188,785,671)	788,165,184	1,152,223	789,317,407
Transferred to accumulated losses	-	-	-	-	(188,785,671)	188,785,671	-	-	-
Adjustments	-	-	-	-	(1,829,692)	-	(1,829,692)	-	(1,829,692)
Amortization Revaluation surplus of fixed assets	-	-	-	(3,093,178)	3,093,178	-	-	-	-
Loss for the period	-	-	-	-	-	(122,929,479)	(122,929,479)	6,996	(122,922,483)
31 March 2026	**500,000,000**	**(20,553,648)**	**16,517,832**	**444,582,617**	**(154,211,309)**	**(122,929,479)**	**663,406,013**	**1,159,219**	**664,565,232**
Balance as of 1 January 2025	500,000,000	(20,553,648)	12,413,258	-	(64,678,986)	90,529,965	517,710,589	8,755,185	526,465,774
Adjustments	-	-	-	463,240,266	-	-	463,240,266	-	463,240,266
Balance as of 1 January 2025	500,000,000	(20,553,648)	12,413,258	463,240,266	(64,678,986)	90,529,965	980,950,855	8,755,185	989,706,040
Transferred to legal reserve and accumulated loss	-	-	4,104,574	-	86,425,391	(90,529,965)	-	-	-
Amortization Revaluation surplus of fixed assets	-	-	-	(2,979,845)	2,979,845	-	-	-	-
Loss for the period	-	-	-	-	-	(34,120,586)	(34,120,586)	2,469,691	(31,650,895)
31 March 2025	500,000,000	(20,553,648)	16,517,832	460,260,421	24,726,250	(34,120,586)	946,830,269	11,224,876	958,055,145

- The accompanying notes from (1) to (25) are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2026

	Note	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Cash flows from operating activities			
Loss for the period before income taxes and non -controlling interests		**(160,867,070)**	(38,700,606)
Depreciation of fixed assets	(3)	**12,788,366**	11,320,480
Amortization of right-of-use assets	(17-1)	**2,250,288**	1,763,062
Amortization of intangible assets	(6)	**56,241**	15,622
Gain from sale of fixed assets	(3)	**(1,883,966)**	(88,290)
The expected credit loss in trade and notes receivable	(8)	**250,648**	670,495
Proportionate share in the results of an associate company	(4)	**(2,960,440)**	-
Finance expense		**(152,404)**	(214,700)
Finance income		**87,588,666**	75,159,200
Operating (loss) profit before changes in working capital		**(62,929,671)**	49,925,263
Changes in inventories		**(44,410,061)**	37,320,489
Changes in trade, notes receivable and other debit balances		**1,507,351**	(168,910,996)
Changes in trade payable, other credit balances and notes payable		**136,769,735**	4,425,500
Net cash flows provided from (used in) operating activities		**30,937,354**	(77,239,744)
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	(5)	**(1,259,701)**	(1,942,351)
Finance income received		**152,404**	214,700
Net cash flows (used in) investing activities		**(378,529)**	(7,578,894)
Cash flows from financing activities			
Proceeds from credit facilities		**95,260,946**	189,297,338
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		**46,672,090**	1,176,259
Cash and cash equivalent – beginning of the period	(9)	**29,057,276**	52,714,321
Cash and cash equivalent – end of the period	(9)	**75,729,366**	53,890,580

- The accompanying notes from (1) to (25) are an integral part of these consolidated interim financial statements.

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 consolidated interim financial statements for the three months ended 31 March 2026 were authorized for issuance in accordance with the board of directors' resolution on 22 June 2026.

2- SIGNIFICANT ACCOUNTING POLICIES

2. 1 Basis of preparation

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.

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.

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.

The financial statements of subsidiary companies are included in the financial statements from the acquisition date until the date the parent company loses control over the subsidiary.

2.2 Scope of the consolidate financial:

The financial statements include the subsidiaries and companies controlled by Arab Dairy – panda (S.A.E.). The following is the subsidiaries included in the financial statements:

subsidiary company name	**Contribution percentage 31 March 2026**	Contribution percentage 31 December 2025
Arab Developed trading	**%80**	%80

2- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 BASIS OF CONSOLIDATION

The following steps are followed when preparing the financial statements:

a. Eliminate the carrying amount of the parent's investment in each subsidiary and the Parent Company portion of equity of each subsidiary.

b. Identify non-controlling interests in the profit (loss) of the subsidiaries for the reporting period.

c. Identify non-controlling interests in net assets of subsidiaries and are presented separately from the Parent Company's ownership interests in them.

They consist of:

1. The amount of those non-controlling interests at the date of the original consolidation.
2. The non-controlling interests' share of changes in equity since the date of the consolidation.

d. Full elimination for intergroup balances, transactions, income and expenses.

- The financial statements of the parent company and the financial statements of the subsidiaries used in preparing the financial statements are as of the same date.
- The financial statements are prepared using consistent accounting policies for similar transactions and events under the same conditions.
- Non-controlling interests are presented within equity in a separate component from the equity of the parent company. The non-controlling interest's share in the group's profit or loss is also presented separately.
- The entity is required to allocate the profits or losses and each component of other comprehensive income to the owners of the parent company and the non-controlling interests. The entity should also allocate the total comprehensive income to the owners of the parent company and the non-controlling interests, even if it results in a deficit.

The share of non – controlling interest in subsidiaries in the consolidate financial statement is represented as follow:

Subsidiary company name	**Contribution percentage**	Contribution percentage
	31 March 2026	31 December 2025
Arab Developed trading	**%20**	%20

2.4 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 at amortized cost are recognized at fair value minus the transaction cost.

Classification and measurement of financial assets and liabilities

The Egyptian standard number (47) – Financial Instruments include three 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Instruments (Cont'd)

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

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 that kind 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 lager 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 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 lager 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 income balance recognized in accordance with the Egyptian Accounting Standard number (48).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Instruments (Cont'd)

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.

Classification of the financial assets and liabilities for the company in accordance with the Egyptian accounting standard number (47) "Financial Instruments".

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

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 at 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 valuate if there is a material increase in credit risk, the failure to pay risk, at the separate 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial Instruments (Cont'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.

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 cancelled, or expired.

2-5 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.

2-6 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

2 – Significant Accounting Policies (Cont'd)

2-6 Fixed assets (Cont'd)

First: Cost Model (Cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2-6 Fixed assets (Cont'd)

Second: Revaluation Model (Cont'd)

Subsequent Expenditure (Cont'd)

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.

2-7 Investments

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.

2-8 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.

2-9 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 of the date of acquisition.

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

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 the end of each fiscal year.

Intangible assets represent the computer software and the related licenses and are amortized using the straight-line method over their estimated useful lives (4 years).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2-10 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.

2-11 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.

2-12 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.

2-13 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.

2-14 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 profit or loss.

2- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2-15 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 it 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.

2-16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

- **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.

2-SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2-16 Revenue recognition (cont'd)

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.

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.

2-17 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.

2-18 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.

2-19 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.

2-20 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.

2-21 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-SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2-22 Statement of cash flows

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

2-23 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.

2-24 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 less 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.

3- Fixed Assets

	Land	Buildings	Machinery	Equipment	Leasehold 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	11,722,203	18,060,300	12,753,588	12,508,885	4,324,374	1,182,189,836
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	11,729,252	17,937,561	12,730,395	12,730,957	4,324,374	1,179,741,699
Accumulated depreciation											
1 January 2026	-	(17,356,481)	(46,299,213)	(101,453,205)	(47,304,299)	(6,767,400)	(12,362,557)	(8,982,416)	(9,186,316)	(4,324,372)	(254,036,259)
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)	(6,962,785)	(13,286,816)	(9,286,049)	(9,510,168)	(4,324,372)	(263,221,290)
Net book value as of											
31 March 2026	**107,959,200**	**533,304,398**	**167,892,243**	**63,769,502**	**27,512,717**	**4,766,467**	**4,650,745**	**3,444,346**	**3,220,789**	**2**	**916,520,409**
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	7,294,960	4,324,373	142,274,688

- In accordance with Prime Ministerial Decree No, (883) of 2023, which mandates the amendment of the Egyptian Accounting Standard No, (10), the company began applying the revaluation model to certain fixed assets (land and buildings) starting from 1 January 2025, The value of these assets amounted to EGP 597,729,375, according to the valuation report prepared for this purpose by a certified real estate appraiser accredited by the Financial Regulatory Authority
- The company arranged finance lease contract secured by certain assets with the carrying amount 118,231,888 of EGP (Note 17).
- Gain from sale of fixed assets during the period is presented as follows:

		For the three months ended 31 March 2026
	EGP	**EGP**
Proceeds from sale of fixed assets		**1,924,913**
Cost of disposed asset	(3,644,282)	
Accumulated depreciation of disposed asset	3,603,335	
Net book value of disposed asset		**(40,947)**
Gain on sale of fixed assets		**1,883,966**

3- Fixed Assets (Cont'd)

	Land	Buildings	Machinery	Equipment	Leasehold 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	10,064,644	26,305,084	12,409,422	10,937,152	4,324,374	557,616,187
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	10,064,644	26,305,084	12,409,422	10,937,152	4,324,374	1,139,226,386
Additions for the year	-	-	-	12,632,390		1,695,096	164,074	344,166	1,719,472	-	16,555,198
Transferred from project under construction (Note 5)	-	-	-	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)
excluded from business combination				-	-	-	(12,925,002)	-	-	-	(12,925,002)
31 December 2025	107,959,200	555,000,000	214,900,170	168,110,346	76,850,770	11,722,203	18,060,300	12,753,588	12,508,885	4,324,374	1,182,189,836
Accumulated depreciation											
1 January 2025	-	(16,119,176)	(43,378,868)	(87,920,845)	(43,481,056)	(6,067,719)	(10,486,022)	(7,632,164)	(7,990,983)	(4,276,387)	(227,353,220)
Adjustment to accumulated depreciation	-	16,119,176	-	-	-	-	-	-	-	-	16,119,176
1 January 2025 (After adjustment)	-	-	(43,378,868)	(87,920,845)	(43,481,056)	(6,067,719)	(10,486,022)	(7,632,164)	(7,990,983)	(4,276,387)	(211,234,044)
Depreciation for the year	-	(17,356,481)	(2,920,345)	(13,656,879)	(3,823,243)	(737,217)	(3,895,085)	(1,350,252)	(1,276,961)	(47,985)	(45,064,448)
Depreciation of disposals	-	-	-	124,519	-	37,536	79,799	-	81,628	-	323,482
excluded from business combination		-	-	-	-	-	1,938,751	-	-	-	1,938,751
31 December 2025	-	(17,356,481)	(46,299,213)	(101,453,205)	(47,304,299)	(6,767,400)	(12,362,557)	(8,982,416)	(9,186,316)	(4,324,372)	(254,036,259)
Net book value as of 31 December 2025	107,959,200	537,643,519	168,600,957	66,657,141	29,546,471	4,954,803	5,697,743	3,771,172	3,322,569	2	928,153,577
Fully Depreciated assets and still in use	-	-	5,081,161	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- Investments in Associates

	Contribution percentage	**31 March 2025**	31 December 2025
		EGP	EGP
Panda for Trading and Distribution Company	50,00015%	**22.792.862**	19.832.422
		22.792.862	19.832.422

The changes in investments are as follows:

	Balance as of 1 January 2026	profit share from investments during the period	**Balance as of 31 March 2026**
	EGP	EGP	**EGP**
Panda for Trading and Distribution Company	19,832,422	2,960,440	**22,792,862**
	19,832,422	2,960,440	**22,792,862**

5- Projects Under Construction

	Balance as of 1 January 2026	Additions during the period	**Balance as of 31 March 2026**
	EGP	EGP	**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**
	21,199,584	1,259,701	**22,459,285**

	Balance as of 1 January 2025	Additions during the year	Reclassified during the year	Transferred to fixed assets (Note 3)	Balance as of 31 December 2025
	EGP	EGP	EGP	EGP	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)	-
	48,584,853	12,337,582	-	(39,722,851)	21,199,584

6- Intangible Assets (software)

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

7- Inventories

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

8- Trade, Notes Receivable and Other Debit Balances

	31 March 2026 EGP	31 December 2025 EGP
Trade receivable	**378,943,579**	451,336,431
Notes receivable	**18,524,770**	16,595,688
Prepaid expenses	**33,067,547**	7,427,311
Exporting support fund	**214,827,170**	210,196,076
Tax Authority - Added value tax	**147,269,324**	139,906,723
Tax Authority - With holding tax	**80,758,551**	77,211,121
Advance payments to suppliers	**89,545,378**	51,003,800
Deposits with others	**7,731,507**	7,731,507
Letters of guarantee cover (Note 16)	**10,000**	10,000
Employees' custodies and petty cash	**7,065,303**	7,082,428
Other debit balances	**6,958,783**	17,722,175
	984,701,912	986,223,260
Expected credit loss in trade, notes receivable and other debit balance	**(42,781,392)**	(40,715,049)
	941,920,520	945,508,211

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

	31 March 2026 EGP	31 December 2025 EGP
Expected credit loss in trade receivable	**35,587,386**	33,426,506
Expected credit loss in other debit balance	**7,194,006**	7,288,543
	42,781,392	40,715,049

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

	For the three months ended 31 March 2026 EGP	For the three months ended 31 March 2025 EGP
Beginning balance	**40,715,049**	38,697,476
Adjustments	**1,829,692**	-
Charged during the period	**250,648**	670,495
Used during the period	**(13,997)**	-
Ending balance	**42,781,392**	39,367,971

9- Cash On Hand and at Banks

	31 March 2026 EGP	31 December 2025 EGP
Cash on hand	**9,212,845**	9,018,970
Current accounts- Local currency	**16,298,381**	13,914,055
Current accounts- Foreign currency	**46,367,302**	3,163,340
Checks under collection	**3,850,838**	2,960,911
	75,729,366	29,057,276

10- Capital

The company's authorized capital is EGP 500 million, the issued and paid-up capital also amounted to EGP 500 million, distributed over 500 million shares, with a par 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
Alhisn 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 as per a board resolution, the number of treasury shares purchased amounted to 8,130,000 shares, with a total value of EGP 20,553,648.

11- Income Tax

Deferred Income Tax	**31 March 2026 EGP**	31 December 2025 EGP
Beginning balance	**112,886,540**	37,872,417
Adjustments on deferred tax arising from liability	-	134,489,109
Deferred income tax – (asset)	**(37,944,587)**	(58,911,537)
Balances of subsidiaries excluded from business combination	-	(563,449)
Ending balance – liability	**74,941,953**	112,886,540

Income Tax Expense	**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)
Current income tax	-	1,453,300
Income tax (revenue)	**(37,944,587)**	(7,049,711)

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
Loans balance – Foreign currency	**16,885,858**	44,885,858
	16,885,858	44,885,858

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	**305,254,152**	215,387,841
Notes payable	**79,502,878**	96,863,117
Accrued expense	**57,652,205**	21,548,543
Deposits from others	**24,235,400**	20,370,904
Tax authority	**9,434,295**	6,649,106
Social Insurance Authority	**5,837,490**	1,014,924
Accrued interest	**8,778,830**	-
Other credit balances	**46,234,777**	29,547,027
	536,930,027	391,381,462

16- 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).

17- Lease Contracts

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	**45,507,154**	45,507,154
Accumulated Amortization		
Beginning balance	**(16,425,270)**	(7,094,622)
Amortization for the period / year	**(2,250,288)**	(9,330,648)
Ending balance	**(18,675,558)**	(16,425,270)
Net book value at the end of the period / year	**26,831,596**	29,081,884

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	31,896,497	17,831,271	**49,727,768**

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

17- Lease Contracts (Cont'd)

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 from1 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.

18- 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
Net loss for the period	**(122,929,479)**	(34,120,586)
Weighted average number of shares outstanding	**491870000**	491870000
Losses per share	**(0.250)**	(0.069)

19- 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 consolidated interim statement of profit or loss are represented as follows:

		For the three months ended 31 March 2026			For the three months ended 31 March 2025		
Company	Affiliation	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	-	-	-	-	62,542,449	-
Panda for trading and distribution	Associate	-	12,260,998		-	-	-
Delta Insurance Company	Shareholder	-	-	398,662	-	-	695,113
		1,438,069	12,260,998	398,662	3,028,462	62,542,449	695,113

The balances of related parties included in the consolidated 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	-
Panda for trading and distribution	-	17,297,865	14,908,334	-
	766,354	28,949,206	15,957,200	10,213,272

20- 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.

21- Tax position

The Arab Dairy Products Company - Arab Dairy - Panda (S,A,E) as well as its subsidiaries are subject to income tax, The income tax has been calculated for each company separately, and the income tax balance shown in the statement of profits or losses represents the total income taxes for the three month ending on 31 march 2026.

22- Financial tools and risk management

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

a) Market risk.
b) foreign exchange risk.
c) Credit risk.
d) Liquidity risk.

This note provides information about the extent of the Company's exposure to each of the above risks, and the objectives The Company and its policies and processes in relation to measuring and managing these risks as well as how the Company manages capital.

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, 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.

The company's financial instruments are represented in financial assets (cash balances in the fund and with banks, notes receivable, financial investments, due from subsidiaries and sister companies, and other debit balances) as well as financial liabilities (loans, credit facilities, suppliers, notes payable, and receivables).

The clarification (2) includes the complementary clarifications of the financial statements and the accounting policies followed on the basis of proving assets and financial obligations mentioned above and the related revenues and expenses.

The fair value of the assets and financial obligations is not fundamentally different from its book value in the history of the financial centre.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate 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 goal 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 instrument.

B) Foreign currency risk

Foreign currency risk is represented by changes in foreign exchange rates that affect the values of payments and receipts in foreign currencies, as well as the values of assets and liabilities of a monetary nature in foreign currencies, The most important financial instruments in foreign currencies are limited to some balances included in cash in the fund and in banks, due from/to subsidiaries, accrued expenses, other credit balances and loans.

C) Credit risk

Credit risk is the risk of financial losses incurred by the company if the counterparty fails to fulfil its contractual obligations,

Regarding the risks of credit arising from other financial assets of the company, which include the balances of banks, and the financial assets of the consuming cost, the facility is exposed to the risk of credit as a result of the failure of the opposite party to pay, and the maximum reduction of the risk of credit is equivalent to the book value of these assets.

The financial sector of the company, with the support of the parent company, is managed by the credit risks arising from the balances of banks and financial institutions, The company limits its credit by depositing the company's assets at international banks only or local banks with a good reputation, The administration does not expect, according to the information that the company has about the banks and banks that deal with them, that any party in exchange for fulfilling its obligations stumbles,

It is worthy of the relevant parties

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

C) Credit risk (Cont'd)

The assets of those who are entitled to parties related to the transactions that arise within the context of the usual acts of activity are linked, and those balances are at risk of credit low and the maximum risk is the book value of these balances.

D) The risk of liquidity

The company's management monitors cash flows, financing requirements and liquidity of the company, The company's goal is to achieve a balance between the continuity of financing and flexibility by obtaining credit facilities from banks, The company manages the risk of liquidity by maintaining sufficient reserves and by obtaining credit facilities, by following the expected and actual cash flows on an ongoing basis.

23- 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.

24- 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.

25- 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.