Arabian Food Industries Company (Domty) - S.A.E

and it's subsidiary

The interim consolidated financial statements

Together with the review report

For the period ended March 31, 2026

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Saleh, Barsoum & Abdel Aziz - Grant Thornton
**Accountants & Auditors**

Nabil & Samaha & Partners
**Public Accountants & Consultants**

## Limited review report for the Consolidated interim financial statement

**To: The Board of Directors of Arabian Food Industries Company (Domty) - (S.A.E)**

### Introduction

We have reviewed the accompanying consolidated interim financial statements of Arabian Food Industries Company (Domty) - (S.A.E) comprised of the consolidated interim statement of financial position as of March 31, 2026, and the related 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 interim financial statements in accordance with the Egyptian Accounting Standard No. 30. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

### Scope of Review

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

### Conclusion

Based on our 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 Arabian Food Industries Company (Domty) - (S.A.E), as of March 31, 2026; and of its financial performance and its cash flows for the Three-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, May 21, 2026

**Auditors**

Dr. Nabil Ahmed Abdel Majeed
FESAA
CBE Register No.203
EFSA (168)

Nabil Ahmed Abdel Majeed, PhD, CPA
Nabil & Samaha & Co.
FRA (166) ASA (1033)
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Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510)
FRA Register No. "69"
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| | Note | 31 March 2026 EGP | 31 December 2025 EGP |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant, and equipment | (3) | 960 206 031 | 989 890 873 |
| Projects under construction | (4) | 110 554 185 | 89 102 731 |
| **Total non-current assets** | | **1 070 760 216** | **1 078 993 604** |
| **Current assets** | | | |
| Inventories | (5) | 1 194 680 642 | 1 250 611 372 |
| Accounts and notes receivable | (6) | 1 800 636 217 | 1 526 519 565 |
| Prepayments and other debit balances | (7) | 613 721 505 | 450 154 383 |
| Cash on hand and at banks | (8) | 321 168 608 | 618 922 393 |
| **Total current assets** | | **3 930 206 972** | **3 846 207 713** |
| **Total assets** | | **5 000 967 188** | **4 925 201 317** |
| **Equity** | | | |
| Issued and paid-up capital | (14) | 56 521 739 | 56 521 739 |
| Legal reserve | (14) | 28 260 870 | 28 260 870 |
| Special reserve (Share premium) | (14) | 283 422 423 | 283 422 423 |
| Other reserves | | 170 196 | 170 196 |
| Retained earnings | (15) | 1 178 880 952 | 1 105 480 677 |
| Fixed assets adjustments surplus | (31) | 7 142 225 | 8 348 942 |
| Business combination reserve | (23) | ( 4 503 358) | ( 4 503 358) |
| **Equity attributable to shareholders of the parent company** | | **1 549 895 047** | **1 477 701 489** |
| Non-controlling Interests | | 8 233 | 8 222 |
| **Total Equity** | | **1 549 903 280** | **1 477 709 711** |
| **Non-current liabilities** | | | |
| Long term loans | (13) | 123 477 465 | 99 572 407 |
| Lease liability – long term | (26) | 30 016 822 | 34 733 697 |
| Notes payable – long term | | -- | 121 773 |
| Deferred tax liabilities | (16) | 19 473 515 | 24 117 782 |
| **Total non-current liabilities** | | **172 967 802** | **158 545 659** |
| **Current liabilities** | | | |
| Credit facilities – short term | (10) | 2 121 862 769 | 2 311 514 563 |
| Short term loans | (13) | 25 295 743 | 30 878 285 |
| Lease liability – short term | (26) | 17 784 835 | 16 833 678 |
| Trade and notes payable | (11) | 712 036 067 | 625 755 179 |
| Provisions | (9) | 36 143 639 | 30 278 682 |
| Accrued expenses and other credit balances | (12) | 260 223 605 | 201 214 893 |
| Income tax | | 104 749 448 | 72 470 667 |
| **Total current liabilities** | | **3 278 096 106** | **3 288 945 947** |
| **Total liabilities** | | **3 451 063 908** | **3 447 491 606** |
| **Total equity and liabilities** | | **5 000 967 188** | **4 925 201 317** |

**Finance Managing Director**
**Mohamed Abdelbaky**

**Chairman**
**Eng. Omar Mohamed El Damaty**

* Review report attached.

- The accompanying notes from (1) to (33) form an integral part of these consolidated financial statements.

Arabian Food Industries Company (Domty) – S.A.E and it's subsidiary
Interim consolidated statement of profit or loss
For the period ended 31 March 2026

| | Note | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|---|
| Net sales | (27) | 2 559 035 323 | 2 251 517 916 |
| Cost of sales | (27) | (1 931 197 707) | (1 743 543 118) |
| **Gross profit** | | **627 837 616** | **507 974 798** |
| Selling and marketing expenses | (17) | ( 399 743 817) | ( 347 909 441) |
| General and administrative expenses | (18) | ( 32 507 025) | ( 31 325 988) |
| Net other operating income | (19) | 49 369 500 | 32 038 833 |
| Provisions | (9) | ( 5 864 957) | ( 1 921 799) |
| **Operating profit** | | **239 091 317** | **158 856 403** |
| Finance income | (20) | 2 846 843 | 10 451 435 |
| Finance expenses | (21) | ( 134 228 405) | ( 145 907 163) |
| **Profits for the period before income taxes and solidarity contribution** | | **107 709 755** | **23 400 675** |
| Solidarity contribution | | ( 6 631 290) | ( 6 022 481) |
| **Profits for the period before income taxes** | | **101 078 465** | **17 378 194** |
| Income tax expenses | (16) | ( 28 884 896) | ( 6 785 470) |
| **Profits for the period after income taxes** | | **72 193 569** | **10 592 724** |
| **Attributable to:** | | | |
| Shareholder's share of the parent company | | 72 193 558 | 10 592 722 |
| Non-Controlling interest | | 11 | 2 |
| | | **72 193 569** | **10 592 724** |
| **Earnings per share** | (24) | **0.21** | **0.03** |

- The accompanying notes from (1) to (33) form an integral part of these consolidated financial statements.

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Profits for the period after income taxes | 72 193 569 | 10 592 724 |
| **Distribution as follows:** | | |
| Shareholders' share of the parent company | 72 193 558 | 10 592 722 |
| Share of non-controlling interest | 11 | 2 |
| **Total comprehensive income for the period** | **72 193 569** | **10 592 724** |
| **Earnings per share** | **0.21** | **0.03** |

- The accompanying notes from (1) to (33) form an integral part of these consolidated financial statements.

Arabian Food Industries Company (Domty) – S.A.E and it's subsidiary
Interim consolidated statement of changes in equity
For the period ended 31 March 2026

| | Issued and paid-up capital | Legal reserve | Special reserve (share premium) | Other reserves | Retained earnings | Fixed assets adjustments surplus | Business combination reserve | Total | Non-controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP | EGP | EGP | EGP | EGP | EGP |
| Balance as of 1 January 2025 | 56 521 739 | 28 260 870 | 283 422 423 | 170 196 | 1 239 123 221 | 13 318 831 | ( 4 503 358) | 1 616 313 922 | 8 186 | 1 616 322 108 |
| Transferred from Fixed assets adjustment surplus to retained earnings Note (According to Option 3 - Appendix A - Egyptian Accounting Standard 13) | -- | -- | -- | -- | 1 274 408 | ( 1 274 408) | -- | -- | -- | -- |
| Profits for the period | -- | -- | -- | -- | 10 592 722 | -- | -- | 10 592 722 | 2 | 10 592 724 |
| **Balance as of 31 March 2025** | **56 521 739** | **28 260 870** | **283 422 423** | **170 196** | **1 250 990 351** | **12 044 423** | **( 4 503 358)** | **1 626 906 644** | **8 188** | **1 626 914 832** |
| Balance as of 1 January 2026 | 56 521 739 | 28 260 870 | 283 422 423 | 170 196 | 1 105 480 677 | 8 348 942 | ( 4 503 358) | 1 477 701 489 | 8 222 | 1 477 709 711 |
| Transferred from Fixed assets adjustment surplus to retained earnings Note (According to Option 3 - Appendix A - Egyptian Accounting Standard 13) - Note (31) | -- | -- | -- | -- | 1 206 717 | ( 1 206 717) | -- | -- | -- | -- |
| Profits for the period | -- | -- | -- | -- | 72 193 558 | -- | -- | 72 193 558 | 11 | 72 193 569 |
| **Balance as of 31 March 2026** | **56 521 739** | **28 260 870** | **283 422 423** | **170 196** | **1 178 880 952** | **7 142 225** | **( 4 503 358)** | **1 549 895 047** | **8 233** | **1 549 903 280** |

- The accompanying notes from (1) to (33) form an integral part of these consolidated financial statements.

| | Note | From 1 January 2026 To 31 March 2026 | From 1 January 2025 To 31 March 2025 |
|---|---|---|---|
| | | EGP | EGP |
| **Cash flows from operating activities** | | | |
| Profits for the period before income taxes | | 101 078 465 | 17 378 194 |
| **Adjustments for:** | | | |
| Depreciation of property, plant, and equipment | (3) | 40 804 520 | 34 326 436 |
| Interest on treasury bills | (20) | -- | ( 10 109 188) |
| Accrued withholding tax on treasury bills interest | | -- | 6 682 779 |
| Adjustment on accrued withholding tax on treasury bills interest | | -- | ( 4 660 942) |
| Interest on lease liability | (21) | 2 352 728 | 1 760 961 |
| Foreign exchange differences - loans | | -- | ( 56 889) |
| Provisions | (9) | 5 864 957 | 1 921 799 |
| Expected credit losses in accounts and notes receivable | (6) | 4 018 517 | 19 197 647 |
| Expected credit losses in prepayments and other debit balances | (7) | 231 208 | -- |
| Provisions used | | -- | ( 2 931 128) |
| Gain from sale of property, plant, and equipment | (3) | ( 42 972) | ( 11 617 031) |
| Gain from disposals of leased assets | (3) | -- | ( 186 430) |
| | | **154 307 423** | **51 706 208** |
| Change in inventories | | 55 930 730 | ( 276 845 756) |
| Change in accounts and notes receivable | | ( 278 135 169) | ( 274 673 425) |
| Change in prepayments and other debit balances | | ( 158 509 580) | ( 95 579 203) |
| Change in trade and notes payable | | 86 159 115 | 111 191 636 |
| Change in accrued expenses and other credit balances | | 59 008 712 | 7 263 669 |
| **Cash flows (used in) operating activities** | | **( 81 238 769)** | **( 476 936 871)** |
| Income taxes paid | | ( 11 734 577) | ( 17 361 574) |
| **Net cash flows (used in) operating activities** | | **( 92 973 346)** | **( 494 298 445)** |
| **Cash flows from investing activities** | | | |
| (Payments) for purchase of property, plant, and equipment | (3) | ( 11 123 125) | ( 38 096 364) |
| Proceeds from sale of property, plant, and equipment | (3) | 46 419 | 11 635 571 |
| (Payments) for projects under construction | (4) | ( 16 256 009) | ( 52 993 884) |
| **Net cash flows (used in) investing activities** | | **( 27 332 715)** | **( 79 454 677)** |
| **Cash flows from financing activities** | | | |
| Proceeds from credit facilities | | 2 913 238 194 | 2 513 424 619 |
| (Payments) of credit facilities | | (3 102 889 988) | (1 987 262 786) |
| Proceeds from long-term loans | (13) | 26 042 087 | -- |
| (Payments) of long-term loans | (13) | ( 7 719 571) | ( 18 973 493) |
| (Payments) of lease liabilities | (26) | ( 3 765 718) | ( 5 127 976) |
| (Payments) of lease liability interest | (26) | ( 2 352 728) | ( 1 760 961) |
| **Net cash flows (used in) provided from financing activities** | | **( 177 447 724)** | **500 299 403** |
| **Net change in cash and cash equivalent during the period** | | **( 297 753 785)** | **( 73 453 719)** |
| Cash and cash equivalent - beginning of the period | | 618 922 393 | 595 006 347 |
| **Cash and cash equivalent - end of the period** | (9) | **321 168 608** | **521 552 628** |

**The most important non-monetary transactions:**
The cost of buildings and construction within fixed assets amounts to 5 195 445 Egyptian pounds transferred from advance payments to fixed asset suppliers.

- The accompanying notes from (1) to (33) form an integral part of these consolidated financial statements.

## 1- Reporting entity

Arabian Food Industries Company (Domty) – S.A.E (the "Company") or (the "Parent Company") was originally established under the name of Damati Company for Food Industries as a limited liability company under contract No. 18/84 dated 14 March 1984. The contract was amended on 18 July 1988 when the Company's headquarters changed, and on 14 August 1988 an Extraordinary General Assembly meeting was held and resolved to change the company's legal form from limited liability company to joint stock company subject to Companies Law No. 159 of 1981 and its executive regulations.

Based on the shareholders resolution made in the Extraordinary General Assembly meeting held on 16 August 2005 the Company's name was changed to Domty Company for Food Industries "S.A. E"

Based on the shareholders resolution made in the Extraordinary General Assembly meeting held on 6 August 2006, the company name changed to Arabian Food Industries Company (Domty) S.A.E instead of Domty Company for Food Industries and the commercial register was amended.

The Company has been registered under the commercial register number 80124 on September 7, 1988.

The national number of the company: 100078389

The unified commercial register number: 10280 08000 80124

The company's period is 50 years, starting from 7 September 1988 till 6 September 2038 and is renewable.

The Company's headquarter is located at 32 c Taha Hussein Street, (previously Murad Street) - Giza

Location of activity:

1- Second Industrial Zone, Block 12, 6th of October City.
2- Northern Expansion Area (CBC) – 6th of October City, Blocks (43-44-45-46-63-64-65-66)

The board of directors can decide to set up branches or agencies for the company in Egypt or outside, except for Sinai Peninsula. The entity is obliged to agree prior to opening any branches or in the case of relocating the headquarters to another governate, must be based on the decision of the extraordinary general assembly.

The purpose of the company is to manufacture dairy products of all kinds (ice cream - yogurt - white cheese and processed cheese - sterile milk) as well as the expansion in the manufacture of other food products, reclamation and cultivation of land, the establishment of feed factories, dairy production farms, cattle breeding, all food industries, the manufacture of special foods, nutritional supplements and baked goods of all kinds, the import of processed and semi-processed foodstuffs from abroad, packaging and distribution, the sale and marketing of products and food manufactures for the account of others from local and foreign companies and agencies in the food manufacturing industry.

It has the right to participate in companies with similar activity and the use of foreign expertise in the areas of previous activity, to obtain the right to know from foreign companies with similar activity. The company has the right to import all production requirements necessary for its activity and export all its products to global markets, and the company may have an interest or participate in any way with entities that engage in similar business, or that may cooperate to achieve its purpose in Egypt or abroad.

The consolidated financial statements comprise the financial statements of Domty and its subsidiary, El Tatweer for Food Industries Company (S.A.E).

On April 31, 2014, the Company acquired 99.99% of the shares of El Tatweer Food Industries Company (S.A.E) (note 2).

On November 16, 2023, the value of the increase in the capital of El Tatweer for Food Industries Company was noted by an amount of 58 million Egyptian pounds, so that the issued and paid-up capital of El Tatweer Food Industries Company became 68 million Egyptian pounds, distributed over 680 thousand shares, belonging to the Company of which 679,998 shares, and thus the percentage of acquisition of the shares of El Tatweer for Food Industries Company reached 99.9997%.

EL Tatweer for Food Industries Company was established as a joint stock company subject to the Companies Law No. 8 of 1997 and its regulations and for the purpose of establishing and operating a factory for the manufacture of different kinds of cheese, canning juice and the establishing of stores and a refrigerator for dairy products by cooling and freezing for the Company and for others, in accordance with the laws and regulations.

The company was registered under the Commercial Register No. 37566 on March 11, 2009.

The interim consolidated financial statements of the Company for the period ended 31 March 2026, were authorized for issuance in accordance with a resolution of the board of directors on 21 May 2026.

## 2- Basis of preparation of the consolidated financial statements

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

The consolidated financial statements are prepared and presented in Egyptian pounds, which is the company's functional currency.

On 30 April 2014, the Company acquired 99.99% El Tatweer for Food Industries Company (S.A.E) that was previously under the control of the shareholders of the Parent (the "Joint Control Transaction") for LE 10,752,733 in cash. As this transaction involved the combination of businesses under joint control, the pooling of interest in presenting the consolidated financial statements for the years ending 2012, 2013, 2014 was applied. It displays the group's results as if El Tatweer for Food Industries Company was always a part of the group. Accordingly, the company's assets and liabilities were transferred at historical cost.

The consolidated financial statements present the results and changes in equity of the Company and its subsidiary as if the Group had been in existence throughout the years presented and as if the previous transactions had been transferred to the Company in the years presented. On 24 May 2022, the investments of the Arab Food Industries Company "Domty" in El Tatweer for Food Industries Company (S.A.E) were increased by an amount of 3,750,000 Egyptian pounds, and this amount represents the value of completing the capital increase of El Tatweer for Food Industries Company (S.A.E) at 26 October 2023, On 31 October 2023, the investments of the Arab Food Industries Company "Domty" in the Food Industries Development Company were increased by 58 million Egyptian pounds.

### Statement of compliance with accounting standards

The consolidated financial statements of the Group have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations. The accounting policies applied this year are consistent with those applied in the previous year.

The company has applied the amended Egyptian Accounting Standard No. (13) 2024 "Effects of changes in foreign exchange rates" issued on March 3, 2024, and is applicable to financial periods commencing on or after January 1, 2024, and there is no impact on the opening balance of retained earnings on the date of application.

**Basis of consolidation**

**(a) Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Accounting for business combination under EAS 29 only applies if it is considered that a business has been acquired. For acquisitions meeting the definition of a business, the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

Inter-company transactions, balances and unrealized losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(b) Transactions with non-controlling interests**

The Group applies a policy of treating transactions with non-Controlling interests as transactions with equity owners of the Group.
For purchases from non-Controlling interests, the difference between any consideration paid and the relevant shares of non-controlling acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**2-1 Significant accounting judgments and estimates**

The preparation of these Consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.
Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgements and estimates that have a significant impact on the Consolidated financial statement of the Company are discussed below:

**2-1-1 Judgments**

**Revenue recognition for sale of goods**

In making their judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods as set out in" EAS 48 Revenue from contracts with customers", and, in particular, whether the significant risks and rewards of ownership of the goods have passed to the buyer.

**2-1-2 Estimates**

**Expected credit losses in trade and other receivables**

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimate is performed on an individual basis. Amounts which are not individually significant, but are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates.

**Useful lives of fixed assets**

The Company's management determines the estimated useful lives of its fixed assets for calculating depreciation. The residual value and estimated useful life of fixed assets are reviewed at least at the end of each financial year. When expectations differ from previous estimates, such changes are treated as a change in accounting estimate in accordance with Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates, and Errors." This ensures that the depreciation method and period remain consistent with the expected pattern of economic benefits derived from these assets.

**Taxes**

The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company establishes provision, based on reasonable estimates, In consideration for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may be on a wide variety of issues depending on the conditions prevailing in Egypt.

Deferred tax assets are recognised for unused accumulated tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**Impairment of non-financial assets**

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

**Provision for sales returns**

The company's management determines the estimates of the provision for sales returns. This estimate is determined after considering the previous experience of sales returns, revenue volume and sales volume, and management periodically reviews the estimated provision value to ensure that the provision is sufficient to cover sales returns.

## 2-2 Summary of significant accounting policies

### 2-2-1 Foreign currency translation

- Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the reporting date. All differences are recognized in the statement of profit or loss.
- Nonmonetary assets and liabilities that are measured at historical cost in foreign currency are translated using the exchange rates prevailing when the fair value was determined.

### 2-2-2 Financial Instruments

Egyptian Accounting Standard 47 "Financial Instruments" which replaced the Egyptian Accounting Standard 26 Financial Instruments: Recognition and Measurement. Egyptian Accounting Standard 47 was issued in 2019, and the standard began to be applied on or after 1 January 2021 in Egypt. Except for hedge accounting, retrospective application is required, but adjustment of comparative information is not mandatory.

The standard deals with three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

**Classification and measurement**

Under EAS 47, debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. The classification is based on two criteria: The Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application and the assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

**Impairment**

The new impairment model according to EAS 47 requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under EAS 26. It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under EAS 48 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

**Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i) Financial assets**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

**Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**ii) Financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 2-2-3 Lease Contracts

- ESA 49 Requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption of certain short-term leases and leases of low-value assets.
- The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- The company applies a single recognition and measurement policy for all leases, except for short-term leases and leases of low-value assets.
- The company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### A- Right-of-use assets

- The company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).
- Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.
- Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets based on the entity's applied amortization policy.
- If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option at the end of the contract, amortization is calculated using the estimated useful life of the asset based on the entity's applied amortization policy.
- The right-of-use assets are also subject to impairment.

#### B- Lease Liability

- At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:
  - Fixed payments, less any lease incentives receivable.
  - Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
  - Amounts expected to be payable by the lessee under residual value guarantees.
  - The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
  - Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

### 2-2-4 Revenue from contracts with customers

- Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" requires enterprises to exercise judgment and take into account all relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the method for calculating the incremental costs of obtaining a contract and the costs directly related to the performance of the contract. The standard also requires relevant disclosures.
- The company recognizes revenue from contracts with customers based on the five-step model, as it is disclosed in the Egyptian Accounting Standard No. (48) "Revenue from contracts with customers":
  - **Step 1:** Defining the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. It outlines the bases and criteria that must be met for each contract.
  - **Step 2:** Identify the performance obligations in the contract: A performance obligation is an undertaking in the contract, a contract with the customer, to transfer a good or service to the customer.
  - **Step 3:** Determine the transaction price: The transaction price is the amount of consideration that the company expects to be entitled to in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties.
  - **Step 4:** Allocate the transaction price to the performance obligations stipulated in the contract. For contracts that contain more than one performance obligation, the Group will allocate the transaction price to each performance obligation at the amount to which the Group expects to be entitled in exchange for meeting each performance obligation.
  - **Step 5:** Recognize revenue when the facility fulfils the performance obligation.

- **Sale of Goods**

The company's contracts with customers involve the sale of finished goods and generally include a single performance obligation. The Company has concluded that revenue from the sale of finished goods should be recognized when control of the asset is transferred to the customer, generally when the finished goods are delivered. Therefore, the application of the standard does not have any impact on the timing of revenue recognition.

- **Variable price**

- Some contracts for the sale of finished goods give customers the right to return or discount quantities. Prior to the application of Egyptian Accounting Standard No. (48), the company recognized revenue from the sale of goods measured at the fair value of the price received or receivable, after deducting returns and trade discounts. If the revenue cannot be measured reliably, the Group defers revenue recognition until the uncertainty has passed.
- Under Egyptian Accounting Standard No. (48), the return and trade discount rights increase the variable price. The variable price is estimated at the conclusion of the contract and is credited until the relevant uncertainty clears up later. The application of restrictions on the variable price did not increase the amount of revenue to be deferred.

- **Rights of return**

- When the contract provides for giving the customer the right to return the goods within a specified period, the Group has taken in its previous estimates the expected returns using the probability-weighted average method of the amounts expected to be returned.
- The amount of revenue related to the expected returns was deferred and included in the statement of financial position under the "Liability against expected sales return" item with a corresponding adjustment to the "Cost of sales" item. The carrying amount of the goods expected to be returned is included in the "Inventory".
- Under Egyptian Accounting Standard No. (48), the price received from the customer is variable because the contract allows the customer to return the products. The Group used the expected value method to estimate the goods to be returned.

**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, rebates to customers and sales taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

*** Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, if any.

*** Interest income**

Interest income is recognized as interest accrues using the effective interest method. Interest income is included in finance income in the statement of profit or loss.

*** Government grants**

Government grants that are received as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the company with no further related costs are recognized in the profit or loss statement in the year in which they become virtually certain, and all attached conditions are complied with.

***Export support revenue**

Revenues for export subsidies are recognized as accrued revenue when the export invoice is issued.

### 2-2-5 Property, plant and equipment and it's depreciation

Property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses and the difference of foreign exchange difference will be added according to EAS 13-A (the effect of change in foreign exchange). Such cost includes the cost of replacing part of the plant and equipment. when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if 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 starts when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

| | Depreciation % |
|---|---|
| Buildings and constructions | 2.5% |
| Machinery and equipment | 6.7% - 10% |
| Motor vehicles | 10% - 20% |
| Tools | 15% |
| Computers and software | 20% -25% |
| Furniture and fixtures | 10%-20% |

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of income when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end. The Company assesses at each reporting date whether there is an indication that property, plant and equipment may be impaired. Where the carrying amount of an asset 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 reversed only 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, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of profit or loss.

### 2-2-6 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing property, plant and equipment until it is ready to be used in the operation, upon which it itransferred to property, plant and equipment. Projects under construction are valued at cost less impairment (if any).

### 2-2-7 Investments in Associates

Investment in associates is investment in an entity over which the Company has a significant influence, but it is neither a subsidiary company nor a joint venture project. Significant influence exists when the company directly or indirectly owns 20% or more of the voting rights in the invested company, unless in exceptional circumstances, it can be clearly determined that such ownership does not constitute influence.

Investments in associate companies are accounted for in the consolidated financial statements using equity method accordingly, investment is initially recognized at cost, including the cost of the acquisition, and then adjusted with the change in the company's share in the net assets of the associate company during the post-acquisition period, and includes profits and losses of its share in the associate's income statement, also, the other comprehensive income of the Company is including the share in the other comprehensive income of the associate.

The book value of the investment is reduced by dividend distribution obtained from the associate company.

### 2-2-8 Treasury bills

In accordance with the requirements of Egyptian Accounting Standard No. (47) "Financial Instruments", treasury bills have been classified on the basis of their measurement - later - at amortized cost through profits or losses, and treasury bills that are being purchased are valued at the nominal value and the difference between the purchase cost and the nominal value is recorded as a deferred Investment return of treasury bills and It is amortized with the value of the treasury bills proceeds due " Interest" for the financial period through profits or losses until the maturity date of the treasury bills, and the tax due on the treasury bills returns is recorded, and upon collection, the discounted tax is recorded in the statement of financial position until it is settled with the annual tax return.

### 2-2-9 Inventories

Inventory items are evaluated as follows:

a) **Raw materials and Spare parts:** at purchase cost on a weighted average basis.

b) **Work in process:** Based on the cost of production, the last stage that has been completed according to the lists of costs or net realizable value, whichever is less.

The cost includes direct materials, direct labor and a share of indirect industrial costs and does not include borrowing costs.

c) **Finished goods**: at the lower of the cost of production (based on the costing sheets) or net realizable value.

Cost includes direct materials, direct labor and allocated share of manufacturing overhead 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 write-down 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 year the write down or loss occurs. The amount of any reversal of any write-down 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 year in which the reversal occurs.

### 2-2-10 Accounts receivable and other receivables

Accounts receivable and other receivables are stated at original invoice amount net of any expected credit losses.

The company applies the simplified approach allowed by the Egyptian Accounting Standard No. (47) "Financial Instruments", which requires the recognition of expected credit losses on aging for customers in the statement of profits or losses.

### 2-2-11 Accounts and notes payable, accrued expenses and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### 2-2-12 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, and a reliable estimate of the amount of the obligation can be made. 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 2-2-13 Social Insurance

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

### 2-2-14 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

### 2-2-15 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 year exceeding one year after the reporting 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 profit or loss statement when the liabilities are derecognized as well as amortization using the effective interest rate method process are recognized in the statement of profit or loss.

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 finance cost in the statement of profit or loss.

### 2-2-16 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in Egypt.

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting date in Egypt. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**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 balance sheet (accounting base) using the applicable tax rate.

Deferred tax assets are 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 and 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 period, directly in equity.

### 2-2-17 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 financial year in which these expenses were incurred.

### 2-2-18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that require a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs are the interest and other costs that a company incurs to borrow money.

### 2-2-19 Employees Training Provision

This provision shall be formed in implementation of the provisions of Labor law 14 of 2025, This law regulates all labor relations between workers and employers in all sectors – the public sector, the public business sector, and the private sector. According to Article 2 of this law, the legislator decided that the Training and Rehabilitation Fund, established in accordance with the provisions of Labor Law No. 12 of 2003, would retain its public legal personality. Furthermore, pursuant to Article 21 of Labor Law No. 14 of 2025, the legislator stipulated that the resources of the aforementioned fund would consist of 0.25% (one-quarter of one percent) of the minimum insurable wage in establishments within the public sector, the public business sector, and the private sector, where thirty or more employees work, a minimum of ten pounds and a maximum of thirty pounds per employee shall be borne and paid annually by the establishment in return for the services stipulated in Article (20) of this Law. Based on this, an employee training allowance shall be established.

### 2-2-20 Solidarity contribution

On 11 January 2018, Law No. 2 of 2018 the Comprehensive Health Insurance Law was issued, which comes into effect on the day following the expiration of six months from the date of its publication in the official publications. This law added financial burdens to employers, Employers are obliged to pay their share of the contributions of their employees at 4% per month from the wage of the insured worker and not less than LE 50 per month. The employers are obliged to pay their monthly contributions to the Social Insurance Authority.
Business owners are also obligated to make a comprehensive income contribution of (0.0025) two and a half per thousand of the total annual revenues of individual establishments and companies, regardless of their nature or the legal system to which they are subject. This contribution is not considered one of the deductible costs in applying the provisions of the income tax law, and the Ministry of Finance is responsible for Collect this comprehensive income contribution according to the institution's financial report submitted to the Tax Authority.

### 2-2-21 Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The terms and pricing policies for transactions with related parties are determined in accordance with the concluded contracts, and the prices of inter-transactions are determined according to the prices of dealing with third parties, and all legal procedures are taken to approve those transactions.

### 2-2-22 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
For assets traded in an active market, fair value is determined by reference to quoted market bid prices.
The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.
For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 2-2-23 Contingent Liabilities and Assets

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

### 2-2-24 Impairment of assets

**Impairment of financial assets**

The Company assesses at each balance sheet 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 balance sheet date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit (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 a reversal is recognized in the statement of profit or loss.

### 2-2-25 Statement of cash flows

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

### 2-2-26 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 with less bank overdrafts.

### 2-2-27 Segment Information

The main business segment of the company is the sector of production and sale of cheese products, the sector of production and sale of juice products, the sector of production and sale of baked goods products and periodic and annual financial reports on all revenues of the company are prepared on the basis of the existence of three main operating sectors and the executive management of the company monitors the operational units separately for the purpose of making decisions on the allocation of resources and performance evaluation.

**3 - Property, plant, and equipment**

- Fixed assets and right of use assets have been merged and listed in the statement of financial position as follows: -

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Net book value of fixed assets | 921 112 162 | 946 504 527 |
| Net book value of right of use assets | 39 093 869 | 43 386 346 |
| | 960 206 031 | 989 890 873 |

| | Land | Buildings | Machinery & equipment | Vehicles | Tools | Computers | Furniture &fixtures | Total |
|---|---|---|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP | EGP | EGP | EGP |
| **Cost** | | | | | | | | |
| As of 1 January 2026 | 8 221 307 | 236 862 732 | 1 084 214 714 | 206 170 574 | 29 845 584 | 61 573 807 | 27 817 750 | 1 654 706 468 |
| Cost of capitalized assets (First option - Appendix A - Revised EAS No. 13 ) as of 1 January 2026 | -- | -- | 24 204 416 | -- | -- | -- | -- | 24 204 416 |
| Cost of assets using valuation factor (Third option - Appendix A - Revised EAS No. 13) as of 1 January 2026 | -- | -- | 89 410 354 | 44 742 768 | -- | -- | -- | 134 153 122 |
| Additions | -- | -- | 7 123 724 | 2 961 157 | 237 453 | 731 199 | 69 592 | 11 123 125 |
| Disposals | -- | -- | -- | -- | -- | ( 40 407) | ( 6 849) | ( 47 256) |
| **As of 31 March 2026** | 8 221 307 | 236 862 732 | 1 204 953 208 | 253 874 499 | 30 083 037 | 62 264 599 | 27 880 493 | 1 824 139 875 |
| **Accumulated depreciation** | | | | | | | | |
| As of 1 January 2026 | -- | ( 37 321 927) | ( 503 688 003) | ( 110 792 602) | ( 21 982 219) | ( 31 701 664) | ( 13 891 304) | ( 719 377 719) |
| Accumulated depreciation for capitalized assets (First option - Appendix A - Revised EAS No. 13 ) as of 1 January 2026 | -- | -- | ( 21 377 580) | -- | -- | -- | -- | ( 21 377 580) |
| Accumulated depreciation for cost adjustments using valuation factor (Third option - Appendix A - Revised EAS No. 13) as of 1 January 2026 | -- | -- | ( 83 038 160) | ( 42 766 020) | -- | -- | -- | ( 125 804 180) |
| Depreciation for the period | -- | ( 1 515 448) | ( 22 453 520) | ( 7 477 333) | ( 549 712) | ( 2 270 751) | ( 569 939) | ( 34 836 703) |
| Depreciation for capitalized assets (First option - Appendix A - Revised EAS No. 13 ) | -- | -- | ( 468 623) | -- | -- | -- | -- | ( 468 623) |
| Depreciation for assets using valuation factor (Third option - Appendix A - Revised EAS No. 13) - note (31) | -- | -- | ( 338 943) | ( 867 774) | -- | -- | -- | ( 1 206 717) |
| Disposals | -- | -- | -- | -- | -- | 38 812 | 4 997 | 43 809 |
| **As of 31 March 2026** | -- | ( 38 837 375) | ( 631 364 829) | ( 161 903 729) | ( 22 531 931) | ( 33 933 603) | ( 14 456 246) | ( 903 027 713) |
| **Net book value as of 31 March 2026** | 8 221 307 | 198 025 357 | 573 588 379 | 91 970 770 | 7 551 106 | 28 330 996 | 13 424 247 | 921 112 162 |
| **Net book value as of 31 December 2025** | 8 221 307 | 199 540 805 | 589 725 741 | 97 354 720 | 7 863 365 | 29 872 143 | 13 926 446 | 946 504 527 |

**3 - Property, plant, and equipment – (Continued)**

- The cost of fixed assets as of 31 March 2026 includes EGP 280 055 381 which represents fully depreciated assets that are still in use.
- Depreciation expense is allocated as follows:

| | 31 March 2026 |
|---|---|
| | EGP |
| Cost of sales | 25 643 996 |
| Selling and marketing expenses (note 17) | 9 141 942 |
| General and administrative expenses (note 18) | 1 726 105 |
| | **36 512 043** |

- Disposals of property, plant, and equipment represent the sale of some assets as follows:

| | 31 March 2026 | |
|---|---|---|
| | EGP | EGP |
| Proceeds from sales of property, plant, and equipment | | 46 419 |
| Cost of disposed property, plant, and equipment | 47 256 | |
| Accumulated depreciation relating to disposals | (43 809) | |
| Net book value of disposed property, plant, and equipment | | 3 447 |
| Gain from sale of property, plant, and equipment (note 19) | | **42 972** |

- Depreciation expense is allocated as follows:

| | 31 March 2026 |
|---|---|
| | EGP |
| Depreciation for the period | 34 836 703 |
| Depreciation for the period (First option - Appendix A - Revised EAS No. 13) | 468 623 |
| Depreciation for the period (Third option - Appendix A - Revised EAS No. 13) | 1 206 717 |
| | **36 512 043** |

## 3 - Property, plant and equipment – (Continued)

### Right of use assets – (Continued)

| | Buildings |
|---|---|
| | EGP |
| **Cost** | |
| As of 1 January 2026 | 74 969 428 |
| **As of 31 March 2026** | **74 969 428** |
| **Accumulated Amortization** | |
| As of 1 January 2026 | (31 583 082) |
| Amortization for the period | (4 292 477) |
| **Accumulated amortization as of 31 March 2026** | **(35 875 559)** |
| **Net book value as of 31 March 2026** | **39 093 869** |
| **Net book value as of 31 December 2025** | **43 386 346** |

- Amortization expense is allocated as follows:

| | 31 March 2026 |
|---|---|
| | EGP |
| Cost of sales | 987 636 |
| Selling and marketing expenses (note 17) | 3 304 841 |
| | **4 292 477** |

**3 - Property, plant, and equipment – (continued)**

- Fixed assets and right of use assets have been merged and listed in the statement of financial position as follows: -

| | 31 March 2025 | 31 December 2024 |
|---|---|---|
| | EGP | EGP |
| Net book value of fixed assets | 908 076 293 | 772 831 531 |
| Net book value of right of use assets | 41 197 819 | 38 939 231 |
| | 949 274 112 | 811 770 762 |

| | Land | Buildings | Machinery & equipment | Vehicles | Tools | Computers | Furniture &fixtures | Total |
|---|---|---|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP | EGP | EGP | EGP |
| **Cost** | | | | | | | | |
| As of 1 January 2025 | 8 221 307 | 204 670 723 | 875 438 438 | 169 001 647 | 27 017 720 | 36 910 988 | 24 613 559 | 1 345 874 382 |
| Cost of capitalized assets (First option - Appendix A - Revised EAS No.13) as of 1 January 2025 | -- | -- | 24 204 416 | -- | -- | -- | -- | 24 204 416 |
| Cost of assets using valuation factor (Third option - Appendix A - Revised EAS No.13) as of 1 January 2025 | -- | -- | 89 454 867 | 44 767 826 | -- | -- | -- | 134 222 693 |
| Additions | -- | 9 860 910 | 13 470 795 | 27 628 729 | 666 444 | 541 890 | 1 927 596 | 54 096 364 |
| Transferred from Project under construction | -- | 15 127 288 | 97 512 576 | -- | -- | -- | -- | 112 639 864 |
| Disposals | -- | -- | ( 1) | ( 1 280 000) | -- | ( 40 563) | ( 417) | ( 1 320 981) |
| **As of 31 March 2025** | 8 221 307 | 229 658 921 | 1 100 081 091 | 240 118 202 | 27 684 164 | 37 412 315 | 26 540 738 | 1 669 716 738 |
| **Accumulated depreciation** | | | | | | | | |
| **As of 1 January 2025** | -- | ( 31 495 682) | ( 415 683 162) | ( 86 204 129) | ( 19 880 189) | ( 26 375 373) | ( 11 682 130) | ( 591 320 665) |
| Accumulated depreciation for capitalized assets (according to Option 1 - Annex A - Egyptian Accounting Standard 13) as of 1 January 2025 | -- | -- | ( 19 245 433) | -- | -- | -- | -- | ( 19 245 433) |
| Accumulated depreciation for cost adjustments using valuation factor (Third option - Appendix A - Revised EAS No. 13) as of 1 January 2025 | -- | -- | ( 81 025 564) | ( 39 878 298) | -- | -- | -- | ( 120 903 862) |
| Depreciation for the period | -- | ( 1 411 576) | ( 20 153 057) | ( 5 919 766) | ( 508 627) | ( 1 094 742) | ( 531 704) | ( 29 619 472) |
| Depreciation for capitalized assets (First option - Appendix A - Revised EAS No.13) | -- | -- | ( 579 046) | -- | -- | -- | -- | ( 579 046) |
| Depreciation for assets using valuation factor (Third option - Appendix A - Revised EAS No.13) | -- | -- | ( 595 501) | ( 678 907) | -- | -- | -- | ( 1 274 408) |
| Disposals | -- | -- | 1 | 1 280 000 | -- | 22 023 | 417 | 1 302 441 |
| **As of 31 March 2025** | -- | ( 32 907 258) | ( 537 281 762) | ( 131 401 100) | ( 20 388 816) | ( 27 448 092) | ( 12 213 417) | ( 761 640 445) |
| **Net book value as of 31 March 2025** | 8 221 307 | 196 751 663 | 562 799 329 | 108 717 102 | 7 295 348 | 9 964 223 | 14 327 321 | 908 076 293 |
| **Net book value as of 31 December 2024** | 8 221 307 | 173 175 041 | 473 143 562 | 87 687 046 | 7 137 531 | 10 535 615 | 12 931 429 | 772 831 531 |

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### 3 - Property, plant and equipment – (Continued)

- The cost of fixed assets as of 31 March 2025 includes EGP 182 943 628 which represents fully depreciated assets that are still in use.

- Depreciation expense is allocated as follows:

| | 31 March 2025 |
|---|---|
| | EGP |
| Cost of sales | 23 347 508 |
| Selling and marketing expenses (note 17) | 6 473 564 |
| General and administrative expenses (note 18) | 1 651 854 |
| | **31 472 926** |

- Disposals of property, plant, and equipment represent the sale of some assets

| | 31 March 2025 | |
|---|---|---|
| | EGP | EGP |
| Proceeds from sales of property, plant and equipment | | 11 635 571 |
| Cost of disposed property, plant and equipment | 1 320 981 | |
| Accumulated depreciation relating to disposals | (1 302 441) | |
| Net book value of disposed property, plant, and equipment | | 18 540 |
| Gain from sale of property, plant, and equipment (note 19) | | **11 617 031** |

- Depreciation expense is allocated as follows:

| | 31 March 2025 |
|---|---|
| | EGP |
| Depreciation for the period | 29 619 472 |
| Depreciation for the period (First option - Appendix A - Revised EAS No. 13) | 579 046 |
| Depreciation for the period (Third option - Appendix A - Revised EAS No. 13) | 1 274 408 |
| | **31 472 926** |

## 3 - Property, plant and equipment – (Continued)

### Right of use assets

| | Buildings | Machines and equipment | Total |
|---|---|---|---|
| | EGP | EGP | EGP |
| **Cost** | | | |
| As of 1 January 2025 | 51 135 912 | 13 196 762 | 64 332 674 |
| Additions | 5 555 215 | -- | 5 555 215 |
| Disposals | (1 059 168) | -- | (1 059 168) |
| **As of 31 March 2025** | **55 631 959** | **13 196 762** | **68 828 721** |
| **Accumulated Amortization** | | | |
| As of 1 January 2025 | (21 361 096) | (4 032 347) | (25 393 443) |
| Amortization for the period | (2 578 577) | (274 933) | (2 853 510) |
| Disposals | 616 051 | -- | 616 051 |
| **Accumulated amortization as of 31 March 2025** | **(23 323 622)** | **(4 307 280)** | **(27 630 902)** |
| **Net book value as of 31 March 2025** | **32 308 337** | **8 889 482** | **41 197 819** |
| **Net book value as of 31 December 2024** | **29 774 816** | **9 164 415** | **38 939 231** |

- Amortization expense is allocated as follows:

| | 31 March 2025 |
|---|---|
| | EGP |
| Cost of sales | 1 262 569 |
| Selling and marketing expenses (note 17) | 1 590 941 |
| | **2 853 510** |

## 4- Projects under construction

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Balance as of 1 January | 89 102 731 | 197 596 471 |
| Additions | 21 451 454 | 25 928 893 |
| Transferred to property, plant, and equipment (note 3) | -- | (134 422 633) |
| | **110 554 185** | **89 102 731** |

**Cost of projects under construction is as follows:**

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Buildings | 32 212 | 180 711 |
| Machinery and equipment | 110 521 973 | 88 922 020 |
| | **110 554 185** | **89 102 731** |

* Machinery and equipment include new production lines, juice production line, bakery production line, and new machines.

## 5- Inventories

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Raw materials | 673 199 375 | 658 795 521 |
| Spare parts | 159 078 963 | 158 639 427 |
| Work in process | 6 902 623 | 2 855 256 |
| Finished goods* | 293 490 253 | 423 246 886 |
| Goods in transit | 64 908 672 | 9 973 526 |
| **Total** | **1 197 579 886** | **1 253 510 616** |
| Less: write-down in inventories | (2 899 244) | (2 899 244) |
| **Net** | **1 194 680 642** | **1 250 611 372** |

* Finished goods inventory includes an amount of EGP 18 244 723 which represents the cost of sales that is expected to be returned, in accordance with Egyptian Accounting Standard No. (48) - Revenue from contracts with customers.

## 6- Accounts and notes receivable

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Accounts receivable – Local | 1 576 396 003 | 1 257 434 667 |
| Accounts receivable – Export | 348 722 354 | 290 744 371 |
| Notes receivable | 89 385 371 | 188 189 521 |
| **Total** | **2 014 503 728** | **1 736 368 559** |
| Less: expected credit losses in accounts and notes receivable | (213 867 511) | (209 848 994) |
| **Net** | **1 800 636 217** | **1 526 519 565** |

## 6- Accounts and notes receivable – (Continued)

**The movement of the expected credit losses in accounts and notes receivable represented as follows:**

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Balance as of 1 January | 209 848 994 | 150 953 990 |
| Formed during the period/ year | 4 018 517 | 58 895 004 |
| **Balance as of 31 March 2026** | **213 867 511** | **209 848 994** |

## 7- Prepayments and other debit balances

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Prepaid expenses | 26 531 016 | 45 464 212 |
| Deposits with others | 14 804 304 | 14 078 459 |
| Employees' advances | 44 407 339 | 9 009 031 |
| Advances to suppliers to purchase property, plant, and equipment * | 200 828 922 | 162 407 348 |
| Amounts due from Tax Authority | 91 455 528 | 80 971 334 |
| Advances to suppliers | 67 488 167 | 22 117 043 |
| Other debit balances | 184 835 735 | 132 505 254 |
| **Total** | **630 351 011** | **466 552 681** |
| Less: expected credit losses in prepayments and other receivables | (16 629 506) | (16 398 298) |
| **Net** | **613 721 505** | **450 154 383** |

* This account includes an amount of 67 905 984 Egyptian pounds, which represents an advance payment to purchase a land plot in the Polaris project in New 6th of October City for the purpose of building and operating warehouses to store the company's products and raw materials, for which the allocation has been approved and the contract has been signed, and no notification of receipt of the land has been received until the date of the financial position.

**The movement of expected credit losses in prepayments and other debit balances represented as follows:**

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Balance as of 1 January | 16 398 298 | 16 943 735 |
| Formed during the period/ year | 231 208 | -- |
| Expected credit losses no longer required during the period/ year | -- | (545 437) |
| **Balance** | **16 629 506** | **16 398 298** |

## 8- Cash on hand and at banks

| | 31 March 2026<br>EGP | 31 December 2025<br>EGP |
|---|---|---|
| **a) Local Currency** | | |
| Cash on hand | 16 254 023 | 7 635 345 |
| Cheques under collection | 44 229 676 | 6 044 338 |
| Current accounts | 154 714 558 | 178 312 785 |
| Time deposits | -- | 370 000 000 |
| | **215 198 257** | **561 992 468** |
| **b) Foreign currency** | | |
| Cash on hand | 34 020 309 | 22 839 912 |
| Current accounts | 71 950 042 | 34 090 013 |
| | **105 970 351** | **56 929 925** |
| | **321 168 608** | **618 922 393** |

## 9- Provisions

| | 31 March 2026<br>EGP | 31 December 2025<br>EGP |
|---|---|---|
| Balance as of 1 January | 30 278 682 | 65 099 275 |
| Formed during the period/ year | 5 864 957 | 14 836 690 |
| Provisions no longer required during the period/ year | -- | (21 667 172) |
| Provisions used during the period/ year | -- | (27 990 111) |
| **Balance** | **36 143 639** | **30 278 682** |

The balance as of March 31, 2026, is expected to be utilized in the upcoming years. Based on the company's assessment and after obtaining the appropriate technical advice, the outcome of these claims is not expected to result in any losses exceeding the amounts formed at period-end.

The information typically disclosed under accounting standards has not been provided, as management believes that such disclosure could significantly impact the outcome of negotiations with the relevant authorities. These provisions are reviewed annually by management and adjusted based on the latest developments, discussions, and agreements with the parties concerned.

## 10- Short term credit facilities

| | 31 March 2026<br>EGP | 31 December 2025<br>EGP |
|---|---|---|
| Egyptian pounds | 1 842 709 122 | 2 009 094 227 |
| Foreign Currency | 279 153 647 | 302 420 336 |
| | **2 121 862 769** | **2 311 514 563** |

The credit facilities balance as of March 31, 2026, represents the utilized amount of the total credit facilities granted to the company by banks, amounting to EGP 5.807 billion, for the purpose of opening letters of credit and financing the company's current operations, with an average interest rate of 17.29%.

## 11- Trade and notes payables

| | 31 March 2026 EGP | 31 December 2025 EGP |
|---|---|---|
| Trade payables | 660 105 159 | 604 307 459 |
| Notes payable | 51 930 908 | 21 447 720 |
| | **712 036 067** | **625 755 179** |

## 12- Accrued expenses and other credit balances

| | 31 March 2026 EGP | 31 December 2025 EGP |
|---|---|---|
| Accrued expenses | 130 389 956 | 100 920 421 |
| Deposits from others | 2 826 258 | 2 033 529 |
| Advances from customers | 30 193 860 | 25 865 839 |
| Due to Social Insurance Authority | 9 818 487 | 7 469 548 |
| Tax Authority | 25 593 625 | 31 539 306 |
| Solidarity contribution | 30 702 972 | 24 071 682 |
| Liability against expected sales return – EAS (48) | 25 196 338 | 4 200 097 |
| Other credit balances | 5 502 109 | 5 114 471 |
| | **260 223 605** | **201 214 893** |

## 13- Loans

| | 31 March 2026 EGP | 31 December 2025 EGP |
|---|---|---|
| Non-current portion | 123 477 465 | 99 572 407 |
| Current portion | 25 295 743 | 30 878 285 |
| | **148 773 208** | **130 450 692** |

| | CIB (2) EGP | CIB (3) EGP | QNB EGP | Total EGP |
|---|---|---|---|---|
| Balance as of 1 January 2026 | 19 233 255 | 88 887 265 | 22 330 172 | 130 450 692 |
| Payments during the period | (2 137 028) | -- | (5 582 543) | (7 719 571) |
| Proceeds during the period | -- | 26 042 087 | -- | 26 042 087 |
| **Balance as of 31 March 2026** | **17 096 227** | **114 929 352** | **16 747 629** | **148 773 208** |

| | CIB (1) EGP | EALB USD | CIB (2) EGP | CIB (3) EGP | QNB EGP | Total EGP |
|---|---|---|---|---|---|---|
| Balance as of 1 January 2025 | 35 458 696 | 16 556 654 | 27 781 368 | -- | 44 660 344 | 124 457 062 |
| Payments during the year | (35 458 696) | (16 556 654) | (8 548 113) | -- | (22 330 172) | (82 893 635) |
| Proceeds during the year | -- | -- | -- | 88 887 265 | -- | 88 887 265 |
| **Balance as of 31 December 2025** | -- | -- | **19 233 255** | **88 887 265** | **22 330 172** | **130 450 692** |

**13- Loans – (Continued)**

- **Loan from Commercial International Bank (1)**

On 15/7/2019 the company signed a medium-term loan contract with The Commercial International Bank (CIB-Egypt), to obtain a loan of up to 100 million Egyptian pounds.

**-The purpose of the loan:**

The loan proceeds will be used to the financing and/or refinancing of the expansion plan for the fiscal year 2019 in the form of a new bakery production line and its related components, with a maximum amount of EGP 100 000 000 (One Hundred Million Egyptian Pounds only).

- The issuance of letters of credit, whether at sight, on deferred terms, and/or documents against collection with enhanced terms, with a maximum period of 365 days, including the document acceptance period, for importing the necessary components for the new bakery production line and its related items. The maximum amount for this is EGP 33 000 000 (Thirty-Three Million Egyptian Pounds only), equivalent to USD 1 737 000 (One Million Seven Hundred Thirty-Seven Thousand US Dollars only).

-The company is committed to repaying the loan amount on 20 quarterly installments as soon as the grace period ends starting after 18 months from the date of initial withdrawal.

- **Interest rate:** a variable rate of the average corridor price announced by the Central Bank of Egypt, in addition to the margin.

- **Guarantees:** An insurance policy issued by an Egyptian insurance company acceptable to the bank and in its favor as a sole beneficiary against the installation risks of machines and equipment financed by the bank, provided that the installation period is covered by 115% of the total financing amount, including the replacement value, And that the policy should include coverage of the risk of riots and civil and labor disturbances at a rate of no less than 25% of the total amount of the policy.

-The loan was fully repaid in November 2025.

- **Loan from Commercial International Bank (2)**

Represented in the value of medium-term financing granted to the company by the Commercial International Bank on 18/11/2021 (according to the initiative of the Central Bank of Egypt in December 2019) in an amount not exceeding 54 000 000 EGP (only fifty-four million Egyptian pounds).

**-The purpose of the loan:**

- Financing the investment cost of the company related to the local purchase and/or importing part of the fourth production line for the bakery industry, the croissant production line, machinery and equipment, and both the additional costs and the installation cost for them, in accordance with the terms and conditions stipulated in the loan contract.

**13- Loans – (Continued)**

- The company is committed to repaying the financing amount in 20 quarterly installments as soon as the grace period ends, which is specified for a maximum of twelve months, expires from the date of the first withdrawal of the financing amount or the withdrawal of the total financing amount.

**- The interest rate:** an 8% interest rate applies to the first tranche in accordance with the initiative of the Central Bank of Egypt, and the corridor interest rate for lending announced by the Central Bank of Egypt applies to the second tranche, in addition to the margin.

**- Guarantees**: an insurance policy issued by an Egyptian insurance company acceptable to the bank and in its favor as a single beneficiary, at a rate of 115% of the total amount of financing, including the replacement value, provided that the document includes coverage of the risk of riots and civil and labor disturbances at a rate of no less than 25% of the total amount of the policy.

- **Loan from Commercial International Bank (3)**

  Represented in the value of medium-term financing granted to the company by the Commercial International Bank on 3 September 2025 in an amount not exceeding 236 000 000 EGP (only Two hundred thirty-six million Egyptian pounds). Including a sub-limit not exceeding the equivalent of USD 3 000 000 (only three million United States dollars).

  **-The purpose of the loan:**

  - Financing and/or partial refinancing of 70% of the investment cost related to the purchase of machinery and equipment for the new croissant production line, including its accessories, installation costs, customs duties, and value-added tax associated with such machinery and equipment.

  - The company is committed to repay the financing amount in 16 quarterly installments as soon as the grace period ends, which is specified for a maximum of twenty-four months, from the date of the first withdrawal of the financing amount or the withdrawal of the total financing amount.

  - **The interest rate:** A variable rate based on the average corridor rate announced by the Central Bank of Egypt, in addition to the applicable margin.

  - **Guarantees**: The Company undertakes to enter into and maintain, in a manner acceptable to the Bank, an installation all-risk insurance policy issued in favor of the Bank as the sole beneficiary. The policy shall cover the installation period of the financed machinery and shall provide coverage of 115% of the value of the financed machinery and equipment, immediately upon the arrival of such machinery and equipment. The coverage shall correspond to the medium-term financing amount granted by the Bank to the Company and shall be in the same currency of the drawdown. The policy must be issued by an Egyptian insurance company acceptable to the Bank, with the Bank named as the sole beneficiary.

  This installation insurance policy shall be replaced, immediately upon completion of the installation of the financed machinery and equipment, with an all-risk insurance policy providing the same coverage percentage, issued by an Egyptian insurance company acceptable to the Bank and naming the Bank as the sole beneficiary, and covering the medium-term financing amount in the same drawdown currency. The replacement policy must include the replacement value of the financed machinery and equipment, as well as coverage against riot, civil commotion, and labor disturbances of not less than 25% of the value of such machinery, and the deductible shall not exceed 10%.

  The Company shall provide the Bank with all information related to such insurance as the Bank may request from time to time. The insurance must be maintained with an Egyptian insurance company acceptable in form and substance to the Bank, and the Bank must be provided with the original insurance policies issued in the same drawdown currency.

**13- Loans – (Continued)**

- **Loan from EALB**

Represents a credit facility in the form of a long-term loan granted to the company by the Egyptian Arab Land Bank during year 2019 with a total amount of USD 2 100 000 (only two million and one hundred thousand US dollars only).

**-The purpose of the loan:**

To finance the import of the bakery production line.

- Loan term: 6 years, including the grace and withdrawal period, with a maximum of 12 months, to be paid in 20 equal quarterly installments.

**-Interest rate**: 3,462% above the 3-month SFOR rate, with SFOR review at the end of each quarter.

**-Guarantees:** Signing (4) promissory notes, each with a value of 525 thousand US dollars, for use in foreign currency. The company is also committed to allocating part of an insurance policy in favor of the bank, amounting to 110% of the total long-term financing against all risks.

- The loan was fully repaid in November 2025.

- **Loan from QNB**

It is represented in a loan contract concluded with Qatar National Bank Al Ahli on 26 October 2021 (according to the initiative of the Central Bank of Egypt in December 2019) amounting to 66 000 000 Egyptian pounds (only sixty-six million Egyptian pounds).

**The purpose of the loan:**

-It is dedicated to finance production lines with the aim of increasing the production capacity of the industrial activity.

- Loan period: 5 years starting from the date of signing the loan contract and ending on 26/10/2026. This period includes the grace period and the withdrawal period, which is scheduled for one year from the date of the first withdrawal, all provided that the withdrawal conditions established under the loan contract are fulfilled, as well as providing the bank with the documents it deems to allow the withdrawal of loan.

Repayment period: The company is obligated to repay the loan in 16 quarterly installments of equal value from the value of the balance used at the end of the withdrawal period in addition to the applicable return in accordance with the terms and conditions of the loan contract.

**-Interest rate:** 8% according to the initiative of the Central Bank of Egypt.

**-Guarantees:** an insurance policy in favor of the bank covering 110% of the loan value on the assets financed by the bank against all risks.

**14- Capital**

The company's authorized capital as of 31 March 2026 amounted to EGP 282 608 695 (31 December 2025 : EGP 282 608 695).

In 2012, the issued and paid-up capital was EGP 30,000,000 divided over 1,200,000 shares of par value EGP 25 each.

On 30 September 2013 the Extraordinary General Assembly approved the raise of the issued and paid-up capital by EGP 20 000 000 divided over 800 000 shares at the nominal value of EGP 25 through share dividends of 2 shares for every 3 outstanding shares. The issued and paid-up capital becomes 50 000 000 Egyptian pounds, distributed over 2 000 000 shares, with a nominal value of 25 Egyptian pounds.

On 21 October 2015 the Extraordinary General Assembly decided the fragmentation of the nominal value of each share from EGP 25 to EGP 0.2 and was approved in the commercial register on 15 December 2015.

## 14- Capital – (Continued)

On 7 April 2016 the Board of Directors decided (authorized by the extraordinary General Assembly on the 15 January 2016) to increase the paid-up capital by EGP 6 521 739 distributed over 32 608 695 shares with a nominal value of 20 piaster per share then the initial public offering held on the final fair value for the share amounted to EGP 9,20 per share were the difference of EGP 9 were premium share.

According to article 94 of Companies Law No, 159 of 1981 of the Executive Regulations, an amount of EGP 9 366 743 was added from the share premium to the legal reserve. Thus, the legal reserve is half the issued capital, and a special reserve was charged with the remaining amount of the premium of EGP 283 422 423 after deducting the issuance expenses of EGP 689 089 and the capital increase was approved in the commercial register on 17 May 2016, Accordingly, the issued and paid-up capital as of 31 March 2026 amounted to EGP 56 521 739 divided over 282 608 695 shares (31 December 2025: EGP 56 521 739).

On 31 March 2021, the Extraordinary General Assembly decided to reduce the authorized capital from 500 000 000 Egyptian pounds to 282 608 695 Egyptian pounds in accordance with the provisions of Article No.10 of the rules of listing in the Egyptian Stock Exchange that the authorized capital should not exceed five times the issued capital.

## 15- Retained earnings

The balance of the Consolidated Retained Earnings on March 31, 2026, is as follows:

**First:** the profits for the period amounting to EGP 72 193 558 are scheduled for approval during the General Assembly meeting, which will approve the financial results for the year ending December 31, 2026.

**Second:** Retained earnings from previous years after all approved distributions up to the date of the financial statements amounts to EGP 1 101 312 517 as disclosed in the statement of changes in equity.

**Third:** The consolidated retained earnings include an amount of EGP 5 374 877 as of 31 March 2026. (31 December 2025: EGP 4 455 470) which is non-distributable and represents the legal reserve of the subsidiary.

## 16- Income taxes

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Current income taxes | 36 317 694 | 24 227 028 |
| Deferred tax expense | (7 432 798) | (17 441 558) |
| | **28 884 896** | **6 785 470** |

**16-Income taxes – (Continued)**

**Reconciliation of the effective income tax rate**

| | 31 March 2026 EGP | 31 March 2025 EGP |
|---|---|---|
| Profit before income taxes excluding treasury bills interest | 101 078 465 | 7 269 006 |
| **Add: non-deductible expenses** | | |
| Accounting depreciation | 36 512 043 | 31 472 926 |
| Provisions formed during the period | 10 114 682 | 21 119 446 |
| Donations | 1 587 521 | 1 337 230 |
| Board of directors' allowances | 300 000 | 300 000 |
| Unrealized credit forex differences previously deducted from the prior year's pot | -- | 67 326 293 |
| Unrealized debit forex differences | 24 375 840 | 3 758 765 |
| Effect of application of Egyptian Accounting Standard (48) | 20 996 241 | 2 718 492 |
| Excess of 7% of documented general and administrative expenses | 11 017 362 | 5 626 096 |
| Solidarity contribution 0.25% | 6 631 290 | 6 022 481 |
| Cost of financing and investing for the returns of treasury bills | -- | 562 491 |
| **Less: deductible expenses** | | |
| Tax depreciation | (24 886 828) | (31 903 399) |
| Capital gains | (42 972) | (11 617 031) |
| Provisions used | -- | (1 525 365) |
| Donations to registered charities | (126 500) | (113 500) |
| Effect of application of Egyptian Accounting Standard (48) | (15 195 569) | (3 664 194) |
| Unrealized debit forex differences previously added in prior year's pot | (10 949 605) | -- |
| **Tax base** | **161 411 970** | **98 689 737** |
| **Income Tax** | **36 317 694** | **22 205 191** |
| Returns on treasury bills before income taxes | -- | **10 109 188** |
| Tax due on treasury bills returns | -- | **2 021 837** |
| **Income taxes at the effective tax rate** | **36 317 694** | **24 227 028** |

**Components of deferred tax liability:**

| | 31 March 2026 EGP | 31 December 2025 EGP |
|---|---|---|
| Depreciation of Property, plant, and equipment | 80 314 525 | 82 815 078 |
| Foreign currency exchange differences | (5 484 564) | (2 463 661) |
| Expected credit losses in accounts receivables | (48 120 190) | (47 216 024) |
| Expected credit losses in other debit balances | (3 741 639) | (3 689 617) |
| Provisions | (4 395 175) | (3 493 730) |
| Deferred tax liability against right of use assets - EAS 49 | 900 558 | 954 267 |
| Deferred tax assets resulted from carry forward taxable losses | -- | (2 788 531) |
| | **19 473 515** | **24 117 782** |

## 17- Selling and marketing expenses

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Marketing activities | 68 945 528 | 45 223 444 |
| Advertising activities | 37 903 172 | 58 671 751 |
| Salaries and wages | 152 645 653 | 114.171.544 |
| Warehousing | 8 560 688 | 7.442.032 |
| Vehicles and transportation rent and licenses | 22 926 499 | 19.918.230 |
| Spare parts and maintenance | 30 874 969 | 23 417 900 |
| Fixed assets depreciation (Note 3) | 9 141 942 | 6 473 564 |
| Right of use assets amortization (Note 3) | 3 304 841 | 1 590 941 |
| Insurance | 2 591 795 | 2 447 215 |
| Expected credit losses in accounts receivable (Note 7) | 4 018 517 | 19 197 647 |
| Freight expenses | 29 800 168 | 27 168 544 |
| Packaging and packing materials - current | 5 420 674 | 3 846 263 |
| Packaging and packing materials | 1 730 708 | 1 387 281 |
| Training programs and courses | 2 564 965 | 2 218 051 |
| Cash transfer expenses | 2 240 000 | 2 051 131 |
| Export customs clearance fees | 429 927 | 196 652 |
| Loading and unloading expenses | 2 414 857 | 2 216 398 |
| Stationary | 407 853 | 461 387 |
| Medical care | 941 510 | 568 957 |
| Others | 12 879 551 | 9 240 509 |
| | **399 743 817** | **347 909 441** |

## 18- General and administrative expenses

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Salaries and wages | 22 716 034 | 22.771.072 |
| Board of directors allowances | 300 000 | 300 000 |
| Fixed assets depreciation (Note 3) | 1 726 105 | 1 651 854 |
| Transportation rental expenses, travel expenses, and vehicles licenses | 181 199 | 138.863 |
| Stationary | 268 936 | 238 062 |
| Medical care | 163 855 | 127 295 |
| Donations | 126 500 | 113 500 |
| Expected credit losses in other debit balances (Note 7) | 231 208 | -- |
| Others | 6 793 188 | 5 985 342 |
| | **32 507 025** | **31 325 988** |

## 19- Net other operating income

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Export support subsidy | 33 674 492 | 4 948 919 |
| Scrap sales | 15 652 036 | 15 037 396 |
| Other income | -- | 249 057 |
| Gain from sale of property, plant, and equipment (Note 3) | 42 972 | 11 617 031 |
| Gain on disposal of right of use assets | -- | 186 430 |
| | **49 369 500** | **32 038 833** |

## 20- Finance income

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Interest on treasury bills | -- | 10 109 188 |
| Interest on time deposits | 2 846 843 | 342 247 |
| | **2 846 843** | **10 451 435** |

## 21- Finance expenses

| | From 1 January 2026 To 31 March 2026 EGP | From 1 January 2025 To 31 March 2025 EGP |
|---|---|---|
| Interest on loans and credit facilities | 98 371 696 | 142 914 652 |
| Interest expense – lease liability | 2 352 728 | 1 760 961 |
| Losses from foreign exchange differences | 33 503 981 | 1 231 550 |
| | **134 228 405** | **145 907 163** |

## 22- Contingent liabilities

The balance of the group's contingent liabilities related to letters of guarantee as of March 31, 2026, amounted to EGP 10 650 000 (December 31, 2025: EGP 10 650 000). No significant obligations are expected to arise from these guarantees.

## 23- Business combination reserve

Business combination reserve represents the difference between the nominal value of the shares of the subsidiary acquired in the Common Control Transaction and the cash paid as consideration for such acquisition, Until the date of the Common Control Transaction, the Business combination reserve represents the nominal value of the shares of the subsidiary owned by the controlling shareholders of the Parent, Cash consideration paid by the Company to the controlling shareholders for the purchase of the subsidiary shares on 30 April 2014 has been reflected as a distribution.

## 24- Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to the equity holders of the Parent by the weighted average number of shares outstanding during the period. The earnings per share are calculated after deducting the share of employees and the Board of Directors, which is calculated in an estimated manner to reach the shareholders' share in the profits. The Company does not have any diluted earnings per share.

## 24- Earnings per share – (Continued)

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| | EGP | EGP |
| Net profit for the period | 72 193 558 | 10 592 722 |
| Employees and Board of directors' dividends* | (13 434 167) | (1 730 008) |
| **Net profit available for distribution to the shareholders of the parent company** | **58 759 391** | **8 862 714** |
| Number of shares outstanding | 282 608 695 | 282 608 695 |
| **Earnings per share – basic and diluted** | **0.21** | **0.03** |

* According to the Egyptian law, employees and Board of Directors members are entitled to a percentage of the company's profit as a profit sharing when dividends are declared, subject to the approval of the company's General Assembly.

## 25- Capital commitments

The balance of the company's contracted capital commitments as of 31 March 2026 amounted to EGP 154 462 271 (31 December 2025: EGP 175 745 100) represented as follows:

| 31 March 2026 | Contract amount | Paid amount | Un-paid amount |
|---|---|---|---|
| | EGP | EGP | EGP |
| Lands | 106 981 200 | (46 356 247) | 60 624 953 |
| Machines and Equipment | 211 867 628 | (118 893 956) | 92 973 672 |
| Buildings | 2 474 385 | (1 610 739) | 863 646 |
| | **321 323 213** | **(166 860 942)** | **154 462 271** |

| 31 December 2025 | Contract amount | Paid amount | Un-paid amount |
|---|---|---|---|
| | EGP | EGP | EGP |
| Lands | 106 981 200 | (40 920 399) | 66 060 801 |
| Machines and Equipment | 193 250 711 | (98 412 494) | 94 838 217 |
| Buildings | 20 554 671 | (5 708 589) | 14 846 082 |
| | **320 786 582** | **(145 041 482)** | **175 745 100** |

**26- Lease liability**

Applying Egyptian Accounting Standard No. 49, the lease obligations on 31 March 2026 amounted to 47 801 657 Egyptian pounds, represented as follows:

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| Balance as of 1 January 2026 | 51 567 375 | 40 288 394 |
| Additions during the period/ year | -- | 28 813 384 |
| Disposals of lease liabilities | -- | (4 494 321) |
| Debit interest | 2 352 728 | 7 366 246 |
| Instalments paid during the period/ year | (6 118 446) | (20 406 328) |
| **Balance** | **47 801 657** | **51 567 375** |
| Lease liability – short term | 17 784 835 | 16 833 678 |
| Lease liability – long term | 30 016 822 | 34 733 697 |
| | **47 801 657** | **51 567 375** |

**27- Segment reporting**

In 2012, the company was operating in one segment - Dairy products, From September 2013, the Company started the production of juice and from September 2018, the Company started the production of Bakery products therefore the Company started to operate into three segments as follows:

- Dairy products
- Juice Products
- Bakery Products

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment, Segment performance is evaluated based on gross profits and is measured consistently with profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The amount of each segment item reported shall be the measure reported to the chief operating decision maker for the purpose of making decisions about allocating resources to the segment and assessing its performance.

**27- Segment reporting – (Continued)**

**Primary segments results – related products for the period ended 31 March 2026 are as follows:**

| | Dairy products | Juice products | Bakery products | Total |
|---|---|---|---|---|
| | EGP | EGP | EGP | EGP |
| Segment sales | 1 966 784 188 | 220 824 174 | 506 037 000 | 2 693 645 362 |
| Sales discounts - Egyptian Accounting Standard (48) | (101 797 086) | (4 515 081) | (7 301 631) | (113 613 798) |
| Liability against expected sales returns | (22 652 939) | (2 543 399) | -- | (25 196 338) |
| Liability against expected sales returns no longer required | 3 803 478 | 396 619 | -- | 4 200 097 |
| **Net sales** | **1 846 137 641** | **214 162 313** | **498 735 369** | **2 559 035 323** |
| Segment cost of sales | (1418 155 636) | (173 511 615) | (354 726 025) | (1 946 393 276) |
| Cost of expected sales returns | 16 176 743 | 2 067 980 | -- | 18 244 723 |
| Cost of expected sales returns no longer required | (2 696 977) | (352 177) | -- | (3 049 154) |
| **Cost of sales** | **(1 404 675 870)** | **(171 795 812)** | **(354 726 025)** | **(1 931 197 707)** |
| **Gross Profit** | **441 461 771** | **42 366 501** | **144 009 344** | **627 837 616** |
| Operating expenses net of other operating income | | | | (388 746 299) |
| Finance income | | | | 2 846 843 |
| Finance expenses | | | | (134 228 405) |
| Solidarity contribution | | | | (6 631 290) |
| Income tax expenses | | | | (28 884 896) |
| **Net profit for the period** | | | | **72 193 569** |

| | Dairy products | Juice products | Bakery products | Unallocated | Total |
|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP |
| Depreciation for the period | (8 778 453) | (3 383 394) | (10 291 673) | (12 383 183) | (34 836 703) |
| Depreciation for the period (First option) | (253 997) | (214 626) | -- | -- | (468 623) |
| Depreciation for the period (Third option) | (164 912) | (174 031) | -- | (867 774) | (1 206 717) |
| Amortization of right of use assets | -- | -- | -- | (4 292 477) | (4 292 477) |
| | **(9 197 362)** | **(3 772 051)** | **(10 291 673)** | **(17 543 434)** | **(40 804 520)** |

**27- Segment reporting – (Continued)**

**Primary segments results – related products for period ended 31 March 2025 are as follows:**

| | Dairy products | Juice products | Bakery products | Total |
|---|---|---|---|---|
| | EGP | EGP | EGP | EGP |
| Segment sales | 1 796 247 512 | 126 146 112 | 427 825 785 | 2 350 219 409 |
| Sales discounts - Egyptian Accounting Standard (48) | (94 723 263) | (3 812 202) | (3 830 222) | (102 365 687) |
| Liability against expected sales returns | (804 790) | (56 518) | -- | (861 308) |
| Liability against expected sales returns no longer required | 4 085 066 | 440 436 | -- | 4 525 502 |
| **Net sales** | **1 704 804 525** | **122 717 828** | **423 995 563** | **2 251 517 916** |
| Segment cost of sales | (1 304 317 453) | (111 784 975) | (324 722 198) | (1 740 824 626) |
| Cost of expected sales returns | 595 962 | 41 853 | -- | 637 815 |
| Cost of expected sales returns no longer required | (3 029 661) | (326 646) | -- | (3 356 307) |
| **Cost of sales** | **(1 306 751 152)** | **(112 069 768)** | **(324 722 198)** | **(1 743 543 118)** |
| **Gross Profit** | **398 053 373** | **10 648 060** | **99 273 365** | **507 974 798** |
| Operating expenses net of other operating income | | | | (349 118 395) |
| Finance income | | | | 10 451 435 |
| Finance expenses | | | | (145 907 163) |
| Solidarity contribution | | | | (6 022 481) |
| Income tax expenses | | | | (6 785 470) |
| **Net profit for the period** | | | | **10 592 724** |

| | Dairy products | Juice product | Bakery products | Unallocated | Total |
|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP |
| Depreciation expenses | (7 033 715) | (3 306 715) | (9 812 627) | (9 466 415) | (29 619 472) |
| Depreciation for the period (First option) | (364 421) | (214 625) | -- | -- | (579 046) |
| Depreciation for the period (Third option) | (226 744) | (368 757) | -- | (678 907) | (1 274 408) |
| Amortization of right of use assets | (137 467) | (137 466) | -- | (2 578 577) | (2 853 510) |
| | **(7 762 347)** | **(4 027 563)** | **(9 812 627)** | **(12 723 899)** | **(34 326 436)** |

**27- Segment reporting – (Continued)**

**Segments Assets**

| 31 March 2026 | Dairy products | Juice products | Bakery products | Unallocated | Total |
|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP |
| Total assets | 212 123 217 | 77 301 999 | 275 771 699 | 4 387 175 966 | 4 952 372 881 |
| Capitalized assets (First option) | 2 143 587 | 214 626 | -- | -- | 2 358 213 |
| Revaluated assets (Third option) | 4 215 497 | 1 817 754 | -- | 1 108 974 | 7 142 225 |
| Right of use assets | -- | -- | -- | 39 093 869 | 39 093 869 |
| | **218 482 301** | **79 334 379** | **275 771 699** | **4 427 378 809** | **5 000 967 188** |

**Segments Assets**

| 31 December 2025 | Dairy products | Juice products | Bakery products | Unallocated | Total |
|---|---|---|---|---|---|
| | EGP | EGP | EGP | EGP | EGP |
| Total assets | 217 521 501 | 77 938 332 | 285 066 878 | 4 290 112 482 | 4 870 639 193 |
| Capitalized assets (First option) | 2 397 585 | 429 251 | -- | -- | 2 826 836 |
| Revaluated assets (Third option) | 4 380 409 | 1 991 785 | -- | 1 976 748 | 8 348 942 |
| Right of use assets | -- | -- | -- | 43 386 346 | 43 386 346 |
| | **224 299 495** | **80 359 368** | **285 066 878** | **4 335 475 576** | **4 925 201 317** |

**Secondary Segment results – geographical sales by areas for the period ended 31 March 2026 are as follows:**

| Geographical areas: | 31 March 2026 | 31 March 2025 |
|---|---|---|
| | EGP | EGP |
| **Local** | | |
| Cairo | 1 329 616 440 | 1 298 040 778 |
| Alexandria | 217 376 686 | 202 025 779 |
| Delta | 389 857 351 | 304 177 180 |
| Upper Egypt | 457 981 459 | 331 203 635 |
| | **2 394 831 936** | **2 135 447 372** |
| **Export** | 298 813 426 | 214 772 037 |
| | **2 693 645 362** | **2 350 219 409** |
| Sales returns provision (EAS 48) | (25 196 338) | (861 308) |
| Sales returns provision no longer required (EAS 48) | 4 200 097 | 4 525 502 |
| Sales discounts - Egyptian Accounting Standard (48) | (113 613 798) | (102 365 687) |
| | **2 559 035 323** | **2 251 517 916** |

## 28- Tax position

### 28- 1 Arabian food industries company (Domty)

**a) Corporate taxes**

**Years from inception till 2021**

The company submitted its tax returns on the legal dates, and they were inspected by the Tax Authority for those years, the tax disputes were resolved, and final payments are under progress.

**Years from 2022 till 2025**

The Company submitted the income tax returns on the legal dates and no notification was received from the center for examination.

**b) Sales taxes / Value added taxes**

**Years from inception till December 2023**

The company has undergone a tax inspection for the period from the date of inception till December 31, 2023, and has settled the tax differences resulting from the inspection.

**Period from January 2024 till March 2026**

The company submits monthly tax returns and regularly pays the due taxes on a regular basis, and no inspection notification has been received from the center to date.

**c) Salaries and wages taxes**

**From the date of inception till 31 December 2022**

All tax disputes were examined and resolved, and the Company settled and paid all tax differences for that period.

**Years from 2023 till 2025**

The company has raised the monthly wage and salary adjustments based on the system for unifying the foundations and standards for calculating wages and salaries, in accordance with Finance Minister Resolution No. 251 of 2023.

In implementation of the Unified Tax Procedures Law No. 206 of 2020, amended by Law No. 211 of 2020, the company prepared the tax settlement for the years 2023 and 2025 and submitted it to the tax system on the legal date.

**Period from January 2026 to March 2026**

The company has raised the monthly wage and salary adjustments based on the system for unifying the foundations and standards for calculating wages and salaries, in accordance with Finance Minister Resolution No. 251 of 2023.

**d) Stamp duty taxes**

**Years from inception till 31 December 2022**

Tax disputes over the differences resulting from the examination were examined and resolved by the relevant committees.

**Period (from 1/1/2023 to 31/3/2026)**

The company calculates the stamp duty on gas consumption as well as other vessels and the development fee. The company supplies the tax regularly on the form prepared for this purpose.

## 28- Tax position - (Continued)

### 28- 1 Arabian food industries company (Domty) – (Continued)

**e) Withholding tax**

The company has undergone a tax inspection for the years from the date of inception till December 31, 2015, and has settled the tax differences resulting from the inspection. The Company withholds tax on its transactions with suppliers and service providers in accordance with tax law.

**f) Property tax**

**Years from the beginning of submission till 2021**

The property tax was settled and paid in accordance with the ruling issued by the Administrative Court until December 2021.

**Years from 2022 till 2024**

According to Prime Ministerial Decree No. 61 of 2022, the Egyptian Ministry of Finance fully covers the property tax on buildings used for industrial activities for a period of three years, starting from January 1, 2022.

**Years from 2025 till 2026**

In accordance with Prime Ministerial Decree No. 3 of 2024, the provisions of Decree No. 61 of 2022 have been extended for an additional two years, starting from the day following the end of the original period stated in Article One, and concluding at the end of December 2026.

*There are no outstanding tax disputes with the Egyptian Tax Authority, and the provisions recorded in the financial statements for the period ended 31 March 2026 are sufficient to cover the company's tax obligations.

### 28-2 El Tatweer for Food Industries Company

**a) Corporate taxes**

**Years from inception till 2019**

The company submitted tax returns on the legal time, and all tax disputes were examined and settled.

**Years from 2020 till 2021**

The company submitted the tax return on the legal date, the examination was completed, the company appealed to the examination result and is awaiting a session to discuss the dispute.

**Years from 2022 to 2025**

The company submitted the tax return on the legal date, and the years 2020/2021 are being prepared and examined with the Tax Center for Major Financiers (2) in accordance with the center's request.

**28- Tax position - (Continued)**

**28-2 El Tatweer for Food Industries Company – (Continued)**

**b) Sales taxes / Value added tax**

**Years from inception until October 2022**

The company submitted monthly declarations on a regular basis, and these declarations were examined, and the company objected to the result of the examination.

**The period from November 2022 until March 2026**

The company submits monthly returns and pays taxes on a regular basis, and no notification has been received from the mission for examination for that period to date.

**c) Stamp duty Taxes**

**The years from the beginning of the activity until 31/12/2015**

The period from 8/3/2009 till 31/12/2015 was assessed and the company appealed to the result of the examination.

**Period from 1/1/2016 till 26/01/2022**

The examination was completed, the examination result was approved, and the tax was paid.

**The period from 27/01/2022 till March 2026**

The company calculates the stamp tax on gas consumption as well as other containers and the development fee, and the company supplies the tax on the form prepared for this regularly.

**d) Salary and wages taxes**

**Years from inception till 2019**

The company submitted tax settlements for examination, and all tax disputes were settled.

**Years 2020 till 2025**

Applying the Unified Tax Procedures Law No. 206 of 2020 as amended by Law 211 of 2020, the company has prepared and submitted the annual tax settlement of the Company's employees' wages and salaries for the years from 2020 till 2025 on the tax system on the legal date.

**Period (from 1/1/2026 to 3/31/2026)**

The company raises monthly wage and salary adjustments based on a system for unifying the foundations and standards for calculating wages and salaries in accordance with Finance Minister Resolution No. 251 of 2023.

**e) Withholding tax**

The company is regular in deducting and supplying tax at source to suppliers and service providers to the company.

**f) Property tax**

**Years from the beginning of submission till 2021**

The property tax was settled and paid in accordance with the ruling issued by the Administrative Court until December 2021.

**Years from 2022 till 2024**

According to Prime Ministerial Decree No. 61 of 2022, the Egyptian Ministry of Finance fully covers the property tax on buildings used for industrial activities for a period of three years, starting from January 1, 2022.

**Years from 2025 till 2026**

In accordance with Prime Ministerial Decree No. 3 of 2024, the provisions of Decree No. 61 of 2022 have been extended for an additional two years, starting from the day following the end of the original period stated in Article One, and concluding at the end of December 2026.

### 29- Risk management

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, The Company is exposed to interest rate risk on its interest-bearing liabilities, banks credit facilities and long-term loans.

| | 31 March 2026 | | 31 March 2025 | |
|---|---|---|---|---|
| | Change in interest rate | Effect on profit before Tax EGP | Change in interest rate | Effect on profit before Tax EGP |
| Liabilities | +1% | (5 215 518) | +1% | (6 178 538) |
| | -1% | 5 215 518 | -1% | 6 178 538 |

#### b) Foreign Currency Risk

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates. The total financial assets denominated in foreign currencies amount to EGP 514 742 056 (31 December 2025: EGP 390 628 339),

Whereas the total financial liabilities denominated in foreign currencies amounts to EGP 519 708 681 (31 December 2025: EGP 546 604 879).

- The following table shows the impact of an acceptable potential change in foreign exchange rates, holding all other variables constant. The impact on the company's pre-taxable profits is due to changes in the value of monetary assets and liabilities. It should be noted that changes in the exchange rates of all other foreign currencies are not significant.

| | 31 March 2026 | | 31 March 2025 | |
|---|---|---|---|---|
| | Change in exchange rate | Impact on profits before tax | Change in exchange rate | Impact on profits before tax |
| USD | +10% | (983 568) | 10% + | 40 193 815 |
| | -10% | 983 568 | 10% - | (40 193 815) |
| EUR | +10% | 436 074 | 10% + | 1 662 089 |
| | -10% | (436 074) | 10% - | (1 662 089) |
| GBP | +10% | 34 763 | 10% + | 31 450 |
| | -10% | (34 763) | 10% - | (31 450) |
| AED | +10% | 15 319 | 10% + | 13 905 |
| | -10% | (15 319) | 10% - | (13 905) |
| SAR | +10% | 734 | 10% + | 694 |
| | -10% | (734) | 10% - | (694) |

## 29- Risk management – (Continued)

### b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company seeks to limit its credit risk with respect to banks by applying many control procedures include credit limits and only dealing with reputable banks.

The Company seeks to limit its credit risk with respect to customers by

- Setting credit limits for all customers according to an internal evaluation policy.
- Assessing the customer's credit status in accordance with tight credit limits.
- Follow up on current customer balances.

The company avoids credit risks by applying many supervisory measures, and the company's dealings are limited to highly credit-efficient financial institutions.

### c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and finance lease, The company uses credit limits and monitors the loans due dates.

| Financial Liabilities | Less than 3 months | From 3 to 12 months | From 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2026** | | | | | |
| Loans | 7 719 571 | 17 576 172 | 123 477 465 | -- | 148 773 208 |
| Short term credit facilities | 2 121 862 769 | -- | -- | -- | 2 121 862 769 |
| Lease liabilities | 4 037 953 | 13 746 882 | 30 016 822 | -- | 47 801 657 |
| Suppliers, accrued expenses and other payables | 913 697 474 | 6 631 290 | -- | -- | 920 328 764 |
| Income tax payable | 68 431 754 | 36 317 694 | -- | -- | 104 749 448 |
| Notes payable | 50 311 883 | 1 619 025 | -- | -- | 51 930 908 |
| **Total financial liabilities not deducted** | **3 166 061 404** | **75 891 063** | **153 494 287** | -- | **3 395 446 754** |

| Financial Liabilities | Less than 3 months | From 3 to 12 months | From 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 December 2025** | | | | | |
| Loans | 7 719 571 | 23 158 714 | 99 572 407 | -- | 130 450 692 |
| Short term credit facilities | 2 311 514 563 | -- | -- | -- | 2 311 514 563 |
| Lease liabilities | 3 765 719 | 13 067 959 | 34 733 697 | -- | 51 567 375 |
| Suppliers, accrued expenses and other payables | 805 522 352 | -- | -- | -- | 805 522 352 |
| Income tax payable | 72 470 667 | -- | -- | -- | 72 470 667 |
| Notes payable | 21 569 493 | -- | -- | -- | 21 569 493 |
| **Total financial liabilities not deducted** | **3 222 562 365** | **36 226 673** | **134 306 104** | -- | **3 393 095 142** |

### d) Capital risk management

The company manages its capital to ensure that it will continue in sufficient level while maximising the return to the shareholders through the optimisation of debt-to-equity balance. The company's overall strategy remains unchanged during the period.

**30- Fair values of financial instruments**

The Company's financial instruments are represented in financial assets and financial liabilities, The financial assets include cash on hand and at banks, trade and notes receivables, due from related parties, and other receivables. The financial liabilities include trade and notes payables, term loans, short term credit facilities, machinery instalments, long term notes payable and other payables.

The significant accounting policies applied for the recognition and measurement of the above - mentioned financial assets and liabilities and the related income and expenses are included in note (2) of the notes to the financial statements.

The fair values of financial assets and liabilities do not differ materially from their carrying values, unless otherwise stated.

**31- Property, plant, and equipment adjustments surplus**

| | 31 March 2026 | 31 December 2025 |
|---|---|---|
| | EGP | EGP |
| **Balance as of 1 January** | 8 348 942 | 13 318 831 |
| **Deduct:** | | |
| Transferred to retained earnings from machinery and equipment adjustments surplus (Depreciation) | (338 943) | (2 057 109) |
| Transferred to retained earnings from vehicles adjustments surplus (Depreciation) | (867 774) | (2 912 780) |
| **Balance as of 31 March 2026** | **7 142 225** | **8 348 942** |

**32- Significant and subsequent events**

**Significant Events**

**- Demerger**

On December 30, 2025, the Extraordinary General Assembly of Arabian Food Industries Company Domty S.A.E approved the demerger of the Company, a result of the demerger decision, Arabian Food Industries Company Domty S.A.E became the demerging Company. Accordingly, the capital was adjusted with an increase from EGP 56 521 739 to EGP 113 043 478, divided into 282 608 695 shares with a par value of EGP 0.40 per share, while the authorized capital remained unchanged.

On March 8, 2026, Arabian Food Industries Company Domty S.A.E (demerging Company) capital increase was duly registered in the Commercial Register.

The demerger resulted in the establishment of a new company under the name "Dairy Products Euro Arabian for Food Industries", with an authorized capital of EGP 2 billion and an issued and paid-up capital of EGP 438 043 477, divided into 282 608 695 shares with a par value of EGP 1.55 per share. The new Company will be owned by the same shareholders of the demerging Company in accordance with the approved demerger plan.

As of the date of these interim consolidated financial statements for the period ended March 31, 2026, the legal and regulatory procedures required to complete the incorporation of Dairy Products Euro Arabian for Food Industries (demerged Company) have not yet been finalized, and the demerger process remains subject to completion of such procedures.

## 32- Significant and subsequent events - (Continued)

**Significant Events – (Continued)**

- On February 12, 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the main operating rate of the Central Bank by 100 basis points to 19.00%, 20.00%, and 19.50%, respectively. It also decided to reduce the credit and debit rates by 100 basis points to reach 19.50%. The Board of Directors of the Central Bank also decided to reduce the percentage of cash reserves that banks are obligated to keep with the Central Bank of Egypt from 18% Up to 16%.

**Subsequent Events**

- On April 2, 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to keep the basic rates of return unchanged. Accordingly, it was decided to fix the overnight deposit and lending rates and the central bank's main operation rate at 19.00%, 20.00% and 19.50%, respectively, and it was also decided to keep the credit and discount rates at 19.50%.

## 33- Comparative figures

Comparison figures are reclassified whenever necessary to align with changes in the presentation used for the current period.