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

The interim separate financial statements

Together with the review report

For the period ended June 30, 2026

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

Nabil & Samaha & Partners
Public Accountants & Consultants

Limited review report for the Separate interim financial statements

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

Introduction

We have reviewed the accompanying separate interim financial statements of Arabian Food Industries Company (Domty) - (S.A.E) comprised of the separate interim statement of financial position as of June 30, 2026, and the related separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the Six-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 separate interim financial statements in accordance with the Egyptian Accounting Standard No. 30 in accordance with the basis of preparation in Note (2-1). Our responsibility is to express a conclusion on these interim separate 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 separate 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 separate interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects the financial position of Arabian Food Industries Company (Domty) - (S.A.E), as of June 30, 2026; and of its financial performance and its cash flows for the Six-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Explanatory paragraph

Without qualifying our conclusion, we draw attention to Notes (2-1), (15), and (32) to the accompanying interim separate financial statements, which states that the Extraordinary General Assembly held on December 30, 2025, approved the demerger of Arabian Food Industries Company (Domty) S.A.E. Pursuant to the demerger resolution, Arabian Food Industries Company (Domty) S.A.E. became the demerging company, and a new Company, Dairy Products Euro Arabian for Food Industries Company, was established as the demerged company. The demerged company resulting from the demerger is owned by the same shareholders as the demerging company as of the demerger date and upon the listing of the demerged company on the Egyptian Exchange.

Dairy Products Euro Arabian for Food Industries Company (the demerged company) is still in the process of completing the remaining legal procedures and obtaining the necessary licenses required to commence its operations. Accordingly, the accompanying financial statements (for both the demerging company and the demerged company) have been presented without giving effect to the full financial separation of the assets, liabilities, and results of operations between Arabian Food Industries Company Domty S.A.E. (the demerging company) and Dairy Products Euro Arabian for Food Industries Company (the demerged company), until the completion of all legal and operational requirements necessary to implement the demerger in accordance with the demerger resolution.

Cairo, September 29, 2026

Auditors

Dr. Khaled Samaha
FESAA
CBE Register No. (1479)
R.A.A (24973)
Khaled Samaha PHD, MSc, CPA
Nabil Samaha & Co
FRA (376) ASA (1479)
FESAA (007)
R.A.A 24973

Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510)
FRA Register No. "69"
Saleh, Barsoum & Abdel Aziz - Grant Thornton
SALEH BARSOUM ABDEL AZIZ & CO ACCOUNTANTS & AUDITORS

	Note	30 June 2026 EGP	31 December 2025 EGP
Assets			
Non-current assets			
Property, plant, and equipment	(3)	775 817 131	801 693 554
Projects under construction	(4)	249 273 551	88 954 232
Investment in Subsidiary	(5)	72 502 733	72 502 733
Total non-current assets		**1 097 593 415**	**963 150 519**
Current assets			
Inventories	(6)	1 301 496 032	1 250 611 372
Accounts and notes receivable	(7)	2 025 495 094	1 526 519 565
Prepayments and other debit balances	(8)	570 443 093	517 557 032
Cash on hand and at banks	(9)	396 645 322	615 927 172
Total current assets		**4 294 079 541**	**3 910 615 141**
Total assets		**5 391 672 956**	**4 873 765 660**
Equity			
Issued and paid-up capital (before demerger)	(15)	56 521 739	56 521 739
Legal reserve	(15)	28 260 870	28 260 870
Special reserve (Share premium)	(15)	283 422 423	283 422 423
Other reserves		170 196	170 196
Fixed assets adjustments surplus	(31)	6 032 186	8 348 942
Retained earnings	(16)	1 218 579 602	1 076 818 083
Total Equity		**1 592 987 016**	**1 453 542 253**
Non-current liabilities			
Long term loans	(14)	146 092 802	99 572 407
Lease liability – long term	(25)	24 174 048	34 733 697
Notes payable – long term		--	121 773
Deferred tax liabilities	(22)	9 669 846	12 917 704
Total non-current liabilities		**179 936 696**	**147 345 581**
Current liabilities			
Credit facilities – short term	(11)	2 429 961 558	2 311 514 563
Short term loans	(14)	19 713 199	30 878 285
Lease liability – short term	(25)	17 243 979	16 833 678
Trade and notes payable	(12)	762 123 401	625 580 489
Provisions	(10)	30 831 507	27 532 482
Accrued expenses and other credit balances	(13)	304 234 509	192 106 575
Income tax	(22)	54 641 091	68 431 754
Total current liabilities		**3 618 749 244**	**3 272 877 826**
Total liabilities		**3 798 685 940**	**3 420 223 407**
Total equity and Liabilities		**5 391 672 956**	**4 873 765 660**

Finance Managing Director
Mohamed Abdelbaky

Chairman
Eng. Omar Mohamed El Damaty

* Review report attached.

- The accompanying interim separate financial statements before the implementation of the demerger transaction, refer to notes (2-1) and (32).
- The accompanying notes from (1) to (33) form an integral part of these interim separate financial statements.

	Note	From 1 April 2026 To 30 June 2026 EGP	From 1 April 2025 To 30 June 2025 EGP	From 1 January 2026 To 30 June 2026 EGP	From 1 January 2025 To 30 June 2025 EGP
Net sales	(27)	2 824 816 495	2 004 005 941	5 383 851 818	4 255 523 857
Cost of sales	(27)	(2 193 575 062)	(1 536 939 325)	(4 128 853 862)	(3 280 041 001)
Gross profit		**631 241 433**	**467 066 616**	**1254 997 956**	**975 482 856**
Selling and marketing expenses	(17)	(434 641 068)	(309 354 309)	(840 107 695)	(665 009 380)
General and administrative expenses	(18)	(30,169,714)	(27 949 781)	(58 071 462)	(52 639 439)
Net other operating income	(19)	34,705,957	27 000 956	84 075 457	58 790 732
Provisions	(10)	(5,652,228)	(1 360 971)	(11 362 366)	(3 127 330)
Operating Profit		**195 484 380**	**155 402 511**	**429 531 890**	**313 497 439**
Finance income	(20)	59 931	5 705 201	2 906 774	16 156 636
Finance expenses	(21)	(93 682 349)	(150 573 092)	(227 897 433)	(296 473 875)
Profits for the period before income taxes and solidarity contribution		**101 861 962**	**10 534 620**	**204 541 231**	**33 180 200**
Solidarity contribution		(7 122 615)	(4 845 319)	(13 703 235)	(10 826 471)
Profits for the period before income taxes		**94 739 347**	**5 689 301**	**190 837 996**	**22 353 729**
Income tax expense	(22)	(23 640 197)	(4 700 501)	(51 393 233)	(11 316 075)
Profits for the period after income taxes		**71 099 150**	**988 800**	**139 444 763**	**11 037 654**
Earnings per share	(26)	**0.206**	**0.003**	**0.402**	**0.033**

- The accompanying interim separate financial statements before the implementation of the demerger transaction, refer to notes (2-1) and (32).
- The accompanying notes from (1) to (33) form an integral part of these separate interim financial statements.

	From 1 April 2026 To 30 June 2026	From 1 April 2025 To 30 June 2025	From 1 January 2026 To 30 June 2026	From 1 January 2025 To 30 June 2025
	EGP	EGP	EGP	EGP
Profits for the period after income taxes	71 099 150	988 800	139 444 763	11 037 654
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	**71 099 150**	**988 800**	**139 444 763**	**11 037 654**

- The accompanying interim separate financial statements before the implementation of the demerger transaction, refer to notes (2-1) and (32).
- The accompanying notes from (1) to (33) form an integral part of these interim separate financial statements.

	Issued and paid-up Capital	Legal reserve	Special reserve (share premium)	Other reserves	Fixed assets adjustments surplus	Retained earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2025	56 521 739	28 260 870	283 422 423	170 196	13 318 831	1 222 848 768	1 604 542 827
Transferred from Fixed assets adjustment surplus to retained earnings (Third option - Appendix A - Revised EAS No 13) - Note (31)	--	--	--	--	(2 517 809)	2 517 809	--
Dividends paid	--	--	--	--	--	(299 879 226)	(299 879 226)
Profits for the period	--	--	--	--	--	11 037 654	11 037 654
Balance as of 30 June 2025	**56 521 739**	**28 260 870**	**283 422 423**	**170 196**	**10 801 022**	**936 525 005**	**1 315 701 255**
Balance as of 1 January 2026	56 521 739	28 260 870	283 422 423	170 196	8 348 942	1 076 818 083	1 453 542 253
Transferred from Fixed assets adjustment surplus to retained earnings (Third option - Appendix A - Revised EAS No 13) – Note (31)	--	--	--	--	(2 316 756)	2 316 756	--
Profits for the period	--	--	--	--	--	139 444 763	139 444 763
Balance as of 30 June 2026 (before demerger) note (32)	**56 521 739**	**28 260 870**	**283 422 423**	**170 196**	**6 032 186**	**1 218 579 602**	**1 592 987 016**

- Pursuant to the Extraordinary General Assembly resolution dated December 30, 2025, approving the demerger of Arabian Food Industries Company Domty S.A.E., the Company became the demerging company. Accordingly, the capital was increased from EGP 56 521 739 to EGP 113 043 478, and the increase was registered in the Commercial Register on March 8, 2026. The capital of Arabian Food Industries Company Domty S.A.E. has been presented in these interim separate financial statements at its pre-increase amount, until the completion of the legal procedures related to the demerger and the listing of the demerged company on the Egyptian Exchange.

- The accompanying interim separate financial statements before the implementation of the demerger transaction, refer to notes (2-1) and (32).

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

	Note	From 1 January 2026 To 30 June 2026	From 1 January 2025 To 30 June 2025
		EGP	EGP
Cash flows from operating activities			
Profits for the period before income taxes		190 837 996	22 353 729
Adjustments for:			
Depreciation of property, plant and equipment	(3)	76 707 596	65 185 155
Interest on treasury bills		--	(15 814 389)
Interest on lease liability	(25)	4 418 224	3 640 270
Foreign exchange differences - loans		--	(140 481)
Provisions	(10)	11 362 366	3 127 330
Impairment of accounts and notes receivable	(7)	3 869 808	16 359 742
Expected credit losses in prepayments and other debit balances	(8)	231 208	--
Provisions used		(8 063 341)	(27 990 111)
Gain from disposal of leased assets		(458 533)	(186 430)
Gain from sale of property, plant and equipment	(3)	(2 573 303)	(11 705 369)
		276 332 021	**54 829 446**
Change in inventories		(50 884 660)	(232 167 533)
Change in accounts and notes receivable		(502 845 337)	(62 956 976)
Change in prepayments and other debit balances		(148 840 118)	(90 993 044)
Change in trade and notes payable		95 689 653	53 625 283
Change in accrued expenses and other credit balances		112 127 934	5 353 429
Cash flows (used in) operating activities		**(218 420 507)**	**(272 309 395)**
Income taxes paid		(41 715 234)	(137 077 487)
Income taxes paid from collected treasury bills interest		--	(7 823 820)
Net cash flows (used in) operating activities		**(260 135 741)**	**(417 210 702)**
Cash flows from investing activities			
(Payments) for purchase of property, plant and equipment	(3)	(51 340 177)	(53 838 851)
Proceeds from sale of property, plant and equipment	(3)	2 620 833	11 747 740
(Payments) for projects under constructions	(4)	(52 048 349)	(65 876 769)
Proceeds from treasury bills interest		--	39 119 100
Proceeds from matured treasury bills		--	150 880 900
Net Cash flows (used in) provided from investing activities		**(100 767 693)**	**82 032 120**
Cash flows from financing activities			
Proceeds from credit facilities		4 362 865 223	5 006 889 560
(Payments) of credit facilities		(4 244 418 228)	(4 652 814 443)
Proceeds from long-term loans	(14)	50 794 452	--
(Payments) of long-term loans	(14)	(15 439 143)	(38 187 213)
(Payments) of lease liabilities	(25)	(7 762 496)	(7 280 260)
(Payments) of lease liability interest	(25)	(4 418 224)	(3 640 270)
(Payments) of dividends		--	(293 279 084)
Net cash flows provided from financing activities		**141 621 584**	**11 688 290**
Net change in cash and cash equivalent during the period		**(219 281 850)**	**(323 490 292)**
Cash and cash equivalent - beginning of the period		615 927 172	593 022 638
Cash and cash equivalent - end of the period	(9)	**396 645 322**	**269 532 346**

The most important non-monetary transactions:

The cost of buildings and construction within fixed assets amounts to 69 006 329 Egyptian pounds transferred from advance payments to fixed asset suppliers.

The cost of buildings and construction within fixed assets amounts to 40 731 486 Egyptian pounds transferred from advance payments to fixed asset suppliers remained unpaid as at the statement of financial position date.

- The accompanying interim separate financial statements before the implementation of the demerger transaction, refer to notes (2-1) and (32).
- The accompanying notes from (1) to (33) form an integral part of these interim separate financial statements.

1- Reporting Entity

Arabian Food Industries Company (Domty) – S.A.E (the "Company") or (the "Parent") 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 changed to Domty for food Industries Company "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 for Food Industries Company and the commercial register was amended.

The Company has been registered under the commercial register number 80124 on 7 September 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 headquarters is located at 32 c Taha Hussein Street, (previously Murad Street) - Giza

The Company's activity sites:

1- The 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 company's purpose is the manufacturing of all types of dairy products, including ice cream, yogurt, white cheese, processed cheese, and sterilized milk. Additionally, the company aims to expand into the production of other food products, land reclamation and cultivation, the establishment of feed factories, dairy farms, and cattle breeding. The company also engages in all food industries, the production of specialized foods and dietary supplements, as well as all types of baked goods. Furthermore, it imports manufactured and semi-manufactured food products from abroad, repackages, distributes, sells, and markets food products and manufactured goods on behalf of third parties, including local and international companies, as well as commercial agencies in the food industry sector.

The company has the right to participate in companies engaged in similar activities and to leverage foreign expertise in the fields mentioned above. Specifically, it may acquire know-how from foreign companies operating in the same industry. The company is also entitled to import all necessary production supplies required for its activities and export its products to global markets. Additionally, the company may have an interest in or participate in any manner with entities engaged in similar activities or those that may assist in achieving its objectives, whether in Egypt or abroad.

The interim separate financial statements of the Company for the period ended 30 June 2026, were authorized for issuance in accordance with a resolution of the board of directors on 29 September 2026.

2- Significant Accounting Policies

2-1 Basis of preparation

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

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

The financial statements have been presented as a single economic entity without giving effect to the demerger, as although the commercial register of both the demerging company and the demerged company have been issued, the legal procedures relating to the demerger have not yet been completed. Furthermore, the demerged company has not yet commenced operations as a standalone entity, and the shares of the two companies have not been distributed to the shareholders as of the reporting date.
Accordingly, the accompanying financial statements have been presented on a combined basis, reflecting the aggregate financial position and results of operations of the demerging company and the demerged company, without giving effect to the financial impact of the demerger. The impact of the demerger on the capital and reserves has been separately disclosed until the completion of the remaining legal procedures.

Statement of compliance with accounting standards

The separate financial statements of the company have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations. The accounting policies applied this year are consistent with those applied in the previous year.
The company has applied the Egyptian accounting standard No. 13 amended 2024 "Effects of changes in foreign exchange rates" issued on March 3, 2024, and applicable to financial periods beginning on or after January 1, 2024. There is no impact on the opening balance of Retained earning at the date of application.
The accounting policies applied this year are consistent with those applied in the previous year.

2-2 Significant accounting judgment and estimates

The preparation of these year-end separate 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 recognized in the period in which the estimates are revised.
The key judgements and estimates that have a significant impact on the separate financial statement of the Company are discussed below:

2-2-1 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.

2-2-2 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 accounted for as a change in accounting estimates 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.

2- Significant Accounting Policies – (Continued)

2-2 Significant accounting judgment and estimates – (Continued)

2-2-2 Estimates – (Continued)

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 is 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.

2-3 Summary of significant accounting policies

2-3-1 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.
- Non-monetary assets and liabilities measured at historical cost are translated using the exchange rates prevailing on the date when their fair value was determined.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-2 Financial Instruments

EAS 47 "Financial Instruments", which replaced with EAS 26 Financial Instruments: Recognition and Measurement. Egyptian Accounting Standard No. 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. 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

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-2 Financial Instruments – (Continued)

i.Financial assets – (Continued)

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.

2-3-3 Lease Contracts

- EAS 49 now 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.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-3 Lease Contracts – (Continued)

- The company applies a single recognition and measurement approach 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 depreciation 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 depreciation 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, depreciation is calculated using the estimated useful life of the asset based on the entity's applied depreciation 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 (including in-substance 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.

2-3-4 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.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-4 Revenue from contracts with customers – (Continued)

- 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.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-4 Revenue from contracts with customers – (Continued)

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.

2-3-5 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 the 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.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-5 Property, plant and equipment and it's depreciation – (Continued)

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 from derecognition of the asset is included in the statement of profit or loss 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 reversal is recognized in the statement of profit or loss.

2-3-6 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 is transferred to property, plant and equipment. Projects under construction are valued at cost less impairment (if any).

2-3-7 Investments in Subsidiaries

Investments in subsidiaries are investments in entities which the Company has control. Control is presumed to exist when the Holding company owns, directly or indirectly, through subsidiaries, more than half of the voting power of the investee, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

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

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-8 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 separate financial statements at cost, including acquisition cost, in accordance with EAS No. (18).

The share of long-term investments in the profits that are decided to be distributed from the profits of investee companies is included in the profit or loss statement as investment income.

2-3-9 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.

2-3-10 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 period in which the reversal occurs.

2-3-11 Accounts receivable and other receivables

Accounts receivable and other receivables are stated at original invoice amount net of any expected credit losses. The company implements the simplified approach stated by ESA 47 "Financial Assets" Which requires the recognition of expected credit losses based on customers aging from the date of recognition of account receivables in the profit or loss statement.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-12 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.

2-3-13 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.

2-3-14 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.

2-3-15 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.

2-3-16 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 through the effective interest rate method amortization process in 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.

2-3-17 Income taxes

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

Current income tax

Current income tax assets and liabilities are measured based on the amount expected to be recovered or paid to the tax authorities, using the tax rates (and tax laws) applicable in Egypt as of the financial period-end date.

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting date in Egypt. Management periodicallyevaluates 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 the amount expected to be paid to the tax authorities.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-17 Income taxes – (Continued)

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and it carrying amount in the balance sheet (accounting base) using the applicable tax rate.

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

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

2-3-18 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.

2-3-19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that takes 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 spends to borrow money.

2-3-20 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. Pricing policies and the terms for transactions with related parties are determined based on contractual agreements. The prices of the transactions are determined according to the prices of dealing with others, and all legal measures to approve these transactions are taken.

2-3-21 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.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-21 Fair Value Measurement – (Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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).

2-3-22 Contingent Liabilities and Assets

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

Contingent assets are not recognized in the financial statements, but they are disclosed when an inflow of economic benefits is probable.

2-3-23 Solidarity contribution

On January 11, 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 required to pay a solidarity contribution at a rate of 0.0025 (two and a half per thousand) of the total annual revenues of sole proprietorships and companies, regardless of their nature or legal framework. This contribution is considered a tax-deductible expense under the provisions of the Income Tax Law No. 91 of 2005 and its amendments pursuant to Law No. 151 of 2026. The Ministry of Finance is responsible for collecting this solidarity contribution based on the financial report submitted to the Tax Authority.

2-3-24 Statement of cash flows

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

2-3-25 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 less bank overdrafts.

2- Significant Accounting Policies – (Continued)

2-3 Summary of significant accounting policies – (Continued)

2-3-26 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.

2-3-27 Employees Training provisions

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.

3 - Property plant and equipment

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

	30 June 2026	31 December 2025
	EGP	EGP
Net book value of fixed assets	742 901 207	758 307 208
Net book value of right of use assets	32 915 924	43 386 346
	775 817 131	**801 693 554**

	Land	Buildings	Machinery and equipment	Vehicles	Tools	Computers and software	Furniture and fixtures	Total
Cost	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
As of 1 January 2026	171 065	98 068 319	982 984 486	197 675 574	27 601 228	61 573 807	27 661 213	1 395 735 692
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	--	--	31 946 201	14 397 467	705 765	3 637 187	653 557	51 340 177
Transferred from Project under construction	--	--	1 466 845	--	--	--	--	1 466 845
Disposals	--	--	(4 927 603)	(1 197 492)	--	(274 297)	(6 849)	(6 406 241)
Disposals of assets using valuation factor (Third option-Appendix A-Revised EAS No 13)	--	--	--	(2 077)	--	--	--	(2 077)
As of 30 June 2026	**171 065**	**98 068 319**	**1 125 084 699**	**255 616 240**	**28 306 993**	**64 936 697**	**28 307 921**	**1 600 491 934**
Accumulated depreciation								
As of 1 January 2026	--	(17 007 752)	(460 497 520)	(105 786 853)	(19 875 705)	(31 701 664)	(13 734 768)	(648 604 262)
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	--	(1 295 965)	(42 461 631)	(14 363 170)	(1 045 802)	(4 605 198)	(1 139 724)	(64 911 490)
Depreciation for capitalized assets (First option - Appendix A - Revised EAS No. 13)	--	--	(937 247)	--	--	--	--	(937 247)
Depreciation for assets using valuation factor (Third option - Appendix A - Revised EAS No. 13) - note (31)	--	--	(658 280)	(1 658 476)	--	--	--	(2 316 756)
Disposals	--	--	4 927 603	1 197 492	--	228 619	4 997	6 358 711
Disposals of assets using evaluation factors (Third option - Appendix A - Revised EAS No. 13)	--	--	--	2 077	--	--	--	2 077
As of 30 June 2026	**--**	**(18 303 717)**	**(604 042 815)**	**(163 374 950)**	**(20 921 507)**	**(36 078 243)**	**(14 869 495)**	**(857 590 727)**
Net book value as of 30 June 2026	**171 065**	**79 764 602**	**521 041 884**	**92 241 290**	**7 385 486**	**28 858 454**	**13 438 426**	**742 901 207**
Net book value as of 31 December 2025	**171 065**	**81 060 567**	**531 685 996**	**93 865 469**	**7 725 523**	**29 872 143**	**13 926 445**	**758 307 208**

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

- The cost of fixed assets as of 30 June 2026 includes EGP 332 174 021 which represents fully depreciated assets that are still in use.

- Depreciation expense is allocated as follows:

	30 June 2026
	EGP
Cost of sales	47 107 035
Selling and marketing expenses (note 17)	18 452 215
General and administrative expenses (note 18)	2 606 243
	68 165 493

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

	30 June 2026	
	EGP	EGP
Proceeds from sales of property, plant and equipment		2 620 833
Cost of property, plant and equipment sold	6 406 241	
Accumulated depreciation relating to disposals	(6 358 711)	
Net book value of disposed property, plant, and equipment		47 530
Gain from sale of property, plant, and equipment (note 19)		**2 573 303**

- Depreciation expense is allocated as follows:

	30 June 2026
	EGP
Depreciation for the period	64 911 490
Depreciation for the period (First option - Appendix A - Revised EAS No. 13)	937 247
Depreciation for the period (Third option - Appendix A - Revised EAS No. 13)	2 316 756
	68 165 493

3- Property, plant and equipment- (continued)

Right of use assets

	Buildings
	EGP
Cost	
As of 1 January 2026	74 969 428
Disposals	(2 753 897)
As of 30 June 2026	**72 215 531**
Accumulated amortization	
As of 1 January 2026	(31 583 082)
Amortization for the period	(8 542 103)
Disposals	825 578
Accumulated amortization as of 30 June 2026	**(39 299 607)**
Net book value as of 30 June 2026	**(32 915 924)**
Net book value as of 31 December 2025	**43 386 346**

- Amortization expense is allocated as follows:

	30 June 2026
	EGP
Cost of sales	1 975 273
Selling and marketing expenses (note 17)	6 566 830
	8 542 103

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

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

	30 June 2025	31 December 2024
	EGP	EGP
Net book value of fixed assets	701 966 586	578 368 545
Net book value of right of use assets	32 724 309	38 939 231
	734,690,895	617,307,776

	Land	Buildings	Machinery and equipment	Vehicles	Tools	Computers and software	Furniture and fixtures	Total
Cost	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
As of 1 January 2025	171 065	73 080 121	774 208 210	160 133 647	24 773 364	36 910 988	24 457 022	1 093 734 417
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	14 224 848	32 319 496	1 324 794	1 741 366	2 217 200	61 688 614
Transferred from Project under construction	--	15 127 288	97 512 576	--	--	--	--	112 639 864
Transferred from right of use assets	--	--	8 889 482	--	--	--	--	8 889 482
Disposals	--	--	(1)	(1 438 340)	--	(145 169)	(417)	(1 583 927)
Disposals of assets using valuation factor (Third option - Appendix A - Revised EAS No 13)	--	--	--	(25 058)	--	--	--	(25 058)
As of 30 June 2025	**171 065**	**98 068 319**	**1 008 494 398**	**235 757 571**	**26 098 158**	**38 507 185**	**26 673 805**	**1 433 770 501**
Accumulated depreciation								
As of 1 January 2025	--	(14 473 532)	(380 858 411)	(82 524 380)	(17 886 396)	(26 375 373)	(11 525 594)	(533 643 686)
Accumulated depreciation for capitalized assets (First option - Appendix A - Revised EAS No. 13) as of 1 Jan 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 Jan 2025	--	--	(81 025 564)	(39 878 298)	--	--	--	(120 903 862)
Depreciation for the period	--	(1 238 000)	(38 375 562)	(12 139 314)	(966 129)	(2 096 899)	(1 085 743)	(55 901 647)
Depreciation for capitalized assets (First option - Appendix A - Revised EAS No. 13)	--	--	(1 158 092)	--	--	--	--	(1 158 092)
Depreciation for assets using valuation factor (Third option - Appendix A - Revised EAS No. 13)	--	--	(1 159 995)	(1 357 814)	--	--	--	(2 517 809)
Disposals	--	--	1	1 438 340	--	102 798	417	1 541 556
Disposals of assets using valuation factor (Third option - Appendix A - Revised EAS No 13)	--	--	--	25 058	--	--	--	25 058
As of 30 June 2025	**--**	**(15 711 532)**	**(521 823 056)**	**(134 436 408)**	**(18 852 525)**	**(28 369 474)**	**(12 610 920)**	**(731 803 915)**
Net book value as of 30 June 2025	**171 065**	**82 356 787**	**486 671 342**	**101 321 163**	**7 245 633**	**10 137 711**	**14 062 885**	**701 966 586**
Net book value as of 31 December 2024	**171 065**	**58 606 589**	**406 738 085**	**82 498 795**	**6 886 968**	**10 535 615**	**12 931 428**	**578 368 545**

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

- The cost of fixed assets as of 30 June 2025 includes EGP 185 062 954 which represents fully depreciated assets that are still in use.

-Depreciation expense is allocated as follows:

	30 June 2025
	EGP
Cost of sales	43 016 600
Selling and marketing expenses (note 17)	13 969 634
General and administrative expenses (note 18)	2 591 314
	59 577 548

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

	30 June 2025	
	EGP	EGP
Proceeds from sales of property, plant and equipment		11 747 740
Cost of property, plant and equipment sold	1 608 985	
Accumulated depreciation relating to disposals	(1 566 614)	
Net book value of disposed property, plant, and equipment		42 371
Gain from sale of property, plant, and equipment (note 19)		**11 705 369**

- Depreciation expense is allocated as follows:

	30 June 2025
	EGP
Depreciation for the period	55 901 647
Depreciation for the period (First option - Appendix A - Revised EAS No. 13)	1 158 092
Depreciation for the period (Third option - Appendix A - Revised EAS No. 13)	2 517 809
	59 577 548

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	8 725 284	--	8 725 284
Transferred from right of use assets	--	(13 196 762)	(13 196 762)
Disposals	(1 059 168)	--	(1 059 168)
As of 30 June 2025	**58 802 028**	--	**58 802 028**
Accumulated Amortization			
As of 1 January 2025	(21 361 096)	(4 032 347)	(25 393 443)
Amortization for the period	(5 332 674)	(274 933)	(5 607 607)
Accumulated Amortization for transferred from right of use assets	--	4 307 280	4 307 280
Disposals	616 051	--	616 051
Accumulated amortization as of 30 June 2025	**(26 077 719)**	--	**(26 077 719)**
Net book value as of 30 June 2025	**32 724 309**	--	**32 724 309**
Net book value as of 31 December 2024	**29 774 816**	**9 164 415**	**38 939 231**

-Amortization expense is allocated as follow:

	30 June 2025
	EGP
Cost of sales	2 250 206
Selling and marketing expenses (note 17)	3 357 401
	5 607 607

4- Projects under construction

	30 June 2026	31 December 2025
	EGP	EGP
Balance as of 1 January	88 954 232	193 385 439
Additions	161 786 164	25 780 393
Transferred to property, plant, and equipment (note 3)	(1 466 845)	(130 211 600)
	249 273 551	**88 954 232**

Cost of projects under construction is as follows:

	30 June 2026	31 December 2025
	EGP	EGP
Buildings	32 212	32 212
Machinery and equipment	249 241 339	88 922 020
	249 273 551	**88 954 232**

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

5- Investment in subsidiary

Subsidiary name	Country	Percentage of investment	Investment value EGP	
			30 June 2026	31 December 2025
El-Tatweer for Food Industries Company	Egypt	99.9997%	72 502 733	72 502 733

6- Inventories

	30 June 2026	31 December 2025
	EGP	EGP
Raw materials	900 478 469	658 795 521
Spare parts	163 125 398	158 639 427
Work in process	10 885 832	2 855 256
Finished goods*	221 689 804	423 246 886
Goods in transit	8 215 773	9 973 526
Total	**1 304 395 276**	**1 253 510 616**
Less: write-down in inventories	(2 899 244)	(2 899 244)
	1 301 496 032	**1 250 611 372**

* Finished goods inventory includes an amount of EGP 10 731 890 which represents the cost of sales that expected to be returned, in accordance with Egyptian Accounting Standard No. (48) - Revenue from contracts with customers.

7- Accounts and notes receivable

	30 June 2026	31 December 2025
	EGP	EGP
Accounts receivables – Local	1 713 231 049	1 257 434 667
Accounts receivables – Export	395 512 327	290 744 371
Notes receivables	130 470 520	188 189 521
Total	**2 239 213 896**	**1 736 368 559**
Less: expected credit losses in accounts and notes receivable	(213 718 802)	(209 848 994)
	2 025 495 094	**1 526 519 565**

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

	30 June 2026	31 December 2025
	EGP	EGP
Balance as of 1 January	209 848 994	150 953 990
Formed during the period / year	3 869 808	58 895 004
Balance	**213 718 802**	**209 848 994**

8- Prepayments and other debit balances

	30 June 2026	31 December 2025
	EGP	EGP
Prepaid expenses	17 482 409	44 990 122
Accrued revenues	138 318 994	116 368 758
Deposits with others	8 301 372	7 497 027
Employees' advances	45 331 434	9 009 031
Withholding and debit taxes	44 492 962	71 209 482
Advances to suppliers*	302 440 083	268 795 635
Other debit balances	30 705 345	16 085 275
	587 072 599	**533 955 330**
Less: expected credit losses in prepayments and other debit balances	(16 629 506)	(16 398 298)
	570 443 093	**517 557 032**

***Advances to suppliers include:**

- An amount of 89 718 983 Egyptian pounds, which represents advance payments to El-Tatweer for Food Industries Company for juice production and manufacturing services. These payments were made based on related party agreements concluded between the company and El-Tatweer for Food Industries Company, as approved by the minutes of the Ordinary General Assembly meeting held on April 19, 2018.

- An amount of 78 196 155 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.

8- Prepayments and other debit balances - (Continued)

The significant transactions during the period that resulted from the usual operations in accordance with the contracts concluded between the parties are:

	30 June 2026		30 June 2025	
	Rent Expense	Operating Expense	Rent Expense	Operating Expense
	EGP	EGP	EGP	EGP
El-Tatweer for Food Industries - Subsidiary	16 233 741	24 024 635	20 013 637	14 383 953
	16 233 741	**24 024 635**	**20 013 637**	**14 383 953**

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

	30 June 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	--	(545 437)
Balance	**16 629 506**	**16 398 298**

9- Cash on hand and at banks

	30 June 2026	31 December 2025
	EGP	EGP
a) Local Currency		
Cash on hand	24 889 665	7 635 345
Cheques under collection	20 051 287	6 044 338
Current accounts	138 895 874	175 317 564
Time deposits	125 000 000	370 000 000
	308 836 826	**558 997 247**
b) Foreign currency		
Cash on hand	21 382 766	22 839 912
Current accounts	66 425 730	34 090 013
	87 808 496	**56 929 925**
	396 645 322	**615 927 172**

10- Provisions

	30 June 2026	31 December 2025
	EGP	EGP
Balance as of 1 January	27 532 482	62 887 286
Formed during the period / year	11 362 366	14 219 307
Provisions no longer required during the period / year	--	(21 584 000)
Provision used during the period / year	(8 063 341)	(27 990 111)
	30 831 507	**27 532 482**

10- Provisions - (Continued)

The balance as of June 30, 2026, is expected to be utilized in the coming 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.

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.

11- Credit facilities – short term

	30 June 2026	31 December 2025
	EGP	EGP
Egyptian pounds	2 333 428 649	2 009 094 227
Foreign currency	96 532 909	302 420 336
	2 429 961 558	**2 311 514 563**

The credit facilities balance as of June 30, 2026, represents the utilized amount of the total credit facilities granted to the company by banks, amounting to EGP 6.242 billion. These facilities are used for opening letters of credit and financing the company's current operations, with an average interest rate of 17.43%.

12- Trade and notes payable

	30 June 2026	31 December 2025
	EGP	EGP
Trade payables	724 287 326	604 132 769
Notes payable	37 836 075	21 447 720
	762 123 401	**625 580 489**

13- Accrued expenses and other credit balances

	30 June 2026	31 December 2025
	EGP	EGP
Accrued expenses	186 704 921	93 098 598
Deposits from others	2 033 529	2 033 529
Advances from customers	44 946 887	25 865 839
Due to Social Insurance Authority	10 154 430	7 469 548
Tax Authority	26 633 776	30 659 494
Solidarity contribution	13 703 235	23 874 094
Liability against expected sales return – EAS 48	14 659 918	4 200 097
Other credit balances	5 397 813	4 905 376
	304 234 509	**192 106 575**

14- Loans

	30 June 2026	31 December 2025
	EGP	EGP
Non-current portion	146 092 802	99 572 407
Current portion	19 713 199	30 878 285
	165 806 001	**130 450 692**

	CIB (2)	CIB (3)	QNB	Total
	EGP	EGP	EGP	EGP
Balance as of 1 January 2026	19 233 255	88 887 265	22 330 172	130 450 692
Payments during the period	(4 274 057)	--	(11 165 086)	(15 439 143)
Proceeds during the period	--	50 794 452	--	50 794 452
Balance as of 30 June 2026	**14 959 198**	**139 681 717**	**11 165 086**	**165 806 001**

	CIB (1)	EALB	CIB (2)	CIB (3)	QNB	Total
	EGP	Foreign currency	EGP	EGP	EGP	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**

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

On 15 July 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:

-Financing and/or refinancing the 2019 expansion plan, specifically for the new baked goods production line and its components, with a maximum limit of EGP 100 000 000 (one hundred million Egyptian pounds only).

- Issuing letters of credit with a maximum period of 365 days including the period of acceptance of documents trading, and that is the import of the needs of the new bakery line and beyond. with maximum amount of EGP 33 million equivalents to USD 1 737 000.

-The company is committed to repay 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.

14- Loans - (Continued)

• 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 November 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.

- The company is committed to repay 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.

14-Loans - (Continued)

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.

• 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 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:

- It is 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 SOFR rate. with SOFR 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 industrial activity.
- Loan period: 5 years starting from the date of signing the loan contract and ending on 26 October 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.

15- Capital

- On 30 June 2026 the Company's authorized capital amounted to EGP 282 608 695 (31 December 2025 :EGP 282 608 695).
- As of 31 December 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 September 30, 2013, the Extraordinary General Assembly decided to increase the issued and paid-up capital by EGP 20 000 000, distributed over 800 000 shares with a nominal value of EGP 25 per share. This increase brought the issued and paid-up capital to EGP 50 000 000, distributed over 2 000 000 shares, with a nominal value of EGP 25 per share.

  The increase was executed through the distribution of bonus shares at a ratio of 2 shares for every 3 existing shares.
- 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.
- On 7 April 2016 the Board of Directors decided (authorized by the extraordinary General Assembly in 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 share premium.
- According to article 94 of Companies Law No. 159 of 1981 of the Implementing 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 amounted to 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 30 June 2026 amounted to EGP 56 521 739 divided over 282 608 695 shares (31 December 2025: EGP 56 521 739).
- The Extraordinary General Assembly decided on 31 March 2021 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.
- On December 30, 2025, the Extraordinary General Assembly convened and approved the demerger of Arabian Food Industries Company Domty S.A.E. Pursuant to the demerger resolution, Arabian Food Industries Company Domty S.A.E. became the demerging company. As a result, the Company's capital was increased 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. The capital increase was registered in the Commercial Register of Arabian Food Industries Company Domty S.A.E. (the demerging company) on March 8, 2026.
- The capital of Arabian Food Industries Company Domty S.A.E. has been presented in the interim separate financial statements for the period ended June 30, 2026, at EGP 56 521 739, being the amount prior to the capital increase, for the reasons detailed in Note (32), until the demerger process is effected, the shareholders entitled thereto as of the demerger date are determined, and the demerged company is listed on the Egyptian Exchange.

16- Retained Earnings

The balance of Retained Earnings on 30 June 2026 is as follows:

First: The Profits for the period amounting to EGP 139 444 763 which will be presented to the general assembly, which will consider approving the results of 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 1 079 134 839 as disclosed in the statement of changes in equity.

17- Selling and marketing expenses

	From 1 April 2026 To 30 June 2026 EGP	From 1 April 2025 To 30 June 2025 EGP	From 1 January 2026 To 30 June 2026 EGP	From 1 January 2025 To 30 June 2025 EGP
Marketing activities	84 000 304	50 018 670	152 945 832	95 242 114
Advertising activities	25 168 652	17 655 778	63 071 824	76 327 529
Salaries and wages	165 545 011	125 645 041	318 190 664	239 816 585
Warehousing	15 991 933	15 384 678	30 275 431	30 572 340
Vehicles, transportation rent & licenses	25 687 019	19 265 731	48 613 518	39 183 961
Spare parts and maintenance	34 540 652	25 346 214	65 415 621	48 764 114
Fixed assets depreciation (Note 3)	9 310 273	7 496 070	18 452 215	13 969 634
ROU assets amortization (Note 3)	3 261 989	1 766 460	6 566 830	3 357 401
Insurance	2 628 515	2 527 498	5 220 310	4 974 713
Expected credit losses in accounts receivable (Note 7)	(148 709)	(2 837 905)	3 869 808	16 359 742
Freight expenses	36 068 414	26 002 269	65 868 582	53 170 813
Packaging & packing materials-current	5 369 834	4 303 509	10 790 508	8 149 772
Packaging and packing materials	2 959 898	1 576 556	4 690 606	2 963 837
Training programs and courses	3 459 753	2 240 412	6 024 718	4 458 463
Cash transfer expenses	2 815 162	2 037 199	5 055 162	4 088 330
Export customs clearance fees	536 145	364 275	966 072	560 927
Loading and unloading expenses	875 816	690 740	3 290 673	2 907 138
Stationary	549 982	534 716	957 835	996 103
Medical care	1 333 948	491 541	2 275 458	1 060 498
Others	14 686 477	8 844 857	27 566 028	18 085 366
	434 641 068	**309 354 309**	**840 107 695**	**665 009 380**

18- General and administrative expenses

	From 1 April 2026 To 30 June 2026	From 1 April 2025 To 30 June 2025	From 1 January 2026 To 30 June 2026	From 1 January 2025 To 30 June 2025
	EGP	EGP	EGP	EGP
Salaries and wages	20 485 827	19 209 729	40 070 979	36 548 686
Board of directors allowances	575 000	300 000	875 000	600 000
Fixed assets depreciation (Note 3)	1 304 888	1 364 210	2 606 243	2 591 314
Transportation rental expenses, travel expenses, and vehicles licenses	218 252	282 870	399 451	476 629
Stationary	280 822	131 448	549 758	369 510
Medical Care	165 120	112 997	328 975	240 292
Donations	148 500	129 000	275 000	242 500
Expected credit losses in other debit balances (Note 8)	--	--	231 208	--
Others	6 991 305	6 419 527	12 734 848	11 570 508
	30 169 714	**27 949 781**	**58 071 462**	**52 639 439**

19- Net other operating income

	From 1 April 2026 To 30 June 2026	From 1 April 2025 To 30 June 2025	From 1 January 2026 To 30 June 2026	From 1 January 2025 To 30 June 2025
	EGP	EGP	EGP	EGP
Export support subsidy	13 136 966	3 695 555	46 811 458	8 644 474
Discount granted by suppliers	--	10 400 949	--	10 400 949
Scrap sales	18 580 127	12 816 114	34 232 163	27 853 510
Gain from sale of Property, plant, and equipment (Note 3)	2 530 331	88 338	2 573 303	11 705 369
Gain on disposal of right of use assets	458 533	--	458 533	186 430
	34 705 957	**27 000 956**	**84 075 457**	**58 790 732**

20- Finance income

	From 1 April 2026 To 30 June 2026	From 1 April 2025 To 30 June 2025	From 1 January 2026 To 30 June 2026	From 1 January 2025 To 30 June 2025
	EGP	EGP	EGP	EGP
Interest on treasury bills	--	5 705 201	--	15 814 389
Interest on time deposits	59 931	--	2 906 774	342 247
	59 931	**5 705 201**	**2 906 774**	**16 156 636**

21- Finance expenses

	From 1 April 2026 To 30 June 2026 EGP	From 1 April 2025 To 30 June 2025 EGP	From 1 January 2026 To 30 June 2026 EGP	From 1 January 2025 To 30 June 2025 EGP
Interest on loans and credit facilities	102 354 261	146 436 545	200 712 636	289 344.817
Interest Expense – lease liability	2 065 496	1 879 309	4 418 224	3 640 270
(Gains) Losses from foreign exchange differences	(10 737 408)	2 257 238	22 766 573	3 488 788
	93 682 349	**150 573 092**	**227 897 433**	**296 473 875**

22- Income taxes

	From 1 January 2026 To 30 June 2026 EGP	From 1 January 2025 To 30 June 2025 EGP
Current income taxes	54 641 091	22 825 379
Deferred income taxes	(3 247 858)	(11 509 304)
	51 393 233	**11 316 075**

Reconciliation of the effective income tax rate

	30 June 2026 EGP	30 June 2025 EGP
Profit for the period before income taxes excluding treasury bills interest	190 837 996	6 539 340
Add: non-deductible expenses		
Accounting depreciation	68 165 493	59 577 548
Provisions formed during the period	15 463 382	19 487 072
Donations	2 874 150	2 419 247
Board of directors' allowances	875 000	600 000
Realized credit forex differences previously deducted from the prior year's pot	--	67 326 293
Unrealized debit forex differences	9 579 512	7 063 284
Effect of application of Egyptian Accounting Standard (48)	10 459 820	117 201
Excess of 7% of documented general and administrative expenses	27 104 736	12 801 204
Solidarity contribution 0.25%	--	10 826 471
Cost of financing and investment of treasury bill returns	--	966 148
Less: deductible expenses		
Tax depreciation	(52 966 811)	(61 726 700)
Capital gains	(2 573 303)	(11 705 369)
Provisions used	(8 063 341)	(26 584 348)
Donations to registered charities	(275 000)	(242 500)
Effect of Application of Egyptian Accounting Standard (48)	(7 682 735)	(75 997)
Unrealized debit forex differences previously added in prior year's pot	(10 949 605)	--
Tax base	**242 849 294**	**87 388 894**
Income Tax	**54 641 091**	**19 662 501**
Returns on treasury bills before income taxes	--	15 814 389
Tax due on treasury bills returns	--	3 162 878
Income taxes at the effective tax rate	**54 641 091**	**22 825 379**

Components of deferred tax liability:

	Balance sheet		Profit or loss	
	30 June 2026	31 December 2025	30 June 2026	30 June 2025
	EGP	EGP	EGP	EGP
Depreciation of Property, plant, and equipment	65 483 978	68 113 808	(2 629 830)	3 373 050
Foreign currency exchange differences	(2 155 390)	(2 463 661)	308 271	(16 737.655)
Expected credit losses in accounts and notes receivables	(48 086 731)	(47 216 024)	(870 707)	(3 680 942)
Expected credit losses in other debit balances	(3 741 639)	(3 689 617)	(52 022)	--
Provisions	(2 677 222)	(2 781 069)	103 847	5 791 803
Deferred tax liability against right of use assets – EAS 49	846 850	954 267	(107 417)	(255 560)
Net deferred tax liabilities	**9 669 846**	**12 917 704**	**(3 247 858)**	**(11 509 304)**

23- Contingent liabilities

The balance of the company's contingent liabilities related to bank letters of guarantee issued for third parties on 30 June 2026 amounted to EGP 10 650 000 (31 December 2025: EGP 10 650 000), It is expected that no significant obligations are expected to arise from these guarantees.

24- Capital commitments

The balance of the company's contracted capital commitments as of 30 June 2026 amounted to EGP 90 684 927 (31 December 2025: 160 899 018 EGP) as follows:

	Contract amount	Paid amount	Un-paid amount
	EGP	EGP	EGP
Lands	106 981 200	(52 191 536)	54 789 664
Machinery and equipment	76 183 693	(40 288 430)	35 895 263
	183 164 893	**(92 479 966)**	**90 684 927**

25- Lease liability

Applying Egyptian Accounting Standard No. 49, the lease obligations on 30 June 2026 amounted of 41 418 027 Egyptian pounds, represented as follows:

	30 June 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	(2 386 852)	(4 494 321)
Debit interest	4 418 224	7 366 246
Instalments paid during the period / year	(12 180 720)	(20 406 328)
Balance	**41 418 027**	**51 567 375**
Lease liability – short term	17 243 979	16 833 678
Lease liability – long term	24 174 048	34 733 697
	41 418 027	**51 567 375**

26- Earnings per share

The basic and diluted earnings per share are calculated by dividing the net profit for the period attributable to the company's ordinary shareholders by the weighted average number of outstanding shares during the period. The earnings per share are determined after deducting the employees' and Board of Directors' share of profits, which is estimated to determine the shareholders' portion of the profits. The Company does not have any diluted earnings per share.

	30 June 2026	30 June 2025
	EGP	EGP
Net profit for the period	139 444 763	11 037 654
Employees and Board of directors' dividends*	(25 929 288)	(1 814 546)
Net profit available for distribution	**113 515 475**	**9 223 108**
Number of shares outstanding	282 608 695	282 608 695
Earnings per share – basic and diluted	**0.402**	**0.033**

* 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.

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 company's executive management monitors operating units separately to make decisions regarding resource allocation and performance evaluation.

The performance of the segments is assessed on a gross basis and is continuously measured based on the financial statement profits or losses. The Chief Executive Officer (decision-maker) is informed of each segment's financial position according to the segment report to facilitate decisions on resource allocation and performance evaluation.

27 - Segment reporting – (Continued)

Primary segments results – related products for the period ended 30 June 2026 are as follows:

	Dairy products EGP	Juice products EGP	Bakery products EGP	Total EGP
Segment sales	3 953 465 643	466 751 417	1 230 352 037	5 650 569 097
Sales discounts - Egyptian Accounting Standard (48)	(221 251 169)	(10 103 904)	(24 902 386)	(256 257 459)
Liability against expected sales returns	(13 111 908)	(1 548 009)	--	(14 659 917)
Liability against expected sales returns no longer required	3 803 478	396 619	--	4 200 097
Net sales	**3 722 906 044**	**455 496 123**	**1 205 449 651**	**5 383 851 818**
Segment cost of sales	(2 916 394 012)	(384 660 870)	(835 481 715)	(4 136 536 597)
Cost of expected sales returns	9 481 338	1 250 551	--	10 731 889
Cost of expected sales returns no longer required	(2 696 977)	(352 177)	--	(3 049 154)
Cost of sales	**(2 909 609 651)**	**(383 762 496)**	**(835 481 715)**	**(4 128 853 862)**
Gross Profit	**813 296 393**	**71 733 627**	**369 967 936**	**1 254 997 956**
Operating expenses net of other operating income				(825 466 066)
Finance income				2 906 774
Finance expenses				(227 897 433)
Solidarity contribution				(13 703 235)
Income tax expenses				(51 393 233)
Net profit for the period				**139 444 763**

	Dairy products EGP	Juice products EGP	Bakery products EGP	Unallocated EGP	Total EGP
Depreciation for the period	(16 381 791)	(3 984 543)	(22 095 298)	(22 449 858)	(64 911 490)
Depreciation for the period (First option)	(507 996)	(429 251)	--	--	(937 247)
Depreciation for the period (Third option)	(310 313)	(347 967)	--	(1 658 476)	(2 316 756)
Amortization of right of use assets	--	--	--	(8 542 103)	(8 542 103)
	(17 200 100)	**(4 761 761)**	**(22 095 298)**	**(32 650 437)**	**(76 707 596)**

27 - Segment reporting – (Continued)

Primary segments results – related products for period ended 30 June 2025 are as follows:

	Dairy products EGP	Juice products EGP	Bakery products EGP	Total EGP
Segment sales	3 176 851 139	301 982 841	958 014 578	4 436 848 558
Sales Discounts - Egyptian Accounting Standard (48)	(164 800 648)	(8 663 531)	(7 743 321)	(181 207 500)
Liability against expected sales returns	(4 239 690)	(403 013)	--	(4 642 703)
Liability against expected sales returns no longer required	4 085 066	440 436	--	4 525 502
Net sales	**3 011 895 867**	**293 356 733**	**950 271 257**	**4 255 523 857**
Segment cost of sales	(2 327 186 418)	(274 073 465)	(678 857 115)	(3 280 116 998)
Cost of expected sales returns	3 070 670	361 634	--	3 432 304
Cost of expected sales returns no longer required	(3 029 661)	(326 646)	--	(3 356 307)
Cost of sales	**(2 327 145 409)**	**(274 038 477)**	**(678 857 115)**	**(3 280 041 001)**
Gross Profit	**684 750 458**	**19 318 256**	**271 414 142**	**975 482 856**

Operating expenses net of other operating income	(661 985 417)
Finance income	16 156 636
Finance expenses	(296 473 875)
Solidarity contribution	(10 826 471)
Income tax expenses	(11 316 075)
Net profit for the period	**11 037 654**

	Dairy products EGP	Juice products EGP	Bakery products EGP	Unallocated EGP	Total EGP
Depreciation for the period	(14 439 828)	(3 165 213)	(20 770 521)	(17 526 085)	(55 901 647)
Depreciation for the period (First option)	(728 841)	(429 251)	--	--	(1 158 092)
Depreciation for the period (Third option)	(435 181)	(724 814)	--	(1 357 814)	(2 517 809)
Amortization of right of use assets	(137 467)	(137 466)	--	(5 332 674)	(5 607 607)
	(15 741 317)	**(4 456 744)**	**(20 770 521)**	**(24 216 573)**	**(65 185 155)**

Segments Assets

30 June 2026	Dairy products EGP	Juice products EGP	Bakery product EGP	Unallocated EGP	Total EGP
Total assets	153 493 076	76 932 386	283 012 920	4 837 396 875	5 350 835 257
Capitalized assets (First option)	1 889 589	--	--	--	1 889 589
Revaluated assets (Third option)	4 070 096	1 643 818	--	318 272	6 032 186
Right of use assets	--	--	--	32 915 924	32 915 924
	159 452 761	**78 576 204**	**283 012 920**	**4 870 631 071**	**5 391 672 956**

27- Segment reporting - (Continued)

31 December 2025	Dairy products EGP	Juice products EGP	Bakery products EGP	Unallocated EGP	Total EGP
Total assets	216 289 729	22 647 732	283 549 505	4 296 716 570	4 819 203 536
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
	223 067 723	**25 068 768**	**283 549 505**	**4 342 079 664**	**4 873 765 660**

Secondary Segment results – geographical sectors for the period ended 30 June 2026 are as follows:

Geographical areas:

Local:	30 June 2026 EGP	30 June 2025 EGP
Cairo	2 485 120 591	2 410 622 345
Alexandria	440 857 213	363 661 464
Delta	857 450 036	594 219 162
Upper Egypt	1 276 508 445	696 673 244
	5 059 936 285	**4 065 176 215**
Export:	590 632 812	371 672 343
	5 650 569 097	**4 436 848 558**
Sales returns provision (EAS 48)	(14 659 917)	(4 642 703)
Sales returns provision no longer required (EAS 48)	4 200 097	4 525 502
Sales discounts - Egyptian Accounting Standard (48)	(256 257 459)	(181 207 500)
	5 383 851 818	**4 255 523 857**

28- Tax position

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 The payment has been completed, and the final settlement is currently in 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.

27- Tax position - (Continued)

Period from January 2024 till June 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, as amended by Law No. 211 of 2020, the company prepared the tax settlement for the years 2023 to 2025 and submitted it to the tax system by the legal date.

Year (2026)

The company is committed to submitting the monthly payroll reconciliation on a regular basis and within the legally prescribed deadlines for the period from January 2026 till June 2026.

d) Stamp duty taxes

Years from inception till 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 30/6/2026)

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.

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 30 June 2026 are sufficient to cover the company's tax obligations.

28- 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.

The following table shows the extent to which an acceptable potential change in interest rates with all other variables remaining constant affects the company's profits before tax (by affecting loans and facilities with a floating interest rate), It should be noted that this change has no effect on equity other than the impact on profits as described below:

	30 June 2026		30 June 2025	
	Change in interest rate	Effect on profit before TAX EGP	Change in interest rate	Effect on profit before TAX EGP
Financial Liabilities	%1+	(11 056 896)	%1+	(12 680 561)
	%1-	11 056 896	%1-	12 680 561

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 528 920 124 (31 Dec. 2025: EGP 390 628 339) whereas, the total financial liabilities denominated in foreign currencies amounts to EGP 347 892 523 (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-tax income is due to changes in the value of assets and financial liabilities. It should be noted that changes in the exchange rates of all other foreign currencies are not significant.

	30 June 2026		30 June 2025	
	Change in exchange rate	Impact on profits before tax	Change in exchange rate	Impact on profits before tax
USD	%10+	21 895 595	%10+	24 283 509
	%10-	(21 895 595)	%10-	(24 283 509)
EUR	%10+	(3 837 989)	%10+	2 222 966
	%10-	3 837 989	%10-	(2 222 966)
GBP	%10+	31 325	%10+	32 664
	%10-	(31 325)	%10-	(32 664)
AED	%10+	13 153	%10+	13 926
	%10-	(13 153)	%10-	(13 926)
SAR	%10+	661	%10+	667
	%10-	(661)	%10-	(667)

28- Risk management – (Continued)

c) 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.

d) 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. The table below summarizes the due dates of the Company's financial obligations based on undiscounted contractual payments:

Financial Liabilities	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
30 June 2026					
Loans	7 719 571	11 993 628	146 092 802	--	165 806 001
Short term credit facilities	2 429 961 558	--	--	--	2 429 961 558
Lease liability	4 271 555	12 972 424	24 174 048	--	41 418 027
Suppliers, accrued expenses and other payables	1 014 818 600	13 703 235	--	--	1 028 521 835
Income Tax payable	--	54 641 091	--	--	54 641 091
Notes payable	36 965 664	870 411	--	--	37 836 075
Total financial liabilities not deducted	**3 493 736 948**	**94 180 789**	**170 266 850**	**--**	**3 758 184 587**

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 liability	3 765 719	13 067 959	34 733 697	--	51 567 375
Suppliers, accrued expenses and other payables	796 239 344	--	--	--	796 239 344
Income Tax payable	68 431 754	--	--	--	68 431 754
Notes payable	21 569 493	--	--	--	21 569 493
Total financial liabilities not deducted	**3 209 240 444**	**36 226 673**	**134 306 104**	**--**	**3 379 773 221**

29- Risk management - (Continued)

e) 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 hands and banks, trade and notes receivables, due from related parties, and other receivables. the financial liabilities include trade and notes payables, 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

	30 June 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)	(658 280)	(2 057 109)
Transferred to retained earnings from vehicles adjustments surplus (Depreciation)	(1 658 476)	(2 912 780)
	6 032 186	**8 348 942**

32- Significant and subsequent events

Significant events

- Developments in the implementation of the Demerger and Completion of the procedures of the Demerged Company.

On November 16, 2025, the Board of Directors of Arabian Food Industries Company "Domty" S.A.E. unanimously approved the report of the committee formed pursuant to Minister of Investment and International Cooperation Decree No. 96 of 2018, as approved by the Chief Executive Officer of the General Authority for Investment and Free Zones on 29 September 2025. The report related to the verification of the accuracy of the preliminary valuation of the Company's assets and liabilities for the purpose of the demerger and the determination of the net shareholders' equity of both the Demerging Company and the Demerged Company, and its submission to the Extraordinary General Assembly for approval.

The Board also unanimously approved the demerger of Arabian Food Industries Company Domty S.A.E. into two companies (a Demerging Company and a Demerged Company) through a horizontal demerger.

32- Significant and subsequent events – (Continued)

Significant events – (Continued)

- Developments in the implementation of the Demerger and Completion of the procedures of the Demerged Company – (Continued)

On December 30, 2025, the Extraordinary General Assembly convened and approved the demerger of Arabian Food Industries Company Domty S.A.E. As a result of the demerger resolution, Arabian Food Industries Company Domty S.A.E. became the Demerging Company, and its issued capital was increased from EGP 56 521 739 to EGP 113 043 478 divided into 282 608 695 shares with a nominal value of EGP 0.40 per share. The demerger also 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 nominal value of EGP 1.55 per share. The newly established company is owned by the same shareholders of the Demerging Company.

Furthermore, the Extraordinary General Assembly approved the continued listing of the Demerging Company's shares following the completion of the demerger and the increase in its issued capital, as well as the listing of the Demerged Company's shares on the Egyptian Exchange immediately upon completion of the demerger. The Assembly also authorized the Chairman of the Board of Directors, or the Vice Chairman and Managing Director, to undertake all necessary procedures for listing the shares issued in connection with the capital increase of the Demerging Company and for listing the shares of the demerged company on the Egyptian Exchange.

On March 8, 2026, the commercial register of Arabian Food Industries Company Domty S.A.E. (the Demerging Company) was amended to reflect the increase in capital from EGP 56 521 739 to EGP 113 043 478 divided into 282 608 695 shares with a nominal value of EGP 0.40 per share.

On May 25, 2026, Dairy Products Euro Arabian for Food Industries (the Demerged Company) was registered in the Commercial Register, and its paid-up capital was recorded at EGP 438 043 477 divided into 282 608 695 shares with a nominal value of EGP 1.55 per share. The company continues to be owned by the same shareholders of Arabian Food Industries Company Domty S.A.E.

As of the date of these interim separate financial statements for the period ended 30 June 2026, Dairy Products Euro Arabian for Food Industries (the Demerged Company) is still in the process of completing the remaining legal and operational procedures and obtaining the necessary licenses required to commence its operations. Accordingly, the company has presented the financial statements (for both the demerging company and the demerged company) without giving effect to the full financial separation of the assets, liabilities, and results of operations between Arabian Food Industries Company Domty S.A.E. (the demerging company) and Dairy Products Euro Arabian for Food Industries Company (the demerged company), until the completion of all legal and operational requirements necessary in accordance with the approved demerger resolution. As a result of the above, the capital of Arabian Food Industries Company (Domty) S.A.E. has been presented at EGP 56 521 739, being the amount prior to the capital increase. Refer to Note (2-1) basis of preparation of the financial statements.

32- Significant and subsequent events – (Continued)

Significant events – (Continued)

- Developments in the implementation of the Demerger and Completion of the procedures of the Demerged Company – (Continued)

Before giving effect to the demerger:

	Issued and paid-up Capital	Legal reserve	Special reserve (share premium)	Other reserves	Fixed assets adjustments surplus	Demerger Reserve	Retained earnings	Total
Equity balance as of 30 June 2026 (before demerger)	**56 521 739**	**28 260 870**	**283 422 423**	**170 196**	**6 032 186**	**--**	**1 218 579 602**	**1 592 987 016**
Impact of the demerger (upon giving effect to the demerger):								
Impact of the demerger	494 565 216	28 260 870	(268 885 124)	--	--	23 602 675	(277 543 637)	--
Equity balance as of 30 June 2026 (after demerger)	**551 086 955**	**56 521 740**	**14 537 299**	**170 196**	**6 032 186**	**23 602 675**	**941 035 965**	**1 592 987 016**
Arabian Food Industries Company (Domty)	113 043 478	56 521 740	14 537 299	170 196	--	23 602 675	--	207 875 388
Dairy Products Euro Arabian for Food Industries	438 043 477	--	--	--	6 032 186	--	--	444 075 663
Adjusted retained earnings (both companies demerging and demerged)	--	--	--	--	--	--	941 035 965	941 035 965
Equity balance as of 30 June 2026 (upon giving effect to the demerger)	**551 086 955**	**56 521 740**	**14 537 299**	**170 196**	**6 032 186**	**23 602 675**	**941 035 965**	**1 592 987 016**

- 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%.

- 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%.

- On May 21, 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%.

32- Significant and subsequent events – (Continued)

Subsequent Events

- On July 9, 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%.

- On August 20, 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%.

- On September 1, 2026, the ownership of the shares of El Tatweer for Food Industries Company was transferred from Arabian Food Industries Company (Domty) S.A.E. (the demerging company) to Dairy Products Euro Arabian for Food Industries (the demerged company), in implementation of the demerger resolution.

33- Comparative figures

Comparative figures are reclassified as often as necessary to align with changes in the presentation used for the current period.