EASTERN COMPANY - S.A.E.

INTERIM SEPARATE FINANCIAL STATEMENTS AND THE LIMITED REVIEW REPORT THEREON

AT 30 September 2026

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Translation of Limited Review Report originally issued in Arabic

LIMITED REVIEW REPORT ON THE SEPARATE INTERIM FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF EASTERN COMPANY - S.A.E.

Introduction

We have carried out a limited review of the accompanying interim separate statement of financial position of Eastern Company - S.A.E. as at 30 September 2026, and the related interim separate statements of income, other comprehensive income, changes in equity and cash flows for the nine months period then ended, and a summary of the significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim separate financial statements based on our limited review.

Scope of the Limited Review

We conducted our limited review in accordance with Egyptian Standard on Limited Review Engagements No. 2410, "Limited Review of interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim separate financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently we are unable 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 interim separate financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the interim separate financial position of Eastern Company - S.A.E. as at 30 September 2026, and its separate financial performance and its separate cash flows for the nine-month period then ended, in accordance with Egyptian Accounting Standards.

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Emphasis of Matter

Without qualifying our conclusion, we draw attention to the following:

1. Note No. (7) to the consolidated interim financial statements, which indicates that the investment was accounted for using the equity method in the consolidated interim financial statements, in accordance with the requirements of Egyptian Accounting Standard (EAS) No. 18, "Investments, in Associates," based on the unaudited financial information for the period from 1 January 2026 to 30 September 2026, which was prepared and presented by the associate's finance department and delivered to Eastern Company - S.A.E. as at 30 September 2026.

2. Note No. (1-3) to the consolidated interim financial statements, which states that, on 13 November 2025, the Extraordinary General Assembly Meeting resolved to amend the company's fiscal year to commence on 1 January and end on 31 December of each year, as the company's fiscal year previously commenced on 1 July and ended on 30 June of each year. As a result of this change in the financial year-end, and for comparatives' presentation purpose, the company's management prepared comparative figures for the nine-month period ended 30 September 2025 relating to the consolidated interim statements of income, other comprehensive income, cash flows, and the related notes thereto. Accordingly, the comparative figures represent financial information for the period from 1 January 2025 to 30 September 2025, which was prepared by management, and no interim financial statements were previously issued and no limited review was performed for that corresponding period.

Mohanad T. Khaled
Fellow of ACCA
Fellow of ESAA
RAA No. 22444
FRA No. 375

BDO Khaled & Co.
Public Accountants & Advisors

Cairo, 11 November 2026

Eastern Company - S.A.E.

STATEMENT OF INTERIM SEPARATE FINANCIAL POSITION

At 30 September 2026

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated"

	Note	30/9/2026	31/12/2025
ASSETS			
NON-CURRENT ASSETS			
Fixed assets (Net)	(4)	3,325,321	3,515,166
Projects under construction (Net)	(5)	218,154	200,241
Investment property (Net)	(6)	404	125,948
Investments in associates	(7)	2,989,189	1,073,046
Investments in subsidiaries	(8)	240	240
Intangible assets (Net)	(9)	113,859	147,488
Financial investments at amortized cost	(10)	20,668	20,668
Right of use assets (Net)	(11)	218,761	230,496
Other assets	(12)	208	12,265
Total non-current assets		6,886,804	5,325,558
CURRENT ASSETS			
Assets Held for Sale	(13)	153,889	-
Inventory (Net)	(14)	13,156,009	25,536,490
Trade Receivables and Notes Receivable (Net)	(15)	496,162	76,125
Due from related parties (Net)	(16)	155,749	872,088
Debtors and other debit balances (Net)	(17)	1,307,146	1,078,103
Advances to suppliers	(18)	732,675	192,905
Financial investments at fair value through P&L	(19)	7,451,954	18,497,457
Cash and cash equivalent (Net)	(20)	1,244,418	712,825
Total current assets		24,698,002	46,965,993
Total Assets		31,584,806	52,291,551
EQUITY AND LIABILITIES			
EQUITY			
Issued and Paid-up capital	(21)	3,000,000	3,000,000
Reserves	(22)	4,177,400	4,047,156
Capital Contributions in the Associate	(7)	2,003,227	-
Retained earnings	(23)	10,297,954	6,201,589
Total Equity		19,478,581	13,248,745
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	(24-2)	270,240	272,339
End-of-Service Benefit Obligations	(25)	138,669	297,376
Total non-current liabilities		408,909	569,715
CURRENT LIABILITIES			
Provisions	(26)	471,407	555,449
Banks overdraft	(20-1)	203	22,992,313
Trade Payables and Notes Payable	(27)	813,349	938,262
Creditors and other credit balances	(28)	9,342,752	13,360,066
Advances from customers	(29)	29,987	15,432
Lease Liabilities	(30)	33,121	34,989
End-of-Service Benefit Obligations	(25)	13,696	39,941
Income tax payable	(24-1)	992,801	536,639
Total current liabilities		11,697,316	38,473,091
Total liabilities		12,106,225	39,042,806
Total Equity and Liabilities		31,584,806	52,291,551

Limited Review Report "attached"

Head of Financial Sector	Chief Financial Officer	Managing Director and Chief Executive Officer
Mrs. Neveen Ali	Mr. Tamer Mosli	Mr. Hany Aman

The accompanying notes 1 to 50 form part of these interim separate financial statements.

Eastern Company - S.A.E.

STATEMENT OF INTERIM SEPARATE INCOME (PROFIT OR LOSS)

For the financial period ended 30 September 2026

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated"

	Note	*From 1/1/2026 To 30/9/2026*	*From 1/1/2025 To 30/9/2025*	*From 1/7/2026 To 30/9/2026*	*From 1/7/2025 To 30/9/2025*
Net sales	(31)	32,724,361	29,559,445	12,191,297	10,632,879
Cost of sales	(32)	(19,081,977)	(19,269,548)	(6,587,755)	(6,676,842)
Gross profit		13,642,384	10,289,897	5,603,542	3,956,037
Other income	(33)	505,386	68,340	70,355	74,515
Selling and distribution expenses	(34)	(513,457)	(599,541)	(97,041)	(232,909)
General and administrative expenses	(35)	(632,230)	(982,655)	(82,579)	(324,248)
Other expenses	(36)	(151,649)	(170,228)	(60,148)	(81,176)
Provision expenses	(37)	(2,641,113)	(935,556)	(909)	(4,326)
Provisions No Longer Required		-	393,849	-	-
Charge for Expected Credit Losses	(44)	(12,649)	3,924	(4,512)	-
Reversal of Expected Credit Losses	(44)	10,470	1,486	-	-
Operating profit		10,207,142	8,069,516	5,428,708	3,387,893
Net financing cost / income	(38)	(771,993)	(1,448,217)	(42,029)	(533,716)
Other financial investments income	(39)	1,173,756	268,574	460,252	11,587
Income from Investments in Associates		853,287	1,227,817	280,962	-
Profit before tax		11,462,192	8,117,690	6,127,893	2,865,764
Income tax	(24-1)	(2,476,694)	(1,637,335)	(1,297,020)	(713,727)
Profit for the period from continuing operations		8,985,498	6,480,355	4,830,873	2,152,037
Earnings per share for the period	(40)	2.73	1.90	1.52	0.63

Head of Financial Sector	Chief Financial Officer	Managing Director and Chief Executive Officer
Mrs. Neveen Ali	Mr. Tamer Mosli	Mr. Hany Aman

The accompanying notes 1 to 50 form part of these interim separate financial statements.

Eastern Company - S.A.E.

STATEMENT OF INTERIM SEPARATE OTHER COMPREHENSIVE INCOME

For the financial period ended 30 September 2026

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated"

	From 1/1/2026 To 30/9/2026	*From 1/1/2025 To 30/9/2025*	*From 1/7/2026 To 30/9/2026*	*From 1/7/2025 To 30/9/2025*
Net profit for the period	8,985,498	6,480,355	4,830,873	2,152,037
Items of Other comprehensive income				
Gains on revaluation of investments at fair value through OCI	-	20,730	-	3,346
Actuarial gains (losses) from defined benefit plans for employees	168,056	(9,358)	-	-
Deduct				
Tax on items of other comprehensive income	(37,812)	(4,663)	-	(752)
Other comprehensive income for the period, net of tax	130,244	6,709	-	2,594
Total other comprehensive income for the period	9,115,742	6,487,064	4,830,873	2,154,631

Head of Financial Sector	**Chief Financial Officer**	**Managing Director and Chief Executive Officer**
Mrs. Neveen Ali	**Mr. Tamer Mosli**	**Mr. Hany Aman**

The accompanying notes 1 to 50 form part of these interim separate financial statements.

Eastern Company - S.A.E.

STATEMENT OF INTERIM SEPARATE CHANGES IN EQUITY

For the financial period ended 30 September 2026

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated"

Description	*Issued and Paid-up Capital*	*Legal Reserve*	*Statutory Reserve*	*Capital Reserve*	*Other Reserves*	*Financial Investments Revaluation Reserve*	*Remeasurement of Employee Benefits Reserve*	*Total Reserves*	*Capital Contributions in the Associate*	*Retained Earnings*	*Total Equity*
Balance as of 1/1/2025	3,000,000	1,500,000	903,498	595,860	967,094	(25,771)	9,456	3,950,137	-	5,542,262	12,492,399
Adjustment of Prior Years' Expenses and Revenues	-	-	-	-	-	-	-	-	-	(119,170)	(119,170)
Reversal of Expected Credit Losses	-	-	-	-	(1,266)	-	-	(1,266)	-	-	(1,266)
Net Profit for the period from 1/1/2025 to 30/9/2025	-	-	-	-	-	-	-	-	-	6,480,355	6,480,355
Comprehensive Income Items	-	-	-	-	-	16,067	(9,358)	6,709	-	-	6,709
Balance as of 30/9/2025	3,000,000	1,500,000	903,498	595,860	965,828	(9,704)	98	3,955,580	-	11,903,447	18,859,027
Balance as of 1/1/2026	3,000,000	1,500,000	903,498	595,860	960,857	-	86,941	4,047,156	-	6,201,589	13,248,745
Capital contribution to an associate (Note 7)	-	-	-	-	-	-	-	-	2,003,227	-	2,003,227
Distributions:	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(4,350,000)	(4,350,000)
Employees' profit-sharing distributions	-	-	-	-	-	-	-	-	-	(485,889)	(485,889)
Board of Directors' remuneration	-	-	-	-	-	-	-	-	-	(23,000)	(23,000)
Distributions to the Youth and Sports Authority	-	-	-	-	-	-	-	-	-	(30,244)	(30,244)
Net Profit for the period from 1/1/2026 to 30/9/2026	-	-	-	-	-	-	-	-	-	8,985,498	8,985,498
Other Comprehensive Income Items	-	-	-	-	-	-	130,244	130,244	-	-	130,244
Balance as of 30/9/2026	3,000,000	1,500,000	903,498	595,860	960,857	-	217,185	4,177,400	2,003,227	10,297,954	19,478,581

Head of Financial Sector
Mrs. Neveen Ali

Chief Financial Officer
Mr. Tamer Mosli

Managing Director and Chief Executive Officer
Mr. Hany Aman

The accompanying notes 1 to 52 form part of these interim separate financial statements.

Eastern Company - S.A.E.

STATEMENT OF INTERIM SEPARATE CASH FLOWS

For the financial period ended 30 September 2026

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated

	Note	From 1/1/2026 To 30/9/2026	From 1/1/2025 To 30/9/2025
Cash Flows from Operating Activities			
Profit Before Tax		**11,462,192**	**8,117,690**
Adjustments:			
Depreciation of Property, Plant and Equipment	(4)	322,475	338,386
Depreciation of Investment Property	(6)	422	633
Amortization of Intangible Assets	(9)	33,629	11,151
Depreciation of Right-of-Use Assets	(11)	11,735	8,433
Depreciation of Other Assets		57	56
Impairment of Property, Plant and Equipment	(4)	(4,257)	2,239
Income from Investments in Associates	(7)	(853,287)	(1,159,529)
Amortization of Premium on Dollar-Denominated Bonds		-	11,918
Revaluation of Dollar-Denominated Bonds		-	45,584
Amortization of Treasury Bill Premium		(1,173,214)	(53,789)
Revaluation of Treasury Bills		15,024	1,978
Revaluation of Investment Funds		(7,489)	(23,628)
Provisions Recognized During the Period	(26)	2,619,738	933,437
End-of-Service Gratuity Provision Recognized During the Period	(25)	22,725	-
Impairment of Trade and Other Receivables		2,905	-
Capital Gains	(33)	(35)	(815)
Capital Losses	(36)	4,257	-
Provisions No Longer Required		-	(393,849)
Reversal of / Addition to Expected Credit Losses	(44)	2,179	(5,410)
Finance Costs	(38)	771,993	1,448,217
Changes in Working Capital		**13,231,049**	**9,282,702**
Inventories (Net)		12,380,481	(11,852,768)
Trade Receivables and Notes Receivable (Net)		(426,670)	(228,677)
Due from Related Parties (Net)		723,866	(342)
Debtors and Other Debit Balances (Net)		(233,009)	695,340
Advances to Suppliers		(537,909)	219,024
Provisions Utilized During the Period	(26)	(2,703,780)	(93,014)
Trade Payables and Notes Payable		(150,338)	(5,543,859)
Creditors and Other Credit Balances		(20,952)	1,318,864
Advances from Customers		14,555	(17,588)
Lease Liabilities Paid		(1,869)	(1,754)
Current Portion of End-of-Service Gratuity Obligations	(25)	(39,621)	(1,915)
Income Tax Paid During the Period		(2,060,443)	(1,132,903)
Net Cash Flows from Operating Activities		**20,175,360**	**(7,356,890)**
Cash Flows from Investing Activities		-	
Payments for the Purchase of Property, Plant and Equipment and Capital Work in Progress		(179,424)	(243,829)
Proceeds from the Sale / Write-off of Property, Plant and Equipment		149	815
Disposal of Other Assets		12,000	-
Payments for the Purchase of Intangible Assets		-	(7,745)
Net Proceeds from Dividends Received from the Associate	(7)	940,371	596,576
Interest Received	(38)	104,691	116,249
Proceeds from the Sale of Dollar-Denominated Bonds		-	178,927
Proceeds from the Sale of Treasury Bills		38,733,050	22,402,667
Payments for the Purchase of Treasury Bills		(26,521,868)	(22,574,975)
Proceeds from the Sale of Investment Funds		-	1,035,409
Payments for the Purchase of Investment Funds		-	(637,000)
Net Cash Flows from Investing Activities		**13,088,969**	**867,094**
Cash Flows from Financing Activities			
Bank Overdraft		(22,992,109)	6,058,065
Interest and Commissions Paid	(38)	(905,032)	(1,444,609)
Dividends Paid		(8,885,494)	(18,101)
Net Cash Flows from Financing Activities		**(32,782,635)**	**4,595,355**
Effect of Changes in Foreign Exchange Rates		51,912	(72,740)
Net Change in Cash and Cash Equivalents		**533,606**	**(1,967,181)**
Cash and Cash Equivalents at Beginning of the Period		**716,874**	**2,417,498**
Cash and Cash Equivalents at End of the Period	(41)	**1,250,480**	**450,317**

Head of Financial Sector	Chief Financial Officer	Managing Director and Chief Executive Officer
Mrs. Neveen Ali	Mr. Tamer Mosli	Mr. Hany Aman

The accompanying notes 1 to 52 form part of these interim separate financial statements.

"Amounts are presented in thousand Egyptian pounds unless otherwise stated"

1. INTRODUCTION

1-1 Company Background

- Eastern Company S.A.E – was established in the Arab Republic of Egypt and was registered in the Commercial Register under No. 6069 on 2 June 2019.
- The Extraordinary General Assembly held on 2 June 2019 resolved to approve the regularization of the Company's status and its transition from the provisions of Law No. 203 of 1991 governing Public Business Sector Companies to the provisions of the Companies Law No. 159 of 1981 and its Executive Regulations, in light of the decrease in the ownership percentage of the Holding Company for Chemical Industries to less than 51% of the Company's share capital and also approved the Company's new Articles of Association, prepared in accordance with the provisions of Companies Law No. 159 of 1981 and its Executive Regulations, as presented to the General Assembly.
- **The Company's head office:** is located at: the Sixth Industrial Zone – Al Wahat Road, Plots Nos. 1 (87 to 98), the Fifth and Sixth Zones, 6th of October City, Giza.
- **The Company's duration:** is fifty years, commencing from the date of its re-registration in the Commercial Register on 2 June 2019 and ending on 1 June 2069.

1-2 The Company's purpose

- The principal activity of the Company is the management of wholesale and retail trading activities.
- The Company operates in the manufacture and trade of tobacco and its products, as well as modern smoking alternatives and their accessories. The Company may also engage in any investment, financial, commercial, industrial, agricultural, or service activities (excluding activities subject to the provisions of the Capital Market Law in accordance with Law No. 95 of 1992), with the Company being committed to regularizing its status in accordance with the provisions of Law No. 120 of 1982.
- Real state ownership and construction, purchasing and dividing lands for the purpose of utilization, rental or sale, import, export, and commercial agencies.
- Establish, participate in the establishment of, acquire, or contribute to companies, whether inside or outside the Arab Republic of Egypt, that carry out any of the Company's purposes or that may assist in achieving or developing any of its objectives, without prejudice to the provisions of applicable laws, regulations, and resolutions and subject to obtaining the necessary licenses to conduct such activities. The Company may also, in any manner, participate with companies and other entities engaged in activities similar to its own or that may assist it in achieving its objectives in Egypt or abroad. Furthermore, the Company may merge with, acquire, or be merged into such companies in accordance with the provisions of the law.

1-3 The Company's Fiscal year

On 13 November 2025, the Extraordinary General Assembly of the Company resolved to amend the Company's financial year to commence on 1 January and end on 31 December of each year, in accordance with the provisions of Article 186 of the Executive Regulations of Law No. 159 of 1981. Previously, the Company's financial year commenced on 1 July and ended on 30 June of each year.

As a result of this change in the financial year, and for the purpose of presenting comparative financial information for a corresponding period, the Company's management prepared comparative figures for the nine-month period ended 30 September 2025 in respect of the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, and the related notes. These figures were prepared by combining the results for the period from 1 January 2025 to 30 June 2025 with the results for the three-month period ended 30 September 2025, for comparison with the results for the nine-month period ended 30 September 2026.

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

1. INTRODUCTION - *Continued*

1-4 Financial Statements Issuance

- The issuance of the interim separate financial statements for the financial period ended 30 September 2026 has been approved by the Board of Directors by Circulation on 10 November 2026.

1-5 Major Shareholders and Stock Exchange Market

- Global Investment Holding Company owns 30%, and the Holding Company for Chemical Industries owns 20.95% of the Company's shares as of 30 September 2026.
- The Company's nominal shares are traded in the Egyptian Stock Exchange Market

2. BASIS OF PREPARING FINANCIAL STATEMENTS

2-1 Compliance with Accounting Standards and Laws

- The interim separate financial statements have been prepared in accordance with Egyptian Accounting Standards and in light of the relevant Egyptian laws and regulations.

2-2 Basis of measurement

The interim separate financial statements have been prepared on the historical cost basis, except for the following:

- Financial assets and liabilities measured at fair value through profit or loss.
- Financial assets and liabilities measured at fair value through other comprehensive income.
- Financial assets and liabilities measured at amortized cost.
- The interim separate financial statements have been prepared on a going concern basis.

2-3 Functional and presentation currency

- The currency used in presenting the interim separate financial statements is the Egyptian Pound (EGP), which represents the Company's functional currency.

2-4 Use of Estimates and Judgments

- The preparation of the interim separate financial statements in accordance with Egyptian Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenue, expenses, accompanying disclosures, and disclosure of contingent liabilities. These estimates and assumptions are based on past experience and various other factors. Actual results may differ from these estimates, and uncertainty regarding these assumptions and estimates may lead to outcomes that require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods.
- These estimates and assumptions are reviewed on an ongoing basis, and any differences in accounting estimates are recognized in the period/year in which the estimates are revised. If such differences affect both the period/year of revision and future years, they are recognized in the period/year of revision and in the future periods/years.
- The following are the key items for which estimates, assumptions, and professional judgment are used:

  - Useful lives of fixed assets, intangible assets, and investment property.

  - Provisions and contingent liabilities.

  - Expected credit losses.

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2. BASIS OF PREPARING FINANCIAL STATEMENTS - *Continued*

- **Fair Value Measurement**

A number of the Company's accounting policies and disclosures require the measurement of the fair value of financial and non-financial assets and liabilities.

Fair value measurements are primarily based on available market data, and the inputs used in the valuation are classified according to the following hierarchy:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- The Company recognizes transfers between levels of the fair value hierarchy at the end of the period/year in which the change occurs.

Further information on the assumptions applied in measuring fair value is provided below:
- Financial instruments

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company applies the following accounting policies consistently throughout the financial periods presented in the financial statements.

3-1 Translation of transactions in foreign currencies

- Foreign currency transactions are translated at the exchange rate prevailing on the transaction dates.
- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.
- Assets and liabilities measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined.
- Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated at the exchange rate on the transaction date.
- In general, foreign exchange differences are recognized in profit or loss, except for exchange differences arising from the translation of items recognized in other comprehensive income (OCI):
  - Financial investments at fair value through other comprehensive income (FVOCI), except for impairment, where foreign exchange differences in OCI are reclassified to profit or loss.
  - Financial liabilities designated as hedging instruments to hedge the foreign currency risk of a net investment in a foreign operation, provided the hedge is effective.
  - Hedging instruments used for cash flow risk, provided the hedge is effective.

3-2 Fixed assets

3-2-1 Initial Recognition and Measurement

- Items of fixed assets are presented in the financial statements at historical cost, less accumulated depreciation and accumulated impairment losses.
- The cost of fixed assets is determined based on capital expenditures directly attributable to the acquisition of the asset, and includes the cost of self-constructed assets, raw materials, direct labor, and any other costs incurred by the Company to bring the asset to its intended use. Significant components of fixed assets are recognized separately when their useful lives differ.

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- Gains and losses arising from the derecognition of fixed assets are recognized in profit or loss.

3-2-2 Subsequent Expenditures

- Subsequent expenditures are capitalized on the asset if it is expected to generate future economic benefits for the Company.
- The Company recognizes within the carrying amount of a fixed asset the cost incurred to replace a part of that asset at the date the cost is incurred, and the carrying amount of the replaced parts is derecognized.

3-2-3 Depreciation

- The straight-line method of depreciation is used, whereby the asset's value is reduced to its residual value over its estimated useful life, and depreciation is charged to profit or loss. Land is not depreciated.
- The estimated useful lives for each class of fixed assets are as follows:

Asset	*Estimated useful life (year)*
Buildings	25-50
Machines	10
Vehicles	5-8
Tools	5
Furniture	4-10

- The depreciation method, useful lives, and residual values of fixed assets are reviewed at the end of each financial year and adjusted if required.

3-3 Investment property

- Investment properties comprise land and buildings held to earn rental income, appreciate in value, or both. Investment properties are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with depreciation and impairment losses recognized in profit or loss.
- Investment properties are depreciated using the straight-line method over the estimated useful lives of each class of investment property. Land is not depreciated.

- The estimated depreciation rates for investment properties are as follows:

Asset	*Depreciation percentage*
Buildings	2% to 3.75%

- Gains or losses arising from the derecognition of investment properties (calculated as the difference between the net disposal proceeds and the carrying amount of the investment property) are recognized in profit or loss.

3-4 Intangible assets and other assets

- Intangible assets, such as computer software, licenses, and others, are initially measured at cost, which includes all costs necessary to acquire the asset, provided that such cost does not exceed the fair value of the asset (or similar assets) at the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- Intangible assets with a determinable useful life are subsequently measured at cost less accumulated amortization and accumulated impairment losses.
- Management amortizes intangible assets using the straight-line method according to the following rates:

Asset	*Amortization Rate*
Other assets	10%
HR Program	25%
Microsoft Program	25%

3-5 Impairment

3-5-1 non-derivative financial assets

Financial Instruments and Contract assets

The Company recognizes loss provisions for expected credit losses for:

- Financial assets measured at amortized cost.
- Investments in debt instruments measured at fair value through other comprehensive income
- Contract assets.
- The Company measures the loss provisions at an amount equal to the expected credit losses over the lifetime of the financial asset, except for the following, which are measured at an amount equal to the 12-month expected credit losses:
- Debt instruments that have been determined to have low credit risk at the reporting date.
- Other debt instruments and bank balances for which there has not been a significant increase in credit risk since initial recognition.
- Trade receivables and contract assets are always measured at an amount equal to the lifetime expected credit losses.
- When assessing whether the credit risk of a financial asset has significantly increased since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable relevant information available without undue cost or effort, including both quantitative and qualitative information, based on the Company's historical experience and known credit assessment, including forward-looking information.
- The Company assumes that the credit risk of a financial asset has significantly increased if it is past due for more than 30 days.
- A financial asset is considered to be in default when:
- It is unlikely that the borrower will pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing collateral, if any or
- The financial asset is past due for more than 90 days.
- Debt instruments are considered to have low credit risk when their credit risk rating is equivalent to the globally defined concept of "investment grade."
- Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date, or a shorter period if the instrument's expected life is less than 12 months.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- The maximum period considered when estimating expected credit losses is the maximum contractual period during which the Company is exposed to credit risk.

Measurement of Expected Credit Losses

- Expected credit losses represent a probability-weighted estimate of credit losses. The present value of all shortfalls in cash flows (the difference between the cash flows due to the Entity under the contract and the cash flows the Company expects to receive) is measured.
- Expected credit losses are discounted using the effective interest rate of the financial asset.

Credit-Impaired Financial Assets

- At each reporting date, the Company assesses whether financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income (FVOCI) are credit-impaired. A financial asset is considered credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Indicators of credit impairment in financial assets include observable data, such as:
- Significant financial difficulty of the borrower or issuer.
- Breach of contract, such as default or being more than 90 days past due.
- Restructuring of a loan or advance by the Entity on terms that the Entity would not otherwise consider, and the borrower is likely to enter bankruptcy or another financial reorganization.
- Disappearance of an active market for the financial instrument due to financial difficulties.

Presentation of Expected Credit Loss Provision in the Statement of Financial Position

- The loss provision for financial assets measured at amortized cost is deducted from the total carrying amount of the assets.
- For debt securities measured at fair value through other comprehensive income (FVOCI), the loss provision is recognized in profit or loss and recognized in other comprehensive income (OCI).

Write-off of Financial Assets

- The carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering the asset in full or in part. For individual customers, the Company's policy is to write off the full carrying amount when the financial asset is more than 90 days past due, based on historical experience in recovering similar assets. For corporate customers, the Company assesses individually the timing and amount of the write-off based on whether there is a reasonable expectation of recovery. The Company does not expect to recover significant amounts; however, financial assets that have been written off may still be subject to enforcement activities to comply with the Company's procedures for recovering amounts due

3-5-2 Non-financial assets

- The carrying amounts of the Company's non-financial assets, other than inventory and deferred tax assets, are reviewed at the reporting date to identify any indicators of impairment. The recoverable amount of an asset is estimated when there is any indication of impairment.
- The recoverable amount is estimated at each reporting date for intangible assets with indefinite useful lives or assets not yet available for use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- An impairment loss is recognized when the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss and other comprehensive income (OCI).
- The recoverable amount of an asset or CGU is the higher of its value in use or fair value less costs of disposal. Future cash flows expected to be generated are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- The effect of impairment losses on goodwill is not reversed. Impairment losses recognized in prior periods for other assets are reviewed at each reporting date to determine whether there is any indication that the loss has decreased or no longer exists.
- An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount.
- Impairment losses are reversed to the extent that the carrying amount of the asset does not exceed the recoverable amount that would have been determined, net of depreciation, had no impairment loss been recognized.

3-6 Financial instruments

3-6-1 Initial Recognition and Measurement

- Trade receivables and issued debt securities are initially recognized at inception. All other financial assets and liabilities are initially recognized when the Entity becomes a party to the contractual provisions of the instrument.
- A financial asset is initially measured at fair value plus, in the case of an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance, unless the trade receivable has no significant financing component. Trade receivables without a significant financing component are initially measured at the transaction price.

3-6-2 Classification and subsequent measurement

Financial assets

- At initial recognition, a financial asset is classified and measured at amortized cost, fair value through other comprehensive income (FVOCI) – debt instruments, FVOCI – equity instruments, or fair value through profit or loss (FVTPL).
- Financial assets are not reclassified after initial recognition, except when the Entity changes its business model for managing financial assets. In such a case, all affected financial assets are reclassified at the first day of the next reporting period following the change in the business model.
- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:
- The asset is held within a business model whose objective is to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Debt instruments are measured at FVOCI if they meet the following conditions and are not previously designated at FVTPL:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- At initial recognition of equity instruments not held for trading, the Entity may irrevocably elect to present subsequent changes in fair value of these investments in other comprehensive income (OCI), So this selection is made for each investment separately
- All financial assets that are not measured at amortized cost or at FVOCI as described above are measured at FVTPL, including all derivative financial assets.
- At initial recognition, the Company may make an irrevocable election to designate and measure a financial asset at FVTPL and OCI if it significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets – Business Model Classification

- The Company assesses the business model objective for holding a financial asset at the portfolio level, as this best reflects the way the business is managed and provides information to management. The information considered includes:
- The policies and objectives established for the portfolio and their operation in practice. This includes whether management's strategy focuses on collecting contractual interest income, maintaining a certain interest rate profile, matching the duration of financial assets with any related liabilities or outflows, or achieving cash flows through selling assets, as well as how portfolio performance is evaluated and reported to management, the risks affecting the business model and the financial assets held within it, and how these risks are managed.
- How activity managers are compensated, whether compensation is based on the fair value of the assets under management or the contractual cash flows collected.
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales, and expectations regarding future sales activity.
- Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, in line with the Company's continuing recognition of the assets.
- Financial assets held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss (FVTPL).
- Financial assets are assessed to determine whether the contractual cash flows are solely payments of principal and interest (SPPI). For this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as consideration for the time value of money, credit risk associated with the principal outstanding over a specific period, and other basic lending risks and costs (such as liquidity risk and administrative costs), as well as a reasonable profit margin.
- When assessing whether contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes evaluating whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it does not meet this criterion. In making this assessment, the Company considers:
- Emergency events that may change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including features of a variable rate.
- Advance payment, extension features and conditions that limit the Entity's claim to cash flows from specific assets, for example the special characteristics of the right of irreversibility.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- A financial asset meets the SPPI characteristic if the prepayment amount largely represents unpaid amounts of principal and interest on the outstanding principal, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to the contractual amount, the characteristic permits or requires prepayment amounts largely equal to the contractual nominal amount plus accrued contractual interest (but unpaid) (which may also include reasonable compensation for early termination), in accordance with this Standard, if the fair value of the prepayment feature is not significant at initial recognition.

Financial Assets – Subsequent Measurement and Profit or Loss

Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)	Financial assets measured at fair value through profit or loss are subsequently measured at fair value, with changes in fair value, including any interest or dividend income, recognized in profit or loss.
Financial Assets Measured at Amortized Cost	These assets are subsequently measured at amortized cost using the effective interest method. The carrying amount is reduced by any expected credit losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss
Investments in Equity Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)	Equity instruments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized in profit or loss unless it clearly represents a recovery of part of the investment cost. Other net gains or losses are recognized in other comprehensive income (OCI) and are never reclassified to profit or loss.
Debt Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)	Debt instruments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Other net gains or losses are recognized in OCI. Upon derecognition, accumulated gains or losses in OCI are reclassified to profit or loss.

Financial Liabilities –Classification, Subsequent Measurement, and Gains or Losses

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss (FVTPL). A financial liability is classified at FVTPL if it is held for trading, is a derivative, or is designated as such at initial recognition. Financial liabilities measured at FVTPL are subsequently measured at fair value, and any net gains or losses, including interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3-6-3 Derecognition

Financial assets

- The Company derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset expire, or when it transfers the contractual rights to receive the cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Derecognition also occurs if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the Entity does not retain control.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- The Company may enter into transactions in which recognized assets are transferred from its statement of financial position, but the Company retains substantially all the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognized.

Financial liabilities

- The Company derecognizes a financial liability when it is ends, either through settlement, cancellation, or expiry of the contractual term. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In such cases, a new financial liability is recognized at fair value based on the modified terms.
- Upon derecognition of a financial liability, the difference between the carrying amount settled and the consideration paid (including any non-cash assets transferred or liabilities incurred) is recognized in profit or loss.

3-6-4 Offsetting

An offsetting is made between the financial asset and the financial liability and the net amount is shown in the statement of financial position when, and only when, binding legal rights are present and when they are settled on a net basis or when assets are realized and liabilities are settled at the same time.

3-7 Investment in subsidiaries

- Subsidiaries are entities in which the investing company has the ability to control its financial and operational policies, presumably by owning more than half of the voting rights of the investing company.
- Investments in subsidiaries have been proven - at the time of their acquisition - at the cost of their acquisition, and in the event of a loss of decrease in the recoverable value of any investment from its book value "Impairment", the book value of this investment is adjusted by the value of the loss of decrease in value and charged to the list of profits or losses for each investment separately.

3-8 Investment in associate

- An Associate company is an Entity in which the company has influential influence. Influential influence is the ability to participate in financial and operational decision-making. Influential influence is assumed to exist starting from 20% or more of the company's invested capital up to 49%.
- The company recognizes dividends on its investments in Associate companies when it is issued the right to receive those dividends.
- The company has proven investments in Associate companies in its financial statements in accordance with the relevant Egyptian accounting standards, amended in March 2024 by adding the option to use the equity method in accounting for investments in Associate companies with joint control, and the company has implemented it early in this regard.

3-9 Other investments

3-9-1 Financial Investments at Fair Value Through Other Comprehensive Income (FVOCI)

- Financial investments available for sale are subsequently measured at fair value through the comprehensive income statement, and interest income calculated at depreciated cost using the effective interest method and foreign exchange profits and losses are calculated in profit or loss. Upon exclusion, the accumulated profits and losses in the comprehensive income statement are reclassified into profits and losses.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

3-9-2 Financial Investments at Amortized Cost

- These investments mainly comprise government bonds, which are measured at cost, with income recognized through the statement of profit or loss.

3-9-3 Financial Investments at Fair Value Through Profit or Loss (FVTPL)

- Treasury bills and investment funds are measured at fair value through profit or loss.

3-10 Finance lease

Lease Contracts

The standard specifies the principles related to the recognition, measurement, presentation, and disclosure of lease contracts. The objective is to ensure that lessees and lessors provide relevant information that faithfully represents these transactions or provides a basis for financial statement users to assess the impact of lease contracts on an Entity's financial position, financial performance, and cash flows. when a contract is created, it is assessed whether the contract contains a lease. A contract is, or contains, a lease if it conveys the right to use a specified asset for a period of time in exchange for consideration.

The lease term is determined as the non-cancellable period of the lease, together with:

(a) Periods covered by an extension option if the lessee is reasonably certain to exercise that option.
(b) Periods covered by a termination option if the lessee is reasonably certain not to exercise that option.

Leases in which the Company is the Lessee

At the commencement date of the lease, a "right-of-use" asset and a lease liability are recognized. However, the Company may choose not to apply this requirement for short-term leases or leases in which the underlying asset is of low value. In such cases, lease payments are recognized as an expense on a straight-line basis over the lease term or another systematic basis if that better represents the pattern of benefits derived by the lessee.

Initial Measurement of the Right-of-Use Asset

The cost of the right-of-use asset comprises:

(a) The initial measurement of the lease liability at the present value of unpaid lease payments at that date, discounted using the lease's implicit interest rate if readily determinable; if not, the lessee uses its incremental borrowing rate.

(b) Any lease payments made on or before the commencement date, less any lease incentives received.

(c) Any initial direct costs incurred by the lessee.

(d) An estimate of costs to dismantle, remove, or restore the underlying asset or the site, unless those costs are for inventory production. The lessee incurs obligations for such costs either at the lease commencement date or as a result of using the underlying asset over a period of time.

Subsequent Measurement of the Right-of-Use Asset

After the lease commencement date, the right-of-use asset is measured using the cost model, where the asset is carried at cost:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(a) Less accumulated depreciation and any accumulated impairment losses.
(b) Adjusted for any remeasurement of the lease liability.

Initial Measurement of Lease Liability

At the commencement date, the lease liability is measured at the present value of unpaid lease payments, discounted using the lease's implicit interest rate if readily determinable. If not readily determinable, the lessee uses its incremental borrowing rate.

Subsequent Measurement of Lease Liability

After the commencement date, the lease liability is adjusted to reflect:
(a) Increase the carrying amount of the liability to reflect the interest on the rental obligation.
(b) Decrease the carrying amount of the liability to reflect rental payments.
(c) Remeasure the carrying amount of the liability to reflect any revaluation or modifications to the lease or to reflect the fixed lease in its substantially modified form.

The right-of-use asset and lease liabilities are presented separately from other assets and liabilities in the statement of financial position.

The lease contracts include the lessee's obligation to maintain and ensure the leased asset, and the lease contract does not involve any arrangements for the transfer of ownership at the end of the lease term.

With respect to a contract that contains a lease component together with one or more lease or non-lease components (if any), the consideration in the contract is allocated to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. As a practical expedient, and within the limits permitted by the Standard, the Company, as a lessee, may elect, by class of underlying asset, not to separate non-lease components from lease components, and accordingly to account for each lease component and any associated non-lease components as a single lease component.

3-11 Inventory

- Inventories are measured at cost or net realizable value, whichever is lower. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Issues from inventory are priced using the moving average cost method. Cost includes all expenses and costs incurred by the Company to bring the inventory to its present location and condition.
- The Company applies the perpetual inventory system in recording inventory items and issues to production, while the periodic inventory method is applied in recording ending inventory of finished goods and work in progress.
- The inventory of raw tobacco is sufficient for approximately 5.5 months.
- The inventory of finished goods is sufficient to meet market needs for approximately 16 days.
- Inventory of raw materials includes raw tobacco held in bonded warehouses amounting to approximately L.E. 5,247 million, and the related customs duties are paid upon receipt of such inventory from these warehouses.

3-12 Cash and Cash Equivalents

- For the purposes of preparing the statement of cash flows, cash and cash equivalents include cash balances with banks and on hand, demand deposits with maturities of not more than three months, as well as bank overdrafts repayable on demand that form an integral part of the Company's cash management system.
- The Company changed the presentation of the Statement of Cash Flows from the direct method to the indirect method, effective from 1 April 2026. Prior to this date, the Statement of Cash Flows was prepared using the direct method. Comparative figures have been reclassified/re-presented, where necessary, to conform with the current period presentation.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

3-13 Account receivables, Debtors, and Other Receivables

- Trade receivables, notes receivable, debtors and other non-interest-bearing receivable balances are recognized at their nominal value, net of amounts expected to be uncollectible, which are estimated when it is unlikely that the full amount will be collected. Trade receivables and debtors are reduced by amounts of bad debts when identified. Other receivable balances are recognized at cost.

3-14 Suppliers, Creditors, and Accrued Expenses

- Trade payables, notes payable and creditors are recognized at their nominal value. Liabilities (accruals) are recognized at the amounts to be paid in the future in respect of goods and services received.

3-15 Revenue Recognition

- Revenue is measured based on the consideration specified in the contract with the customer, which includes unbilled revenues (contract assets), and excludes amounts collected on behalf of other parties. The Company recognizes revenue when it transfers control of the services to the customer.
- The Company assesses the services promised in the contract with the customer and identifies them as a performance obligation when such services are:
  a) Distinct services.
  b) A series of distinct services that are substantially the same and that have the same pattern (each distinct service is satisfied over time and the same method is used to measure progress).

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Egyptian Accounting Standard (48).

Step 1: Identify the contract(s) with the customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met for each contract.

Step 2: Identify the performance obligations in the contract

A performance obligation is a promise in a contract with a 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 the goods or services promised to the customer, excluding amounts collected on behalf of other parties.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Step 4: Allocate the transaction price to the performance obligations in the contract

For a contract that includes more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the performance obligation is satisfied

The Company satisfies a performance obligation and recognizes revenue over time if one of the following criteria is met:

a) The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.
b) The Company creates or enhances an asset that the customer controls as the asset is created or enhanced
c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs
d) For performance obligations, when one of the above conditions is met, revenue is recognized over a period of time that represents the time over which the performance obligation is satisfied

When the Company satisfies a performance obligation by providing the promised services, it recognizes a contract asset for the amount of consideration to which it is entitled from the performance. When the consideration received from the customer exceeds the revenue recognized, this results in advance payments from customers (contract liability).
Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and that the revenue and related costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard (48) requires management to use the following provisions:

Satisfaction of Performance Obligations

The Company must assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognizing revenue. The Company has determined that, based on the agreements concluded with customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date.

Under these circumstances, the Company recognizes revenue over time, and if this is not the case, revenue is recognized at a point in time. For the sale of goods, revenue is usually recognized at a point in time.

Other matters to be considered

Variable consideration: If the consideration promised in a contract includes a variable amount, the Entity shall estimate the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer. The Entity estimates the transaction price for contracts with variable consideration using either the expected value or the most likely amount method, applied consistently throughout the contract and for similar types of contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Significant Financing Component

- The Company must adjust the promised contract consideration for the time value of money if the contract includes a significant financing component.
- Revenue from the performance of services is recognized in the income statement when the service is performed, and no revenue is recognized if there is uncertainty about the recovery of this revenue. The value of revenue is measured at the fair value of the consideration received or receivable by the Company.

3-15-1 Interest Revenue

Interest revenue is recognized using the effective interest method, and interest revenue is included in the income statement under net finance cost/income.

3-15-2 Gains on Sale of Investments

Gains on the sale of financial investments are recognized when evidence of transfer of ownership to the buyer is received, based on the difference between the sale price and their carrying amount at the date of sale.

3-16 Provisions

Provisions are recognized when there is a legal or constructive obligation arising from past events, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made. If there is a significant effect of the time value of money, provisions are measured by discounting future cash flows using a pre-tax discount rate to reflect this effect. Provisions are reviewed at the reporting date and adjusted (if necessary) to reflect the best current estimate.

3-17 Treasury bills

When repurchasing issued capital shares, the amount paid for the repurchase, including all direct costs related to the repurchase, is recognized as a reduction of equity. Repurchased shares are classified as treasury shares and presented as a deduction from equity. Upon the sale or reissuance of treasury shares, no gain is recognized in the income statement or other comprehensive income but is included within equity under "Additional Paid-in Capital – Treasury Shares." If sold at a loss, the loss is charged to "Additional Paid-in Capital – Treasury Shares," and if the loss exceeds the balance of this account, the difference is charged to retained earnings. The Company complies with Law No. (159) of 1981 and its amendments in all sales, purchases, and disposal transactions.

3-18 Reserves

Company reserves are established either by law or the Company's Articles of Association to strengthen the Company's financial position and are used by a decision of the General Assembly based on the Board of Directors' proposal when it serves the Company's best interests.

3-19 Dividends

- Dividend distributions are recognized as liabilities in the financial period in which they are declared after approval by the Company's ordinary General Assembly.
- Employees' share of dividends is paid up to a maximum of their total annual wages according to the law.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

3-20 Finance Income and Costs

Finance income and costs include:

- Interest income.
- Interest expense.
- Net gain or loss on financial assets measured at fair value through profit or loss.
- Foreign exchange gains or losses on financial assets and liabilities.

Interest income and expense are recognized using the effective interest method. Dividend income is recognized in the income statement on the date the Entity's right to receive payment is established.

The effective interest rate is the exact rate used to discount expected future cash payments or receipts over the expected life of the financial instrument to:

- The total carrying amounts of the financial asset
- The amortized cost of the financial liability.

When calculating interest income and expense, the effective interest rate is applied to the total carrying amount of the asset (when the asset is not impaired) or to the amortized cost of the liability. For financial assets that become impaired after initial recognition, interest income is calculated using the effective interest rate on the amortized cost of the financial asset. If the financial asset is no longer impaired, interest income calculation reverts to the gross basis.

3-21 Employee benefits

A. Short-term benefits

Short-term employee benefits are recognized as an expense when the related service is provided. The expected amount to be paid is recognized as a liability when the Company has a legal or constructive obligation to pay the amount as a result of the employee having rendered past service, and the obligation can be reliably estimated.

B. Defined contribution plans

Obligations under defined contribution benefit plans are recognized as an expense when the related service is provided. Prepaid contributions are recognized as an asset to the extent that the prepayment will reduce future payments or be refundable. The Company contributes to the government social insurance system for its employees in accordance with the Social Insurance Law. Employees and employers contribute under this law at a fixed percentage of wages. The Company's obligation is limited to its contribution, and the Company's contributions are recognized in profit or loss on an accrual basis.

C. Termination benefits

The Company recognizes termination benefits as an expense at the earlier of the following dates: when the Company can no longer withdraw the offer of those benefits or when the Company recognizes restructuring costs. When it is not expected that the benefits will be settled in full within 12 months after the reporting date, they must be discounted using a pre-tax discount rate to reflect the time value of money.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

3-22 Expenses

All operating expenses, including administrative and general expenses, are recognized in the income statement in the financial period in which they are incurred on an accrual basis. Interest expenses related to borrowings are recognized in the income statement using the effective interest method.

a) **Rent payments**:

Payments for leases that do not meet the recognition criteria for right-of-use assets are recognized in the income statement on a straight-line basis over the lease term.

b) **Interest expenses:**

Interest expenses are recognized in the income statement on an accrual basis using the effective interest method.

3-23 Income tax

Current tax and deferred tax are recognized as income or expense in the profit or loss for the period, except in cases where the tax arises from a transaction or event that is recognized in the same period or in a different period – outside profit or loss, either in other comprehensive income or directly within equity, or in a business combination.

3-23-1 Current income tax

Current taxes for the current and prior periods that have not yet been paid are recognized as a liability. However, if the taxes already paid in the current and prior periods exceed the amount due for those periods, this excess is recognized as an asset. The values of current tax liabilities (assets) for the current and prior periods are measured at the expected amount to be paid or recovered from the tax authority, using the tax rates and tax laws that are enacted or substantively enacted at the end of the reporting period. Dividend distributions are subject to tax as part of the current tax. Offsetting of tax assets and liabilities is not performed unless certain conditions are met.

3-23-2 Deferred Tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognized for all temporary differences that are expected to be subject to tax, except for the following:

- The initial recognition of goodwill.
- The initial recognition of an asset or liability in a transaction that:
  1) Is not a business combination.
  2) Does not affect accounting profit or taxable profit (tax loss).

- Temporary differences related to investments in subsidiaries, associates, and joint ventures to the extent that the timing of the reversal of these temporary differences can be controlled, and it is probable that such differences will not reverse in the foreseeable future.
- A deferred tax asset arising from the carryforward of unused tax losses, unused tax credits, and deductible temporary differences is recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. Future taxable profits are determined based on the company's future business plan.
- The position of unrecognized deferred tax assets is reassessed at the end of each reporting period, and previously unrecognized deferred tax assets are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

- Deferred tax is measured using the tax rates expected to apply when the temporary differences reverse, based on tax rates that are enacted or substantively enacted at the end of the reporting period.
- When measuring deferred tax at the end of the reporting period, the tax effects of the company's plans to recover or settle the carrying amounts of its assets and liabilities are taken into account.
- Offsetting of deferred tax assets and liabilities is not performed unless certain conditions are met.

3-24 Accounting for Grants and Subsidies

The company follows the revenue approach for accounting for export subsidies in the income statement, as well as for accounting for gifted assets. The company recognizes gifted Fixed assets as grants under the Fixed assets section, with their depreciation charged to the income statement and, correspondingly, the depreciation is recorded as revenue.

3-25 Basic/Diluted Earnings Per Share

The basic/diluted earnings per share are calculated by dividing the profit attributable to shareholders for their share in the company's ordinary shares (after deducting the employees' share of profits and the remuneration of the Board of Directors) by the weighted average number of ordinary shares outstanding during the year.

3-26 Financial Risk Management

3-26-1 Credit Risk

Credit risk represents the risk that one party to a financial instrument will fail to meet its obligations, thereby causing the other party to incur financial losses. This risk arises mainly from other debtors. Credit risk relating to cash and cash equivalents balances – excluding cash on hand – and financial deposits arises from the lack of liquidity at the counterparty, and consequently its inability to repay such balances and meet its agreed obligations due to a shortage of liquidity. To control this risk, the Company deals with financial and banking institutions that have a high and stable creditworthiness rating.

3-26-2 Liquidity Risk

Liquidity risk represents the risk that the Company will be unable to meet its obligations when they fall due. The Company's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its obligations as they fall due under both normal and stressed conditions without incurring unacceptable losses or damaging the Company's reputation. The Company also ensures the availability of sufficient cash on demand to meet expected operating expenses for an appropriate period, including servicing financial obligations, excluding the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. The Company also invests excess cash – available from daily cash collections – in the best short-term investment opportunities.

3-26-3 Market Risk

Market risk represents the risk of changes in market prices such as foreign exchange rates and interest rates. The objective of managing market risk is to manage and control exposure to market risk within acceptable parameters while maximizing returns.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

(a) Foreign Currency Risk:

Foreign currency risk represents the risk arising from changes in foreign exchange rates, which affect payments and receipts in foreign currencies as well as the valuation of assets and liabilities denominated in foreign currencies. Management addresses this risk through several policies, including, for example, the value of what the Company receives from local manufacturing of spare parts and capital equipment and purchases from agents of suppliers, etc.

Foreign Currency balances as at 30 September 2026.

	Assets	*Liabilities*	*Net*
Dollar	189	(124,016)	(123,827)
Euro	19	(4,680)	(4,661)
Sterling pound	3	(450)	(447)
Swiss franc	2	-	2

(b) Interest Rate Risk:

The Company deals with a various of banks at interest rates that enable it to reduce the risks arising from changes in interest rates, whether credit or debit interest, through competition among banks and by obtaining the best rates based on the large volume of transactions.
The interest-bearing bank deposits during the referred financial period represent the total deposits in local currency and foreign currencies.
The fair value of financial instruments does not differ materially from their carrying amounts at the end of the financial period.

3-26-4 Capital Management

- The Company's policy is to maintain a strong capital base in order to maintain shareholders, creditors and market confidence and to support future development
- The Company's management goal in managing capital is to maintain the company's ability to continue in a way that achieves a return for shareholders and provides benefits to other parties to gain market confidence and support future development.
- The Company's management also aims to maintain the best capital structure, which leads to reduced capital costs
- Management monitors the return on capital to maintain the best capital structure also the board of directors also monitors the level of shareholder distributions.
- The Company's management monitors the capital structure using the net liabilities to total capital ratio. Net liabilities represent total current and non-current liabilities less cash and cash equivalents. Total capital represents the Company's total equity as presented in the Company's interim separate statement of financial position, in addition to net liabilities.

	30/9/2026	***31/12/2025***
Total liabilities	12,106,225	39,042,806
Less: cash and cash equivalent	(1,244,418)	(712,825)
Net Debt	10,861,807	38,329,981
Total Owner's equity	19,478,581	13,248,745
Net Debt to Equity Ratio	0.56	2.89

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

3-27 Related parties

- Related parties comprise the Company's shareholders and the companies in which the Company or the shareholders, directly or indirectly, hold shares that grant them the right to control or exercise significant influence over such companies. Transactions with related parties carried out by the Company in the ordinary course of business are recorded at arm's length in accordance with the terms set by the Board of Directors.
- Global Investment Holding Company owns 30%, and the Holding Company for Chemical Industries owns 20.95% of the Company's shares as at 30 September 2026.
- During the period from 1 January 2026 to 30 September 2026, the Company incurred salaries, allowances, and bonuses for members of senior management.

Party	*Nature of Relationship*	*Nature of Transaction*	*30/9/2026* *Transaction Amount (L.E. thousand)*
United Tobacco Company	Associate company	Sale of assets – printing expenses, maintenance, and others	(951,185)

3-28 Comparative Figures

Comparative figures have been reclassified, where necessary, to conform with the presentation adopted in the current period.

"Amounts are presented in thousand Egyptian pounds unless otherwise stated"

4- FIXED ASSETS

	Lands	*Buildings*	*Machines and equipment*	*Vehicles*	*Tools*	*Furniture and office equipment*	*Spare parts*	*Low value assets*	*Total*
Cost:									
As of 1 July 2025	186,016	3,374,889	6,027,077	342,634	190,638	971,085	498	-	**11,092,837**
Additions During the period	-	-	84,831	-	1,334	16,582	-	52	**102,799**
Disposals during the period	-	(31,475)	(96)	(11)	(285)	(14)	-	-	**(31,881)**
As of 31 December 2025	186,016	3,343,414	6,111,812	342,623	191,687	987,653	498	52	**11,163,755**
As of 1 January 2026	186,016	3,343,414	6,111,812	342,623	191,687	987,653	498	52	**11,163,755**
Additions during the period	-	-	92,531	-	-	59,853	-	9,130	**161,514**
Disposals during the period	-	-	(33,062)	(17)	-	(1,832)	-	-	**(34,911)**
Cost of assets transferred to assets held for sale – Note (1-13)	(2,033)	(70,016)	-	-	-	-	-	-	**(72,049)**
As of 30 September 2026	183,983	3,273,398	6,171,281	342,606	191,687	1,045,674	498	9,182	**11,218,309**
Accumulated depreciation:									
Accumulated depreciation as of 1 July 2025	-	1,216,341	4,927,609	335,471	171,751	783,536	183	-	**7,434,891**
Impairment of PPE of 1 July 2025	-	262	1,550	-	-	-	-	-	**1,812**
Impairment during period	-	-	2,707	-	-	-	-	-	**2,707**
Depreciation for the period	-	37,658	150,618	2,769	4,657	23,543	45	-	**219,290**
Disposal during the period	-	(9,705)	(96)	(11)	(285)	(14)	-	-	**(10,111)**
Accumulated depreciation as of 31 December 2025	-	1,244,556	5,082,388	338,229	176,123	807,065	228	-	**7,648,589**
As of 1 January 2026,	-	1,244,294	5,078,131	338,229	176,123	807,065	228	-	**7,644,070**
Impairment of PPE of 1 January 2026	-	262	4,257	-	-	-	-	-	**4,519**
Impairment Reversal During the Period			(4,257)						**(4,257)**
Depreciation during the period	-	53,744	220,059	2,115	6,906	39,582	69	-	**322,475**
Accumulated depreciation on disposals during the period	-	-	(28,806)	(17)	-	(1,715)	-	-	**(30,538)**
Accumulated depreciation of assets transferred to assets held for sale – Note (1-13)	-	(43,281)	-	-	-	-	-	-	**(43,281)**
As of 30 September 2026	-	**1,255,019**	**5,269,384**	**340,327**	**183,029**	**844,932**	**297**	-	**7,892,988**
Net Book Value:									
As of 30 September 2026	**183,983**	**2,018,379**	**901,897**	**2,279**	**8,658**	**200,742**	**201**	**9,182**	**3,325,321**
As of 31 December 2025	**186,016**	**2,098,858**	**1,029,424**	**4,394**	**15,564**	**180,588**	**270**	**52**	**3,515,166**

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4. FIXED ASSETS- *Continued*

4.1 The machinery and equipment balance includes scrapped assets with a cost of L.E. 657,899 thousand as at 30 September 2026.

4.2 The cost of fully depreciated assets that are still in use as at 30 September 2026 amounted to L.E. 3,766,237 thousand, analyzed as follows:

	Buildings	*Machines and equipment*	*Vehicles*	*Tools*	*Furniture and office equipment*	*Total*
Net Book Value						
As of 30 September 2026,	165,046	2,629,755	259,226	128,736	583,474	3,766,237
As of 31 December 2025,	156,273	2,278,810	238,211	126,254	596,489	3,396,037

4.3 Note (47) includes details of insurance coverage, being the insurance policies that cover the insurable risks related to the fixed assets recognized in the Company's books.

4.4 Fixed assets include approximately L.E. 25,330 thousand representing the net book value of donated assets, detailed as follows:

Production Machinery	24,328
Service and Utility Machinery	57
	24,385
Furniture and Office Equipment	945
Total	25,330

4.5 The Ordinary General Assembly of Eastern Company was held on 24 July 2024 to approve the sale of land, buildings, and equipment that are not utilized in the production of the Company's products at the industrial complex in 6th of October City, referred to as Plant No. 9. The assembly also authorized the execution of exchange and non-routine contracts to correct the clerical error in Article 7 of the Company's Articles of Association regarding the number of shares. The procedures for the sale of Plant No. 9 are currently underway.

4.6 An amount of L.E. 97,550 thousand related to the Zomor site, L.E. 53,337 thousand related to the Monastirly site, and L.E. 19,797 thousand related to the Niaza site (totaling L.E. 170,684 thousand) was reclassified from Fixed assets to investment properties in accordance with the Company's Board of Directors Resolution No. 16 of 2020.

4.7 An amount of EGP 262 thousand was deducted from the carrying amount of buildings, representing an impairment loss recognized in respect of the Moharram Bek power station building.

4.8 The Ordinary General Assembly, held on 25 October 2020, resolved to relinquish the Company's land located in El-Arish in favor of a sovereign authority, due to the expiration of the related license and the impracticability of utilizing the land under the prevailing security conditions in the area.

4.9 The historical cost of assets retired from active use (held for disposal) amounted to EGP 21,187 thousand, with a net book value of approximately EGP 12,880 thousand, represented by assets located at the Menouf and Moharram Bek plants, which have been fully depreciated since 2021.

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4. FIXED ASSETS- *Continued*

4.10 Property, plant and equipment include machinery acquired under finance lease arrangements. The Company entered into a sale and leaseback agreement with QNB Alahli Financial Leasing Company in respect of certain machinery with a total cost of EGP 398,324,153, bearing a variable interest rate equal to the average corridor rate plus 1.2%. The agreement was entered into on 28 June 2012 for a term of six years, in addition to a two-year grace period, after which the lease rentals were payable over a period of 72 months. Ownership of the leased machinery transfers to the Company upon expiry of the lease term for a nominal consideration of EGP 1. The final lease installment under the finance lease agreement with QNB Alahli Financial Leasing Company was settled on 28 June 2020.

- On 25 June 2026, Eastern Company (Eastern Tobacco) announced the disposal of certain non-operating assets through a public sealed-bid auction. This initiative forms part of the Company's strategy to optimize the utilization of non-core assets and improve resource allocation efficiency.
- A number of additional auctions are scheduled to be held through the end of the current fiscal year 2026, with the first auction planned for Tuesday, 21 July 2026.

The Company affirmed that any disposals will be conducted in compliance with all applicable rules and regulations, including obtaining the approval of the Company's General Assembly. The Board of Directors will consider the appropriate utilization of the proceeds generated from such disposals in light of the auction results and final awarded values, in a manner that serves the best interests of the Company and its shareholders.

The Company confirms that the assets offered for disposal are not related to its current operating activities. The Company will disclose any material developments or final outcomes as soon as the relevant procedures are completed.

5. PROJECTS UNDER CONSTRUCTION

	30/9/2026	*31/12/2025*
Investment Information		
Buildings	2,576	2,576
Machinery	48,405	47,813
Tools	4,460	-
Furniture and Office Equipment	131,178	119,414
SAP software	32,104	31,508
Total Investment information	**218,723**	**201,311**
Less: Impairment of Investment information	**(2,239)**	**(2,239)**
Net Investment information	**216,484**	**199,072**
Capital Expenditure:		
Advances for the Purchase of Fixed assets	1,670	1,169
Total Projects under Construction	**218,154**	**200,241**

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6. INVESTMENT PROPERTIES

	Land	*Building*	*Total*
Cost as at 1 January 2026	**112,818**	**65,554**	**178,372**
Cost of investment property transferred to assets held for sale – Note (13-2)	(112,414)	(65,554)	(177,968)
Cost as at 30 September 2026	**404**	**-**	**404**
Accumulated Depreciation as at 1 January 2026	-	**(52,424)**	**(52,424)**
Depreciation for the Period	-	(422)	(422)
Accumulated depreciation of investment properties transferred to assets held for sale – Note (13-2) as at 30 September 2026	-	**52,846**	**52,846**
Net Investment Property as at 30 September **2026**	**404**	**-**	**404**
COST			
Cost as at 1 July 2025 and 31 December 2025	**112,818**	**65,554**	**178,372**
Accumulated Depreciation as of 1 July 2025	-	(52,001)	(52,001)
Depreciation for the year	-	(423)	(423)
Accumulated Depreciation as at 31 December 2025	-	**(52,424)**	**(52,424)**
Net Investment Property as at 31 December 2025	**112,818**	**13,130**	**125,948**

- The income statement does not include any expenses related to investment properties, except for depreciation charged up to the date on which these properties were reclassified as assets held for sale. No maintenance or other expenses have been incurred in respect of these properties. Furthermore, no income has been generated from these investments up to the date of preparation of the financial statements.

The investment property items are comprised of the following:

Sallum Factory Land – Alexandria	404

The Company discontinued depreciation in accordance with the Board of Directors' Resolution No. (10) of 2026 for assets held for sale, in accordance with the applicable accounting standards in this regard (Note 13).

7- INVESTMENTS IN ASSOCIATES

	Number of Shares Investee Company	*Percentage of Ownership %*	*30/9/2026*	*31/12/2025*
United Tobacco Company (S.A.E.)	24,000	24%	2,989,189	1,073,046

The investments in associate companies represent 24% of the share capital of United Tobacco Company (S.A.E.), comprising 24,000 thousand shares with a nominal value of L.E. 1,000 per share. Eastern Company (Eastern Company) has significant influence over United Tobacco Company, as Eastern Company is represented on the Board of Directors of United Tobacco Company.

Investments in associate companies are accounted for in the interim separate financial statements at equity method, including the acquisition cost. In the event of an impairment in the value of such investments, the carrying amount is adjusted for the impairment and recognized in the statement of profit or loss for each investment individually. Reversal of impairment losses is recognized in the period in which it occurs, provided that it does not exceed the carrying amount previously reduced.

The Company recognizes its share of profits from associate companies in the current year's profit or loss, while dividend distributions are recognized when the right to receive them arises, which occurs upon the issuance of the financial statements of the investee company.
The investment is accounted for using the equity method in the Company's interim separate financial statements, in accordance with the requirements of Egyptian Accounting Standard No. (18),

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7- INVESTMENTS IN ASSOCIATES – *Continued*

"Investments in Associates," based on the unaudited financial information for the period from 1 January 2026 to 30 September 2026, prepared by the finance department of the associate and provided to Eastern Company – an Egyptian joint stock company – as at 30 September 2026.

The Company's share of the associate's profit was calculated based on the audited financial statements up to 31 December 2025. The Company also recognized its share of the shareholders' support provided to the associate as at 30 September 2026. Accordingly, the Company recognized its 24% share of the shareholders' support provided to United Tobacco Company S.A.E., amounting to a total of EGP 8,346,780 thousand, representing the amount paid for obtaining the license. This amount was waived by the major shareholder, with each shareholder bearing its respective share of the support in proportion to its ownership interest in the Company's share capital in the event of cancellation of the license. The Company's share of such support amounted to EGP 2,003,227 thousand.

The movements in investments in associate companies are as follows:

	30/9/2026	***31/12/2025***
Opening Balance	1,073,046	1,053,094
Add:		
Share of the Company in the Profit of the Investee Company	853,287	474,093
Capital Contributions in the Associate	2,003,227	-
Less:		
Company's Share of Employee Dividends	-	(7,957)
Administrative Expenses – Custodian	-	(542)
Tax on Dividend Distributions	-	(59,789)
Board of Directors' Remuneration	-	(38,238)
Dividend Distributions	(940,371)	(347,615)
Closing Balance for the Period / Year	2,989,189	1,073,046

8- INVESTMENTS IN SUBSIDIARIES

On 11 August 2025, Eastern Company for Distribution (a single shareholder company) was established with a capital of L.E. 240,000, divided into 24,000 shares with a nominal value of L.E. 10 per share, all fully paid in cash and owned by the founder, Eastern Company (S.A.E.), nationality: Egyptian. The entire capital was deposited at Emirates NBD Bank, General Administration Branch, authorized to receive public subscriptions, as evidenced by the attached certificate. The company is engaged in the trade, distribution, and export of cigarettes, cigars, shisha, and all other tobacco products of all types, including, but not limited to, electronic cigarettes, heated tobacco, and all related devices, supplies, and accessories.

9- INTANGIBLE ASSETS

	30/9/2026	***31/12/2025***
Cost :		
At the beginning of the period / year	192,802	38,094
Additions during the period / year	-	154,708
At The End period / year	192,802	192,802
Accumulated Amortization:		
At the beginning of the period / year	(45,314)	(22,895)
Amortization for the period / year	(33,629)	(22,419)
At the end of the period / year	(78,943)	(45,314)
Net book value at the end of the period / year	113,859	147,488

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10- FINANCIAL INVESTMENTS AT AMORTIZED COST

	30/9/2026	31/12/2025
Deposit at the Central Bank against Reserve Invested in Government Bonds (*)	20,663	20,663
Investments in Shares of Other Companies	5	5
	20,668	20,668

(*) Deposit at the Central Bank against a reserve invested in government bonds and the National Investment Bank, formed at a rate of 5% of the surplus from previous years prior to the issuance of Law No. 203 of 1991, yielding an annual return of 3.5% against the reserve invested in government bonds. The Company has contacted both the Ministry of Finance and the National Investment Bank to recover these amounts and to inform the concerned authorities that the deposit of these amounts was for a national purpose and was made pursuant to a legislative instrument regulating the method of depositing this amount and the annual return due thereon. In light of the opinion issued by the General Assembly for Legal Opinion and Legislation of the State Council, the Company cannot recover the value of these amounts except through a legislative instrument regulating the recovery process.

11- RIGHT-OF-USE ASSETS

	30/9/2026	*31/12/2025*
Cost:		
Beginning and end of the period / year	544,418	544,418
Accumulated Amortization :		
At the beginning of the period / year	(313,922)	(307,223)
Amortization for the period / year	(11,735)	(6,699)
At the end of the period / year	(325,657)	(313,922)
Net book value at the end of the period / year	218,761	230,496

Finance lease agreements (sale and leaseback) that ended prior to the issuance of Egyptian Accounting Standard No. 49 and still have a remaining useful life have been accounted for in accordance with the requirements of Appendix J of the standard. This includes the Company's buildings, which have useful lives ranging between 40 and 50 years and were sold and leased back during the 2009 financial year, having been put into operation in the 2007 financial year. These buildings include the Preparation Plant building, the Workshops building, and the Power Station building, with a historical cost of L.E. 348 million. In addition, the prior treatment of right-of-use assets related to machinery, with a cost of approximately L.E. 159 million, has been included.

12- OTHER ASSETS

	30/9/2026	31/12/2025
Company's contribution to AL- Zomor Canal Filling, Improvement, and covering project	208	265
Non-current prepaid expenses (*)	-	12,000
	208	12,265

(*) Represents L.E. 12 million of the non-current portions of prepaid expenses for electricity consumption related to the construction of a power plant under the B.O.T. system at the industrial complex in 6th of October City.

- The Company's Board of Directors, in its meeting held on 30 January 2025, resolved to approve the exit of ECS Energy and Contracting Company's employees from the 6th of October Industrial Complex Power Plant and authorized the Executive Management to take the necessary actions in this regard, in accordance with the contract concluded between the parties, and to implement the employee exit process.

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13- NON-CURRENT ASSETS HELD FOR SALE

13-1 ASSETS TRANSFERRED FROM FIXED ASSETS

	Acquisition cost	*Accumulated depreciation up to the date of transfer*	*Book value*
Lands	2,033	-	2,033
Buildings	70,015	43,281	26,734
	72,048	43,281	28,767

13-2 ASSETS TRANSFERRED FROM INVESTMENT PROPERTY

	Acquisition cost	*Accumulated depreciation up to the date of transfer*	*Book value*
Lands	112,414	-	112,414
Buildings	65,554	52,846	12,708
	177,968	52,846	125,122
Net carrying amount of assets transferred as at 30 September 2026	**250,016**	**96,127**	**153,889**

Assets held for sale comprise the following:

Site Name	*Land Area (m²) According to Contracts*	*Carrying Amount*
Moharam Bek Site	13,121	830
El-Rassafa Site	3,729	3
Tanta Site	739	23
Menouf Site	29,522	10,929
Talbia Site	55,663	10,969
El-Manasterly Site	86,073	14,391
El-Zomor Site	25,236	84,417
Giza Site	45,088	5,267
Gezira El-Dahab Land	3,234	8,894
Jean Marouchian Land	1,648	5
Formerly Niaza Land – Borg El Arab	110,473	17,415
Wardian Warehouse – Alexandria	4,099	740
Greater Cairo Warehouse – Shubra	3,000	6
Total		**153,889**

At its meeting No. (10) of 2026 held on 11 June 2026, the Company's Board of Directors resolved to authorize Chemical Industries Holding Company to commence the procedures for the sale of 13 assets and to issue an assignment order to the real estate promoter, as well as to conduct the necessary auctions for the sale of these assets, subject to stipulating in the terms and conditions that completion of the sale shall be conditional upon obtaining the approval of the Board of Directors of Eastern Company and its General Assembly. On 25 June 2026, Eastern Company announced the offering for sale by public auction, through a sealed-bid process, of a number of its non-utilized assets, as part of the Company's efforts to maximize the utilization of its non-operating assets and improve the efficiency of resource utilization. Several auctions are scheduled to be held through the end of the current financial year 2026, with the first auction scheduled for Tuesday, 21 July 2026. The Company confirmed that the sale processes will be conducted in accordance with all applicable rules and regulations, including obtaining the approval of the Company's General Assembly. The Board of Directors will consider the appropriate utilization of the proceeds arising from such sales, taking into consideration the results of the auctions and the final awarded values, in a manner that best serves the interests of the Company and its shareholders.

The Company confirms that the assets offered for sale are not related to its current operating activities and that any material developments or final results will be disclosed promptly upon completion of the relevant procedures.

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14- INVENTORY

	30/9/2026	*31/12/2025*
Raw material at Customs	5,247,091	14,941,147
Packaging materials warehouse	2,741,977	6,522,691
Raw materials inventory	2,183,322	2,010,465
Spare parts and supplies warehouse	930,093	1,210,862
Finished goods inventory	1,353,947	292,557
Work-in-progress inventory	559,137	358,856
Letters of credit for the purchase of goods and services	197,968	248,188
Goods in transit	33,192	232
Fuel warehouse	16,224	11,664
Scrap and waste warehouse	887	1,304
	13,263,838	25,597,966
Less:		
Inventory write-down (*)	(107,829)	(61,476)
	13,156,009	25,536,490

(*) The inventory write-down is comprised of the following:

	30/9/2026	*31/12/2025*
Raw Materials Inventory	135	215
Spare Parts and Supplies Warehouse	90,544	43,326
Packaging Materials Warehouse	17,035	17,820
Work-in-Progress Inventory	92	92
Finished Goods Inventory	23	23
	107,829	61,476

15- TRADE RECEIVABLES AND NOTES RECEIVABLE

	30/9/2026	*31/12/2025*
Foreign Manufacturing Customers (*)	503,709	77,039
Less:		
Expected Credit Losses (Note 44)	(7,547)	(914)
	496,162	76,125

(*) Foreign manufacturing customers and joint production customers settle their balances in the following month, noting that the Company does not follow a credit sales system for domestic sales.

16- DUE FROM RELATED PARTIES

Related parties comprise the Company's shareholders and entities in which the Company or its shareholders, directly or indirectly, hold shares that confer control or significant influence over such entities. Transactions with related parties are conducted in the ordinary course of business on an arm's length basis and in accordance with the terms and conditions approved by the Board of Directors.

The following sets out the transactions with related parties, namely United Tobacco Company S.A.E., as at 30 September 2026:

	30/9/2026	*31/12/2025*
Holding Company	567	-
United Tobacco Company (S.A.E.) (*)	157,107	881,816
Distribution Company	275	-
Total	157,949	881,816
Less:		
Expected credit losses (Note 44)	(2,200)	(9,728)
	155,749	872,088

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16- DUE FROM RELATED PARTIES – *Continued*

(*) The balance due from United Tobacco Company is comprised of the following:

	30/9/2026	***31/12/2025***
Remaining Balance from Factory Sale	-	869,592
Accrued Expenses from United Tobacco Company	14,632	12,330
Printing Expenses	139,739	(448)
Machinery Rent	2,736	342
	157,107	881,816

17- DEBTORS AND OTHER DEBIT BALANCES

	30/9/2026	***31/12/2025***
Egyptian Tax Authority – Value Added Tax	1,256,231	1,034,346
Receivables from Other Authorities and Entities (*)	18,330	13,460
Export Subsidy Receivable	-	1,784
Accrued Income from Securities	177	354
Accrued Lease Income	2,287	1,240
Accrued Miscellaneous Income	587	717
Deposits with Third Parties	15,494	15,494
Employee Advances	18	1,493
Receivable Balances	54,560	45,788
	1,347,684	1,114,676
Less:		
Impairment of receivable balances	(37,167)	(34,263)
Expected Credit Losses (Note 44)	(3,371)	(2,310)
	1,307,146	1,078,103

(*) Receivables from other authorities and entities include the following:

	30/9/2026	***31/12/2025***
Pertaining to Customs Authority – Tobacco Dropback	5,213	5,213
Pertaining to Paid Sales Tax on Returned Goods	7,645	2,530
Pertaining to Paid Sales Tax on Local Investment Goods	2,842	1,332
Pertaining to Ministry of Finance – Imported Sales Tax	2,530	4,285
Current Accounts	100	100
	18,330	13,460

18- ACCOUNTS PAYABLES – ADVANCE PAYMENTS

	30/9/2026	***31/12/2025***
Local suppliers	719,314	180,660
Foreign suppliers	13,361	12,245
	732,675	192,905

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19- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH P&L

	30/9/2026	***31/12/2025***
Treasury Bills (*)	7,432,797	18,485,789
Investment certificates	19,157	11,668
	7,451,954	18,497,457

(*) Investments in Treasury Bills:

	30/9/2026	***31/12/2025***
Treasury Bills – Nominal Value	7,625,425	19,070,650
Total Interest income	(312,741)	(974,363)
Paid from Treasury Bills	7,312,684	18,096,287
Interest Charged to the Statement of Profit or Loss	117,702	372,067
Fair Value Valuation	2,411	17,435
Treasury Bills Balance	7,432,797	18,485,789

Treasury bills are measured at present value based on the purchase price as at 30 September 2026, less the fair value of the treasury bills based on Banque du Caire's quoted prices as at 30 September 2026, with the resulting difference recognized in the statement of profit or loss under securities.

Investment funds are measured based on the purchase prices at the dates on which the investment units were acquired, less the closing prices as at September 2026 based on the respective fund prices, with the resulting difference recognized in the statement of profit or loss under securities.

20- CASH AND CASH EQUIVALENT

	30/9/2026	***31/12/2025***
Banks – Current Accounts	341,630	120,292
Foreign Currency Time Deposit Bank	908,850	596,582
Expected Credit Losses (Note 44)	(6,062)	(4,049)
	1,244,418	712,825

20-1 BANK OVERDRAFT

	30/9/2026	***31/12/2025***
Bank Overdraft	203	22,992,313

21- SHARE CAPITAL

- The authorized capital amounts to L.E. 15,000 million (Fifteen Billion Egyptian Pounds).
- The issued and paid-up capital amounts to L.E. 3,000 million (Three Billion Egyptian Pounds), divided into 3,000 million shares with a nominal value of L.E. 1 per share.
- The following table shows the shareholder structure as at 30 September 2026:

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

21- SHARE CAPITAL - *Continued*

Company Name	*Nominal Value*	*Percentage of Ownership*
Global Investment Holding	899,999,999	30%
Al-Areej Global Investment (Related Party)	100,000	0,0033%
Eastern Company Employees' Insurance Fund – Related Party	160,132	0,00533%
Holding Company for Chemical Industries	628,587,443	20,95%
National Social Insurance Authority Portfolios	158,833,404	5,29%
Fidelity Investments FZC	156,101,827	5,20%
Free Trading	1,156,217,195	38,55137%
	3,000,000,000	100%

- The Extraordinary General Assembly held on May 29, 2018, resolved to increase the company's issued and paid-up share capital from L.E. 1.5 billion to L.E. 2.25 billion (an increase of L.E. 750 million), distributed over 450 million shares at a nominal value of L.E. 5 per share. The increase was funded from the legal reserve and other reserves presented in the financial statements for the fiscal year ended June 30, 2017. The Listing Committee issued its approval for this increase on August 1, 2018.

- The nominal value of Eastern Company's share was split at a ratio of 1:5, reducing the nominal value from L.E. 5 to L.E. 1 per share, while maintaining the company's share capital at L.E. 2.25 billion. Consequently, the capital is now distributed over 2.25 billion shares. All necessary approvals were obtained from the relevant authorities based on the resolutions of the Extraordinary General Assembly of Eastern Company held on August 29, 2018.

- The Union of Employee Shareholders of Eastern Company sold 22.1 million shares, reducing its holding to 116,035,692 shares, representing 5.21% of the Company's capital, to fulfill obligations related to voluntary exits.

- The Board of Directors, in its meeting held on 19 March 2020, resolved to purchase treasury shares up to a maximum of 3% of the Company's outstanding shares on the stock exchange, with purchases to take place over one month from 23 March 2020 to 22 April 2020, while notifying the main shareholders not to conduct any transactions. The Board also decided to engage CI CAPITAL – EFG for this purpose.

- In its meeting held on 23 April 2020, the Board of Directors approved the continuation of treasury share purchases from 28 April 2020 until 27 July 2020 to complete the aforementioned 3% limit. The Board, in its meeting on 28 July 2020, extended the purchase period to start from 29 July 2020 until 28 October 2020. Furthermore, in its meeting on 24 November 2020, the Board extended the purchase period from 25 November 2020 to 24 February 2021 to complete the total quantity. As of 30 November 2020, 52,303,418 shares had been purchased, representing 2.324% of the Company's shares.

- The Extraordinary General Assembly held on 11 November 2021 approved, by majority, the cancellation of 20 million treasury shares at nominal value, reducing the issued capital to L.E. 2,230 million, divided into 2,230 million shares instead of 2,250 million shares. The Assembly also approved amendments to Articles 6 and 7 of the Company's Articles of Association and, by majority, amended Article 22 to include cumulative voting for the election of Board members.

- Treasury shares held for more than one year without disposal amounted to 16,372,710 shares, which could not be sold within the expiration of the sales notification on 14 September 2021. A total of 32,303,418 treasury shares were sold by 1 November 2021.

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

21- SHARE CAPITAL - *Continued*

- The capital reduction was approved by the Financial Regulatory Authority on 16 August 2022.
- On 3 September 2023, an acquisition agreement was signed for 30% of Eastern Company shares in favor of Global Investment Holding Limited, UAE:

  1- Under this agreement, Global Investment Holding Limited acquired 30% of Eastern Company shares for USD 625 million, equivalent to L.E. 19,336,625,000, with the purchaser providing USD 150 million for the purchase of tobacco materials necessary for production.

  2- The Holding Company for Chemical Industries retains a 20.95% stake in Eastern Company, being a strategic shareholder contributing to industry development, market stability, and employee rights.

  3- This agreement does not affect Eastern Company's 24% holding in United Tobacco Company.

- The Global Investment Holding Limited transaction was completed on 16 November 2023.
- The Extraordinary General Assembly held on March 4, 2024, resolved to approve an increase in the issued share capital from L.E. 2.23 billion to L.E. 3 billion by utilizing L.E. 770 million from the statutory reserve (due to the absence of its intended purpose) for the benefit of existing shareholders at the nominal value per share. The Assembly also approved increasing the authorized share capital from L.E. 3 billion to L.E. 15 billion and authorized the Board of Directors to implement these resolutions within a maximum of 60 days from the date of the Extraordinary General Assembly's decision.
- The increase in share capital was approved by the Financial Regulatory Authority on March 25, 2024. The increase was recorded in the Commercial Register on April 15, 2024, and the share capital was raised to L.E. 3 billion during the period in which the registration was completed.
- On 22 May 2024, Global Investment Holding Limited, which owns 30% of Eastern Company, and is 100% owned by UK Egypt Holding Limited (UK company), which was formerly 100% owned by Ruby Ventures LLC (UAE), underwent a change in ownership: UK Egypt Holding Limited became 51% owned by Ruby Ventures LLC (UAE) and 49% by Philip Morris Products SA (Switzerland).
- Consequently, Philip Morris holds an indirect minority stake of 14.7% in Eastern Company.
- Eastern Company signed an exclusive letter of intent with Philip Morris International to explore potential long-term strategic cooperation in technology, manufacturing, and innovation, including heated tobacco products, as part of the transition to a smoke-free future in Egypt.

22- RESERVES

	30/9/2026	***31/12/2025***
Legal Reserve	1,500,000	1,500,000
Statutory Reserve	903,498	903,498
Capital Reserve	595,860	595,860
Reserve Invested in Government Bonds	20,662	20,662
Profit Equalization Reserve	940,170	940,170
Employees' Benefits Remeasurement Differences Reserve	217,185	86,941
Other Reserves	25	25
	4,177,400	4,047,156

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22- RESERVES - *Continued*

Legal Reserve:

In accordance with the provisions of Companies Law No. 159 of 1981 and the Company's Articles of Association, 5% of the annual profits is appropriated to form the legal reserve. Such appropriation ceases once the accumulated balance of the legal reserve reaches an amount equivalent to 50% of the Company's issued capital. Should the legal reserve fall below this level, the appropriation shall be resumed.

Other Reserves:

The remaining reserves presented in the financial statements have been established in accordance with the provisions of Law No. 203 of 1991.

Financial Investments Revaluation Reserve:

This account represents the differences arising from the recognition of the fair value of financial investments available for sale through other comprehensive income.

Expected Credit Losses Reserve:

Established against expected credit losses on debt instruments measured at fair value through other comprehensive income.

23- RETAINED EARNINGS

	30/9/2026	*31/12/2025*
Retained Earnings	6,201,589	9,751,410
Distributed from distributable profit	(4,889,133)	(9,598,554)
Profit for the period / year	8,985,498	6,048,733
	10,297,954	6,201,589

23-1 The General Assembly, held on 13 November 2025, resolved to approve the proposed profit distribution account by the Board of Directors for the fiscal year 2024/2025, taking into consideration that the dividend per share would be L.E. 2.85, that the employees' share would be L.E. 955 million, and that the Board of Directors' remuneration (the Board's share of profits) would be L.E. 45 million.

23-2 Retained earnings as at 30 September 2026 include the profit for the period from 1 January 2026 to 30 September 2026 amounting to EGP 8,985,498 thousand.

24- TAXES

	30/9/2026	***30/9/2025***
Current income tax (Note 24-1)	2,516,605	1,887,871
Deferred income tax (Note 24-2)	(39,911)	(250,536)
Total income tax expense	2,476,694	1,637,335

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

24- TAXES – *Continued*

24.1 Reconciliation of Effective Income Tax Rate

	30/9/2026	***30/9/2025***
Net Accounting Profit Before Tax	11,462,192	8,117,690
Income tax at statutory rate (22.5%)	2,578,993	1,826,480
Additions:		
Effect of fixed assets	-	-
Effect of provisions, reserves and depreciation	691,374	296,258
Effect of other expenses and income	76,107	85,666
Deductions:		
Effect of provisions, reserves and depreciation	(656,446)	(134,254)
Effect of capital gains	(8)	(183)
Effect of other expenses and income	(458,931)	(379,008)
Tax per tax return	2,231,089	1,694,959
Tax on income from associates	-	134,177
Treasury bills and bonds tax	285,516	58,735
Total current income tax	2,516,605	1,887,871
Deferred income tax	(39,911)	(250,536)
Total income tax expense	2,476,694	1,637,335
Effective income tax rate	21.95%	%23,26

The movement in income tax payable presented in the statement of financial position is as follows:

	30/9/2026	***31/12/2025***
Opening balance	536,639	1,179,392
Add:		
Current income tax for the period	2,516,605	1,080,189
Less:		
Payments and settlements	(542,317)	(1,175,274)
Advance tax payments	(1,111,826)	(370,608)
Withholding tax payments	(406,300)	(177,060)
Closing balance	992,801	536,639

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24- TAXES – *Continued*

24-2 Deferred Tax Assets / Liabilities
The movement in deferred tax assets and liabilities during the period is as follows

	30/09/2026		**31/12/2025**	
	Deferred Tax Assets	***Deferred Tax Liabilities***	***Deferred Tax Assets***	***Deferred Tax Liabilities***
Opening balance	112,029	(384,368)	734,129	(431,524)
Depreciation	-	30,177	-	23,003
Unrealized foreign exchange differences (debit)	4,754		387	-
Unrealized foreign exchange differences (credit)	-		-	(1,875)
Provisions recognized during the period	9,827		2,716	-
Early retirement obligations	585,381		3,034	-
Utilization of provisions	(604,017)		(576,714)	-
Reversal of unrealized foreign exchange differences (debit)	(387)		(17,774)	-
Reversal of unrealized foreign exchange differences (credit)		1,876		25,108
Reversal of outstanding unrealized foreign exchange losses (2021–2022)			(28,645)	
Comprising provisions, losses and reserves	2,846		884	
Reversal of End-of-Service Gratuity Provision Recognized in Other Comprehensive Income (OCI)			(10,100)	
Reversal of Expected Credit Losses	(2,356)			
Reversal of reserves			(1,588)	
Right-of-use asset (manufacturing plant) -		1,381		920
Write down in inventory	10429			
Tax on other comprehensive income items _	(37812)		5,700	-
Closing balance	**80,694**	**(350,934)**	**112,029**	**(384,368)**
Net deferred tax liability	(270,240)		(272,339)	

25- End-of-Service Gratuity Obligations

	30/9/2026	***31/12/2025***
Opening balance of the period / year	337,317	405,165
Recognized provision during the period / year	22,725	-
Paid during the period / year	(39,621)	(22,959)
Reversal / Addition of other comprehensive income	(168,056)	(44,889)
	152,365	337,317

The end-of-service benefit obligations have been classified in the statement of financial position as follows:

	30/9/2026	***31/12/2025***
Current End-of-Service Gratuity Liabilities	13,696	39,941
Non-Current End-of-Service Gratuity Liabilities	138,669	297,376
	152,365	337,317

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The Company engaged the actuarial expert, Ms. Marwa Hisham Salah El-Din Zaki – Fellow of the Society of Actuaries in the United States of America – to update the end-of-service gratuity liabilities. The actuarial study concluded the following:

The Company pays end-of-service gratuity to employees upon termination of their service, at a rate of two months' salary for each year of service, calculated based on the last basic salary at the date of service termination, with a maximum limit of L.E. 200,000.

The gratuity becomes payable upon the termination of an employee's service for any of the following reasons:

1- Reaching the statutory retirement age.
2- Early retirement for those over 55 years of age.
3- Partial or total disability terminating service.
4- Death during service.

The Company bears the full cost of the gratuity payable to the employee upon termination of service.

The Company's data was reviewed by the actuarial expert to ensure its reasonableness and consistency, on the basis of which this actuarial study was conducted, to verify:

- That there are no fields with missing or illogical data.
- The reasonableness of birth dates and employment dates, ensuring that the employee's age at hiring and at the evaluation falls within the acceptable age limits according to labor law.
- The reasonableness of salary amounts.

The study relied on the guidelines and requirements of Egyptian Accounting Standard No. (38), using unbiased actuarial assumptions consistent with the experience of the Egyptian market, taking into account the Company's actual experience and future expectations.

- **Method Used for the Estimation:**

  The Projected Unit Credit Method was used to calculate the following main items:
  Present Value of Defined Benefit Obligation (DBO): The present value of expected future payments required to settle the obligation arising from employee service in current and prior periods.

  Current Service Cost: The increase in the present value of the defined benefit obligations resulting from employee service in the current period.

  Interest Cost: The increase during the year in the present value of the obligation due to the passage of time until settlement of the obligation.

- **Actuarial Assumptions Used in the Estimation:**

  The study was conducted using the following actuarial bases:

- **Mortality Table Used**: A double decrement table was used, applying the mortality rates from the A49/52 life table, with an age adjustment of 15 years, to represent the probabilities of death and disability. A uniform early retirement rate of 20% was also applied.

- **Discount Rate:** 16.5% per annum.

- **Salary Growth Rate: 19%.**

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- **Sensitivity Analysis**

This section illustrates the sensitivity of the end-of-service benefits obligation to changes in the actuarial assumptions.

Assumption	Obligation Value (EGP)	Percentage Change
No change in assumptions	165,945,454	–
0.5% increase in the discount rate	162,776,165	-1.9%
0.5% decrease in the discount rate	169,247,909	2.0%
0.5% increase in the salary escalation rate	165,968,055	0.01%
0.5% decrease in the salary escalation rate	165,919,336	-0.02%
10% increase in the mortality and disability rates	167,971,504	1.22%
10% decrease in the mortality and disability rates	163,883,651	-1.24%
10% increase in the early retirement rate	169,169,084	1.94%
10% decrease in the early retirement rate	162,451,025	-2.11%

Based on the scenarios presented above, the following observations can be made:

- The obligation is sensitive to changes in mortality and disability rates, with an approximate impact of +/- 1.2%.
- The obligation is sensitive to changes in the early retirement rate, with an approximate impact of +/- 2%.
- Changes in the discount rate result in an approximate impact of +/- 2% on the obligation.
- Changes in the salary escalation rate have a negligible impact on the obligation, of approximately +/- 0.02%.

26- PROVISIONS

	Balance as of 1/1/2026	*Recognized provision during the Period*	*Used during the Period*	*Balance as of 30/9/2026*
For Early Retirement Liabilities (*)	42,211	2,601,693	(2,639,849)	4,055
Disputed Taxes	502,837	-	(58,882)	443,955
Legal Claims	10,401	18,045	(5,049)	23,397
	555,449	2,619,738	(2,703,780)	471,407

(*) The provision for early retirement obligations represents the provision for the voluntary separation program for the financial year 2024/2025, amounting to EGP 2.556 billion, based on the Company's Board of Directors' Resolution at its Meeting No. (19) held on 7 November 2024. The voluntary separation program was announced on 11 September 2025. The actual employee separation program was implemented during the independent interim financial period ended 31 December 2025. The remaining provision balance as at that date amounted to EGP 42.211 million.

A total of 6,290 employees out of 7,471 employees submitted applications for voluntary separation. The Company approved the separation of only 2,500 employees in accordance with the rules and criteria established by the Company under the separation program announced to its employees.

The number of employees who had actually left the Company as at the date of the independent interim financial statements at 31 December 2025 amounted to 2,459 employees, and the amounts disbursed to them totalled approximately EGP 2.513 billion. In this regard, the Company confirms that it has no legal or contractual obligation towards employees who submitted voluntary separation applications that were not approved, as acceptance remains subject to the Company's approval.

During the independent interim financial period ended 30 September 2026, the Company's Board of Directors, at its Meeting No. (5) of 2026 held on 24 February 2026, approved the mechanism for the latest separation program, in line with the Company's intention to complete the separation program and restructure its surplus workforce. The approved mechanism included accepting the remaining applications submitted under the previous separation program, as well as any new applications that employees may submit in the future.

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This shall be subject to ensuring that such allocation does not reduce distributable profits below the target levels or comparative benchmarks approved by the Company. If any such allocation adversely affects distributable profits, the amount allocated for the relevant financial year shall be reduced to an extent that does not adversely affect the expected dividend distributions.

The approved mechanism also provides for the periodic reassessment of workforce headcount and job functions in the event of changes in the Company's production capacity.

Based on Management's best estimate of the obligations expected to arise from the latest employee separation program as at the reporting date of the interim separate financial statements, a provision for employee separation amounting to EGP 2.602 billion was recognized during the financial period ended 30 September 2026 in respect of 2,480 employees. Amounts utilized against the provision during the period amounted to EGP 2.640 billion in respect of 2,476 employees, resulting in a remaining provision balance of EGP 4 million as at 30 September 2026, relating to 4 employees.

27- TRADE PAYABLES AND NOTES PAYABLE

	30/9/2026	***31/12/2025***
Local suppliers	130,437	-
Foreign suppliers	682,912	938,262
	813,349	938,262

28- CREDITORS AND OTHER CREDIT BALANCES

	30/9/2026	***31/12/2025***
VAT Authority	6,775,274	7,273,909
Social Contribution	88,827	60,851
Tax Authority – Payroll Tax	22,485	59,212
Withholding Tax from Third Parties at Source	22,031	14,315
National Social Insurance Authority – Current	2,489	18,592
Dividend Payables	687	4,050,469
Accrued Expenses	304,028	678,237
Insurance for others	141,474	114,677
Newly fixed assets payable	6,503	5,696
Employee Withholdings Payable	41,557	52,230
Deferred Income Related to Donated Assets (*)	65,180	76,672
Amounts Set Aside for Employees – Social Services (**)	50,471	69,884
Credit Balances	1,821,746	885,322
	9,342,752	13,360,066

(*) The deferred income related to granted assets comprises the following:

	30/9/2026	***31/12/2025***
Net granted PPE	25,330	33,660
Spare Parts Transferred from America Tobacco Company	32,771	35,933
Net Packaging Materials Transferred from British American	7,079	7,079
	65,180	**76,672**

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28- CREDITORS AND OTHER CREDIT BALANCES – *Continued*

(**) The amounts set aside for employees – social services represent the portion of retained profits determined for distribution, which shall be no less than 10% of such profits and shall not exceed the total annual salaries of the employees. The Company was subject to the provisions of Law No. 203 of 1991, whereby Article 33 of that law stipulates: "Employees of the company shall have a share in the profits determined for distribution, as decided by the General Assembly based on the Board of Directors' proposal, which shall not be less than 10% of such profits.

29- ACCOUNT RECEIVABLES – ADVANCE PAYMENTS

	30/9/2026	***31/12/2025***
Account Receivables – Credit Balances	25,296	14,811
Account Receivables – Credit Balances (Scrap)	4,691	621
	29,987	15,432

30- LEASE LIABILITIES

	30/9/2026	***31/12/2025***
Opening balance for the period / year	34,989	36,607
Add:		
Lease Interest	5,784	2,137
Less:		
Payments of lease liabilities	(7,652)	(3,755)
Closing balance for the period / year	33,121	34,989

The liability has been classified in the statement of financial position as follows:

	30/9/2026	***31/12/2025***
Current Lease Liabilities	33,121	34,989

31- SALES

	From 1/1/2026 To 30/9/2026	**From 1/1/2025 To 30/9/2025**	**From 1/7/2026 To 30/9/2026**	**From 1/7/2025 To 30/9/2025**
Net Sales of Finished Goods	31,885,677	28,479,386	11,803,641	10,263,667
Net Sales of Finished Goods – Export	-	212,418	-	79,357
Operating Revenues for Third Parties	983,095	1,024,319	455,590	343,165
Services sold	-	391	-	110
Covered Hall Revenues	5,064	4,923	2,406	1,285
	32,873,836	29,721,437	12,261,637	10,687,584
Less:				
Allowable Discounts	(149,475)	(161,992)	(70,340)	(54,705)
	32,724,361	29,559,445	12,191,297	10,632,879

"Amounts are presented in thousand Egyptian Pounds unless otherwise stated".

32- COST OF SALES

	From 1/1/2026 To 30/9/2026	*From* 1/1/2025 To 30/9/2025	*From* 1/7/2026 To 30/9/2026	*From* 1/7/2025 To 30/9/2025
Raw materials	17,806,041	18,257,656	6,972,441	6,447,819
Depreciation and amortization	331,478	299,392	107,916	103,172
Wages	522,977	1,074,741	127,972	277,329
Benefits	418,241	420,262	45,730	111,709
Maintenance	525,768	48,900	181,305	116,237
Miscellaneous service expenses	452,826	145,753	208,741	41,625
Insurance expenses	37,657	17,108	8,246	-
Inventory write-downs against provision	46,352	21,241	46,440	184
Change in inventory	(1,133,414)	(642,953)	(1,153,336)	(528,848)
Customs weight differences – increase/decrease	180,259	29,877	84,212	20,591
Transferred costs	-	(493,983)	-	-
Other	(106,208)	91,554	(41,912)	87,024
	19,081,977	19,269,548	6,587,755	6,676,842

33- OTHER INCOME

	From 1/1/2026 To 30/9/2026	*From 1/1/2025 To 30/9/2025*	*From 1/7/2026 To 30/9/2026*	*From 1/7/2025 To 30/9/2025*
Other miscellaneous income (*)	178,187	19,719	3,546	39,050
Gain on sale of scrap	54,009	68,901	18,016	31,021
Accrued Rent	3,515	525	224	75
Accrued Compensation	1,249	847	792	208
Capital Gains	35	3,385	11	815
Gain on Sale of Securities	-	26,166	-	-
Grants and Subsidies	25	2,557	-	944
Rental income from leased assets	-	(50,000)	-	-
Prior years' income	175,224	-	-	-
Cashback government payments	100,677		40,494	-
Gains / (Losses) from Revaluation of Securities (**)	(7,535)	(3,760)	7,272	2,402
	505,386	**68,340**	**70,355**	**74,515**

(*) The miscellaneous income includes an amount of L.E. 11,491 thousand related to income from gifted assets.

34- SELLING AND DISTRIBUTION EXPENSES

	From 1/1/2026 To 30/9/2026	*From 1/1/2025 To 30/9/2025*	*From 1/7/2026 To 30/9/2026*	*From 1/7/2025 To 30/9/2025*
Wages	155,326	321,067	38,009	107,097
Benefits	127,829	123,033	13,588	43,375
Depreciation and Amortization	5,916	1,834	1,946	128
Maintenance	80	413	19	115
Various Service Expenses	22,826	6,530	3,870	480
Insurance Expenses	6,733	2,006	1,206	-
Finished Goods Transportation	135,593	73,047	16,751	35,628
Others	59,154	71,611	21,652	46,086
	513,457	**599,541**	**97,041**	**232,909**

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35- GENERAL AND ADMINISTRATIVE EXPENSES

	From 1/1/2026 To 30/9/2026	*From 1/1/2025 To 30/9/2025*	*From 1/7/2026 To 30/9/2026*	*From 1/7/2025 To 30/9/2025*
Wages	134,392	232,488	40,675	152,542
Benefits	122,489	106,997	12,158	56,069
Depreciation and amortization	23,044	21,624	9,310	6,901
Maintenance expenses	67,192	22,079	3,284	22,017
Miscellaneous expenses (*)	203,978	59,523	73,168	39,972
Charged expenses	-	493,983	-	-
Other expenses	81,135	45,961	(56,016)	46,747
	632,230	**982,655**	**82,579**	**324,248**

(*) The total amount payable to the auditor amounted to L.E. 4,155 k, which includes professional fees and additional services, including but not limited to other assurance tasks on governance, as well as certain petty expenses.

36- OTHER EXPENSES

	From 1/1/2026 To 30/9/2026	**From 1/1/2025 To 30/9/2025**	**From 1/7/2026 To 30/9/2026**	**From 1/7/2025 To 30/9/2025**
Donations and Grants For others	45,000	27,708	15,000	18,750
Extraordinary Losses	9,677	7,344	4,747	2,179
Capital Losses	4,257	-	4,256	-
Mutual Contribution – Comprehensive Health Insurance	88,384	79,256	32,615	26,866
Compensations and Penalties	4,331	51,982	3,530	29,443
Prior-Year Expenses	-	3,938	-	3,938
	151,649	**170,228**	**60,148**	**81,176**

37- PROVISION EXPENSES

	From 1/1/2026 To 30/9/2026	**From 1/1/2025 To 30/9/2025**	**From 1/7/2026 To 30/9/2026**	**From 1/7/2025 To 30/9/2025**
Allocation for doubtful debts	2,904	12,858	-	-
Allocation for end-of-service benefits	22,725	58,976	-	-
Allocation for early retirement obligations	2,601,694	836,832	-	-
Allocation for legal claims	18,046	5,989	5,165	4,326
Allocation for impairment loss	(4,256)	2,239	(4,256)	-
Allocation for contingent liabilities	-	18,662	-	-
	2,641,113	**935,556**	**909**	**4,326**

38- FINANCE COST / INCOME

	From 1/1/2026 To 30/9/2026	**From 1/1/2025 To 30/9/2025**	**From 1/7/2026 To 30/9/2026**	**From 1/7/2025 To 30/9/2025**
Finance Income				
Interest Income	104,691	116,249	48,750	8,051
Gains on Foreign Currency Revaluation	88,342	111,532	46,063	16,848
Total Finance Income	**193,033**	**227,781**	**94,813**	**24,899**
Finance Cost				
Interest Expense	(905,032)	(1,444,609)	(80,000)	(556,366)
(Losses) on Foreign Currency Revaluation	(59,994)	(231,389)	(56,842)	(2,249)
Total Finance Cost	**(965,026)**	**(1,675,998)**	**(136,842)**	**(558,615)**
Net (costs) / financing income	**(771,993)**	**(1,448,217)**	**(42,029)**	**(533,716)**

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39- OTHER FINANCIAL INVESTMENT INCOME

	From 1/1/2026 To 30/9/2026	*From 1/1/2025 To 30/9/2025*	*From 1/7/2026 To 30/9/2026*	*From 1/7/2025 To 30/9/2025*
Treasury Bills Yields	1,173,213	241,319	460,071	3,519
Bond Yields	-	26,708	-	7,887
Government Bonds Yields	543	547	181	181
	1,173,756	**268,574**	**460,252**	**11,587**

40- EARNINGS PER SHARE (EPS)

	Unit	***30/9/2026***	***30/9/2025***
Net Profit	L.E. '000	8,985,498	6,480,355
Less:			
Employee Dividends	L.E. '000	(728,835)	(716,250)
Board of Directors' Remuneration	L.E. '000	(34,500)	(33,750)
Youth and Sports Authority	L.E. '000	(45,366)	(36,416)
Net	L.E. '000	**8,176,797**	**5,693,939**
Weighted Average Number of Ordinary Shares	Shares	**3,000,000**	**3,000,000**
Earnings per Share for the Period		**2.73**	**1.90**

41- CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF PREPARING THE STATEMENT OF CASH FLOWS

	30/9/2026	***30/9/2025***
Current Accounts with Banks	341,630	450,317
Term Deposits / Foreign Currencies	908,850	-
Cash and Cash Equivalents	1,250,480	450,317

42- CONTINGENT LIABILITIES

Contingent liabilities include obligations under issued letters of guarantee:

	30/9/2026 L.E.
Against Issued Letters of Guarantee	1,350,810
Letter of Credits	6,731,094
	8,081,904

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43- CONTINGENT ASSETS

Contingent assets represent the amounts of compensations receivable by the Company as detailed below:

Description	*Amount in Million EGP*
Judgment issued in Case No. 9869 of 1994 (Civil – General) Cairo Court of Appeal in favor of the Company on May 10, 2017; the judgment has not yet been executed, and amicable enforcement procedures are underway in coordination with the Governor of Cairo	12
Judgment issued in Case No. 3650 of 2000 (Civil – General) Giza Court on December 25, 2019; the judgment has not yet been executed, and amicable enforcement procedures are underway in coordination with the Governor of Giza	42
Total	54

44- EXPECTED CREDIT LOSS ALLOWANCE

	Trade Receivables	Due from Related parties	Other Receivables	Cash and cash Equivalents	Total
Balance at 1 January 2026	914	9,728	2,310	4,049	17,001
Charge for expected credit losses	6,633	2,430	1,270	2,316	12,649
Reversal of expected credit losses	-	(9,958)	(209)	(303)	(10,470)
Balance at 30 September 2026	**7,547**	**2,200**	**3,371**	**6,062**	**19,180**

Additional provision for expected credit losses:

	30/9/2026	30/9/2025
Expected credit loss expense – local customers	(6,633)	-
Expected credit loss expense – due from related parties	(2,430)	(10,157)
Expected credit loss expense – other receivables	(1,270)	8,598
Expected credit loss expense – deposits	(2,057)	-
Expected credit loss expense – current accounts with banks	(259)	4,972
Expected credit loss expense – dollar-denominated bonds	-	511
	(12,649)	**3,924**

Reversal of credit losses:

	30/9/2026	30/9/2025
Reversal of credit losses – related parties	9,958	-
Reversal of credit losses – receivables	209	823
Reversal of credit losses – current accounts with banks	303	33
Reversal of credit losses – dollar-denominated bonds	-	756
Reversal of credit losses – customers	-	(126)
	10,470	**1,486**

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45- TAX POSITION

- ***Corporate Income Tax***

  - The Company's tax position has been finally settled up to the financial year 2019/2020, and the relevant tax has been paid. There are no outstanding tax claims relating to prior periods.
  - The tax years 2020/2021, 2021/2022, and 2022/2023 have been audited, and Tax Form No. (19) has been issued. The principal tax amounts have been paid, and the related late payment charges are currently being settled.
  - For the tax years 2023/2024 and 2024/2025, the tax returns have been electronically filed through the electronic tax system in accordance with the applicable laws.

- ***Stamp Tax***

  The tax years from 1 July 2016 to 30 June 2020 have been audited, and Stamp Tax Form No. (19) has been received. The Company filed an objection within the statutory time limits, and the matter is currently under consideration by the Internal Tax Committees..

- ***Payroll Tax***

- The Company's tax position has been finally settled up to the year 2012, and there are no outstanding tax claims against the Company.
- For the years 2013 through 2019, the principal tax amounts due for these years have been paid, and the related late payment charges are currently being settled.
- For the years 2020 through 2022, the principal tax amounts due for these years have been paid, and the related late payment charges are currently being settled.

- ***Value Added Tax (VAT)***

  - The Company's tax position has been audited up to 30 June 2019, and the tax due, including the additional tax, has been paid in full.
  - The Company's tax position for the period from 1 July 2019 to 30 June 2021 has been audited, and the tax due has been paid to date. The additional tax relating to these years is currently being settled.
  - For the financial years 2021/2022 through 2024/2025, the Company submits its monthly tax returns

- ***Property Tax***

  The tax assessments received from the Real Estate Tax Directorates for the year 2026 have been paid.

46- ANTI-SMOKING

With the issuance of Law No. 154 of 2007 on 21/06/2007 amending certain provisions of Law No. 52 of 1981 regarding the prevention of smoking hazards, smoking is prohibited in all forms across healthcare, educational, government establishments, sports and social clubs, youth centers, and other locations designated by the Minister of Health. The law specifies varying penalties for those responsible for these locations and for individuals who smoke within them. Additionally, the Company is required to occupy at least half of the package front with warning labels and add other warnings or images confirming the hazards of smoking.

In compliance with this law and Minister of Health and Population Resolution No. 443 of 2007, the Company bears additional costs due to continuous amendments in printing cylinders and potential wastage in product packaging.

The Company is also required to change the image every six months according to the Ministry of Health decision.

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47- INSURANCE

The Company ensures its assets and properties through various policies covering all potential risks, including:

a. All Risks Industrial Policy (LM7) and Political Violence:
Covers all risks under LM7, including machinery breakdown, loss of revenue, robbery and theft using force, general liability, debris removal; political violence covers terrorism, sabotage, civil unrest, riots, armed rebellion, revolution, coup, and debris removal costs.

b. Supplementary Motor Vehicle Policy:
Covers all risks for the Company's vehicle fleet (comprehensive and compulsory insurance).

c. Transport Policy:
Covers risks of land, sea, and air transport for all production inputs and finished goods.

d. Carrier Fidelity Policy:
Covers drivers of contracted carriers transporting the Company's products.

e. Elevator Policy:
Covers civil liability arising from operation.

f. Cash in Transit Policy:
Covers cash carriers (tellers, cashiers, custodians) against theft by force or armed threat.

g. Fidelity Policy:
Covers custodians against material losses caused by misappropriation or embezzlement by insured employees.

h. Life Insurance Policy:
Covers employees' lives against death from any cause.

i. Personal Accident Policy:
Covers risks faced by employees 24/7 due to accidents, including death, total or partial disability.

48- COMPANY ENVIRONMENTAL RESPONSIBILITY

In its ongoing efforts to achieve environmental protection and public health objectives, Eastern Company implements environmental compliance measures per Law No. 4 of 1994 and its executive regulations, through internal and surrounding environmental systems, including:

Establishment of an integrated industrial complex in 6th of October Industrial Zone encompassing all current sites, demonstrating environmental compliance.

Use of natural gas as a clean energy source for boilers and power generation units to reduce environmental pollutants.

Environmentally friendly incinerator using generated heat for chilled water and partial factory air conditioning.

Control of fine smoke emissions using cyclones and filters, recycling smoke residues into manufactured chips.

Installation of a wastewater treatment plant (industrial effluent) with capacity 610 m^3/day, approved for expansion to 1,220 m^3/day; current trial operations for Phase II.

Centralized gas-based HVAC installation in one factory to mitigate heat load without exceeding legal temperature limits, monitored regularly.

Centralized collection of production residues, some sold, some recycled; study of compost production from unusable dust residues.

Purchase of environmental monitoring equipment to measure workplace pollutants and emissions; periodic measurements approved by the National Research Center.

Approval for expansion of ESS plant (13,350 m^2) in the industrial complex; planting green areas, windbreaks, and ornamental plants as per construction requirements.

Recovery and reuse of contaminated thinners via organic solvent separation machines.

Eastern Company holds all environmental approvals and maintains up-to-date environmental records, verified by leading research institutions and the Environmental Affairs Agency, fully complying with all environmental laws and regulations.

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49- CAPITAL COMMITMENTS

Capital commitments include customs duties payable upon the release of raw tobacco from bonded warehouses and development fees amounting to L.E. 123,670 K.

On 30/01/2025, the Board approved the disengagement of ECS Energy & Contracting from the 6th of October Industrial Complex power plant and authorized executive management to take necessary actions per the contract and divestment process.

50- SIGNIFICANT EVENTS

- On 13 November 2025, the Extraordinary General Assembly of the Company resolved to amend the Company's fiscal year to commence on 1 January and end on 31 December of each year, in accordance with the provisions of Article 186 of the Executive Regulations of Law No. 159 of 1981.
- On 9 March 2026, the Company's Board of Directors granted its final approval to establish a wholly owned subsidiary, 100% owned by Eastern Company "Eastern Company", in the United Arab Emirates – Dubai, with the objective of facilitating the opening of the financial letters of credit required for sourcing the Company's various needs and supplies. The legal and regulatory procedures required for establishing the subsidiary and obtaining the necessary approvals and licenses from the competent authorities are currently in progress.
- On 4 September 2025, the Extraordinary General Assembly of the Shareholders' Union Fund of Eastern Company authorized the Union's Board of Directors to sell the fund.
- The Company's Board of Directors, at its meeting No. (10) of 2026 held on 11 June 2026, resolved to authorize Chemical Industries Holding Company to commence the procedures for the sale of 13 assets, issue an assignment order to the real estate promoter, and conduct the necessary auctions for the sale of these assets, subject to stipulating in the terms and conditions that completion of the sale shall be conditional upon obtaining the approval of the Board of Directors of Eastern Company and its General Assembly. On 25 June 2026, Eastern Company announced the offering of a number of non-utilized assets for sale by public auction through a sealed-bid process, as part of the Company's efforts to maximize the utilization of its non-operating assets and improve the efficiency of resource utilization. Several auctions are scheduled to be held through the end of the current financial year 2026, with the first auction scheduled for Tuesday, 21 July 2026.
  The Company confirms that the sale processes will be conducted in accordance with all applicable rules and regulations, including obtaining the approval of the Company's General Assembly. The Board of Directors will consider the appropriate utilization of the proceeds arising from such sales, taking into consideration the results of the auctions and the final awarded values, in a manner that best serves the interests of the Company and its shareholders. The Company confirms that the assets offered for sale are not related to its current operating activities and that any material developments or final results will be disclosed promptly upon completion of the relevant procedures.
- **New Labor Law**

  On 03/05/2025, the new Egyptian Labor Law No. 14 of 2025 was issued, a comprehensive legislative amendment balancing employer-employee relations, regulating working hours (maximum 48 hours/week), prohibiting Form 6, enhancing female worker rights, regulating modern work arrangements including remote work, defining probation periods, and organizing employment contracts to ensure greater job security. Effective from the first month after 90 days of publication; applicable to specialized labor courts from the next 1st of October.

- On 31/10/2024, a block trade of 9,000,000 shares valued at L.E. 225,000,000 was executed.
- On 04/11/2024, a block trade of 20,000,000 shares valued at L.E. 500,000,000 was executed.
- On 11/11/2024, a block trade of 35,000,000 shares valued at L.E. 875,000,000 was executed.
- On 13/11/2024, a block trade of 34,728,761 shares valued at L.E. 868,219,025 was executed.

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50- SIGNIFICANT EVENTS - *Continued*

- On 30/09/2025, the sale of the entire Union shares, totaling 156,101,827 shares at a price of L.E. 40 per share, was executed, amounting to L.E. 6,244,073,080 only.
- During the current period, specifically on 28 February 2026, geopolitical military tensions erupted, resulting in heightened tensions across the Middle East region. These developments resulted in a state of instability in global financial markets, reflected in fluctuations in foreign exchange rates, including the US dollar, as well as potential impacts on liquidity levels in certain markets, including the Egyptian market.
- The Company's management continuously monitors these developments to assess their potential impact on local economic conditions, as well as on the Company's operations and financial position. As at the date of issuance of the financial statements, no material direct financial impact on the Company's results of operations has been identified.
- The Monetary Policy Committee of the Central Bank of Egypt, in its meeting held on 12 February 2026, decided to reduce the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points (1%), bringing them to 19% for deposits, 20% for lending, and 19.50% for the main operation rate. The credit and discount rate also reduced to 19.50%.
- Following the decision of the Central Bank of Egypt's Monetary Policy Committee dated 12 February 2026 to reduce the key policy rates, the Committee decided at its meetings held on 2 April 2026 and 21 May 2026 to maintain the key policy rates unchanged. Accordingly, the overnight deposit rate remained at 19.00%, the overnight lending rate at 20.00%, the Central Bank's main operation rate at 19.50%, and the discount rate at 19.50%.
  - On 9 July 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to maintain its key policy interest rates unchanged. Accordingly, the overnight deposit rate, overnight lending rate, and the rate of the main operation of the Central Bank were maintained at 19.00%, 20.00%, and 19.50%, respectively. The discount rate was also kept unchanged at 19.50%.
  - The Monetary Policy Committee of the Central Bank of Egypt decided, at its meeting held on Thursday, 24 September 2026, to maintain the key interest rates unchanged. Accordingly, the overnight deposit rate, the overnight lending rate, and the Central Bank's main operation rate were maintained at 19.00%, 20.00%, and 19.50%, respectively. The discount rate was also maintained at 19.50%. This decision reflects the Committee's assessment of the latest developments in inflation and its outlook, together with changes in the risks surrounding it.

Head of Financial Sector	**Chief Financial Officer**
Mrs. Neveen Ali	**Mr. Tamer Mosli**