ELECTRO CABLE EGYPT COMPANY (S.A.E.)
SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026
TOGETHER WITH LIMITED REVIEW REPORT

ELECTRO CABLE EGYPT COMPANY (S.A.E.)
SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

Contents

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Translation Of limited review Report
Originally Issued in Arabic

LIMITED REVIEW REPORT ON SEPARATE INTERIM FINANCIAL STATEMENTS

To The Board of Directors of Electro Cable Egypt Company (S,A,E,)

Introduction

We have reviewed the accompanying separate interim financial position of **Electro Cable Egypt Company (S,A,E,)** as of 30 June 2026, as well as the related separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes, Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards, Our responsibility is to express a conclusion on these separate interim financial statements based on our review,

Limited Review Scope

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements does not present fairly, in all material respects, of the separate interim financial position of the Company as of 30 June 2026, and of its separate interim financial performance and its separate interim cash flows for the six months then ended in accordance with Egyptian Accounting Standards,

Cairo: 15 August 2026

Auditor
Mohamed Ahmed Abu EL Kassim
FESAA
FEST
R,A,A, (17553)
EFSAR (359)
United For Auditing and Tax
(UHY – United)

SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2026

	Note	30 June 2026 EGP	31 December 2025 EGP
Asset			
Non-current assets			
Fixed assets	(3)	**433,134,175**	468,238,472
Right-of-use assets	(4/1)	**5,077,665**	5,712,057
Investments in subsidiaries	(5)	**326,687,310**	326,687,310
Investments at amortized cost – non current	(6)	**2,643,282**	2,643,282
Total non-current assets		**767,542,432**	803,281,121
Current assets			
Inventory	(7)	**2,109,071,552**	2,725,786,150
Trade, notes receivable, and other debit balances	(8)	**2,210,942,515**	2,195,417,585
Due from related parties	(9)	**856,621,461**	284,219,503
Tax authority – debit balances		**27,575,579**	56,823,736
Cash on hands and at banks	(10)	**338,668,872**	434,697,158
Total current assets		**5,542,879,979**	5,696,944,132
Total assets		**6,310,422,411**	6,500,225,253
Equity and liabilities			
Equity			
Issued & paid-up capital	(11)	**662,708,075**	662,708,075
Legal reserve		**78,386,208**	73,165,875
Capital reserve	(12)	**53,384,153**	53,384,153
Retained earnings		**721,923,416**	638,600,309
(Loss) for the period/ Profit for the year		**(50,821,435)**	104,406,661
Total Equity		**1,465,580,417**	1,532,265,073
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	(4/2)	**229,564,867**	345,807,273
Deferred tax liabilities	(21)	**1,977,262**	19,281,872
Total non-current liabilities		**231,542,129**	365,089,145
Current liabilities			
Provisions	(13)	**13,545,610**	13,574,568
Credit facilities	(14)	**3,391,368,934**	3,962,351,644
Lease liabilities - current portion	(4/2)	**185,022,750**	113,437,050
Trade, notes payable and other credit balances	(15)	**947,104,131**	433,926,883
Tax authority – credit balances	(16)	**60,004,604**	55,227,627
Dividends payable		**16,253,836**	24,353,263
Total current liabilities		**4,613,299,865**	4,602,871,035
Total liabilities		**4,844,841,994**	4,967,960,180
Total liabilities and equity		**6,310,422,411**	6,500,225,253

Chief Executive Officer

Mohamed Mahmoud Ibrahim

Chairman

Yasser Mohamed Zaki

- The accompanying notes from (1) to (27) form an integral part of these separate interim financial statements,
- Limited Review report "attached",

SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**For the six Months ended 30 June 2026 EGP**	For the six Months ended 30 June 2025	**For the three Months ended 30 June 2026**	For the three Months ended 30 June 2025 EGP
Sales	(17)	**2,050,355,272**	2,808,608,063	**780,018,477**	1,108,550,546
Cost of sales	(18)	**(1,949,674,202)**	(2,194,468,625)	**(683,961,428)**	(898,788,829)
GROSS PROFIT		**100,681,070**	614,139,438	**96,057,049**	209,761,717
Selling and marketing expenses	(19)	**(20,017,395)**	(17,818,469)	**(8,781,990)**	(7,090,152)
General and administrative expenses	(20)	**(40,988,938)**	(34,631,190)	**(18,994,311)**	(15,845,778)
Reserve Expected credit (loss) in trade receivable balances	(8)	**15,168,350**	(9,842,456)	**13,633,647**	-
expected credit (loss) in due from related parties	(9)	**(8,367,394)**	(4,761,097)	**(3,418,346)**	(4,433,599)
Other income		**924,420**	1,019,820	**438,798**	398,322
Remuneration, allowances and salaries of Board of Directors		**(2,351,610)**	(1,598,070)	**(1,281,515)**	(816,408)
OPERATING (LOSS) PROFIT		**45,048,503**	546,507,976	**77,653,332**	181,974,102
Finance cost		**(426,714,394)**	(534,229,649)	**(197,741,201)**	(262,875,120)
Finance income		**27,437,128**	25,610,665	**16,595,901**	11,068,126
Coupons		**46,258**	46,257	**23,129**	23,128
Gains from sale of fixed assets		**312,044,767**	-	**44,767**	-
Foreign exchange differences		**(25,988,307)**	650,247	**16,213,933**	125,673
(LOSS) PROFIT BEFORE INCOME TAXES		**(68,126,045)**	38,585,496	**(87,210,139)**	(69,684,091)
Income taxes	(21)	**17,304,610**	(12,133,676)	**23,238,275**	15,711,902
(LOSS) PROFIT FOR THE PERIOD		**(50,821,435)**	26,451,820	**(63,971,864)**	(53,972,189)
(LOSS) EARNINGS PER SHARE	(24)	**(0.015)**	0.007	**(0.019)**	(0.014)

Chief Executive Officer

Mohamed Mahmoud Ibrahim

Chairman

Yasser Mohamed Zaki

The accompanying notes from (1) to (27) form an integral part of these separate interim financial statements,

SEPARATE INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	For the six Months ended 30 June 2026 EGP	For the six Months ended 30 June 2025 EGP	**For the three Months ended 30 June 2026 EGP**	For the three Months ended 30 June 2025 EGP
Profit for the period	**(50,821,435)**	26,451,820	**(63,971,864)**	(53,972,189)
Items related to other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(50,821,435)**	26,451,820	**(63,971,864)**	(53,972,189)

The accompanying notes from (1) to (27) form an integral part of these separate interim financial statements,

ELECTRO CABLE EGYPT COMPANY (S.A.E.)

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Paid up capital EGP	Legal reserve EGP	Capital reserve EGP	Retained earnings EGP	(Loss) Profit for The year EGP	Total EGP
Balance as of 1 January 2026	662,708,075	73,165,875	53,384,153	638,600,309	104,406,661	1,532,265,073
Transferred to legal reserve and retained earnings	-	5,220,333	-	99,186,328	(104,406,661)	-
Dividends distributed	-	-	-	(15,863,221)	-	(15,863,221)
Loss for the period	-	-	-	-	(50,821,435)	(50,821,435)
Balance as of 30 June 2026	662,708,075	78,386,208	53,384,153	721,923,416	(50,821,435)	1,465,580,417
Balance as of 1 January 2025	662,708,075	51,382,953	53,384,153	340,308,424	435,658,435	1,543,442,040
Transferred to legal reserve and retained earnings	-	21,782,922	-	413,875,513	(435,658,435)	-
Dividends distributed				(115,583,628)	-	(115,583,628)
Profit for the period	-	-	-	-	26,451,820	26,451,820
Balance as of **30 June 2026**	662,708,075	73,165,875	53,384,153	754,183,937	26,451,820	1,454,310.232

The accompanying notes from (1) to (27) form an integral part of these separate interim financial statements,

SEPARATE INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	For the six Months ended 30 June 2026 EGP	For the six Months ended 30 June 2025 EGP
Cash flows from operating activities			
(Loss) Profit before income taxes		**(68,126,045)**	38,585,496
Depreciation of fixed assets	(3)	**11,398,106**	8,345,220
Amortization of right of use assets	(4-1)	**634,392**	574,674
(Reserve) Expected credit loss in trade receivables balances	(8)	**(15,168,350)**	9,842,456
expected credit loss in due from related parties	(9)	**8,367,394**	4,761,097
Finance cost		**426,714,394**	534,229,649
Finance income		**(27,437,128)**	(25,610,665)
Gains from sale of fixed assets		**(312,044,767)**	-
Coupons		**(46,258)**	(46,257)
Foreign exchange differences		**25,988,307**	(650,247)
Operating profit before changes in working capital		**50,280,045**	570,031,423
Changes in inventory		**616,714,598**	81,952,184
Changes in trade, notes receivable, and other debit balances		**328,751,420**	(21,504,825)
Changes in due from related parties		**(580,769,352)**	(146,509,453)
Changes in debit balances – Tax authority		**29,248,157**	74,782,798
Changes in trade, notes payable, and other credit balances		**513,177,248**	(164,341,915)
Changes in due to related parties		**-**	(408,387,405)
Changes in credit balances – Tax authority		**4,776,977**	(117,643,026)
Provision used		**(28,958)**	(16,166,033)
Net cash flows provided from (used in) operating activities		**962,150,135**	(147,786,252)
Cash flows from investing activities			
Payments to acquire fixed assets	(3)	**(6,407,042)**	(2,657,099)
Proceeds from sale of fixed assets		**13,050,000**	(8,161,446)
Coupons received		**46,258**	46,257
Finance income received		**27,437,128**	25,610,665
Net cash flow provided from investing activities		**34,126,344**	14,838,377
Cash flows from financing activities			
(Payments) Proceeds from credit facilities		**(570,982,710)**	861,888,861
Dividends distributed		**(23,962,648)**	(59,869,937)
(Payments) Proceeds from leasing companies		**(44,656,706)**	(17,231,734)
Finance cost paid		**(426,714,394)**	(534,229,649)
Net cash flows (used in) provided from financing activities		**(1,066,316,458)**	250,557,541
Net changes in cash and cash equivalent during the period		**(70,039,979)**	117,609,666
Foreign exchange difference		**(25,988,307)**	650,247
Cash and cash equivalent - beginning of the period	(10)	**434,697,158**	678,471,357
Cash and cash equivalent – End of the period	(10)	**338,668,872**	796,731,270

-The accompanying notes from (1) to (27) form an integral part of these separate interim financial statements.

1- Background

The Company was established on 10 September 1954, and it was nationalized according to Law No, 117 of 1961, then the Company was subject to the Holding Company for Engineering Industries under Law No, 97 of 1983 under the supervision of the Public Sector Authority, and under Article II, From Law No, 203 of 1991 promulgating the Business Sector Companies Law for the year, the Company became a subsidiary of the Holding Company for Engineering Industries, and in 1995 part of the Company's shares were offered on the Stock Exchange, and on 8 March 1997, the holding Company for engineering industries by offered the rest of its share in the Company for sale, which led to the Company's exit from the umbrella of the law of business companies' Law during the year and became subject to the Law No, 159 of 1981.

Duration of Company

The Company's duration is 25 years starting from the date of registration on the Commercial Registry from 10 September 2018 to 9 September 2043.

Location of Company

The Company is located at km 4,6 in Mostorod - Shubra El-Kheima – Qalyubia.

The Company's main activities

- The manufacture of wires, cables, electrical and telephone connections of various types and sizes as well as all kinds of equipment and devices related to the nature of its industrial activity and trafficking locally and externally,
- Start all administrative, commercial, and industrial work including imports, exports, and contracting work related to the nature of its industrial and marketing activity,
- Providing technical and marketing consultancy in its field of specialization, Obtaining, and exploiting all patents and trademarks,
- It is permissible to set up or rent factories or workshops to serve their purposes, importing cables and their components for use in operation or selling them to others,
- It is permissible to obtain commercial agencies and represent local companies and cooperates with them in all fields, whether for manufacturing purposes inside or outside their factories or marketing their products locally and abroad,

The Company is listed on the Egyptian Stock Exchange,

The parent company is **Gadwa for Industrial Development Company (S,A,E)**

The separate financial statements for the six months ended 30 June 2026 were approved by the Board of Directors resolution on 15 August 2026,

2- Significant Accounting Policies

2-1 Basis of preparation the financial statements

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

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

Statement of compliance

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

Accounting policies applied this year are the same as in previous years,

2- Significant Accounting Policies (Cont'd)

2-2 Financial Instruments

A. Initial Recognition

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

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

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

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

B. Classification and measurement of financial assets and liabilities

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

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

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

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

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

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

- The asset is included in a business model planning to keep the asset for its contractual future cash flows,
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due,
- The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measured by fair value through profits or losses,
- The asset is included in a business model, Its goal is to collect contractual cash flows and sale of the financial asset,

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

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

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

- Financial liabilities at fair value through profits or losses, where those kinds of liabilities and related derivatives representing these liabilities, subsequently, at fair value,
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities,

2- Significant Accounting Policies (Cont'd)

2-2 Financial Instruments (Cont'd)

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

- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard,

  B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48),

- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard,
  B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48),

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

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

A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes – as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases,

B- There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for this group on this base to the top management of the institution (also as defined in the Egyptian Accounting Standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president,

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

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

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

The "Expected Credit Loss" model is based on whether there is an increase in the expected credit losses, And to valuate if there is a material increase in credit risk, the failure to pay risk, at the financial statements

2- Significant Accounting Policies (Cont'd)

2-2 Financial Instruments (Cont'd)

C, Impairment of financial assets value (cont'd)
date, is compared with the failure to pay risk at the initial recognition date, according to all the available information, and reasonable supporting future information,

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

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

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

The Company measures the expected credit losses through considering payment failure risks during the contractual year, and includes, during measurement, the future information,

D. Disposing of the financial asset from the books
The institution is to dispose of the financial assets from the books, only when:

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

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

2-3 Foreign currency translation

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

2- Significant Accounting Policies (Cont'd)

2-4 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses, Such cost includes the cost of replacing part of the Fixed assets when the cost is incurred, if the recognition criteria are met, Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the Fixed assets as a replacement if the recognition criteria are satisfied, All other repair and maintenance costs are recognized in the statement of profit or loss as incurred,

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the assets as follows:

	Years
Buildings	10-50
Machinery and equipment	4-25
Vehicles	5-20
Tools	5-20
Computers	5
Furniture and office equipment	5-10

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized,

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

Any gain or losses arising on the disposal of an asset recognized in the statement of profit or loss in the year in which the asset is derecognized,

2-5 Investments

Investments in subsidiaries

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

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

Investments at amortized cost

Investments at amortized cost are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity,

Investments at amortized cost are initially recognized at fair value inclusive direct attributable expenses,

After initial recognition, the investments at amortized cost are measured at amortized cost using the effective interest method less impairment, Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, impairment is recovered, as well as through the amortization process,

2- Significant Accounting Policies (Cont'd)

2-6 Inventories

The inventories elements are valued as follows:

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

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

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

2-7 Accounts receivable and other debit balances

Accounts and other receivables are stated at original invoice amount net of any impairment losses,

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

2-8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate, Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation,

2-9 Legal reserve

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

2-10 Borrowings

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

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method, Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process in the statement of profit or loss, Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate, The effective interest rate amortization is included in the statement of profit or loss,

2- Significant Accounting Policies (Cont'd)

2-11 Income taxes

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

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority,

Deferred income tax

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

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

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

2-12 Revenue recognition

Revenue from contracts with customers

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

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

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

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

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

Step five: Recognize revenue: when the Company satisfies its performance obligation,
Companies satisfy performance obligations and recognize revenue over a year of time if one of the following criteria is met,

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

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

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

2- Significant Accounting Policies (Cont'd)

2-12 Revenue recognition (Cont'd)

- **Selling goods**

  Revenue is recognized upon delivery of the product to the customer, If production is completed according to the schedule agreed upon with the customer, the customer's technical acceptance of the product is sufficient, The revenue is measured at the fair value of the consideration received or receivable, taking into account any commercial or volume discounts allowed by the entity, The revenue value is the amount received or receivable in cash or its equivalent, According to this policy, revenue is recognized if all of the following conditions are met:

  A, A contract is identified with the customer,
  B, Performance obligations in the contract are specified,
  C, The transaction price is determined,
  D, The transaction price is allocated and distributed to the performance obligations,
  E, Revenue is recognized when the performance obligations are satisfied by delivering goods or providing services to the customer,

- **Interest income**

  Interest income is recognized as interest accrues according to timeline considering the targeted return on the financial asset,

- **Dividends revenue**

  Revenue is recognized when the Company's right to receive the payment is established,

2-13 Expenses

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

2-14 Cost of borrowings

Costs of borrowings directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets, All other borrowing costs are expensed in the year they occur, Cost of borrowings consists of interest and other costs that an entity incurs in connection with the borrowing of funds,

Capitalization cost of borrowing expenses should be stopped during the years which the contract process for the assets is postponed,

2-15 Lease contracts

Contract is defined to be (or include) a lease contract based on its contents, The contract is a lease contact or include a lease contract if it transfers the control over the use of the asset described for a year for a price,

At the commencement of the contract, lease is classified as a financial lease or operating lease; where the contract is classified as a financial lease if it transfers in a material respect mostly all the risks and rewards from owning the contractual asset and classified as an operating lease if it doesn't transfer in a material respect mostly all the risks and rewards from owning the contractual asset,

At the commencement of the contract, asset is measured (right of use) at cost, where cost includes all initiation costs incurred to prepare the asset to the condition required as per the contract,

The lease liability is measured by the present value of the unpaid lease payments at the date, deducting the lease payments using the imbedded interest in the contract, if it can be easily measured, or using interest on extra lending for the lessor if it can't be measured, in addition to any other variable payments, expected payments, and price for the right of purchasing the asset, according to the contract,

Interest on lease payments, or any variable payments not included in the measurement of the lease liability is included in the statement of profits or losses,

2- Significant Accounting Policies (Cont'd)

2-16 Lease contracts (Cont'd)

If the lease contract transfers the ownership of the asset, or the asset cost reflects the right of purchasing the asset, the asset is amortized over its useful life (right of use), and except for that, the asset is amortized (right of use) starting from the contract commencing Date To its useful life (right of use) or the end of the contract date, whichever is shorter,

The Company assesses at each reporting date whether there is an indication that asset may be impaired, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment loss is recognized in the statement of profits or losses,

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

2-17 Related parties' transactions

Related parties represent associated companies, major quota holders, directors and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such related parties, Pricing policies and terms of these transactions are approved by the board of directors, Pricing policies and terms of these transactions with related parties are not different from those with others,

2-16 Significant accounting estimates

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

2-17 Impairment

Impairment of financial assets

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

Impairment of non-financial assets

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

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

2 Significant Accounting Policies (Cont'd)

2-19 Statement of cash flows

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

2-20 Cash and cash equivalent

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

2-21 Accounts payable and other credit balances

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

2-22 Treasury shares

When a Company repurchases its own equity instruments (treasury shares), these instruments are presented as deducted from equity, and no recognition of any gains or losses resulting from the purchase, sale, cancellation, or issuance of equity instruments of the entity in profit or loss, The amount paid or received is directly recognized in equity,

2-23 Projects under construction

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

3- FIXED ASSETS

	Land	Buildings	Machinery and equipment	Vehicles	Tools	Computers	Furniture and office equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
1 January 2026	250,643,846	176,603,725	248,665,758	11,308,029	22,906,982	4,721,645	7,387,231	722,237,216
Additions for the period	-	120,938	5,207,845	-	301,810	384,879	391,570	6,407,042
Disposals	(30,000,000)	-	(158,000)	-	-	-	-	(30,158,000)
30 June 2026	220,643,846	176,724,663	253,715,603	11,308,029	23,208,792	5,106,524	7,778,801	698,486,258
Accumulated depreciation								
1 January 2026	-	(52,081,964)	(168,095,577)	(7,827,587)	(17,091,146)	(3,636,639)	(5,265,831)	(253,998,744)
Depreciation for the period	-	(3,660,050)	(6,317,628)	(211,242)	(697,508)	(198,688)	(312,990)	(11,398,106)
Disposals	-	-	44,767	-	-	-	-	44767
30 June 2026	-	(55,742,014)	(174,368,438)	(8,038,829)	(17,788,654)	(3,835,327)	(5,578,821)	(265,352,083)
Net book value								
As of 30 June 2026,	**220,643,846**	**120,982,649**	**79,347,165**	**3,269,200**	**5,420,138**	**1,271,197**	**2,199,980**	**433,134,175**
Cost of assets that fully depreciated but still work	-	2,781,706	92,421,258	5,381,070	12,959,541	2,891,206	3,876,018	120,310,799

- The company has concluded a sale and lease-back arrangement contracts secured by some fixed assets related to lands and buildings (Note 4),

- Depreciation is allocated on the separate statement of profits or losses as follows:

	For the six Months ended 30 June 2026	For the six Months ended 30 June 2025
	EGP	EGP
Cost of sales (Note 19)	**10,979,927**	7,947,097
Selling and marketing expenses (Note 20)	**155,492**	159,838
General and administrative expenses (Note 21)	**262,687**	238,285
	11,398,106	8,345,220

- Statement of gains on sale of fixed assets are as follows:

	For the six Months ended 30 June 2026
	EGP
Net selling price	342,158,000
Cost of selling the asset	(30,158,000)
	44,767
Gains on sale of fixed assets	312,044,767

Fixed Assets (Cont'd)

	Land EGP	Buildings EGP	Machinery and equipment EGP	Vehicles EGP	Tools EGP	Computers EGP	Furniture and office equipment EGP	Total EGP
Cost								
1 January 2025	250,643,846	80,804,658	238,393,076	11,163,479	21,303,232	4,451,909	6,748,856	613,509,056
Additions for the year	-	49,355,036	10,272,682	144,550	1,603,750	269,736	638,375	62,284,129
Transferred from Projects under construction	-	46,444,031	-	-	-	-	-	46,444,031
31 December 2025	250,643,846	176,603,725	248,665,758	11,308,029	22,906,982	4,721,645	7,387,231	722,237,216
Accumulated depreciation	-	(48,335,723)	(156,553,385)	(7,375,923)	(15,719,558)	(3,326,197)	(4,715,729)	(236,026,515)
1 January 2025	-	(3,746,241)	(11,542,192)	(451,664)	(1,371,588)	(310,442)	(550,102)	(17,972,229)
Depreciation of the year	-	(52,081,964)	(168,095,577)	(7,827,587)	(17,091,146)	(3,636,639)	(5,265,831)	(253,998,744)
31 December 2025	**250,643,846**	**124,521,761**	**80,570,181**	**3,480,442**	**5,815,836**	**1,085,006**	**2,121,400**	**468,238,472**
Net book value								
As of 31 December 2025	-	2,182,806	90,561,881	5,381,070	12,782,539	2,846,979	3,732,579	117,487,854
Cost of assets that fully depreciated but still work	250,643,846	80,804,658	238,393,076	11,163,479	21,303,232	4,451,909	6,748,856	613,509,056

3- Leases and financing arrangements

During 2021, the Company applied the new Egyptian accounting standard (49) - leases on the Company's previous leases, and the application of the standard resulted in adjustments to the retained earning amounting to EGP 36,689,

During 2021, the Company signed a financing lease with Cairo leasing Company, for the entire land in the western extension area of the 8th Industrial Zone of Sadat City and its buildings and (Note 3), with a rental value of EGP 46,854,720, based on advance payment of EGP 3,723,620 The remaining will be paid in quarterly instalments for a year of 5-year at a value of EGP 2,156,555 are paid at a present value of the remaining payments amounting to EGP 31,233,863,

The Company is entitled to purchase the plot of land and its buildings at the end of the contract worth with EGP 1,

During 2023, the Company amended the financing lease contract with Cairo leasing Company signed during 2021, by which the rental value amended to be EGP 63,949,560, to be paid on 30 quarterly instalments, 10 payments of which at a value of EGP 2,521,096 and 20 payments at a value of EGP 1,936,930 with a present value of EGP 37,234,222,

The Company is entitled to purchase the plot of land and its buildings at the end of the contract worth with EGP 1,

During 2021, the Company signed a financing lease with the Al-Tameer Financial Leasing and Factoring Company (Al-Oula), for the entire plot of land No, 62 in the Garden 90 basin, the entire plot No, 37 of The Abdul Ghani Basin 89, and those located in Bahtim district, In Shubra Al Khaimah- Qalyubia, and their buildings and constructions, this is with a rental value of EGP 89,878,418, with an advance payment of EGP 58,897,610, The first instalment paid at EGP 3,872,601 on 25 September 2021, and the remainder paid in quarterly payments for two years, valued at EGP 3,872,601 with a present value of the remaining payments amounting to EGP 23,987,369,

During 2022, the Company terminated the contract signed in 2021 with the Al-Tameer Financial Leasing and Factoring Company (Al-Oula), and paid the net due commitment, and a financing arrangement contract was signed with the same Company, for the entire plot of land No, 62 in El Geneina Basin 90, and the entire plot of land No, 37 in the Abdul Ghani Basin 89, located in Bahtim district, Shubra El-Kheima - Qalyubia, and the buildings and facilities on them (Note 3), with a rental value of EGP 121,066,381, based on advance payment of EGP 8,626,081, and the first instalment was paid in the amount of EGP 4,015,725 in 22 April 2022, and the remainder will be paid in quarterly instalments for a year of 6 years,

During 2022, the Company signed two financing arrangements contracts with Al Tawfiq Financial Leasing Company, for the entire plots of land Nos, 64, 66, and 67 in El Geneina Basin 90, located in Bahtim district, Shubra Al Khaimah - Qalyubia, and the buildings and facilities on them (Note 3), with a rental value of EGP 28,889, 973 for the first contract and EGP 128,686,014 for the second contract, based on an advance payment of EGP 15,498,660 for the first contract and EGP 9,166,140 for the second contract, and the rest is paid in quarterly instalments for 7 years,

The Company is entitled to purchase the plot of land and its buildings and constructions at the end of the contract for EGP 1,

During 2023, the Company amended the financing lease contract with Al Tawfiq Financial Leasing Company signed during 2022 No, 1868, by which the rental value amended to be EGP 61,721,649, to be paid on 55 quarterly instalments, 3 payments of which at a value of EGP 888,324, 1 payment at a value of EGP 869,013 and 24 payments at a value of EGP 1,147,028, and 27 payments at a value of EGP 1,277,458 with a present value of EGP 33,005,686,

During 2023, the Company signed a financing arrangement contract with Al Tawfiq Financial Leasing Company, for the entire plots of land Nos, 24, 30, 36, 43, and 47 in El Geneina Basin 90 and Abdel Ghani 33, located in Bahtim district, Shubra El Kheima - Qalyubia and the buildings and facilities on them (Note 3), with a rental value EGP 185,760,001, based on an advance payment of EGP 137,731,450, and the remainder is to be paid in quarterly instalments for a year of 7 years,

The Company has the right to purchase the plot of land and the buildings and facilities on it at the end of the contract year, at a value of EGP 1,

4- Leases and financing arrangements (Cont'd)

During 2023, the Company terminated the financing lease contract No, 1918 with Al Tawfiq Financial Leasing Company signed on 13 February 2023, and a new contract No, 1927 was signed with Oro Financial Leasing and Al Tawfiq Financial Leasing for the entire plots of land Nos, 24, 30, 36, 43, and 47 in El Geneina Basin 90 and Abdel Ghani 33, located in Bahtim district, Shubra El Kheima - Qalyubia and the buildings and facilities on them (Note 3), with a rental value EGP 442,655,115, based on an advance payment of EGP 33,716,498, and the remainder is to be paid in quarterly instalments for a year of 7 years, which the leasing companies waivered them to Emirates NBD Egypt, during 2024, a new contract numbered A 1927 was opened with a top-up amount of 59 million EGP to contract 1927, and contract B 1927 with a top-up amount of 60 million EGP to contract A 1927,

Also during 2025, the company concluded a financing arrangement contract number 2013 with Al Tawfeeq Leasing Company for the entire land plot number 39 cadastre from 38 in Abd El-Ghani Basin 89 currently (formerly 33) located in Bahteem, Shubra El-Kheima - Qalyubia, along with any buildings and facilities on it (clarification 3), with a rental value of 145,701,060 EGP, with a down payment of 16,696,406 EGP, and the remaining amount to be paid in quarterly instalments for a period of 7 years,

Due to the Company's right to repurchase and the client has no control over the assets (leased), the financing lease transaction was classified as financing in accordance with paragraphs from (66B) to (68B) from the new Egyptian Accounting Standard Supplement No, (48) and the assets were classified within the fixed asset line,

1- Right of use assets

	30 June 2026 Administrative headquarters EGP	31 December 2025 Administrative headquarters EGP
Cost		
Beginning of the period	**11,510,855**	10,425,929
Adjustments	**-**	1,084,926
End of the period	**11,510,855**	11,510,855
Accumulated amortization		
Beginning of the period	**(5,798,798)**	(4,121,941)
Amortization for the period (Note 20)	**(634,392)**	(1,676,857)
End of the period	**(6,433,190)**	(5,798,798)
Net book value at the end of period	**5,077,665**	5,712,057

2- Lease Liability

	Finance lease contracts EGP	**Operating lease contracts EGP**	**30 June 2026 EGP**
Current portion	**183,907,073**	**1,115,677**	**185,022,750**
Non-current portion	**226,803,011**	**2,761,855**	**229,564,866**
Total liability	**410,710,084**	**3,877,532**	**414,587,616**

	Finance lease contracts EGP	Operating lease contracts EGP	31 December 2025 EGP
Current portion	112,267,360	1,169,690	113,437,050
Non-current portion	342,507,503	3,299,770	345,807,273
Total liability	454,774,863	4,469,460	459,244,323

5- Investments in subsidiaries

	Share %	30 June 2026 EGP	Share %	31 December 2025 EGP
Giza Power Industry Company (S,A,E)	**99,99**	**299,999,800**	99,99	299,999,800
Giza Egyptian Transport and Distribution Company (S,A,E)*	**75,00**	**26,250,000**	75,00	26,250,000
OMS Cable Manufacturing Company (S,A,E)**	**35,00**	**437,500**	35,00	437,500
GPI Meters Company (S,A,E) ***	**0,001**	**10**	0,001	10
		326,687,310		326,687,310

* On 21 August 2022, the Board of Directors of Giza Egyptian Transport and Distribution Company issued a decision to raise the issued capital by an amount of EGP 10 million in 2022, Electro Cable Egypt Company subscribed to that increase by 75%, with a value of EGP 7,500,000,
On 11 September 2022, the Board of Directors of Giza Egyptian Transport and Distribution Company decided to increase the issued capital by an amount of EGP 20 million in 2022, Electro Cable Egypt Company subscribed to that increase by 75%, with a value of EGP 15,000,000,
The total investment in Giza Egyptian Transport and Distribution Company amounted to EGP 26,250,000, distributed over 26250000 shares,
** During 2022, the Company incorporated OMS Cable Manufacturing Company (S,A,E), where the authorized capital was set at EGP 50 million and the issued capital was EGP 5 million distributed over 500000 shares with a nominal value of EGP 10 per share, and an amount of EGP 437,500 was paid representing 25% of the Company's share to the issued capital, which amounts to EGP 1,750,000, representing 35% of the Company's issued capital,
Electro Cable Egypt Company controls the Company through its presidency of the Board of Directors and the ability to influence operational decisions and the resulting variable returns,
*** During 2022, the Company incorporated GPI Meters (S,A,E), where the authorized capital was set at EGP 100 million, and the issued capital was EGP 10 million, distributed over 10000000 shares, with a nominal value of EGP 1 per share, and an amount of EGP 10 was paid representing 10 % of the Company's contribution to the issued capital, which amounts to EGP 100 representing 0,001% of the Company's issued capital, Electro Cable Egypt Company controls the Company through its subsidiary, as the combined percentage amounts to 84% of the Company's capital, Thus, there is an ability to influence operational decisions and the consequent existence of variable returns,

6- Investments at amortized cost – non current

	30 June 2026 EGP	*31 December 2025 EGP*
Treasury bonds at the National Investment Bank at a rate of 3,5%	**2,643,282**	*2,643,282*
	2,643,282	*2,643,282*

7- Inventory

	31 June 2026 EGP	31 December 2025 EGP
Materials, packaging materials, fuel and others	**411,837,616**	525,562,307
Spare parts	**23,172,727**	22,522,070
Work in progress	**966,471,951**	1,018,923,638
Finished goods	**458,939,669**	813,979,211
Consignement goods	**78,954,250**	14,581,020
Goods in transit	**169,695,339**	330,217,904
	2,109,071,552	2,725,786,150

8- Trade, notes receivable, and other debit balances

	30 June 2026	31 December 2025
	EGP	EGP
Trade receivable	**1,468,565,435**	1,992,913,922
Notes receivable	**705,276,905**	94,635,782
Less:		
Deferred instalments returns	**(164,662,064)**	-
Expected credit loss in trade receivable	**(96,714,800)**	(111,883,150)
	1,912,465,476	1,975,666,554
Accrued Revenue	**101,386,557**	107,966,610
Advance payment to suppliers	**50,570,172**	4,267,956
Prepaid expenses	**2,410,954**	1,812,420
Customs authority	**2,504,328**	8,016,804
Letters of guarantee cover (Note 23)	**27,599,053**	8,599,680
Employee custodies and trust	**11,195,771**	1,947,471
Deposits with others	**68,080,392**	65,405,880
Other debt balances	**41,715,961**	28,720,359
	2,217,928,664	2,202,403,734
*Expected credit loss of other debt balances	**(6,986,149)**	(6,986,149)
	2,210,942,515	2,195,417,585

* The expected credit loss of the other debit balances of EGP 6,986,149 is represented by amounts brought by lawsuits against some entities and has not been issued by a judicial judgment or final ruling,

- The movement of expected credit loss of trade receivable as follows:

	For the six Months ended 30 June 2026	For the six Months ended 30 June 2025
	EGP	EGP
Beginning balance of the period	**111.883.150**	96.666.193
Charged during the period	**-**	9.842.456
(Reserve) during the period	**(15.168.350)**	-
Ending balance of the period	**96.714.800**	106.508.649

9- Due from related parties

	1 January 2026	Purchases / Services	Sales	Collection (payment) on Behalf	**30 June 2026**
	EGP	EGP	EGP	EGP	**EGP**
Giza Egyptian Transport and Distribution	227,626,744	-	168,681	196,481	**227,991,906**
OMS Cables Company	73,830	-	-	-	**73,830**
GPI Projects Company	58,623,926	(2,932,770)	17,408,332	66,894,893	**139,994,381**
Giza Power Industry Company	-	(223,817,589)	466,654,645	256,196,679	**499,033,735**
	286,324,500	(226,750,359)	484,231,658	323,288,053	**867,093,852**
Expected credit loss of due from related parties' balances	(2,104,997)				**(10,472,391)**
	284,219,503				**856,621,461**

9- Due from related parties (Cont'd)

- The movement of expected credit loss of due to related parties as follows:

	For the six Months ended 30 June 2026 EGP	For the six Months ended 30 June 2025 EGP
Beginning of the period	**2,104,997**	469,169
Charged during the period	**8,367,394**	4,761,097
Ending of the period	**10,472,391**	5,230,266

10- Cash on hand and at banks

	30 June 2026 EGP	31 December 2025 EGP
Local currency		
Cash on hand	**846,746**	636,482
Current accounts	**200,126,764**	279,616,479
Time deposits (less than three months)	**108,594,017**	114,768,899
	309,567,527	395,021,860
Foreign currency		
Cash on hand	**986,115**	124,120
Current accounts	**28,115,230**	39,551,178
	29,101,345	39,675,298
	338,668,872	434,697,158

11- Capital

The authorized capital amounts to EGP 850 million and the Company's issued and paid-up capital amounts to EGP 662,708,075 distributed over 3313540373 shares the value of each share is EGP 0,20,

Capital structure: -

Shareholder name	Percentage %	Number of shares	Value EGP
Gadwa for Industrial Development Company	25,3	838794470	167,758,894
El Hesn for Consulting Company	23,2	767576110	153,515,222
Semow for Consulting Company	21,0	697371795	139,474,359
Nemow for Consulting Company	0,1	4273090	854,618
PFA Company	1,3	42000000	8,400,000
Other Shareholders	29,1	963524908	192,704,982
	100	**3313540373**	**662,708,075**

12- Capital reserve

The capital reserve balance at 30 June 2026, amounted to EGP 53,384,153 (31 December 2025: EGP 53,384,153) represents amounts that were deducted from the distributable surplus in accordance with the decision of the Company's Extraordinary General Assembly Meeting on 4 April 2004, and the Ordinary General Assembly Meeting on 29 March 2022, to mitigate the expected losses of disposal of some fixed assets as well as to cover the risks of exchange rate fluctuations of foreign currencies and what would result from the sale of treasury stocks,

13- Provisions

	1 January 2026	Provided during the year	Used during the year	**30 June 2026**
Provision for claims and lawsuits	EGP	EGP	EGP	**EGP**
	13,574,568	-	28,958	**13,545,610**
	13,574,568	-	28,958	**13,545,610**

14- Credit facilities

	30 June 2026	31 December 2025
	EGP	EGP
Banks credit balances	**3,481,739**	1,882,211
Credit facilities	**3,387,887,195**	3,960,469,433
	3,391,368,934	3,962,351,644

Credit facilities have been obtained through no, of national banks operating under the umbrella of the Central Bank of Egypt,

The credit facilities are guaranteed by part of the sales proceeds and promissory notes, with an annual interest rate ranging from 1% to 2% over the corridor price,

15- Trade, notes payable and other credit balances

	30 June 2026	31 December 2025
	EGP	EGP
Suppliers	**400,301,173**	251,514,496
Notes payable	**138,431,800**	93,518,409
Accrued expenses	**2,632,070**	2,600,510
National Social Insurance Authority	**1,720,532**	1,678,992
Deductions from employees	**2,281,457**	563,821
Deposits from others	**78,137,301**	79,137,301
Downpayments from customers	**320,303,698**	1,043,510
Other credit balances	**3,296,100**	3,869,844
	947,104,131	433,926,883

16- Tax authority – credit balances

	30 June 2026	31 December 2025
	EGP	EGP
Tax Authority-Value add tax	**55,612,392**	14,515,285
Tax Authority – Sundries	**4,392,212**	7,500,636
Tax Authority - Income tax	-	33,211,706
	60,004,604	55,227,627

17- Sales

	For the six Months ended 30 June 2026	For the six Months ended 30 June 2025
	EGP	EGP
Low voltage wires and cables	**887,167,948**	1,519,553,084
Medium and high voltage cables	**447,878,096**	403,623,651
Telephone cables	**165,276,088**	143,749,100
Varnish wires	**78,197,342**	88,985,604
Contracting Revenue	**426,231,122**	318,244,857
Others	**45,604,676**	334,451,767
	2,050,355,272	2,808,608,063

18- Cost of sales

	For the six Months ended 30 June 2026	For the six Months ended 30 June 2025
	EGP	EGP
Raw materials	**1,804,876,754**	1,851,453,283
Salaries and wages	**82,603,059**	69,223,498
Depreciation of fixed assets (Note 3)	**10,979,927**	7,947,097
Manufacturing overhead	**19,753,886**	21,439,951
Contracting Cost	**31,460,576**	244,404,796
	1,949,674,202	2,194,468,625

19- Selling and marketing expenses

	For the six Months ended 30 June 2026	For the six Months ended 30 June 2025
	EGP	EGP
Salaries and wages	**7,550,720**	7,979,678
Stationery and publications	**32,954**	25,148
Rent expenses	**2,558,113**	2,421,945
Services expenses	**5,891,214**	2,675,488
Tender expenses	**1,677,837**	1,342,748
Stamps and fees	**855,450**	376,125
Deductible amounts for a third party	**661,223**	2,262,825
Depreciation expense (Note 3)	**155,492**	159,838
Amortization of right-of-use assets (Note 4-1)	**634,392**	574,674
	20,017,395	17,818,469

20- General and administrative expenses

	For the six Months ended 30 June 2026 EGP	For the six Months ended 30 June 2025 EGP
Salaries and wages	**22,102,654**	18,974,104
Professional fees	**914,458**	272,321
Stationery	**129,473**	205,949
Maintenance expenses and spare parts	**153,780**	54,692
Services expenses	**6,324,448**	3,542,199
Bank commission and fees	**3,421,428**	6,344,705
Governmental services expenses	**3,876,619**	1,273,220
Stamps and fees	**3,803,391**	3,725,715
Depreciation expenses (Note 3)	**262,687**	238,285
	40,988,938	34,631,190

21- Income taxes

Deferred tax liability

	30 June 2026 EGP	31 December 2025 EGP
Beginning balance – liability	**19,281,872**	21,397,340
Deferred income tax for the period – (Asset)	**(17,304,610)**	(2,115,468)
Ending balance –/ liability	**1,977,262**	19,281,872

Income tax expense

	For the six Months ended 30 June 2026 EGP	For the six Months ended 30 June 2025 EGP
Income tax for the period	**-**	12,575,400
Deferred tax for the period (Revenue) Expenses	**(17,304,610)**	(441,724)
	(17,304,610)	12,133,676

Reconciliation of effective income tax rate

	For the six Months ended 30 June 2026 EGP	For the six Months ended 30 June 2025 EGP
(Loss) Profit before income and deferred tax	**(68,126,045)**	**38,585,496**
Adjustments		
Add to		
Amounts that are not considered deductible costs are included in the income statement	**31,927,734**	**22,951,110**
Deducted from		
Amounts considered deductible costs and not included in the income statement	**(36,210,986)**	**(5,645,941)**
Adjusted taxable net (Loss) profit	**(72,409,297)**	**55,890,665**
Income tax	**-**	**12,575,400**
Effective tax rate	**-**	**%32.59**

22- Contingent liabilities

Letters of guarantee

The contingent liabilities represented by letters of guarantee issued at the Company's request by banks for third parties as of 30 June 2026 equal to EGP 173.078.563 (31 December 2025: EGP 212,810,981) with a cash margin of EGP 27.599.053 (31 December 2025: EGP 8,599,680) (Note 8),

23- Earnings (Loss) per share

(Loss) Earnings per share were calculated by dividing the period earnings by the weighted average number of shares outstanding during the period as follows:

	For the six Months ended 30 June 2026	For the six Months ended 30 June 2025
	EGP	EGP
(Loss) Profit for the period	**(50,821,435)**	26,451,820
Employee share (estimate)*	-	(2,512,923)
Sports activity share (estimate)*	-	(132,259)
Board of Directors remuneration (estimate)*	-	-
Basic (Loss) earnings per share	**(50,821,435)**	23,806,638
A weighted average of outstanding shares during the period	**3313540373**	3313540373
(Loss) Earnings per share	**(0.015)**	0.007

* Employees and sports activity share and board of directors' remuneration in the dividend's distribution is calculated based on an estimated distribution project for the period's profit, for the purpose of calculating the earnings per share,

24- Tax position

A- Corporate tax

- The years 2019, have been tax inspected and appealed, The appeal was submitted to the internal committee, which transferred the file to the appeal committee, and a request was submitted to the dispute resolution committee to take advantage of the tax facility laws issued during that year, and it was approved, and no hearing has been scheduled yet,
- The years 2020, 2021,2022 and 2023 are being Prepared for inspection,
- The years 2024&2025 have not received any inspection claims,

B- Payroll tax

- The years 2020, 2021,2022 The tax authority notified the company on the SABB system to start the inspection of documents and the documents were delivered and tax differences are being paid,
- The years 2023&2024&2025 the annual settlement was submitted, and no inspection claims were received,

C- Value-added tax

- The Company's books and records have been tax inspected for the years 2013 and 2014 The file was transferred to the appeal committee and the decision of the appeal committee was appealed to the court of administrative justice and the file was transferred to the experts of the Ministry of justice and the originals of the documents were submitted and no judicial ruling has been issued by the state council so far.
- The company's books and records for the year 2015 were examined, the link form was received, the complaint was filed on time, the file was transferred to the internal committee, and the form (15) was received after agreement with the internal committee,
- The years from 2016 until the end of 2017 have been tax inspected, and Form (15) was received, and the file was objected to and transferred to the Internal Committee, to view the defense memorandum and documents, then the appeal committee's ruling was issued, and a lawsuit have been filed by the results of the appeal committee,
- The years 2018 to 2020 have been tax inspected, and tax differences are being paid,

24- Tax position (Cont'd)

C-Value-added tax (Cont'd)

- The years 2021, 2022, 2023,2024 have been tax inspected,

-2025 have not received any inspection claims

D- Stamp tax

- until 2022, the taxes due were paid the company's documents were inspected,

- The years 2023&2024&2025 have not been tax inspected,

E- Real estate tax

-The public treasury bears the real estate tax on behalf of the Company for three coming years, starting from the fiscal year 2023, According to the Prime Minister's Decree No, 61 of 2022, the term was extended for an additional two years ending by the end of December 2026 in accordance with the Prime Minister's Decree No, 3 of 2024,

25- Legal status

The Company's Legal status is represented in the lawsuits, which have a provision for some cases filed by some of the Company's dealings, which are still pending before the litigation authorities at all levels and have not issued a final judgment or final court ruling has been issued, it also included some labor lawsuit concerning certain employees who have retired, and these matters are still being discussed in the courts,

26- Financial Instruments Risk Management

Overview

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

A) Market risk,
B) Credit risk,
C) liquidity risk,

This explanation provides information on the company's exposure to each of the above risks, the company's objectives, policies and processes in terms of measuring and managing these risks as well as how the company manages its capital,

The Board of Directors of the parent company is responsible for developing a general framework for managing and overseeing the risk to the company, The company's senior management is responsible for developing and monitoring risk management policies and reporting to the parent company on its activities on a regular basis,

The Company's current financial risk management framework is a combination of officially documented risk management policies in some areas and undocumented risk management policies in others,

The company's financial instruments are financial assets (the Fund's cash balances, banks, receivables, financial investments due from subsidiaries, sisters and other debits) as well as financial liabilities (loans, credit facilities, suppliers and payment papers, receivables to subsidiaries, accrued expenses and other credits, long-term liabilities, distribution creditors),

Clarification (2) contains the supplementary explanations of the separate financial statements and accounting policies based on proof of the above-mentioned assets and financial obligations and related income and expenses,

The fair value of financial assets and liabilities is not materially different from the book value at the date of the financial position,

A) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market rates, such as foreign exchange rate risk and interest rate risk, which would affect the company's profits, Financial instruments affected by market risk include loans, interest-bearing facilities and deposits, The objective of market risk management is to manage and control risk within acceptable limits while at the same time delivering rewarding returns, The Company does not maintain or export derivative financial instruments,

The foreign exchange risk is the changes in foreign exchange rates that affect the values of foreign currency payments and receipts as well as the values of assets and liabilities of a cash nature in foreign currencies,

26- Financial Instruments Risk Management (Continued)

Foreign currency risk

The most important financial instruments in foreign currency are limited to some balances included in the Fund's cash and banks, accrued from/to subsidiaries, accrued expenses, other credits and loans,

Risk of Interest

The risk of interest is changes in interest rates that may adversely affect business results, The company's total liabilities (financing arrangements and credit facilities) as at 30 June 2026 amounted to EGP 3.805.956.550 (31 December 2025 amount EGP 4,421,595,967), The total interest charged on those liabilities during the period ended 30 June 2026 amounted to EGP 426.714.394 (30 June 2025 amount EGP 534.229.649 included in the item of financing expenses), The company's management always works to obtain the best borrowing conditions available on the market,

B) Credit Risk

The risk of credit is the risk of financial losses incurred by the company in the event that the counterparty fails to meet its contractual obligations, The company is exposed to credit risks mainly from receivables, miscellaneous debtors' balances and other debtors' balances owed by related parties and credit granted to affiliates and sister companies, as well as from its financial activities, including deposits with banks and financial institutions,

Other financial assets and cash deposits

With respect to credit risks arising from the Company's other financial assets, which include bank balances, and expendable financial assets, the enterprise is at risk of credit as a result of the failure of the counterparty to pay, and the maximum exposure to credit risk is equivalent to the book value of these assets,

The company's financial sector, with the support of its parent company, manages credit risks arising from balances with banks and financial institutions, The company limits its risk of credit by depositing the company's assets with only international banks or local banks with good reputations, According to the company's information on banks and banks dealing with them, management does not expect any counterparty to fail to meet its obligations,

Due from relevant parties

Receivable balances from related parties are linked to transactions arising in the ordinary course of business of the activity, the exposure of such balances to a low credit risk and the maximum risk is the book value of such balances,

C) liquidity risk

The company's management monitors cash flows, financing requirements and liquidity of the company, The company's objective is to strike a balance between continuity of financing and flexibility by obtaining credit facilities from banks, PIC manages liquidity risks by maintaining an adequate reserve and by obtaining credit facilities by continuously following up on anticipated and actual cash flows and reconciling the accrual of assets with financial liabilities,

The table below summarizes the maturity dates of the company's financial obligations based on non-deductible contractual payments,

28-Significant Events

a-The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting on Thursday, February 12, 2026, to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to 19%, 20%, and 19,50%, respectively, It also decided to reduce the credit and discount rate by 100 basis points to 19,50%, This decision reflects the Committee's assessment of the latest inflation developments and expectations since its previous meeting,

b-The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) has decided to keep its key policy rates unchanged. The overnight deposit rate, overnight lending rate, and the rate of the main operation remain at 19.00 percent, 20.00 percent, and 19.50 percent, respectively. The discount rate was also maintained at 19.50 percent. This decision reflects the Committee's assessment of current inflation dynamics and the evolving outlook since the previous MPC meeting.