Incolease

International Company For Leasing S.A.E.

Cairo, 15/11/2026

Head of the Disclosure Department

The Egyptian Exchange

Subject: Financial Statements of the International Company for Leasing (Incolease)

Dear Sir,

We are pleased to attach herewith a copy of the financial statements and the financial position of the International Company for Leasing (Incolease) as of 30/09/2026, together with the limited review report issued by the auditor.

Kindly acknowledge receipt.

International Company for Leasing
(Incolease)

Head of Investor Relations

Khaled Saeed

Managing Director

Khaled Sarhan

الشركة الدولية للتأجير التمويلي الكويتية
Investor Relations
Incolease

International Company for Leasing (Incolease)
"S.A.E"

Financial Statements for the Period Ended
30 September 2026
Together with the Limited Review Report

Baker Tilly – Mohamed Hilal & Wahid Abdel Ghaffar
Chartered Accountants & Consultants

Mohamed Dahawy & Co.
Accountants – Auditors – Consultants

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Baker Tilly – Mohamed Hilal & Wahid Abdel Ghaffar
Chartered Accountants & Consultants

Mohamed Dahawy & Co.
Accountants – Auditors – Consultants

Translation from Arabic

Limited Review Report

To: Members Board of Directors
International Company for Leasing (Incolease) (S.A.E)

Introduction

- We have reviewed the accompanying financial position of International Company for Leasing (Incolease) (S.A.E) as of 30 September 2026 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months ended on that date, and summary of the main accounting policies and other explanatory notes, Management is responsible for the preparation and presentation of these separate financial statements in accordance with the Egyptian accounting standards, our responsibility is to express a conclusion on these standalone financial statements based on our review.

Scope of Limited Review

- We conducted our review in accordance with the Egyptian Standard on review engagement no, (2410) "Review of interim financial information performed by the independent Auditor of the entity", A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures, A review is substantially less in scope than an audit conducted in accordance with Egyptian standards on auditing, Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Consequently; we do not express an audit opinion.

Conclusion

- Based on our review, nothing has come to our attention that causes us to believe that accompanying interim financial statements are not prepared, in all material respects for the financial position of the company as of 30 September 2026, and its financial performance and cash flows for the nine months ended in that date in accordance with Egyptian accounting standards.

Cairo: 15 November 2026

Mohamed Hossam Hilal, CPA, ESAA
R.A.A no. 30440
Financial Regulatory Authority Register No. (390)
Baker Tilly MOHAMED HILAL & WAHID ABDEL GHAFFAR

Khaled Dahawy, CPA, ESAA
R.A.A no. 12615
Financial Regulatory Authority Register No. (102)
Mohamed Dahawy & Co.

statement of financial position
As at 30 September 2026

	Note No.	30/09/2026 EGP	31/12/2025 EGP
Assets			
Non-current assets			
Fixed assets (net)	(3)	34,287,311	26,681,257
Right-of-use asset – finance leased assets – (net)	(4)	116,516,040	135,295,729
Receivables – long term (net)	(6)	11,456,265,532	10,043,181,988
Total non-current assets		**11,607,068,883**	**10,207,158,974**
Current assets			
Receivables – short-term (net)	(6)	5,024,092,216	3,116,527,772
Assets held for sale	(5)	73,836,488	73,836,488
Debtors and other debit balances (net)	(7)	53,562,331	33,014,900
Financial investments at amortized cost	(8)	–	52,959,743
Cash and cash equivalents (net)	(9)	356,598,262	225,817,770
Total current assets		**5,508,089,297**	**3,502,156,673**
Total assets		**17,115,158,180**	**13,709,315,647**
Equity and liabilities			
Equity			
Issued and paid-up capital	(10)	500,000,000	200,000,000
Reserves	(11)	116,630,416	116,630,416
Retained earnings	(12)	616,227,849	432,260,224
Net profit for the period / year		97,984,381	255,808,657
Set aside under capital increase account	(10)	–	307,779,990
Treasury shares	(10)	–	(32,017,377)
Total equity		**1,330,842,646**	**1,280,461,910**
Non-current liabilities			
Loans and Murabaha	(13/1)	10,282,005,504	8,918,318,694
Finance lease creditors	(15/1)	60,126,528	90,312,854
Subordinated loans	(14)	70,000,000	--
Deferred tax liabilities	(19)	13,892,004	878,519
Total non-current liabilities		**10,426,024,036**	**9,009,510,067**
Current liabilities			
Provisions	(16/1)	7,454,603	7,454,603
Subordinated loans	(14)	20,000,000	--
Loans and Murabaha	(13/1)	4,765,448,012	2,997,279,830
Creditors and other credit balances	(17)	356,958,798	204,268,236
Finance lease creditors	(15/2)	32,456,875	29,453,001
Banks – overdraft	(18)	122,204,308	79,997,643
Current income tax	(20)	53,768,902	100,890,357
Total current liabilities		**5,358,291,498**	**3,419,343,670**
Total equity and liabilities		**17,115,158,180**	**13,709,315,647**

Limited review report attached

The accompanying notes from (1) to (33) form an integral part of these financial statements and are to be read therewith.

Managing Director and CEO

Mr. Khaled Sarhan

Chairman of the Board

Mr. Mohamed Mohsen Mohamed Mahgoub

income statement

For the nine-month period ended 30 September 2026

	Note No.	From 1/1/2026 to 30/9/2026 EGP	From 1/1/2025 to 30/9/2025 EGP	From 1/7/2026 to 30/9/2026 EGP	From 1/7/2025 to 30/9/2025 EGP
Operating revenues	(21)	2,173,482,643	1,975,004,599	770,095,128	674,111,771
Securitization revenue	(5/6)	119,861,651			
(Less)					
Cost of fund	(22)	(1,819,834,872)	(1,625,668,825)	(639,830,995)	(567,917,522)
Gross profit		**473,509,422**	**349,335,774**	**130,264,133**	**106,194,249**
Less:-					
General and administrative expenses	(23)	170,968,917	138,962,884	61,836,944	45,612,701
Depreciation of fixed assets	(3)	4,331,475	2,344,362	1,546,630	846,118
Right-of-use depreciation – finance leased assets	(4)	11,228,523	8,599,740	3,637,228	3,968,229
Right-of-use interest – finance leased assets	(15)	16,735,971	26,177,975	5,425,844	8,515,013
Finance interest – subordinated loan		11,031,174	--	5,130,277	--
Finance interest – bank overdraft		15,405,159	13,845,191	6,386,196	6,850,011
Expected credit losses formed	(16/2)	152,289,790	12,022,245	65,363,417	3,891,922
		381,991,009	**201,952,397**	**149,326,536**	**69,683,994**
Add / (Less):-					
Reversal of expected credit losses	(16/2)	42,938	94,308,041	(21,364)	86,177,718
Treasury bills yield		3,172,779	225,968	--	--
Interest income		13,470,953	11,264,345	5,572,658	3,022,974
Capital gains		0	7,487,167	0	3,786,000
Other revenues		4,943	60,547,558	0	59,636,110
FX revaluation gains / (losses)		56,556,742	(43,120,192)	34,787,371	(24,509,031)
		73,248,355	**130,712,886**	**40,338,665**	**128,113,770**
Net profit for the period – before tax		**164,766,768**	**278,096,263**	**21,276,262**	**164,624,025**
(Less) / Add					
Income taxes	(20)	66,782,387	44,073,451	12,399,900	19,221,443
Net profit for the period		**97,984,381**	**234,022,812**	**8,876,362**	**145,402,582**
earnings per share from net profit for the period (EGP / share)	(24)	**1.64**	**3.82**	**0.15**	**2.36**

The accompanying notes from (1) to (33) form an integral part of these financial statements and are to be read therewith.

Managing Director and CEO
Mr. Khaled Sarhan

Chairman of the Board
Mr. Mohamed Mohsen Mohamed Mahgoub

statement of comprehensive income

For the nine-month period ended 30 September 2026

	Note No.	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
		EGP	EGP	EGP	EGP
Net profit for the period		97,984,381	234,022,812	8,876,362	145402582
Other comprehensive income items		--	--	--	--
Total other comprehensive income items		--	--	--	--
Total comprehensive income for the period		97,984,381	234,022,812	8,876,362	145,402,582

The accompanying notes from (1) to (33) form an integral part of these financial statements and are to be read therewith.

Managing Director and CEO

Mr. Khaled Sarhan

Chairman of the Board

Mr. Mohamed Mohsen Mohamed Mahgoub

statement of changes n equity

For the nine-month period ended 30 September 2026

	Capital	Lega reserve	General reserve	Capital reserve	Set as de under	Treasury shares	Retained	Profit for the	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at 1/1/2025	200,000,000	94,172,403	170,000,000	520,411	—	—	376,527,057	264,034,567	1,105,254,438
Transferred from 2024 profits to reserves – per the approved profi distribution proposal	—	5,827,597	—	—	—	—	—	(5,827,597)	—
Dividends (per General Assembly resolution)	—	—	—	—	—	—	—	(48,583,808)	(48,583,808)
Retained from 2024 profits and transferred to retained earnings	—	—	—	—	—	—	209,623 162	(209,623,162)	—
Treasury shares	—	—	—	—	—	(32,017,377)	—	—	(32,017,377)
Comprehensive income									
Net profit for the financial period erded 30/9/2025	—	—	—	—	—	—	—	234,022,812	234,022,812
Other comprehensive income items	—	—	—	—	—	—	—	—	—
Balance as at 30,9/2025	200,000,000	100,000,000	170,000,000	520,411	—	(32,017,377)	586,150,219	234,022,812	1,258,676,065
Set aside under capital increase account	—	—	(153,889,995)	—	307,779,990	—	(153,889,995)	—	-
Net profit for the period from 1 ocrober 2025 to 31 December 2025	—	—	—	—	—	—	—	21 785 845	21,785,845
Balance as at 31,12/2025	200,000,000	100,000,000	16,110,005	520,411	307,779,990	(32,017,377)	432,260,224	255,808,657	1,280,461,910
Balance as at 1/1/2026	200,000,000	100,000,000	16,110,005	520,411	307,779,990	(32,017,377)	432,260,224	255,808,657	1,280,461,910
Set aside under capital increase account	307,779,990	—	—	—	(307,779,990)	—	—	—	—
Dividends (per General Assembly resolution)	—	—	—	—	—	—	—	(47,603,645)	(47,603,645)
Retained from 2025 profits and transferred to retained earnings	—	—	—	—	—	—	208,205.0_2	(208,205.012)	—
Treasury shares	(7,779,990)	—	—	—	—	32,017,377	(24,237 387)	—	—
Comprehensive income									
Net profit for the financial period erded 30/9/2026	—	—	—	—	—	—	—	97,984,381	97,984,381
Other comprehensive income items	—	—	—	—	—	—	—	—	—
Balance as at 30,9/2026	500,000,000	100,000,000	16,110,005	520,411	—	—	616,227,849	97,984,381	1,330,842,646

For a comparison under Para (13) to (33) form an integral part of this financial statements and to be read therewith

Managing Director and CEO

Mr. Khaled Sarhan

Chairman of the Board

Mr. Mohamed Mohsen Mohamed Mahgoub

statement of cash flows

For the nine-month period ended 30 September 2026

	Note No.	From 1/1/2026 to 30/9/2026 EGP	From 1/1/2025 to 30/9/2025 EGP
First: Cash flows from operating activities:-			
Net profit for the period – before tax		164,766,768	278,096,263
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation of fixed assets	(3)	4,331,475	2,344,362
Right-of-use asset depreciation – finance leased assets	(4)	11,228,523	8,599,740
Expected credit losses	(7/16)	152,289,790	12,022,245
Reversal of expected credit losses	(2/16)	(42,938)	(94,308,041)
Foreign currency revaluation differences		(56,556,742)	43,120,192
Finance interest – subordinated loan		11,031,174	--
Finance interest		1,819,834,872	1,625,668,825
Treasury bills		(3,172,779)	--
Capital gains		--	(7,487,167)
Other revenues		--	(60,547,558)
Finance interest (right of use) – finance leased assets		16,735,971	26,177,975
Operating profit before changes in working capital items		**2,120,446,114**	**1,833,686,836**
Changes in working capital items			
Change in Receivables *	(6)	(3,361,889,304)	(3,948,878,657)
Change in debtors and other debit accounts	(7)	(21,405,599)	(8,309,319)
Change in creditors and other credit accounts	(17)	67,044,426	22,490,946
Finance interest paid		(1,734,231,742)	(1,554,924,331)
Income tax paid		(100,890,357)	(59,997,300)
Net change in working capital items		**-5,151,372,576**	**-5,549,818,661**
Net cash flows from / (used in) operating activities		**-3,030,926,462**	**-3,716,131,825**
Second: Cash flows from investing activities:-			
Payments to purchase additions to fixed assets	(3)	(5,795,029)	(2,403,093)
Proceeds from sale of fixed assets		--	8,820,000
Payments to acauire assets held for sale *		--	(2,000,000)
Proceeds from sale of assets held for sale		--	25,000,000
Proceeds from financial investments at amortized cost		56,132,522	--
Net cash flows from investing activities		**50,337,493**	**29,416,907**
Third: Cash flows from financing activities:-			
Proceeds from bank overdrafts		42,206,665	76,535,851
Proceeds from subordinated loan		90,000,000	--
Payments to Finance interest – subordinated loan		(11,031,174)	--
Proceeds from long-term loans and Murabaha	(13)	3,131,854,992	3,639,409,170
Treasury shares		--	(32,017,377)
Payments to finance lease creditors (long and short-term)	(15)	(42,509,757)	(41,428,136)
Cash dividends paid		(47,603,645)	(48,003,075)
Effect of exchange rate changes		(68,856,677)	48,744,376
Net cash flows from financing activities		**3,094,060,404**	**3,643,240,809**
Net cash flows during the period		**113,471,435**	**(43,474,109)**
Cash and cash equivalents at beginning of period	(9)	225,817,770	215,448,399
FX revaluation differences relating to cash and cash equivalents		17,266,119	(14,208,253)
Provision for expected credit losses on bank balances – current accounts and time deposits		42,938	66,843
Cash and cash equivalents at end of period	(9)	**356,598,262**	**157,832,880**

* An amount of EGP 30,000,000 transferred from clients to assets held for sale has been excluded

The accompanying notes from (1) to (33) form an integral part of these financial statements and are to be read therewith.

Managing Director and CEO
Mr. Khaled Sarhan

Chairman of the Board
Mr. Mohamed Mohsen Mohamed Mahgoub

Notes to the Financial Statements
For the Nine-Month Period Ended 30 September 2026

1- Company Background:

1/1- Company name:

- International Company for Leasing (Incolease).

1/2- Legal form

- An Egyptian Joint Stock Company.

1/3- Incorporation of the Company

- The Company was incorporated on 26 February 1997 in accordance with the provisions of Investment Law No. (230) of 1989 and its executive regulations, which was replaced by Law No. (72) of 2017, and in accordance with the provisions of Law No. (95) of 1992 and its executive regulations, for the purpose of operating in the field of finance leasing in accordance with Article Two of Law No. (95) of 1995, which was replaced by Law No. (176) of 2018.

1/4- Purpose of the Company

- Carrying out finance leasing and factoring activities and the services related thereto in accordance with the provisions of Law No. (176) of 2018.
- The Company may carry out non-banking financial activities after obtaining the necessary approvals and licenses from the Financial Regulatory Authority (FRA). The Company may also hold interests or participate in any manner in companies and other entities engaged in activities similar to its own or that may assist it in achieving its purpose in Egypt or abroad, and may merge with, purchase or affiliate such entities in accordance with the provisions of the law.
  By resolution of the Company's Extraordinary General Assembly dated 14/8/2024, the addition of the factoring activity was approved and annotated in the Commercial Register on 16/9/2024. By Resolution of the Chairman of the Financial Regulatory Authority No. (2678) of 2024 dated 31/10/2024, the Company was granted a license to carry out the factoring activity added to its purpose and was registered in the Register of Factors under No. (44).
  By resolution of the Company's Extraordinary General Assembly dated 18/8/2026, the addition of the mortgage activity was approved and annotated in the Commercial Register on 2/9/2026.

1/5- Duration of the Company

- The Company's duration is twenty-five years starting from the date of its registration in the Commercial Register on 30/3/1997 until 29/3/2022. The Company's duration was renewed for twenty-five years starting from 29/3/2022 and ending on 28/3/2047.

1/6- Company's head office

- 9 Abdel Moneim Riad Street – Mohandessin – Giza.

1/7- Commercial Register

- No. 112469 – Investment – Cairo.

1/8- Financial year

- The financial year starts on 1 January and ends on 31 December of each year.
- The financial statements were authorized for issue by the Company's Board of Directors on 15 November 2026.

2- Basis of Preparation of the Financial Statements:

2-1- Compliance with accounting standards and laws

- The financial statements are prepared in accordance with Egyptian Accounting Standards and their amendments and the applicable local laws and regulations.
- On 14 August 2018, Law No. 176 of 2018 regulating finance leasing and factoring activities was issued. Article One of this law provides for the repeal of Law No. 95 of 1995 concerning finance leasing.

2-2- Basis of measurement

- The financial statements have been prepared on the historical cost basis.

2-3- Functional and presentation currency

- The currency used in presenting the financial statements is the Egyptian Pound, which is the Company's functional currency.

2-4- Use of estimates and judgments

- The preparation of the financial statements in accordance with Egyptian Accounting Standards requires management to use judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. The estimates and related assumptions are based on experience and other factors. Actual results may differ from these estimates.
- The estimates and assumptions are revisited on regular basis.
- Changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects that period only, or in the period of change and future periods if the change affects both.

2-4-1- Fair value measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or of similar financial instruments at the financial statements date, without deducting any estimated future selling costs. The values of financial assets are determined at the current bid prices of those assets, while the value of financial liabilities is determined at the current prices at which those liabilities could be settled.
- In the absence of an active market to determine the fair value of financial instruments, fair value is estimated using various valuation techniques, taking into account recent transaction prices and the current fair value of other substantially similar instruments – the discounted cash flow method – or any other valuation method that results in reliable values.
- When the discounted cash flow method is used as a valuation technique, future cash flows are estimated on the basis of management's best estimates, and the discount rate used is determined in light of the prevailing market rate at the financial statements date for financial instruments of a similar nature and terms.

3- Property, Plant and Equipment and Accumulated Depreciation:

	Buildings and constructions	Vehicles and transportation	Computers, photocopying and printing equipment	Furniture and fixtures	Air conditioners	Total
Cost as at 1/1/2025	**13,112,065**	**7,330,295**	**7,497,549**	**1,556,165**	**634,493**	**30,130,567**
Additions for the year	18,000,000	--	2,570,421	382,989	49,500	**21,002,910**
Transferred from right-of-use asset	--	1,880,000	--	--	--	**1,880,000**
Disposals for the year	--	(5,470,000)	--	--	--	**(5,470,000)**
Cost as at 31/12/2025	**31,112,065**	**3,740,295**	**10,067,970**	**1,939,154**	**683,993**	**47,543,477**
Additions for the period	--	3,870,000	1,284,134	408,052	232,843	**5,795,029**
Transferred from right-of-use asset	--	8,700,000	--	--	--	**8,700,000**
Cost as at 30/9/2026	**31,112,065**	**16,310,295**	**11,352,104**	**2,347,206**	**916,836**	**62,038,506**
Accumulated depreciation as at 1/1/2025	**9,866,888**	**4,173,322**	**5,124,715**	**1,362,404**	**582,862**	**21,110,191**
Depreciation for the year	471,438	775,225	1,723,197	61,425	11,911	**3,043,196**
Transferred from right-of-use asset	--	846,000	--	--	--	**846,000**
Depreciation of disposals	--	(4,137,167)	--	--	--	**(4,137,167)**
Accumulated depreciation as at 31/12/2025	**10,338,326**	**1,657,380**	**6,847,912**	**1,423,829**	**594,773**	**20,862,220**
Depreciation for the period	934,829	1,737,411	1,559,487	69,854	29,894	**4,331,475**
Transferred from right-of-use asset	--	2,557,500	--	--	--	**2,557,500**
Accumulated depreciation as at 30/9/2026	**11,273,155**	**5,952,291**	**8,407,399**	**1,493,683**	**624,667**	**27,751,195**
Net book value as at 30/9/2026	**19,838,910**	**10,358,004**	**2,944,705**	**853,523**	**292,169**	**34,287,311**
Net book value as at 31/12/2025	**20,773,739**	**2,082,915**	**3,220,058**	**515,325**	**89,220**	**26,681,257**

4- Right-of-Use Assets –Leases:

	Vehicles and transportation	Buildings and constructions (*)	Total
Cost as at 1/1/2025	**36,293,702**	**95,000,000**	**131,293,702**
Additions during the year	26,050,800	--	**26,050,800**
Transferred to fixed assets	(1,880,000)	--	**(1,880,000)**
Cost as at 31/12/2025	**60,464,502**	**95,000,000**	**155,464,502**
Transferred to fixed assets	(8,700,000)	--	**(8,700,000)**
Disposals for the period	(2,770,000)	--	**(2,770,000)**
Cost as at 30/9/2026	**48,994,502**	**95,000,000**	**143,994,502**
Accumulated depreciation as at 1/1/2025	**8,204,303**	--	**8,204,303**
Depreciation for the year	10,039,632	2,770,838	**12,810,470**
Transferred to fixed assets	(846,000)	--	**(846,000)**
Accumulated depreciation as at 31/12/2025	**17,397,935**	**2,770,838**	**20,168,773**
Depreciation for the period	7,666,017	3,562,506	**11,228,523**
Transferred to fixed assets	(2,557,500)	--	**(2,557,500)**
Accumulated depreciation of disposals	(1,361,334)	--	**(1,361,334)**
Accumulated depreciation as at 30/9/2026	**21,145,118**	**6,333,344**	**27,478,462**
Net book value as at 30/9/2026	**27,849,384**	**88,666,656**	**116,516,040**
Net book value as at 31/12/2025	**43,066,567**	**92,229,162**	**135,295,729**

(*) The buildings represent the value of the Company's new administrative headquarters in the Smart Village, which was leased under a finance lease for five years ending on 31 December 2028, provided that ownership of the headquarters will be transferred to Incolease at the end of the contract term for EGP 1

5- Assets Held for Sale:

	30/9/2026	31/12/2025
Net book value at beginning of period / year	**73,836,488**	**115,787,995**
Additions during the period / year	30,000,000	2,000,000
Disposals during the period / year	(30,000,000)	(43,951,507)
Net book value at end of period / year	**73,836,488**	**73,836,488**

6- Receivables:

	30/9/2026	31/12/2025
Finance Lease Receivables (net)	14,523,892,910	12,131,833,201
Factoring Receivables (net)	1,956,464,838	1,029,876,559
	16,480,357,748	**13,161,709,760**

Finance Lease Receivables:

		30/9/2026	31/12/2025
6/1	Finance Lease Receivables	14,864,175,881	12,317,733,810
	Less:		
	Suspended interest	(64,932,293)	(47,196,915)
	Finance Lease Receivables after interest suspension	**14,799,243,588**	**12,270,536,895**
	Less:		
	Expected Credit Loss Allowance (Note No. (16/2))	(275,350,678)	(138,703,694)
	Net	**14,523,892,910**	**12,131,833,201**

6/2 Factoring Receivables

	30/9/2026	31/12/2025
Factoring Receivables	1,980,922,944	1,039,550,027
Less:		
Expected Credit Loss Allowance (Note No. (16/2))	(24,458,106)	(9,673,468)
Net	**1,956,464,838**	**1,029,876,559**

6/3 These amounts can be classified according to their maturity dates and residual value as follows:

	30/9/2026	31/12/2025
First year	5,120,026,943	3,161,356,575
Second year	3,343,718,469	2,547,396,782
Third year	3,529,206,740	2,763,852,450
Fourth year	2,755,918,453	2,805,676,804
Fifth year	979,395,330	1,565,758,497
Residual value	1,051,900,597	466,045,814
Less:	**16,780,166,532**	**13,310,086,922**
Expected Credit Loss Allowance (Note No. (16/2))	(299,808,784)	(148,377,162)
Net	**16,480,357,748**	**13,161,709,760**

6/4 These are classified in the statement of financial position as at 30 September 2026 as follows:

	30/9/2026			31/12/2025		
	Finance lease	Factoring	Total	Finance lease	Factoring	Total
Long-term Receivables	11,456,265,532	--	**11,456,265,532**	10,045,181,988	--	**10,045,181,988**
Short-term Receivables	3,067,627,378	1,956,464,838	**5,024,092,216**	2,086,651,213	1,029,876,559	**3,116,527,772**
	14,523,892,910	**1,956,464,838**	**16,480,357,748**	**12,131,833,201**	**1,029,876,559**	**13,161,709,760**

The net investment portfolio, amounting to EGP 16,480,357,748 as at 30 September 2026, includes without-recourse Receivables balances of EGP 4,523,917,625, representing 27.45% of the total portfolio, compared to non-recourse client balances of EGP 3,216,059,382 as at 31 December 2025, representing 24.43% of the total investment portfolio of EGP 13,161,709,760.

6/5 The net portfolio value is distributed across economic sectors as at 30/9/2026 as follows:

Sector	Net portfolio as at 30/9/2026	Percentage	Net portfolio as at 31/12/2025	Percentage
Real estate investment and development	6,344,134,025	37.8%	6,193,218,474	%46.5
Tourism and entertainment	960,572,735	5.7%	809,265,361	%6.1
Healthcare and pharmaceuticals	400,471,578	2.4%	936,701,415	%7.0
Education	172,794,685	1.0%	539,982,397	%4.1
Transport and automotive services	241,446,571	1.4%	357,391,269	%2.7
Construction and building materials	1,913,540,740	11.4%	737,276,843	%5.5
Other industries and services	823,353,307	4.9%	330,147,152	%2.5
Retail	190,313,523	1.1%	301,135,845	%2.3
Financial services	1,254,495,186	7.5%	1,258,117,871	%9.5
Telecommunications	750,487,919	4.5%	625,845,119	%4.7
Chemicals and plastics	489,208,186	2.9%	275,766,199	%2.1
Food industries	411,690,280	2.5%	336,893,870	%2.5
Essential resources	1,459,517,148	8.7%	71,125,600	%0.5
Oil and gas	830,096	0.0%	3,047,970	%0.02
Distribution and consumer products	55,493,750	0.3%	67,195,731	%0.5
Services	1,311,816,803	7.8%	466,975,806	%3.5
Total	**16,780,166,532**	**100%**	**13,310,086,922**	**100%**
Less:				
Expected Credit Loss	(299,808,784)		(148,377,162)	
Net	**16,480,357,748**		**13,161,709,760**	

* On 3 March 2026, the Company (the assignor) executed a securitization portfolio assignment agreement with Al Ahly Securitization Company, under which the future financial receivables relating to certain finance lease contracts were assigned to Al Ahly Securitization Company (the assignee). Their total value amounted to EGP 2,864,950,148 and their present value to EGP 2,102,553,757. The securitization transaction resulted in gains of EGP 119,861,651, recognized in the income statement for the financial period ended 31 March 2026.
The securitization portfolio includes 20 finance lease contracts generating cash flows represented by the collection of amounts due from lessees during the period starting in March 2026 and ending in June 2030.
The assignment consideration amounted to EGP 2,000,000,000, paid by Al Ahly Securitization Company to the Company on the effective date of the assignment from the proceeds of the subscription to the securitization bonds. At the same time, Al Ahly Securitization Company made a private placement of the securitization bonds based on the approval of the Financial Regulatory Authority dated 17 March 2026, and the subscription to the bonds was fully covered through the private placement and closed on 17 March 2026.

7- Debtor and other Debit Balances

	30/9/2026	31/12/2025
Sundry debtors	21,680,504	9,897,779
Employee Advances and Custody Accounts	27,844,129	17,466,877
Prepaid expenses	5,396,006	650,384
proceeds from sale of assets held for sale	--	5,500,000
Total	**54,920,639**	**33,515,040**
Less:		
Expected Credit Loss (Note No. (16/2))	(1,358,308)	(500,140)
Net	**53,562,331**	**33,014,900**

8- Financial investments at amortized cost

	30/9/2026	31/12/2025
Treasury bills	--	56,400,000
Total	--	**56,400,000**
Less:		
Unearned interest	--	(3,440,257)
Net	--	**52,959,743**

9- Cash and Cash Equivalents (Net):

	30/9/2026	31/12/2025
Banks current accounts – local currency	99,751,232	56,797,278
Banks current accounts – foreign currency	256,910,490	169,126,890
Total	**356,661,722**	**225,924,168**
Less:		
Expected Credit Loss (Note No. (16/2))	(63,460)	(106,398)
Net	**356,598,262**	**225,817,770**

10- Capital:

10/1 Authorized capital: -

The Company's authorized capital amounts to EGP 1 billion (one billion Egyptian pounds).

10/2 Issued and subscribed capital: -

The Company's issued capital amounts to EGP 500,000,000 (five hundred million Egyptian pounds).

Divided into 50,000,000 shares with a par value of EGP 10 each, all of which are cash shares.

10/3 Paid-up capital: -

The Company's paid-up capital as at 31/12/2025 amounted to EGP 200 million (two hundred million Egyptian pounds).

The Company's paid-up capital as at 30/9/2026 amounted to EGP 500,000,000 (five hundred million Egyptian pounds).

10/4 Shareholder structure: -

	Nationality	No. of shares	Value of shares	Percentage
Palm Holding for Financial Investments (S.A.E.)	Egypt	17 160 915	171 609 150	34.32 %
Al Tarek for Trading, Import and Distribution of Cars (S.A.E.)	Egypt	11 965 452	119 654 520	23.93 %
Société Arabe International de Banque (SAIB)	Egypt	10 503 960	105 039 600	21.01 %
Wael Tarek Mohamed Mohamed Ismail	Egypt	5 150 345	51 503 450	10.30 %
Faisal Islamic Bank of Egypt	Egypt	4 682 129	46 821 290	9.36 %
Faisal Financial Investments Company (S.A.E.)	Egypt	520 234	5 202 340	1.04 %
Others	Egypt	16 965	169 650	0.03 %
Total		**50 000 000**	**500 000 000**	**100 %**

- The Company's Board of Directors, at its meeting held on 2 March 2025, approved in principle the purchase of treasury shares within the limit of 5% of the Company's shares from its own resources through the open market. The number of shares purchased by the Company amounted to 777,999 shares.
- Based on the resolution of the Extraordinary General Assembly held on 25 December 2025, it was approved to increase the Company's authorization, issued and paid-up capital as follows:
  - Increase of the authorized capital by EGP 500,000,000, bringing the total authorized capital after the increase to EGP 1,000,000,000.
  - Increase of the issued and paid-up capital by EGP 307,779,990, charged to the general reserve and retained earnings according to the Company's financial statements as at 31 December 2024, bringing the total issued and paid-up capital after the increase to EGP 507,779,990.
  - This increase is distributed among the Company's shareholders, each in proportion to their shareholding in the capital.
- The approval of the Financial Regulatory Authority was obtained on 28 January 2026, and the increase was announced in the Commercial Register on 3 February 2026.
- The Company's shares are deposited with Misr for Central Clearing, Depository and Registry (MCDR) and are traded on the Egyptian Exchange.
- Based on the resolution of the Extraordinary General Assembly held on 12 March 2026, it was approved to cancel 777,999 treasury shares with a value of EGP 32,017,377 and to reduce the issued and paid-up capital, so that the capital after the reduction becomes EGP 500,000,000. This was annotated in the Commercial Register on 10 May 2026.

11- Reserves:

	30/9/2026	31/12/2025
Legal reserve (Note (11/2))	100,000,000	100,000,000
General Reserve (Note (11/1))	16,110,005	16,110,005
Capital reserve	520,411	520,411
Total	**116,630,416**	**116,630,416**

11/1 General reserve:

	30/9/2026	31/12/2025
General reserve balance at beginning of period / year	**16,110,005**	**170,000,000**
Set aside under capital increase account from general reserve	--	(153,889,995)
General reserve balance at end of period / year	**16,110,005**	**16,110,005**

11/2 Legal reserve:

	30/9/2026	31/12/2025
Legal reserve balance at beginning of period / year	**100,000,000**	**94,172,403**
Formed during the period / year	--	5,827,597
Legal reserve balance at end of period / year	**100,000,000**	**100,000,000**

12- Retained earnings:

	30/9/2026	31/12/2025
Retained earnings balance at beginning of period / year	**432,260,224**	**376,527,057**
Add:-		
Transferred to retained earnings from 2024/2025 profits	208,205,012	209,623,162
Less:		
Treasury shares	(24,237,387)	--
Set aside under capital increase account from retained earnings (Note 10)	--	(153,889,995)
Retained earnings balance at end of period / year	**616,227,849**	**432,260,224**

13- Loans and Murabaha Financing:

13/1 The long-term loans balance represents the amounts drawn from loans as at 30 September 2026 under the agreements concluded with banks to finance the Company's finance lease and factoring activities, as follows:

	Current portion		Non-current portion		Balance at end of period / year	
	30/9/2026	31/12/2025	30/9/2026	31/12/2025	30/9/2026	31/12/2025
First: Loans	3,799,237,110	2,602,818,537	6,707,714,343	5,906,252,314	**10,506,951,452**	**8,509,070,851**
Second: Loans under co-financing and assignment agreements – non-recourse	946,690,781	260,977,630	3,570,050,078	2,944,132,939	**4,516,740,859**	**3,205,110,569**
Third: without-recourse loans	1,750,379	1,627,431	4,241,083	5,569,668	**5,991,462**	**7,197,099**
Fourth: Islamic Murabaha and Mudaraba	17,769,742	131,856,232	--	62,363,773	**17,769,742**	**194,220,005**
	4,765,448,012	**2,997,279,830**	**10,282,005,504**	**8,918,318,694**	**15,047,453,516**	**11,915,598,524**

	Current portion		Non-current portion		Balance at end of period / year	
Original currency	30/9/2026	31/12/2025	30/9/2026	31/12/2025	30/9/2026	31/12/2025
EGP	4,196,769,870	2,701,157,965	9,175,316,218	8,397,652,563	13,372,086,088	11,098,810,528
US Dollar	568,678,142	296,121,865	1,106,689,286	520,666,131	1,675,367,428	816,787,996
	4,765,448,012	**2,997,279,830**	**10,282,005,504**	**8,918,318,694**	**15,047,453,516**	**11,915,598,524**

13/2 Guarantees of loans and Murabaha:

First: Loans

- The Company undertakes – as security and guarantee for the repayment of the financing granted to it – to assign in favour of the lending banks the rental value of the finance lease contracts financed by the banks, within the limit of the outstanding debt.

Second: Loans under co-financing and assignment agreements – non-recourse

- The bank alone bears the risk of the client's non-payment, and the Company's responsibility is limited to acting as security agent and collector and remitter of instalments / rents for the financing amount provided.

Third: Non-recourse loans

- A loan to finance a finance lease contract for one of the assets owned by the bank, which was sold to the Company and leased back through this loan, such that all obligations arising from this loan are extinguished upon settlement of the finance lease contract; and if the bank breaches any of the obligations stipulated in the finance lease contract, the Company's obligations towards the bank are fully extinguished.

Fourth: Islamic Murabaha and Mudaraba

- The Company undertakes – as security and guarantee for the repayment of the financing granted to it – to assign in favour of the lending banks the rental value of the finance lease contracts financed by the banks, within the limit of the outstanding debt.

14- Subordinated Loans

- The Company entered into subordinated loan agreements with a group of shareholders at an interest rate of 1.25% above the Central Bank of Egypt's announced corridor lending rate per annum. The Ordinary General Assembly approved on 12/11/2025 the Company obtaining a subordinated loan from the Company's shareholders amounting to EGP 100,000,000 (one hundred million Egyptian pounds). The subordinated loans are as follows:

Company name	Subordinated loan date	Maturity date	Loanamount	30/9/2026	31/12/2025
Palm Holding for Financial Investments (S.A.E.)	24 March 2026	24 March 2031	34,333,473	30,900,126	--
Al Tarek for Trading, Import and Distribution of Cars (S.A.E.)	24 March 2026	24 March 2031	23,939,024	21,545,122	--
Société Arabe Internationale de Banque (SAIB)	24 March 2026	24 March 2031	21,015,049	18,913,544	--
Wael Tarek Mohamed Mohamed Ismail	24 March 2026	24 March 2031	10,304,188	9,273,769	--
Faisal Islamic Bank of Egypt	24 March 2026	24 March 2031	9,367,439	8,430,695	--
Faisal Financial Investments Company (S.A.E.)	24 March 2026	24 March 2031	1,040,827	936,744	--
Total				**90,000,000**	--
Less: Current portion of subordinated loans.				20,000,000	--
Non-current portion of subordinated loans				**70,000,000**	--

15- Finance Lease Liabilities:

		30/9/2026	31/12/2025
1/15	Finance Lease Liabilities – long-term	60,126,528	90,312,854
2/15	Finance Lease Liabilities – short-term	32,456,875	29,453,001
	Total	**92,583,403**	**119,765,855**

- Interest expense charged to the income statement relating to finance lease contracts for finance leased assets amounted to 16,735,971 EGP.

16- Provisions:

16/1 Provisions for potential claims:

	Balance as at 31/12/2025	Formed during the period	Provisions no longer required during the period	Used during the period	Balance as at 30/9/2026
Claims provision	7,454,603	--	--	--	7,454,603
Total	**7,454,603**	--	--	--	**7,454,603**

	Balance as at 31/12/2024	Formed during the year	Provisions no longer required during the year	Used during the year	Balance as at 31/12/2025
Claims provision	7,464,133	--	--	(9,530)	7,454,603
Total	**7,464,133**	--	--	**(9,530)**	**7,454,603**

16/2 Expected Credit Loss Allowance:

	Balance as at 31/12/2025	Formed during the period	Reversed during the period	Balance as at 30/9/2026
Finance Lease Receivables (Note No. (6))	138,703,694	136,646,984	--	**275,350,678**
Factoring Receivables (Note No. (6))	9,673,468	14,784,638	--	**24,458,106**
Debtors and other debit balances (Note No. (7))	500,140	858,168	--	**1,358,308**
Bank balances – current accounts and time deposits (Note No. (9))	106,398	--	(42,938)	**63,460**
Total	**148,983,700**	**152,289,790**	**(42,938)**	**301,230,551**

	Balance as at 31/12/2024	Formed during the year	Reversed during the period	Balance as at 31/12/2025
Finance Lease Receivables (Note No. (6))	232,145,979	--	(93,442,285)	138,703,694
Factoring Receivables (Note No. (6))	--	9,673,468	--	9,673,468
Debtors and other debit balances (Note No. (7))	1,157,618	--	(657,478)	500,140
Bank balances – current accounts and time deposits (Note No. (9))	219,099	--	(112,701)	106,398
Total	**233,522,696**	**9,673,468**	**(94,212,464)**	**148,983,700**

In accordance with FRA Board of Directors' Resolution No. 191 of 2018, a general provision of 1% on the net investment value of the portfolio of EGP 111,943,984 and a provision on doubtful balances according to collection delay rates of EGP 29,115,088 were calculated, bringing total provisions for the financial period ended 30 September 2026 to EGP 141,059,072, noting that the expected credit loss provision has been reflected in the financial statements in accordance with the requirements of Egyptian Accounting Standard No. (47) Financial Instruments.

16/3 Provisions formed in accordance with FRA Board of Directors' Resolution No. 191 of 2018:

	Balance as at 31/12/2025	Formed during the period	Provisions no longer required during the period	Used during the period	Balance as at 30/9/2026
General provision of 1% on the net investment of the portfolio	98,552,874	13,391,110	--	--	**111,943,984**
Provision for doubtful balances	15,838,936	13,276,152	--	--	**29,115,088**
Total	**114,391,810**	**26,667,261**	--	--	**141,059,072**

	Balance as at 31/12/2024	Formed during the year	Provisions no longer required during the year	Used during the year	Balance as at 31/12/2025
General provision of 1% on the net investment of the portfolio	57,330,117	41,222,757	--	--	**98,552,874**
Provision for doubtful balances	15,859,647	--	(20,711)	--	**15,838,936**
Total	**73,189,764**	**41,222,757**	**(20,711)**	--	**114,391,810**

17- Creditors and other credit balances:

	30/9/2026	31/12/2025
Accrued interest expense	85,603,130	61,545,889
Accrued interest expense – subordinated loan	517,503	--
Rents collected in advance	33,701,059	35,815,625
Receivables credit balances	161,294,525	33,297,564
End-of-service benefits	13,035,938	14,773,313
Accrued expenses	17,102,361	15,596,253
Unearned interest income factoring	6,556,849	20,194,670
other creditors	20,734,376	9,830,561
Tax Authority	2,370,122	2,965,562
Social Insurance	1,408,035	1,556,541
Creditors – factoring	14,452,864	3,510,223
Performance guarantee deposits	182,035	5,182,035
Total	**356,958,798**	**204,268,236**

18- Banks – Overdraft:

	30/9/2026	31/12/2025
Commercial International Bank	100,000,000	54,997,643
Arab Banking Corporation (ABC) Bank	14,000,000	25,000,000
Banque Misr	8,204,308	--
Total	**122,204,308**	**79,997,643**

19- Deferred tax liabilities:

	30/9/2026	31/12/2025
Balance at beginning of period / year (liability)	**(878,519)**	**(49,384,168)**
Deferred tax for the period (expense) / income	(13,013,485)	48,505,649
Deferred tax at end of period / year (liability)	**(13,892,004)**	**(878,519)**

20- Current income tax:

Current income tax payable for the period	From 1/1/2026 to 30/9/2026	From 1/1/2025 to 30/9/2025
Profit before tax	164,766,768	278,096,263
Tax differences adjustments	74,206,126	133,688,161
Net profit for the period after adjustments	**238,972,897**	**411,784,425**
Tax rate	**22.50%**	**22.50%**
Income tax	**53,768,902**	**92,651,496**
Effective tax rate	**32.63%**	**33.32%**

Income taxes for the period	30/9/2026	30/9/2025
Current income tax during the period	53,768,902	92,651,496
Deferred tax during the period	13,013,485	(48,578,045)
Total	**66,782,387**	**44,073,451**

21- Operating Revenues:

	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
lease revenues	1,976,333,635	1,914,023,917	702,144,165	641,673,687
Factoring revenues	197,149,008	60,980,682	67,950,963	32,438,084
	2,173,482,643	**1,975,004,599**	**770,095,128**	**674,111,771**

22- Cost of Fund:

	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
Cost of Fund (lease interest)	1,659,177,092	1,581,446,024	588,865,254	542,777,673
Cost of Fund (factoring interest)	160,657,780	44,222,801	50,965,741	25,139,849
	1,819,834,872	**1,625,668,825**	**639,830,995**	**567,917,522**

23- 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, salaries and bonuses	99,181,832	79,410,501	35,652,066	25,306,530
Company's share of social insurance	3,728,625	2,952,902	1,292,775	1,024,472
Miscellaneous general and administrative expenses	68,058,460	56,599,481	24,892,103	19,281,699
Total	**170,968,917**	**138,962,884**	**61,836,944**	**45,612,701**

24- Basic Earnings per Share:

	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 (loss) for the period – after tax	**97,984,381**	**234,022,812**	**8,876,362**	**145,402,582**
Less:				
Proposed employees' profit share	(9,798,438)	(23,402,281)	(887,636)	(14,540,258)
Proposed Board members' remuneration	(6,318,593)	(19,479,293)	(701,127)	(13,086,232)
Net profit (loss) for the period after deducting the employees' share and the proposed Board remuneration	**81,867,350**	**191,141,238**	**7,287,599**	**117,776,093**
Weighted average number of shares (shares)	50,000,000	50,000,000	50,000,000	50,000,000
Basic earnings per share from net profit (loss) for the period	**1.64**	**3.82**	**0.15**	**2.36**

- Earnings per share have been calculated assuming that the employees' profit share and Board members' remuneration are computed on an estimated basis consistent with the Company's Articles of Association.

25- Contingent Liabilities:

- On 17 March 2026, the Company issued a final, irrevocable bank letter of guarantee relating to the partial credit enhancement provided by the Company in favour of the holders of the first-issue bonds, amounting to EGP 300,000,000, for credit enhancement purposes. It is reviewed in line with the amortization of the bonds, as is customary in such cases.

26- Financial Instruments and Related Risk Management:

- The Company's financial instruments comprise financial assets (cash on hand and at banks, debtors and other debit balances) and financial liabilities (creditors and other credit balances and balances due to banks).

26/1 Credit risk:

- Balances due from clients and third-party commitments are financial assets exposed to credit risk, represented by the inability of those parties to repay part or all of the amounts due from them or to meet their commitments on maturity dates. The Company follows the procedures below to minimize credit risk:-

-1 A team of specialists who have received intensive training in credit risk assessment prepares credit studies before granting and determines appropriate credit limits and terms, using credit inquiry reports covering the client's reputation, market conditions and competition.

-2 These studies are reviewed before being submitted for approval.

-3 The Company monitors the use of leased assets for their intended purposes in accordance with the contracts, and the fulfilment of the related guarantees, terms and documents.

4- Management takes into consideration distributing the portfolio across various economic sectors to diversify risk.

-5 Management verifies the quality of the credit portfolio by periodically reviewing the regularity of clients' accounts and third-party commitments to detect increased risk at an early stage, propose appropriate solutions and actions, and estimate the necessary provisions.

26/2 Liquidity risk:

- Liquidity risk is represented by the Company's inability to meet its financial obligations when due. The Company's liquidity management policy is to ensure, as far as possible, that sufficient liquidity is always available to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damaging the Company's reputation. The Company relies on holding sufficient cash to meet general expenses, excluding the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the credit facilities granted to it by banks.

26/3 Market risk:

- Market risk is represented by changes in prices arising from changes in exchange rates, interest rates and securities prices, which may affect the Company's revenues and the cost of holding financial instruments – if any.

26/4 Foreign exchange risk:

- This risk is represented by fluctuations in the value of financial instruments due to changes in foreign currency exchange rates for financial assets and liabilities denominated in foreign currencies. This risk is considered acceptable since the Company matches its foreign currency liabilities with assets in the same currencies.

26/5 Interest rate risk:

- Interest rate risk is represented by changes in interest rates on loans and credit facilities obtained by the Company from banks. The Company takes several measures to minimize the effects of this risk, the most important of which are:- 1- Using the discount rates of the various currencies as a guide when determining yield rates, as well as interbank rates. 2 Monitoring the matching of the maturities of financial assets and liabilities with their related yield rates. 3- Conducting a prior study of the expected profitability of any new credit relationship, taking into account the proposed yield rates, before entering into any new contracts, to ensure an adequate return. 4- Reviewing the realized profitability of each credit relationship independently, taking into account the cost of funds, to ensure continued achievement of an adequate return.

26/6 Capital management:

* The objective of the Company's management in managing capital is to maintain the Company's ability to continue as a successful going concern in the finance lease field, generating returns for shareholders and benefits for other stakeholders who use the financial statements, and to provide and maintain an optimal capital structure to reduce the cost of capital.

* The Company's management monitors the capital structure using the ratio of net liabilities to total financing. The current liabilities balance of EGP 5,350,836,895 represents total current liabilities of EGP 5,358,291,498, excluding the provisions balance of EGP 7,454,603. Net liabilities represent the total of current liabilities and long-term liabilities, after excluding the cash and cash equivalents balance.

The following is the ratio of net current liabilities to total financing as at 30 September 2026:-

		30/9/2026	31/12/2025
Current liabilities		5,350,836,895	3,411,889,067
Long-term liabilities		10,426,024,036	9,009,510,067
Less: Cash and cash equivalents (net)		(356,598,262)	(225,817,770)
Net liabilities	**(A)**	**15,420,262,666**	**12,195,581,364**
Equity		1,330,842,646	1,280,461,910
Total financing	**(B)**	**16,751,105,315**	**13,476,043,274**
Ratio of net liabilities to total financing	**(A ÷ B)**	**92%**	**90%**

26/7 Financial leverage:

		30/9/2026	31/12/2025
Capital base			
Equity		1,330,842,646	1,280,461,910
Subordinated Loans		90,000,000	--
General provision for performing financing balances (Note No. (16))		111,943,984	98,552,874
Total own funding	**(A)**	**1,532,786,630**	**1,379,014,784**
Total loans and Murabaha (Note No. (13))		15,047,453,516	11,915,598,524
Finance Lease Liabilities (Note No. (15))		92,583,403	119,765,855
Bank overdraft (Note No. (18))		122,204,308	79,997,643
Total loans		**15,262,241,227**	**12,115,362,022**
Less: Non-recourse loans		(4,522,732,321)	(3,212,307,668)
Total loans and financing "with recourse" (Risky)	**(B)**	**10,739,508,906**	**8,903,054,354**
Ratio of loans and financing obtained by the Company / capital base (total own funding)	**(B ÷ A)**	**7.01**	**6.46**

27- Tax Status:

27/1 Corporate income tax:

The Company regularly submits its tax returns and pays the tax due based on those returns within the legal deadlines in accordance with Law No. (91) of 2005 and its amendments.

- **Years from the commencement of activity until 2021**
- Examined, assessed and settled.
- Years 2022 / 2023: The Company has not been notified of any tax forms for that period.

27/2 Payroll tax:

- The Company regularly withholds tax from employees in accordance with the provisions of Law No. (9) of 2005 and its amendments and pays the tax due monthly based on the payroll within the legal deadlines.

- **Years from the commencement of activity until 2021: Examined, assessed and settled.**

27/3 Stamp duty:

- The Company regularly remits the monthly stamp duty relating to the nature of its activity in accordance with the provisions of Stamp Duty Law No. (111) of 1980 and its amendments, within the legal deadlines.

- **Years from the commencement of activity until 2002: Examined, assessed and settled.**
- Years 2003 to 2006: The Company was notified of Form (4) examination and Form (3/4) examination for those years, and the data, analyses and documents required for the examination are being prepared.
- Years 2007 to 2020: The Company was notified of Form (19) estimated stamp duty, which was objected to within the legal deadline, and the data, analyses and documents required for the examination are being prepared.
- 2021: Examined, assessed and settled.

27/4 Value added tax:

- The Company is not subject to the provisions of the Value Added Tax Law.

27/5 Tax on built real estate:

- The Company was notified of real estate tax claims due on certain properties owned by the Company and used as administrative offices, and the Company has paid them.

28- Social Insurance:

- The Company deducts the employees' share of social insurance and pays it, together with the Company's share of social insurance, within the legal deadlines, and there are no arrears.

29- Related Party Transactions:

- The Company deals with related parties on the same basis as with third parties.
- During the financial period ended 30/9/2026, several transactions were carried out with related parties, the most significant of which are as follows:
- Leased and rented fixed assets.
- Short and long-term loans, current credit facilities and Islamic Murabaha obtained by the Company from several banks that hold shares in the Company's capital.
- The amounts and details of these transactions are shown in Note No. (6) Receivables from finance lease receivables and Note No. (13) Long-term loans and Murabaha from Islamic banks.

The following are the related party balances:

	Relation	Nature of transactions	Balance	Balance as at 31/12/2025	Total transactions during the period Dr.	Cr.	Balance as at 30/9/2026
Palm Hills Group (risky)	Related party	Finance Lease and Factoring Receivables	Dr.	1,144,986,379	970,922,880	(221,294,353)	**1,894,614,907**
Palm Hills Group (without-recourse)	Related party	Finance Lease Receivables	Dr.	1,929,945,556	327,900,592	(165,253,326)	**2,092,592,823**
Ibnsina (risky)	Representative of Faisal Bank on the Board	Finance Lease Receivables	Dr.	33,423,753	4,432,557	(12,775,218)	**25,081,092**
Société Arabe International de Banque (SAIB)	Shareholder	Finance Lease Receivables	Dr.	34,689,239	5,295,697	(9,979,988)	**30,004,948**
Société Arabe International de Banque (SAIB)	Shareholder	Risk-bearing loans	Cr.	597,721,447	(201,462,513)	43,882,869	**440,141,804**
Société Arabe International de Banque (SAIB)	Shareholder	Non-recourse loans	Cr.	53,387,696	(27,425,368)	2,068,334	**28,030,663**
Faisal Islamic Bank	Shareholder	Murabaha and Mudaraba loans (risk-bearing)	Cr.	183,569,113	(181,649,445)	15,212,206	**17,131,874**
Palm Holding for Financial Investments	Shareholder	Subordinated loan	Cr.	--	(3,433,347)	34,333,473	**30,900,126**
Al Tarek for Trading, Import and Distribution of Cars	Shareholder	Subordinated loan	Cr.	--	(2,393,902)	23,939,024	**21,545,122**
Société Arabe International de Banque (SAIB)	Shareholder	Subordinated loan	Cr.	--	(2,448,837)	21,362,381	**18,913,544**
Wael Tarek Monamed Mohamed Ismail	Shareholder	Subordinated loan	Cr.	--	(1,030,419)	10,304,188	**9,273,769**
Faisal Islamic Bank of Egypt	Shareholder	Subordinated loan	Cr.	--	(1,091,567)	9,522,262	**8,430,695**
Faisal Financial Investments Company (S.A.E.)	Shareholder	Subordinated loan	Cr.	--	(121,285)	1,058,030	**936,745**

30- Litigation:

The Company has legal advisors handling lawsuits filed by and against the Company, and there are no outstanding liabilities up to the financial statements date in respect of these lawsuits.

31- Significant Events:

31/1 During February 2022, due to the political events that led to the outbreak of war between Russia and Ukraine, with potential repercussions on the global economy in terms of slower growth and accelerating inflation, leading to higher prices of primary commodities such as food and energy, which are key inputs for many industries, management believes there is no material impact from the repercussions of this war on the Company's activities.

31/2 The Monetary Policy Committee of the Central Bank of Egypt, at its meeting on Thursday 22 May 2025, decided to cut the overnight deposit and lending rates and the rate of the CBE's main operation by 100 basis points to 24.00%, 25.00% and 24.50%, respectively. It also decided to cut the credit and discount rate by 100 basis points to 24.50%.

- The Monetary Policy Committee of the Central Bank of Egypt, at its meeting on Thursday 28 August 2025, also decided to cut the overnight deposit and lending rates and the rate of the CBE's main operation by 200 basis points to 22%, 23% and 22.50%, respectively. The Committee also decided to cut the discount rate to 22.50%.
- The Monetary Policy Committee of the Central Bank of Egypt, at its meeting on Thursday 2 October 2025, also decided to cut the overnight deposit and lending rates and the rate of the CBE's main operation by 100 basis points to 21.00%, 22.00% and 21.50%, respectively. It also decided to cut the credit and discount rate by 100 basis points to 21.50%.
- The Monetary Policy Committee of the Central Bank of Egypt, at its meeting on Thursday 25 December 2025, decided to cut the overnight deposit and lending rates and the rate of the CBE's main operation by 100 basis points to 20.00%, 21.00% and 20.50%, respectively. It also decided to cut the credit and discount rate by 100 basis points to 20.50%.
- On 12 February 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to cut the overnight deposit and lending rates and the rate of the CBE's main operation by 100 basis points to 19%, 20% and 19.50%, respectively, and the credit and discount rate was also cut by 100 basis points to 19.50%.
- After the balance sheet date, the West Asia and Middle East region has been witnessing geopolitical tensions and escalating instability. Management is monitoring the potential effects on supply chains, shipping costs and raw material prices. Although it is difficult to determine the quantitative financial impact at present, management is activating hedging plans to ensure the continuity of operations and does not expect a material threat to the continuity of the Company's activity.

31/3 On 6 March 2024, the Central Bank of Egypt adjusted the exchange rate of the Egyptian pound against the US dollar, whereby the US dollar exchange rate against the Egyptian pound increased from approximately EGP 30.85 to approximately EGP 47.14 during March 2024, then to approximately 50.77 in December 2024, then to approximately 47.72 in December 2025.

31/3 Subsequent events

- On 29 October 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the rate of the CBE's main operation by 100 basis points to 20%, 21% and 20.50%, respectively, and the credit and discount rate was also raised by 100 basis points to 20.50%.

32- Comparative Figures:

- Comparative figures in the financial statements have been reclassified to conform with the classification of the current financial period.

33- Significant Accounting Policies Applied

33/1- Changes in accounting policies: -

- The Company has applied the following new Egyptian Accounting Standards, including any related amendments to other standards, in accordance with the transitional provisions:
  - Egyptian Accounting Standard No. (47) Financial Instruments on 1 January 2021.
  - Egyptian Accounting Standard No. (49) Leases on 30 September 2019.
- The change in accounting policies resulting from the application of Accounting Standards Nos. (47) and (49) was applied retrospectively, with the cumulative effect of initial application recognized at the date of initial application; accordingly, the comparative figures have not been restated.

33/2- Foreign currency translation: -

- The Company's accounts are maintained in Egyptian Pounds. Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of preparing the financial statements.
- Assets and liabilities measured at fair value in a foreign currency are translated at the exchange rate used when the fair value was determined.
- Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- In general, currency differences are recognized in profit or loss.
- Prime Minister's Decree No. (636) of 2024 was issued amending certain provisions of the Egyptian Accounting Standards, replacing Standard No. (13) "The Effects of Changes in Foreign Exchange Rates", Egyptian Accounting Standard No. (17) "Separate Financial Statements" and Egyptian Accounting Standard No. (34) "Investment Property".
- Effect of applying Egyptian Accounting Standard No. (13)
- The Company recognizes currency differences arising from the translation of monetary items – at exchange rates different from those used on initial recognition in prior financial statements – in the income statement in the period in which these differences arise.
- The amendments to Egyptian Standard No. (13) address the cases considered as "lack of exchangeability". The Company has not applied paragraph (59) relating to comparative figures, because the Company finances foreign currency finance lease contracts through financing banks within the banking system at the official trading rate, and those banks require the client (lessee) to have a source of repayment in foreign currency to meet its obligations arising from the finance lease contracts. Consequently, the Company is not exposed to the need to obtain foreign currency from outside the banking system to meet its obligations, since the proceeds of financial assets in foreign currency match the liabilities in the same currency. Accordingly, currency differences arising from the translation of monetary items are recognized in the income statement in the period in which they arise.

33/3- Fixed assets: -

33-3-1- Recognition and initial measurement: Fixed assets are recorded in the books at historical cost, which includes all costs and expenditures associated with the construction or acquisition of the assets until they reach the stage at which they are ready for operation and use in carrying out the activity. These costs include the cost of materials, direct labour and other direct costs required to bring those assets to their working condition at the location intended for the purpose for which they were acquired, as well as the cost of preparing the site where the assets are located and capitalized borrowing costs.

- If significant components of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) within those fixed assets.

33-3-2- Subsequent costs: The carrying amount of fixed assets includes the cost of replacing a part or component of those assets when it is probable that future economic benefits will be obtained as a result of incurring that cost and when the cost can be measured reliably.

- Other subsequent costs are recognized in the income statement as expenses when incurred.

33-3-3- Derecognition of fixed assets: Fixed assets are derecognized upon disposal or when no future economic benefits are expected from their use or sale in the future.

- Any gain or loss arising on derecognition of the asset is recognized in the income statement in the period in which the asset is derecognized.

33-3-4- Presentation in the balance sheet: The fixed assets balance is presented in the balance sheet net of accumulated depreciation and accumulated impairment losses. The cost of assets, accumulated depreciation and accumulated impairment losses are eliminated upon the sale or disposal of fixed assets, and any resulting gains or losses are recognized in the income statement.

33/4- Depreciation: -

33-4-1- Depreciable amount: - The depreciable amount is determined based on the cost of the fixed asset less its scrap value at the end of its estimated useful life.

33-4-2- Depreciation method and rates: - Depreciation is calculated and charged to the income statement using the straight-line method for all fixed assets used in the Company's activity – except for land, which is not depreciated – in accordance with the customary rates determined in light of the estimated useful lives of each type, as follows:

Description	Estimated useful life (years)	Annual depreciation rate
- Buildings and constructions	20	5%
- Cars, vehicles and transportation	5	20%
- Furniture and fixtures	10	10%
- Computers and photocopiers	3	33.3%
- Air conditioners	8.3	12%

33-4-3- The useful lives of assets are reviewed at the end of each financial year and may be adjusted if necessary, because of a significant change in the manner of obtaining the economic benefits from those assets.

33/5- Impairment of assets: -

33-5-1- The carrying amount of the assets owned by the Company is reviewed at the date of preparing the statement of financial position to determine whether there are any indications of impairment. If such indications exist, the necessary studies are prepared to determine their expected recoverable amount.

33-5-2- Impairment losses are recognized when the carrying amount of assets exceeds their recoverable amount, and impairment losses are recognized in the income statement.

33-5-3- If the recoverable amount of assets increases, the impairment losses are reversed, but only to the extent that the carrying amount does not exceed the amount that would have been determined, net of depreciation and amortization, had no impairment been recognized.

33/6- Leases: -

- The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives users of financial statements a basis to assess the effect of leases on the financial position, financial performance and cash flows of the entity.
- At inception of a contract, it is assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to use an identified 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 both:

  (a) Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option.

  (b) Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Leases in which the Company is a lessor

- In accordance with Egyptian Accounting Standard No. (49) Leases, the Company as a lessor classifies each lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. Otherwise, the lease is classified as an operating lease. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.
- Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

  (a) The lease transfers ownership of the underlying asset to the lessee by the end of the lease term.

  (b) The lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised.

  (c) The lease term is for the major part of the economic life of the underlying asset even if title is not transferred.

  (d) At the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset.

  (e) The underlying asset is of such a specialized nature that only the lessee can use it without major modifications.

Recognition and measurement

Initial measurement

- The lessor shall recognize assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.
- The lease payments included in the measurement of the net investment in the lease comprise the payments for the right to use the underlying asset during the lease term that are not received at the commencement date, consisting of:
  (a) Fixed payments (including in-substance fixed payments as described in paragraph "B42"), less any lease incentives payable.
  (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
  (c) Any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
  (d) Assessed considering the factors described in paragraph "B37" (payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to
  (e) terminate the lease).

Subsequent measurement

- The lessor shall recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.
- The lessor aims to allocate finance income over the lease term on a systematic and rational basis.
- The lessor shall apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income.
- The lessor shall apply the derecognition and impairment requirements of Egyptian Accounting Standard No. (47) to the net investment in the lease. The lessor shall regularly review
- the estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the lessor shall revise the income allocation over the lease term and recognize immediately any reduction in respect of amounts accrued.

Leases in which the Company is a lessee

- At the commencement date of the lease, a "right-of-use" asset and a lease liability are recognized. However, the Company may elect not to apply this to short-term leases or leases for which the underlying asset is of low value; in that case, the lease payments associated with those leases are recognized as an expense either on a straight-line basis over the lease term or on another systematic basis. Another systematic basis is applied if that basis is more representative of the pattern of the lessee's benefit.
- The Company has long-term lease contracts for certain vehicles; the related financial statement items are measured and presented as follows:

Initial measurement of the "right-of-use" asset:

- The cost of the "right-of-use" asset comprises:
  (a) The amount of the initial measurement of the lease liability, being the present value of the lease payments not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be determined, the lessee shall use the lessee's incremental borrowing rate.
  (b) Any lease payments made at 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 be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent measurement of the "right-of-use" asset

- After the commencement date, the "right-of-use" asset is measured by applying the cost model, whereby the right-of-use asset is measured at cost:
  (a) Less any accumulated depreciation and any accumulated impairment losses.
  (b) Adjusted for any remeasurement of the lease liability.

Initial measurement of the lease liability

- At the commencement date, the lease liability is measured at the present value of the lease payments not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the Company's incremental borrowing rate as a lessee.

Subsequent measurement of the lease liability

- After the commencement date, the following is carried out:
  (a) Increasing the carrying amount of the liability to reflect interest on the lease liability.
  (b) Reducing the carrying amount of the liability to reflect the lease payments made.
  (c) Remeasuring the carrying amount of the liability to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.
- The right-of-use asset and lease liabilities are presented in the statement of financial position separately from other assets and liabilities.
- The lease contracts require the lessee to maintain and insure the leased asset, and the lease does not include any arrangements for the transfer of ownership at the end of the lease term.
- For a contract that contains a lease component and one or more additional lease or non-lease components (if any), the consideration in the contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. As a practical expedient, and to the extent 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 instead account for each lease component and any associated non-lease components as a single lease component.

33/7- Assets held for sale: -

- Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that their carrying amount will be recovered primarily through sale rather than through continuing use.
- These assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution, and subsequent gains or losses on remeasurement, are recognized in profit or loss.
- Once classified as held for sale, fixed assets and intangible assets are no longer depreciated or amortized.

33/8- Financial investments in associates: -

33-8-1- Financial investments in associates are recorded at cost, including acquisition costs.

33-8-2- At the date of preparing the financial statements, the Company assesses these investments. If there is a non-temporary decline in their value as a result of a decline or impairment in the recoverable amount of the investment below its carrying amount, the carrying amount is reduced by the amount of this decline or impairment loss and charged to the income statement (profit or loss), for each investment separately.

33/9- Impairment: -

33-9-1- Non-derivative financial assets: -

- Financial instruments and contract assets:
- The Company recognizes a loss allowance for expected credit losses on:
  - Financial assets measured at amortized cost.
  - Debt instruments measured at fair value through other comprehensive income.
  - Contract assets with clients.
  - The Company recognizes expected credit losses for loan clients.
  - The Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, and 12-month expected credit losses are measured for the following:
  - Debt securities that have low credit risk.
  - Other debt securities and bank balances whose credit risk has not increased significantly since initial recognition (the risk of default over the expected life of the financial instrument).
  - The Company shall determine whether the credit risk on a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company shall consider information that is reasonable, supportable and available without undue cost or effort. This includes the accuracy, quantity and adequacy of information and analyses based on past experience, credit assessment and also forward-looking information.

- **The Company considers a financial asset to be in default when:**
  - The debtor is unlikely to pay its credit obligations.
  - The financial asset is more than 90 days past due, unless proven otherwise.
  - Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a 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 expected life of the instrument is less than 12 months).
- The maximum period considered when measuring expected credit losses is the maximum contractual period, including extension options, over which the Company is exposed to credit risk, and not a longer period even if that longer period is consistent with business practice.
- The judgments and estimates used by management in applying the Company's accounting policies and the other key sources of estimation uncertainty are the same as those applied to the financial statements for the financial year ended 30 December 2024.
- The Company reviews financial assets exposed to impairment risk, except for financial assets classified at fair value through profit or loss, to measure the impairment of those assets as follows:
  - **Stage 1:**
    Includes (finance lease receivables) whose credit risk has not increased significantly since initial recognition. The expected credit loss represents the expected loss resulting from default events that may occur within the (12) months following the reporting date.
  - **Stage 2:**
    Includes (finance lease receivables) whose credit risk has increased significantly since initial recognition but which have not yet reached default, due to the absence of objective evidence confirming default. The expected credit loss is calculated over the entire life of the (finance lease receivables) and represents the expected loss resulting from default events over the remaining life of the instrument.
  - **Stage 3:**
    Includes (finance lease receivables) for which there is evidence that they have become defaulted (non-performing). The expected credit loss is calculated over the remaining life of the instrument.
    Definition of default:
    The Company applies a unified definition of default, which is used in classifying assets and determining the probability of default for risk management purposes.
    The definition of default is based on quantitative and qualitative criteria, and a counterparty is considered in default when a material portion of the granted amount, including principal and interest, is more than 90 days past due, unless proven otherwise.
    Significant increase in credit risk:
    Egyptian Standard 47 Financial Instruments does not contain a specific definition of what constitutes a significant increase in credit risk. The Company's assessment of what constitutes a significant increase in credit risk since the grant date is based on reasonable and supportable forward-looking information, including quantitative and qualitative information, taking into account management's judgment and view of what constitutes a significant increase.
    Assessing whether there has been a significant increase in credit risk involves the Company comparing the current risk of default at the reporting date with the estimated risk of default at the inception of the facility. In the assessment process, the Company considers all quantitative and qualitative information, including historical data and forward-looking information, that is available without undue effort and cost, which depends on the Company's ability to provide data objectively.

33-9-2- Measurement of expected credit losses

- Expected credit losses are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

33-9-3- Credit-impaired financial assets:

- At each reporting date, the Company assesses whether financial assets classified at amortized cost and debt securities at fair value through other comprehensive income are credit-impaired. An asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
- Evidence that a financial asset is credit-impaired includes observable data about the following events:
  - Significant financial difficulty of the debtor.
  - A breach of contract such as default or being more than 90 days past due, unless proven otherwise.
  - The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
  - It is probable that the debtor will enter bankruptcy or other financial reorganization.
  - The disappearance of an active market for a security because of financial difficulties.

33-9-4- Presentation of the expected credit loss allowance in the statement of financial position

- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
- For debt instruments measured at fair value through other comprehensive income, the loss allowance is charged to profit or loss and recognized in other comprehensive income.

33-9-5- Impairment of non-financial assets

- At the end of each financial period, the Company reviews the carrying amounts of the Company's non-financial assets (other than investment property, contract assets with clients and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset. Goodwill is tested for impairment annually.
- For impairment testing, assets are grouped together into the smallest group of assets that includes the asset and generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.
- Cash-generating units. Goodwill acquired in a business combination is allocated to the cash-generating units or groups of such units of the acquirer that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and its value in use. The value in use of an asset is the present value of the expected future cash flows, discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.
- An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.
- Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit.
- An impairment loss in respect of goodwill is not reversed in a subsequent period. For other assets, impairment losses are reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

33/10- Finance Lease Receivables:-

33-10-1- Initial recognition of finance lease receivables:-

a- Paragraph (66) of Standard (49) requires each lease to be classified at its inception, and the classification is reassessed only if there is a lease modification. Changes in estimates of the economic life or the residual value of the underlying asset, or changes in circumstances such as the lessee's default, do not give rise to a new classification of the lease.

b- The lessor shall initially recognize clients at the commencement date of the lease at the fair value of the clients, represented by the amounts receivable from them under the finance lease for the assets held under the finance lease, equivalent to the net investment value of the assets held under the finance lease (Standard (49) – paragraph (67)).

c- At the commencement date of the lease, the lease payments included in the measurement of the net investment in the lease include each of the following:

- – In-substance fixed lease payments, less any lease incentives payable, as described in paragraph (70a) and paragraph (B42) of Standard No. (49).
- – Variable lease payments that depend on an index or a rate, measured using that index or rate as at the commencement date (paragraph (B70)).
- Examples include payments linked to a benchmark interest rate (such as LIBOR), payments linked to an index such as the consumer price index, or payments that reflect changes in market rental rates (paragraph (28)).
- Any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee (Appendix (A) – definition of lease payments).
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; this price is assessed considering the factors described in paragraph (B-37).
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- At the commencement date, for each finance lease, the following is recognized in accordance with paragraph (71) of Standard (49):-
  - Revenue, being the fair value of the underlying asset or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest.
  - Cost of sale, being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value.
  - Selling profit or loss (being the difference between revenue and cost of sale).

33-10-2- Subsequent measurement:-

a- The lessor shall periodically assess the classification of all lessees and leased assets.

b- The lessor shall recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease (paragraph (75)).

c- The lessor aims to allocate finance income over the lease term on a systematic and rational basis, and shall apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income (paragraph 76).

33-10-3- Presentation of finance lease receivables:-

- The finance lease receivables balance is presented in the statement of financial position as amounts receivable from them as a result of granting them the right to use the underlying asset during the lease term, net of (impairment of finance lease receivables – general provision), after confirming the availability of a basic guarantee for obtaining the rental value from the lessee.

33/11- Current assets:-

33-11-1- An asset is classified as a current asset when it meets any of the following conditions:

1. When it is expected to be realized, or is held for sale or consumption, in the entity's normal operating cycle.
2. When it is held primarily for the purpose of trading.
3. It is expected to be realized within twelve months after the balance sheet date.
4. The asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

33-11-2- The entity shall classify all other assets not mentioned above as non-current assets.

33/12- Clients, debtors, notes receivable and other debit accounts and balances:-

- Debtors, notes receivable and other debit accounts are recorded at nominal value less any impairment losses and are classified within current assets, in light of paragraphs (61) and (66 – c) of the amended Egyptian Accounting Standard No. (1) on the presentation of financial statements. Amounts expected to be collected after more than one year are classified within non-current (i.e. long-term) assets.

33/13- Cash and cash equivalents:-

- For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts at banks, time deposits with banks maturing within three months and treasury bills maturing within three months.

33/14- Statement of cash flows:-

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

33/15- Current liabilities:-

- A liability is classified as a current liability in any of the following cases:
  1- It is expected to be settled in the entity's normal operating cycle.
  2- It is held for the purpose of trading.
  3- The liability is due to be settled within twelve months after the balance sheet date.

33/16- Borrowings and Murabaha:-

33-16-1- Borrowings are initially recognized at the amounts received. Amounts due within one year are classified within current liabilities, and those due after more than one year are included within long-term (i.e. non-current) liabilities. Furthermore, if the Company has the right to defer settlement of the loan balance for more than one year after the balance sheet date, the loan balance is presented within long-term liabilities.

33-16-2- Interest-bearing loans and borrowings are measured after initial recognition at amortized cost using the effective interest rate method. Gains and losses arising from the derecognition of liabilities, as well as through the amortization process using the effective interest rate method, are recognized in the income statement (profit or loss). Amortized cost is calculated taking into account any discount or premium on acquisition of the borrowing and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included within finance costs in the income statement (profit or loss).

33/17- Provisions:-

33-17-1- Provisions are recognized when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits or resources will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

33-17-2- The provisions balance is reviewed at the date of preparing the financial statements and adjusted, if necessary, to reflect the best current estimate.

33-17-3- A general provision of 1% is formed on the net investment value of the portfolio (representing the net present value of outstanding finance lease contracts plus advance payments for the purchase of leased fixed assets) at the financial statements date, after deducting the net investment value of non-recourse leased assets, with no provision calculated for bank financing transactions since their risk is nil.

Based on the Board of Directors' minutes dated 12 November 2015, it was decided to reduce the general provision from 2% to 1% of the net investment value of the portfolio, which is consistent with the provisioning policy in accordance with the requirements of the FRA Board of Directors referred to below.

- Under the instructions of the FRA Board of Directors No. (191) of 2018 issued on 30/12/2018, the provisioning policy for finance lease companies was amended, and the Company immediately complied with the FRA's instructions regarding the applicable provisioning policy, as follows:
  - A provision is formed on doubtful balances according to collection delay rates, divided into four levels according to the degree of regularity of payment for each case separately.
  - A provision is formed for defaulting clients on the uncovered balance of leased assets at the following rates:

10%	of the uncovered balance of leased assets for clients 90 to 180 days past due	
25%	of the uncovered balance of leased assets for clients 181 to 275 days past due	Yields are suspended as soon as the provision is formed
50%	of the uncovered balance of leased assets for clients 276 to 365 days past due	Yields are suspended as soon as the provision is formed
100%	of the uncovered balance of leased assets for clients more than 365 days past due	Yields are suspended as soon as the provision is formed

33/21- Expenses:-

- All operating costs and expenses and general and administrative expenses are recognized on an accrual basis and charged to the income statement in the financial periods in which those expenses were incurred.

33/22- Employees' pension scheme:-

- The Company contributes to the government social insurance scheme for the benefit of its employees.
- In accordance with the Social Insurance Law, employees and the Company contribute to the scheme at a fixed percentage of wages, and the Company's obligation is limited to the amount of its contribution. The Company's contributions are charged to the income statement on an accrual basis.

33/23- End-of-service benefits:-

33-23-1- Approval was given to amend the end-of-service policy for administrative staff and support workers who have not reached retirement age when they leave the Company, as follows:

- The period of service with the Company required to be entitled to 100% of the previously determined end-of-service benefit (two and a half months for each year of service based on the basic salary upon leaving the Company) was amended from five years to at least ten years, provided that the employee's appraisal during the three years preceding resignation is at least "good". A deceased employee with 5 or more years of continuous service is entitled to a benefit of three months for each year of continuous service, paid to the legal heirs in accordance with Egyptian laws.

33/24- Taxes:-

33-24-1- Income tax: Income tax is calculated on realized taxable profits in accordance with the applicable laws, regulations and instructions in this regard, using the tax rates in effect at the date of preparing the balance sheet. The income tax due is recognized in the income statement and within creditors and other credit balances in the statement of financial position.

33 24 2 Deferred tax: Arises from certain temporary differences due to the difference in the timing of recognition of the value of assets and liabilities between the applicable tax bases and the accounting bases according to which the financial statements are prepared.

33/25 Cash dividends:

- Dividends declared by the Company's General Assembly are recognized as liabilities to shareholders within dividends payable in the financial period in which those dividends are declared.

33/26- Distribution of a percentage of gains on sale of assets and its conditions:-

- The Company sets aside a percentage of capital gains each year based on a proposal by the Board of Directors and the approval of the General Assembly, in accordance with Article 195 of the Executive Regulations of Joint Stock Companies Law No. 159 of 1981, issued by Decree of the Minister of Investment and International Cooperation No. 96 of 1982, which provides that:
- "The General Assembly may, upon a proposal by the Board of Directors, distribute a percentage of the net profits realized by the Company as a result of the sale of a fixed asset or compensation therefor, provided that this does not prevent the Company from restoring its assets to their previous condition or purchasing new assets."

33/27- Basic earnings (losses) per share:-

- Basic earnings (losses) per share are calculated by dividing the net profit (loss) for the period / year as shown in the income statement for the financial period / year – after deducting the employees' profit share and Board members' remuneration from annual profits in accordance with the requirements of Egyptian Accounting Standard No. (22) paragraph (12a), taking into account that the deducted amounts are still subject to the approval of the Company's General Assembly of shareholders – by the weighted average number of shares outstanding during the financial period or year.

33/28- Offsetting financial instruments:-

- A financial asset and a financial liability are offset and the net amount presented in the balance sheet only when the Company has, at the balance sheet date, a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

33/29- Financial instruments:-

Policies applied starting from January 2021

33-29-1- Recognition and initial measurement

- The Company initially recognizes trade receivables and debt instruments issued on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument.
- A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Receivables without a significant financing component are initially measured at the transaction price.

33-29-2- Classification and subsequent measurement

Financial assets

- On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income (as investments in debt instruments and investments in equity instruments), or at fair value through profit or loss.
- Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.
- A financial asset is classified as measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
  - It is held within a business model whose objective is to hold assets to collect contractual cash flows;
  - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- An investment in debt instruments is classified at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:
  - It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an investment in equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.
- Financial assets not classified as measured at amortized cost or at fair value through other comprehensive income are classified as at fair value through profit or loss. This includes all derivative financial assets.
- On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise.

33-29-3- Financial assets – business model assessment

- The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. This includes whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows, or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed 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 about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
- Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

33-29-4- Financial assets – assessment of whether contractual cash flows are solely payments of principal and interest

- For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition, and "interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.
- In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
  - Contingent events that would change the amount or timing of cash flows;
  - Terms that may adjust the contractual coupon rate, including variable-rate features;
  - Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).
- A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

33-29-5- Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss	These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt instruments at fair value through other comprehensive income	These financial assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity investments at fair value through other comprehensive income	These financial assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses recognized in other comprehensive income are never reclassified to profit or loss.

33-29-6- Financial liabilities – classification, subsequent measurement and gains and losses

- Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss.
- A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, is a derivative, or is designated as at fair value through profit or loss on initial recognition.
- Financial liabilities at fair value through profit or loss are measured at fair value, and net gains and losses, including any 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 and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

33-29-7- Derecognition

Financial assets

- The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
- The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

- Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.
- The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.
- On derecognition of a financial liability, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

33-29-8- Offsetting of financial instruments

- Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when:
- The Company has a legally enforceable right to set off the recognized amounts and the Company intends either to settle the assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

33-29-9- Derivative financial instruments and hedge accounting

- The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.
- Derivatives are initially measured at fair value, and any related transaction costs are recognized in profit or loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.
- The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates, and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.
- At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

- When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.
- The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognized in a cost of hedging reserve within equity
- When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.
- For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

- If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the cost on initial recognition, or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.
- If the hedged future cash flows are no longer expected to occur, the amounts accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.
- Hedges of net investment in a foreign operation
- When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the derivative hedging instrument, or of the foreign exchange gains and losses of the non-derivative hedging instrument, is recognized in other comprehensive income and presented in the translation reserve within equity.
- The ineffective portion of changes in the fair value of the derivative, or of the foreign exchange gains and losses of the non-derivative, is recognized immediately in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.