National Printing S.A.E

Interim consolidated financial statements

For the period ended June 30, 2026

together with limited review report

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Limited review report
Originally issued in Arabic

Limited review report for the interim consolidated financial statements

To: The Board of directors of National Printing - S.A.E

Introduction

We have reviewed the accompanying interim consolidated financial statements of National Printing "S.A.E" which comprise the interim consolidated statement of financial position as of June 30, 2026 , and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the Six months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Egyptian Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Conclusion

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

Cairo, August 13, 2026

Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510)
FRA Register No. "69"

Saleh, Barsoum, Abdel Aziz & Co.
Accountants & Auditors

Translation of financial statements
Originally issued in Arabic

National Printing Company
"S.A.E."
Interim consolidated statement of financial position
As of June 30, 2026

	Note No.	June 30, 2026 EGP	December 31, 2025 EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(6)	3 336 809 979	2 679 701 505
Projects under construction	(7)	222 392 599	390 833 126
Investment properties (at fair value)	(27)	291 396 988	291 396 988
Notes receivable long term		--	2 500 000
Total non-current assets		**3 850 599 566**	**3 364 431 619**
Current assets			
Inventories (net)	(9)	1 808 484 972	1 575 479 587
Letter of credit		2 662 589	839 187
Accounts and notes receivable (net)	(10)	1 516 495 185	1 776 448 676
Due from related parties	(30)	5 555 381	--
Receivables and other debit balances (net)	(11)	794 439 819	698 289 801
Cash and cash equivalents (net)	(12)	530 527 716	430 151 212
Total current assets		**4 658 165 662**	**4 481 208 463**
Non-current assets held for sale	(28)	1 142 251	1 142 251
Total Assets		**8 509 907 479**	**7 846 782 333**
Equity and liabilities			
Equity			
Issued and paid-up capital	(20)	215 338 669	215 338 669
Legal reserve		107 669 335	107 669 335
Consolidation reserve	(21)	(68 460 353)	(68 460 353)
Special reserve	(20)	3 566 306	3 566 306
Retained earnings		1 322 578 572	1 060 491 517
Assets revaluations surplus (fair value)	(27)	650 970 159	650 970 159
Net profit for the period / year		179 693 630	303 480 485
Equity attributable to owners' of the parent company		**2 411 356 318**	**2 273 056 118**
Non-controlling interest	(23)	629 346 511	604 785 999
Total Equity		**3 040 702 829**	**2 877 842 117**
Non-current liabilities			
Deferred tax liabilities	(22)	366 581 187	344 871 200
Borrowings - non current portion (net)	(15)	547 714 178	227 350 134
Notes payable - non-current portion	(17)	98 242 907	95 412 213
Total non-current liabilities		**1 012 538 272**	**667 633 547**
Current liabilities			
Provisions	(13)	71 072 122	63 299 091
Credit facilities	(14)	2 798 335 529	2 559 127 927
Borrowings - current portion	(15)	56 922 356	71 614 742
Accounts and notes payable (net)	(16)	1 130 442 748	1 175 030 256
Dividends payable	(19)	62 632 693	35 634 711
Payables and other credit balances	(18)	285 355 851	331 795 031
Current income tax	(22)	51 905 079	64 804 911
Total current liabilities		**4 456 666 378**	**4 301 306 669**
Total Equity and Liabilities		**8 509 907 479**	**7 846 782 333**

- The accompanying notes form an integral part of the consolidated financial statements and should be read there with.

Chief Financial Officer	Managing Director	Chief executive director
Mr /Ahmed Abaza	Mr / Sherif El Moalem	Eng / Ibrahim El Moalem

Auditors' report attached.

Translation of financial statements
Originally issued in Arabic

National Printing Company
"S.A.E."
Interim consolidated statement of profit or loss
For the Period ended on June 30, 2026

	Note No.	For three months Period ended on June 30, 2026 EGP	For three months Period ended on June 30, 2025 EGP	For Six months Period ended on June 30, 2026 EGP	For Six months Period ended on June 30, 2025 EGP
Sales revenue (net)	(24)	1 693 166 434	1 818 914 028	3 358 809 309	3 548 159 699
Less:					
Cost of sales		(1 196 583 646)	(1 323 308 466)	(2 451 631 009)	(2 564 161 924)
Gross profit		**496 582 788**	**495 605 562**	**907 178 300**	**983 997 775**
Other operating revenue	(25)	12 828 626	12 332 519	19 906 366	24 617 751
(Deduct) /add:					
Selling and distribution expenses		(79 849 769)	(79 606 872)	(145 491 704)	(155 140 181)
General and administrative expenses		(93 641 153)	(71 548 295)	(173 415 548)	(150 627 422)
Social contribution		(4 797 351)	(5 575 730)	(9 613 318)	(10 683 341)
Provision formed	(13)	(10 750 000)	(3 729 299)	(11 000 000)	(6 746 603)
Share-based compensation expense (Incentive for the MD)	(32)	(3 504 810)	(16 589 591)	(5 982 255)	(26 614 450)
Provisions no longer required	(13)	--	69 065	--	69 065
Expected credit loss for cash and cash equivilant	(12)	(2 774)	(164 789)	(2 774)	(164 789)
Reversal expected credit loss in cash and cash equivilant	(12)	(92 177)	(28 253)	--	--
Expected credit loss for accounts and notes receivable	(10)	(6 539 195)	--	(11 819 404)	--
Reversal of expected credit loss for accounts and notes receivable	(10)	--	(79 830)	--	290 327
Expected credit loss for other debit balances	(11)	(149 961)	--	(188 241)	--
Reversal of expected credit loss for other debit balances	(11)	--	623	--	209 660
Board of director's salaries and remuneration	(26)	(5 515 000)	(4 450 000)	(11 030 000)	(8 900 000)
Profit from operation		**304 569 224**	**325 235 130**	**558 541 422**	**650 307 812**
Finance costs		(150 395 635)	(194 295 815)	(299 849 427)	(381 536 541)
Credit interest		4 552 393	18 595 074	10 649 448	40 645 643
Capital gain		1 477 500	3 212 320	1 477 500	4 787 920
Foreign currency exchange differences		40 852 017	2 362 628	33 309 970	5 082 809
Gian from sale of investment available for sale		--	900 000	--	900 000
Other income		13 379 646	2 285 328	15 125 768	3 941 985
Net profit for the period before tax		**214 435 145**	**159 294 665**	**319 254 681**	**324 129 628**
Current income tax	(22)	(32 028 246)	(31 461 941)	(61 069 560)	(67 635 137)
Deferred tax	(22)	(17 156 657)	20 512 640	(21 709 984)	16 769 496
Net profit for the period after tax		**165 250 242**	**148 345 364**	**236 475 137**	**273 263 987**
Attributed to:					
Share holders of the parent company		134 627 971	109 931 876	179 693 630	200 045 227
Non controlling interest		30 622 271	38 413 488	56 781 507	73 218 760
Net profit for the period		**165 250 242**	**148 345 364**	**236 475 137**	**273 263 987**
Earning per share of the period (EGP / share)	(31)	**0.63**	**0.51**	**0.83**	**0.94**

- The accompanying notes form an integral part of the consolidated financial statements and should be read there with.

Chief Financial Officer	Managing Director	Chief executive director
Mr /Ahmed Abaza	Mr / Sherif El Moalem	Eng / Ibrahim El Moalem

Translation of financial statements
Originally issued in Arabic

National Printing Company

"S.A.E."

Interim consolidated statement of comprehensive income

For the period ended on June 30, 2026

	For three months Period ended on		For Six months Period ended on	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	EGP	EGP	EGP	EGP
Net profit for the period after tax	165 250 242	148 345 364	236 475 137	273 263 987
Other comprehensive income	--	--	--	--
Total comprehensive income	**165 250 242**	**148 345 364**	**236 475 137**	**273 263 987**
Distributed as follows:				
Owners of the company	134 627 971	109 931 876	179 693 630	200 045 227
Non controlling interest	30 622 271	38 413 488	56 781 507	73 218 760
	165 250 242	**148 345 364**	**236 475 137**	**273 263 987**

- The accompanying notes form an integral part of the consolidated financial statements and should be read there with.

Chief Financial Officer	Managing Director	Chief executive director
Mr / Ahmed Abaza	Mr / Sherif El Moalem	Eng / Ibrahim El Moalem

National Printing Company
"S.A.E."
Interim consolidated statement of changes in equity
For the period ended June 30, 2026

	Issued and paid-up capital	Legal reserve	Consolidation reserve	Special reserve	Retained earnings	Assets revaluations surplus (fair value)	Net profit for the period	Equity of the shareholders of the parent	Total non controlling interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2025	211 710 380	2 028 865	646 013	–	790 816 128	503 296 807	403 345 748	1 911 843 942	549 098 538	2 460 942 480
Transferred to retained earnings	–	–	–	–	403 345 748	–	(403 345 748)	–	–	–
Dividend distributions to shareholders and employees and board of director	–	–	–	–	(109 912 793)	–	–	(109 912 793)	(145 461 310)	(255 374 103)
Transferred to legal reserve	–	10 256 122	–	–	(10 256 122)	–	–	–	–	–
Other comprehensive income										
Net profit for the period after tax	–	–	–	–	–	–	200 045 227	200 045 227	73 218 760	273 263 987
Balance as of June 30 , 2025	211 710 380	12 284 987	646 013	–	1 073 992 962	503 296 807	200 045 227	2 001 976 376	476 855 988	2 478 832 364
Balance as of January 1, 2026	215 338 669	107 669 335	(68 460 353)	3 566 306	1 060 491 517	650 970 159	303 480 485	2 273 056 118	604 785 999	2 877 842 117
Transferred to retained earnings	–	–	–	–	303 480 485	–	(303 480 485)	–	–	–
Dividend distributions to shareholders and employees and board of director	–	–	–	–	(41 393 430)	–	–	(41 393 430)	(32 220 995)	(73 614 425)
Other comprehensive income										
Net profit for the period after tax	–	–	–	–	–	–	179 693 630	179 693 630	56 781 507	236 475 137
Balance as of June 30, 2026	215 338 669	107 669 335	(68 460 353)	3 566 306	1 322 578 572	650 970 159	179 693 630	2 411 356 318	629 346 511	3 040 702 829

- The accompanying notes form an integral part of the consolidated financial statements and should be read there with.

Chief Financial Officer
Mr /Ahmed Abaza

Managing Director
Mr / Sherif El Moalem

Chief executive director
Eng / Ibrahim El Moalem

National Printing Company

"S.A.E."

Interim consolidated statement of cash flows

For the period ended June 30, 2026

	Note No.	For the period ended June 30, 2026 EGP	For the period ended June 30, 2025 EGP
Cash flows from operating activities			
Net profit for the period before tax		319 254 681	324 129 628
Adjusted by:			
Depreciation of property, plant and equipment	(6)	97 391 177	76 943 277
Provisions formed	(13)	11 000 000	6 746 603
Provisions no longer required	(13)	--	(69 085)
Expected credit loss for other debit balances	(11)	188 241	164 789
Expected credit loss for cash and cash equivilant	(12)	2 774	--
Expected credit losses for accounts and notes receivables	(10)	11 619 404	--
Reversal of expected credit losses for accounts and notes receivable	(10)	--	(290 327)
Reversal of expected credit losses for other debit balances	(11)	--	(209 660)
Credit interest		(10 649 448)	(40 645 643)
Gian from sale of investment available for sale		--	(900 000)
Finance costs		299 849 427	381 536 541
Capital gain		(1 477 500)	(4 787 920)
		727 378 756	**742 618 203**
(Increase) in inventories and letter of credit		(234 828 787)	(174 414 805)
Decrease (increase) in accounts and notes receivable		250 634 087	(15 713 780)
(Increase) in debtors and other debit balances		(96 338 263)	(40 105 358)
(Increase) in due from related parties		(5 555 381)	(26 641 939)
(Decrease) / Increase in accounts and notes payable		(41 756 814)	40 899 689
(Decrease) in payables and other credit balances		(49 918 225)	(87 997 473)
Increase in due to related parties		--	7 152 452
Cash flows generated from operating activities		**549 615 373**	**445 796 989**
Tax paid		(73 969 392)	(117 527 372)
Provisions used	(13)	(3 226 969)	--
Net cash flows generated from operating activities		**472 419 012**	**328 269 617**
Cash flows from investing activities			
Proceeds from credit interest		10 649 448	40 645 643
(Payments) for purchases of property, plant and equipment *	(6)	(546 347 441)	(97 104 964)
Proceeds from sale of property, plant and equipment		1 477 500	5 233 600
(Payments) for projects under construction *		(39 711 683)	(196 048 390)
Net cash flows (used in) investing activities		**(573 932 176)**	**(247 274 111)**
Cash flows from financing activities			
Net proceeds (paid) from loans and credit facilities		544 879 260	371 754 033
Dividends paid		(46 616 443)	(81 627 276)
Interest paid		(296 370 375)	(375 301 871)
Net cash flows generated from (used in) financing activities		**201 892 442**	**(85 175 114)**
Net change in cash and cash equivalents during the period		**100 379 278**	**(4 179 608)**
Cash and cash equivalents at the beginning of the period		430 395 217	551 872 672
Expected credit loss on cash		(246 779)	(164 789)
Cash and cash equivalents at the end of the period	(12)	**530 527 716**	**547 528 275**

The following non-cash transactions were excluded during the period:

* The effect of non-cash transactions related to project under constraction transferred to property, plant and equipment (net) amounted to (EGP 208 210 152) , have been eliminated, in order to reach the amounts paid in cash for the purchases of property, plant and equipment.

The accompanying notes form an integral part of the consolidated financial statements and should be read there with.

Chief Financial Officer	Managing Director	Chief executive director
Mr /Ahmed Abaza	Mr / Sherif El Moalem	Eng / Ibrahim El Moalem

National Printing Company
"S.A.E."
Notes to the consolidated interim financial statements
For the period ended June 30, 2026

1- Overview of the Company and its subsidiaries (Group)

National printing Company "S.A.E." (The Parent) was incorporated under the provisions of Law No. 159 of 1981 and its executive regulations, The company was registered at the Commercial Register on June 5, 2006, under No. 14702.

2- Company purpose

The purpose of the company is owning, establishing, constructing, and operating companies and factories in all types of printing and its categories, using contemporary technologies and those that may emerge in the future, this includes cultural, industrial, artistic, and commercial printing, as well as binding, packaging, and wrapping.

Engaging in the ownership, establishment, and operation of companies and factories specializing in the production of all types of packages made from various materials such as paper, plastic, tinplate, aluminum, and others, in addition to manufacturing activities and, paper, and chemical industries and all manufacturing types and forms.

Owning, establishing, and operating companies and factories for the production of writing, printing, and drawing paper, wrapping and packaging paper, and cardboard (excluding kraft).

Owning, establishing, and operating companies and factories for the manufacture of packaging and packing materials in general.

National Printing Company currently owns the following rights in its subsidiaries:

	June 30, 2026	December 31, 2025
Subsidiary companies (direct ownership)	**Direct ownership interest**	**Direct ownership interest**
El Shorouk for Modern Printing and Packaging "Shorouk"	99.37%	99.37%

The Company currently indirectly controls the following rights in the companies listed below through Shorouk Company:

	June 30, 2026	December 31, 2025
Subsidiary company (indirect ownership)	**Direct ownership interest**	**Direct ownership interest**
Windosr company for Trading and Paper Manufacturing	99.00%	99.00%
EL Motaheda company for Manufacturing Paper and Cardboard " Uniboard"	52.212%	52.212%
El Baddar company for Packages	99.97%	99.97%

The consolidated interim financial statements for the financial period ended 30 June 2026 were approved by the Board of Directors on 12 August 2026.

3- Basis of preparation of the consolidated financial statements

The Consolidation financial statements have been prepared in accordance with the Egyptian Accounting Standards (EAS) and applicable related laws and regulations.

The Egyptian Accounting Standards require reference to the International Financial Reporting Standards (IFRS) for events and transactions for which no Egyptian accounting standard has been issued that specifies how they should be treated.

4- Critical accounting assumptions and key sources of estimation uncertainty

In the application of the Group accounting policies, management is required to make judgments, estimates and assumptions to determine the carrying amounts of assets, liabilities that cannot be clearly measured through other sources.

Those estimates and associated assumptions are based on management historical experience and other factors. That are considered to be relevant. Actual results may differ from the estimates, therefore these estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions of accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods (prospectively) if the revision affects both current and future periods.

Significant estimates in applying accounting policies

The following are the critical judgements and estimates practiced by management in the process of applying the Company's accounting policies, and that have the most significant effect on the amounts recognized in the consolidation financial statements

Key sources of uncertainty estimation

Useful life for tangible assets

The management determines the useful lives of the Property, plant and equipment based on the expected use of an asset, depreciation of the asset, and technological development according to management previous experience in this industry. A revision in an asset's life expectancy may affect its future depreciation which will be recorded in the statement of profit or loss.

Inventories write down

Inventory is reduced to its net realizable value if it's lower than the cost, net realizable value is estimated based on management's assumptions about slow moving or dormant items and market fluctuations

Expected credit losses for debtors and other debit balances and other current assets

Expected credit losses (ECL) represent a probability-weighted estimate of credit losses. Trade receivables are presented net of expected credit losses. The company applies the simplified approach under Egyptian Accounting Standard (EAS) 47 "Financial Instruments" when measuring expected credit losses, using a loss allowance based on lifetime expected credit losses for trade receivables.

To determine expected credit losses, trade receivables are grouped according to shared credit-risk characteristics and the aging profile of the outstanding balances. Historical loss rates are adjusted to reflect current and forward-looking information related to macroeconomic factors that may influence customers' ability to settle their receivables. The company may incorporate additional relevant factors to ensure that the expected credit loss estimate appropriately reflects the most correlated and significant indicators. Accordingly, historical loss rates are revised based on anticipated changes in these factors, while also considering the need to avoid undue cost or effort.

Expected credit losses are reassessed at each reporting date. Any increases or reversals in the expected credit loss allowance are recognized in profit or loss based on the updated assessment.

Provisions

Provisions are related to expected claims from certain authorities and parties related to the company's operations. Such claims cannot be reliably measured, so estimated amounts can differ in the future.

Deferred tax

The assessment of deferred tax assets and liabilities is based on management's judgment. Deferred tax assets are recognized, only if, they are probable to be utilized. Deferred tax asset arising from tax losses carried forward, is recognized to the extent that it is probable that a future taxable profit will be sufficient, against which those carried forward losses can be utilized. Estimation is based on variable factors, such as future operating results. If a difference is identified between the actual and estimated amount of the asset, this may reduce it to the extent to which sufficient future taxable profits will be available to allow the deferred tax asset to be recovered.

5- Accounting policies

The following are the significant accounting policies applied in the preparation of the Group's consolidated financial statements.

These policies have been applied consistently throughout the presented periods unless otherwise stated, and are outlined as follows:

A- Basis of consolidation

The consolidated financial statements represent the financial statements of the Parent Company and the entities that it controls (its subsidiaries) up till 31 December of each year. Control is achieved when the Company has power over the investee, is exposed to, or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect those returns.

The Company reassesses whether or not it still controls an investee and whether fact and circumstances indicate that there are changes to one or more of the three elements of control listed below.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee. The Company considers all relevant facts and circumstances to assess whether its voting rights are sufficient to give it power over the investee, including:

- The size of the Company's voting rights relative to the size and distribution of the other vote holders.
- Potential voting rights held by the Company, Other vote holders or other parties.
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has — or does not have — the current ability to direct the relevant activities at the times that decisions need to be made, including voting patterns at previous shareholders' meetings.

The consolidated statement of profit or loss and other comprehensive income includes the results of the subsidiaries acquired or disposed of during the period, from the actual date of acquisition and up to the actual date of disposal, as applicable.

Where necessary, adjustments are made to the financial statements of any Group entity to ensure consistency of its accounting policies with those applied by the other companies within the Group.

All intercompany transactions, balances, income, expenses, and cash flows between Group companies are fully eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries (excluding goodwill) are presented separately from the equity of the Parent Company's shareholders. Non-controlling interests consist of the value of those interests at the original date of consolidation, together with their share in changes in equity since the date of consolidation.

The Company allocates profit or loss and each component of other comprehensive income to the owners of the Company and to non-controlling interests. Total comprehensive income is allocated to owners of the Company and to non-controlling interests even if this results in the non-controlling interests holding a deficit balance.

B- Business combination

Accounting for acquisitions of subsidiaries and businesses are accounted for using the acquisitions method, unless the transaction does not constitute an acquisition in form or substance. Application of the purchase method involves the following steps:

• Identifying an acquirer,

• Measuring the cost of the business combination; and

• Allocating, at the acquisition date, the cost of the combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is measured based on the aggregate fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, in addition to any directly attributable to the business combination.

The acquirer recognizes the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under EAS (29)"Business Combination" at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with EAS (32) "Non-current Assets Held for Sale and Discontinued Operations", that are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition date is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

If, after revaluation, the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in statement of profit or loss..

In the consolidation of enterprises and business activities that are under the joint control of the group (Entities under common control), the group treats the differences between the cost of business consolidation and the book value of the net assets and liabilities of the acquired companies - resulting from acquisitions made in stages-as a joint control reserve within Shareholders ' Equity if the phased acquisitions do not result in a change in the principle of absolute control of the group over enterprises or companies that are grouped before and after acquisitions. The same policy is also applied in cases where the Group acquires an interest in the non-controlling shareholders' equity of its subsidiaries.

In such cases as referred to in the previous paragraph, the carrying amount of the net assets and recognized contingent liabilities of the acquired entities is determined based on their fair value at the date on which the Group first obtained control over the acquiree, taking into consideration the changes in the equity components of that entity that occurred during the period from the date of initial control up to the date on which the Group increased its ownership interest.

The non-controlling interest in an acquiree is initially measured at the non-controlling interest proportionate share in the fair value of the assets, liabilities and contingent liabilities recognized.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

A business combination agreement may allow for adjustments to the cost of the combination that are contingent on one or more future events. The Group usually estimates the amount of any such adjustment at the time of initially accounting for the combination, even though some uncertainty exists. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is adjusted accordingly.

However, when a business combination agreement provides for such an adjustment, that adjustment is not included in the cost of the combination at the time of initially accounting for the combination if it either is not probable or cannot be measured reliably. If that adjustment subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

C- <u>Financial investments available for sale</u>

Available-for-sale financial investments are initially recognized at the date of acquisition at fair value plus transaction costs, which include fees and commissions paid to agents, consultants, brokers and dealers, as well as taxes imposed by regulatory authorities and stock exchanges, in addition to transfer taxes and fees.

Subsequently, these investments are measured at fair value at the date of the financial statements, with gains or losses arising from changes in fair value recognized directly in equity until the investments are derecognized from the Company's books. Upon derecognition, the cumulative gains or losses previously recognized in equity are reclassified and recognized immediately in the statement of profit or loss.

The cost method is used to measure financial investments in equity instruments classified as available-for-sale financial assets when such investments are not listed on a stock exchange, do not have quoted prices in an active market, or when their fair value cannot be measured reliably.

If, at the date of the financial statements, there is objective evidence of impairment of available-for-sale financial investments, the cumulative losses previously recognized in equity are reclassified and recognized immediately in the statement of profit or loss, even if the investments have not been derecognized from the books.

D- <u>Impairment of non - financial assets</u>

On annual basis, the Company reviews the carrying amounts of its intangible assets to determine whether there are any indications that those assets have suffered an impairment loss . If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and those not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The recoverable amount of an asset (or cash-generating unit) is represented in the higher of "fair value less costs to sell" or "value in use".

Future estimated cash flows from use of an asset (or cash-generating unit) are discounted using discount rate before tax to reach the present value for these cash flows which represent their value in use. This rate reflects the current market estimates for the time value of money and the risks related to this asset that have not been taken into consideration when estimating the future cash flows generated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior Period. A reversal of an impairment loss is recognized immediately in profit or loss.

E- <u>Property, planet and equipment and depreciation</u>

All items of property, plant, and equipment are presented in the statement of financial position at historical cost, which represents their fair value at the acquisition date, less accumulated depreciation and accumulated impairment losses, except for land and artwork, which is stated at cost less impairment losses. The cost of a fixed asset includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the assets carrying amount or recognized separately depending on the case only when it is probable that future economic benefits associated with the item will flow to the company and the acquisition cost of the item can be measured reliably. Repair and maintenance expenses are charged to the profit or loss statement for the financial Period in which they are incurred.

Gains and losses arising from the disposal of fixed assets are determined based on the difference between the net disposal proceeds and the net carrying amount of those assets and are included in the profit or loss statement.

Assets that are still under construction (projects under construction) and intended for future productive or administrative use are recorded at cost less impairment losses. This cost includes consultancy fees. Depreciation of these assets begins when they become ready for use in the purposes for which they were constructed, following the same basis used for depreciating other fixed assets.

Other assets are presented under property, plant, and equipment due to their association with those assets. These other assets are recognized at cost and subsequently measured at cost less accumulated depreciation. The cost of property, plant, and equipment excluding projects under construction, land, and artwork is depreciated using the straight-line method over their estimated useful lives as follows:

Asset	Estimated useful life (in years)	Depreciation ratio
Building and constructions	33.3-50	2%-3%
Machines and equipment	10-15.38	6.5%-10%
Vehicles	4-5	20%-25%
Tools, equipment, furniture, and fixtures	3-50	6%-33%
Leasehold improvements	10	10%

Accounting Treatment of the Hermes Loan

The Company entered into agreements to sell fixed assets it owns and that are ready for use in their current condition to EFG Hermes Leasing, and subsequently lease back the same assets from the same buyer under a finance lease contract. It is noted that the Company had been using these assets in its regular operations without interruption prior to entering into these agreements. These sale and leaseback arrangements essentially represent a financing arrangement secured by the sold assets.

Since the sale and leaseback transactions of fixed assets in this case represent a "financing arrangement secured by the sold assets" rather than an actual sale, the lessee Company should not derecognize the sold fixed assets from its books. Instead, it should continue to present the sold and lease back fixed assets in its financial statements without any change in their carrying amounts, and continue to depreciate them based on their remaining useful lives as of the date of the sale and leaseback, even if those remaining useful lives exceed the term of the finance lease contract. This is because ownership of the leased assets will automatically revert to the selling lessee companies at the end of the lease term, free of charge and without prior notice to the buyer-lessor, provided that the lessee continues to make lease payments on time.

The fair value of the Company's land

On March 6, 2023, Prime Ministerial Decree No. 883 for the year 2023 was issued, amending and reissuing certain provisions of the Egyptian Accounting Standards. According to the amended Standard No. 10 for Fixed Assets, the use of the revaluation model is now allowed for subsequent measurement of fixed assets and intangible assets, retroactively, with the cumulative effect of applying the revaluation model initially added to the revaluation surplus account alongside ownership rights at the beginning of the financial period in which the company applies this model for the first time. And when an item of property, plant and equipment is revalued, the whole class of assets to which it belongs should be revalued as well.

In accordance with the Board of Directors' resolution of Shorouk Printing Company held on December 24, 2023, the company's management used the fair value model to evaluate the company's lands class of assets.

In accordance with the resolution issued by the management of El Motaheda for Manufacturing paper and Carton, the Company's management has applied the fair value model in measuring the Company's land.

F- <u>Projects under construction</u>

Projects under construction is recorded at cost, net of any impairment that may affect its carrying amount. The cost of such projects includes all expenditures related to acquiring or constructing the asset until it becomes ready for use, at which point depreciation begins in accordance with the same principles applied to similar property, plant, and equipment. Projects under construction also includes the cost of new projects and purchased equipment that has not yet been put into use.

G- Recognition and measurement of revenue

Revenue result from sale goods

The company recognizes revenue from contracts with customers based on a five-step model as specified in the Egyptian accounting standard no. (48) - Revenue from contracts with customers.

Step 1: identify the contract with the customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.

Step 3: determine the transaction price: the transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligation in the contract: for a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: recognize revenue when (or as) the entity satisfies the performance obligation.

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

1-The customer receives the benefits resulting from the Company's performance and consumes them at the same time it is being executed; or

2- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3- The company's performance does not result in the creation of an asset with no alternative use, and the company has the right to collect consideration for the completed performance until the date of completion.

For performance obligations, where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

The company should consider contract terms, in addition to any laws applicable to the contract, when assessing whether it has any right to consideration on completed performance obligation.

The right to consideration on completed performance obligation does not have to be fixed amount.

The entity must have the right to a consideration during the period of the contract in the case of cancellation of the contract by the customer or by another party for reasons other than delivering performance obligations.

Assessing the existence and necessity of the right of collection and whether the company's right to collection will give it the right to be paid for the performance completed to date.

Performance obligation recognized at a point in time:

If performance obligation isn't satisfied over a period of time, then the company recognizes it at a point of time. And to determine that point in time in which the customer receives control over the promised good or service and the company satisfies its performance obligation, the entity must take into consideration the indications of transferring control to the customer which include but not limited to the following:

1-If the entity has a present right to consideration.

2-If the entity has the legal right to the asset.

3-If the entity transferred the physical possession of the asset.

4-If the customer obtained the significant risks and benefits related to the asset.

5-The customer acceptance of the asset.

Sales of Goods:

Sales are recognized when the product is delivered to the customers and there are no obligations that would prevent the customers from accepting the products. Accordingly, all risks and rewards have been transferred to the customers. In cases where the customers accept the products in accordance with the sales contract, the Company's management has objective evidence that all delivery conditions have been fulfilled.

Government grants

Government grants received by the Group as compensation for expenses or losses already incurred are considered financial support that is not linked to future costs. Such grants are recognized within other operating income in the statement of profit or loss in the financial period in which they are received, based on the supporting documentation submitted and their approval by the relevant official authorities.

Credit interest

Interest income is recognized on an accrual basis using the effective interest rate method, taking into account the outstanding principal amount and the effective interest rate over the period up to the date of maturity.

Other revenues

Other operating income is recognized based on the accrual basis.

H- Translation of foreign currencies

The Egyptian Pound has been designated as the functional currency, as it is the primary currency in which most of the company's cash inflows and outflows are conducted. Transactions in currencies other than the Egyptian Pound are recorded at the effective exchange rates on the date of the revaluation. At the date of preparing the financial statements, monetary assets and liabilities in foreign currencies are revaluated into Egyptian Pounds using the effective exchange rates at that date. Foreign exchange gains and losses resulting from this revaluation are recognized in the profit or loss statement for the financial period in which they arise.

Non-monetary items in other currencies which are measured initially at historical cost aren't revaluated subsequently.

I- Tax

Current income tax

Taxes are determined in accordance with the Egyptian law on income tax No. 91 of 2005 and its executive regulations and amendments, and the necessary provisions are formed to meet the potential tax according to the results of the examination and study prepared by the company's management in this regard, the value of income tax is the sum of the tax due for the period and deferred taxes.

The tax profit for the Period is determined based on tax regulations. The company's tax liabilities for the Period are calculated using the tax rates applicable at the date of preparation of the financial statements.

Deferred tax

Deferred tax assets and liabilities are recognized on temporary differences between the assets and liabilities tax basis set by the Egyptian Tax Law and its executive regulations, and their carrying amounts per the accounting principles used in the preparation of the financial statements. Accordingly, as of the financial statements date, the company's statement of profit or loss is charged with the tax burden for the period which represents the value of current tax in addition to deferred tax.

Current tax payable is calculated based on taxable profit of the Period as determined in accordance with applicable local laws and regulations using tax rates enacted as of the financial statements date. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted at the financial statements date.

Deferred tax is recognized as profit or loss in the statement of profit or loss except when it relates to items charged directly to equity, in which case the deferred tax is also dealt with in equity. Generally, various deferred tax liabilities are recognized (resulting from future taxable temporary differences) whereas deferred tax assets shall not be recognized except to the extent that it is highly probable that these assets can be used to reduce the future taxable profits or there is convincing evidence that sufficient taxable profits will be available in the future. The carrying amount of deferred tax assets is reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are accounted for using the financial position liability method and are reported as non-current assets and liabilities.

J- **Inventories**

Inventory is recognized at cost, and the cost of inventory issued is measured using the weighted average cost method. At the end of the period, inventory is valued at the lower of cost or net realizable value.

The following are the bases applied in determining the cost of all inventory items:

Raw materials (main, auxiliary and spare parts)

Cost is determined by using the weighted average method in pricing the outgoing from warehouses.

Work in process

The cost for each production stage of the work orders is calculated to include both direct and indirect costs up to the stage that production has reached.

K- **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using estimated cash flows to settle the present obligation, the carrying amount of the provision represents the present value of those cash flows. If the cash flow is discounted, the carrying amount of the provision increases in each period to reflect the time value of money. This increase in the provision is recognized as a finance cost in the profit or loss statement.

L- **Short-term employee benefits**

Wages, salaries, paid annual and sick leave, bonuses, and other non-cash benefits provided in exchange for employee services are recognized on an accrual basis in the financial period during which those services are rendered to the Company and its subsidiaries.

M- **Dividends distribution**

Dividends to shareholders, as well as the Board of Directors' and employees' share in such dividends, are recognized as a liability in the financial statements in the period during which these distributions are approved by the Company's shareholders.

Employee shares of profit

In accordance with the Articles of Association of the Parent Company and its subsidiaries, and the provisions of the Companies Law No. 159 of 1981 and its Executive Regulations, 10% of the distributed profits after deducting the legal reserve withheld from those profits is allocated as the employees' share in profits, provided that this share does not exceed the total annual wages of the employees of each company. The employees' share in profits is recognized as a distribution of dividends within equity and as a liability in the financial period in which it is approved by the Company's shareholders. Since the legal obligation to distribute a share of profits to employees is an inherent right of the General Assembly of Shareholders, no liability is recognized for employees' share of undistributed profits.

N- **Borrowing and credit facilities**

Borrowings and credit facilities obtained by the Group are initially recognized at the fair of the consideration received; net of transaction costs incurred. These loans and facilities are subsequently measured at amortized cost, with the statement of profit or loss recognizing, over the life of the loan or facility and using the effective interest method, the difference between the cash proceeds received (net of transaction costs) and the amount repayable at maturity.

O- Borrowing cost

Finance cost directly related to construction of the asset is capitalized for that asset, These borrowing cost is capitalized within the cost of the asset when it is expected that it will create future economic benefits for the entity and there is an ability to measure the cost reliably. Other borrowing costs are an expense that is incurred in the period in which the entity incurred that cost.

When borrowings are obtained generally and the borrowed funds are used to acquire a qualifying asset that is eligible for capitalization of borrowing costs, the amount of borrowing costs to be capitalized is determined by applying a capitalization rate to the expenditures on that asset. This rate is calculated based on the weighted average borrowing cost of the entity for the outstanding borrowings during the period, after excluding borrowings that were specifically arranged for the purpose of acquiring a particular qualifying asset. The amount of borrowing costs capitalized during a period must not exceed the amount of borrowing costs incurred during that period.

When the book value or the expected total cost of the qualifying asset exceeds the value that can be recovered from it or its net sales value, then that increase is reduced or excluded from the book value in accordance with the requirements of other standards, and in certain circumstances, the value of reduction or disposal is raised again on the value Carrying the asset in accordance with those other criteria.

P- Financial instruments

Initial recognition

Trade receivables, debtors, other receivable balances, and issued debt instruments are initially recognized on the date on which they originate. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable that does not contain a significant financing component) or a financial liability is initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the item, for those not classified at fair value through profit or loss. Trade receivables that do not contain a significant financing component are initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

At initial recognition, a financial asset is classified and measured at: amortized cost, or fair value through other comprehensive income (for debt investments), or fair value through other comprehensive income (for equity investments), or fair value through profit or loss.

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets. In such a 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 measured at amortized cost when both of the following conditions are met, unless it is classified as measured at fair value through profit or loss:

- It is held within a business model whose objective is to hold the assets in order to collect the contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

A debt investment is measured at fair value through other comprehensive income when both of the following conditions are met, unless it is classified as measured 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 outstanding principal amount.

At initial recognition of an equity investment that is not held for trading, the Company may make an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are measured at fair value through profit or loss. This category includes all derivative financial assets.

At initial recognition, the Company may irrevocably designate a financial asset that does not meet the requirements to be measured at amortized cost or at fair value through other comprehensive income as measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Financial assets – Business model evaluation

The Company assesses the objective of the business model within which a financial asset is held at the portfolio level, as this best reflects how the business is managed and how information is provided to management. The information considered in this assessment includes the following:

- The stated policies and objectives of the portfolio and how those policies are implemented in practice. This includes whether management's strategy focuses on earning contractual interest revenue, maintaining a specific interest rate profile, matching the duration of the financial assets with the duration of any related liabilities or expected cash outflows, or generating cash flows through the sale of assets

- How the performance of the portfolio is evaluated and how reporting on the portfolio is provided to the Company's management

- The risks that affect the performance of the business model (and the financial assets held within that model) and how these risks are managed

- How business activity managers are compensated — for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows collected; and

- The frequency, volume, and timing of sales of financial assets in previous periods, the reasons for such sales, and expectations regarding future sales activity

Transfers of financial assets to other parties through transactions that do not qualify for derecognition are not considered sales for this purpose, and the Company continues to recognize these assets.

Financial assets that are held for trading, or that are managed and whose performance is evaluated on a fair value basis, are measured at fair value through profit or loss.

Financial assets – Assessing whether the contractual cash flows represent solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the outstanding principal amount over a specified period of time, and other basic lending risks and costs (such as liquidity risk and administrative costs), as well as a profit margin.

When assessing whether the contractual cash flows represent solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes evaluating whether the financial asset contains contractual terms that may change the timing or amount of the contractual cash flows if certain conditions are not met. In performing this assessment, the Company considers the following:

- Possible events that could change the value or the timing of the cash flows;

- Terms that may result in changes to the contractual interest rate, including variable interest rate features;

- Prepayment terms and the duration of the financing period; and

- Terms that prevent the Group from claiming cash flows from specified assets (for example, non-recourse terms).

Prepayment terms are consistent with the 'solely payments of principal and interest' principle if the amount of the prepayment substantially represents the outstanding principal and interest on the outstanding principal amount, which may include reasonable additional compensation for early termination.

Furthermore, for financial assets acquired at a discount or premium to their contractual par amount, a prepayment feature that permits or requires repayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is considered consistent with this principle, provided that the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including interest income and dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These 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 losses are recognized in profit or loss. Any gains or losses arising from derecognition are also recognized in profit or loss.

Debt investments at fair value through other comprehensive income

These assets are measured at fair value. Interest income is calculated using the effective interest method, and foreign exchange gains and losses and impairment losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. Upon derecognition, the accumulated gains and losses previously recognized in other comprehensive income are reclassified to profit or loss.

Equity investments at fair value through other comprehensive income

These assets are measured at fair value. Dividend income is recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and profit or loss

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is designated as such upon initial recognition, if it is held for trading, or if it is a derivative instrument.

Financial liabilities

Financial liabilities measured at fair value through profit or loss are measured at fair value, and net gains and losses including interest expenses are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition are also recognized in profit or loss.

Derecognition

Financial assets

The company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive the contractual cash flows through a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or through a transaction in which the company neither transfers nor retains substantially all the risks and rewards of ownership, but does not retain control of the financial asset.

The company enters into transactions in which it transfers assets that are recognized in the statement of financial position but retains all or substantially all the risks and rewards of ownership of the transferred assets. In such transactions, the transferred assets are not derecognized.

Financial liabilities

The company derecognizes a financial liability when its 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 this case, a new financial liability is recognized at fair value based on the modified terms.

Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

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

Impairment of assets

Non-derivative financial assets

Financial instruments and contracts' assets

The company recognizes loss allowances for expected credit losses from::

- Financial assets measured at amortized cost;
- Debt investments measured at fair value through other comprehensive income;
- Contracts assets.

The company measures loss allowances for expected credit losses that are disclosed within trade receivables, debtors, and other receivable balances.

The company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following items for which loss allowances are measured at an amount equal to 12-month expected credit losses:

- Debt securities that have low credit risk at the reporting date; and
- Other debt securities and bank balances for which the credit risk has not increased significantly since initial recognition (that is, the risk of default occurring over the expected life of the financial instrument).

The company measures loss allowances for trade receivables, debtors, and contract assets at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition, and when estimating expected credit losses, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative analyses and data, based on the company's past experience, data-driven credit assessments, and forward-looking information.

The company considers a financial asset to be credit-impaired when:

- It is unlikely that the customers or debtors will fulfill all of their credit obligations to the company without the company having to take actions such as enforcing any collateral (if any); or
- The financial asset is more than 90 days past due.

Lifetime expected credit losses represent the expected credit losses that arise from all possible default events over the expected life of a financial instrument. Twelve-month expected credit losses represent the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the instrument's expected life is less than 12 months).

The maximum period considered when measuring expected credit losses is the maximum contractual period during which the company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses represent the probability-weighted estimate of credit losses. Expected credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the contractual cash flows that are due to the entity in accordance with the contract and the cash flows that the company expects to receive). Expected credit losses are discounted using the financial asset's effective interest rate.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income have become credit-impaired. A financial asset is considered to be "credit-impaired" when one or more events occur that have a detrimental impact on the estimated future cash flows of the asset.

Objective evidence that a financial asset is credit-impaired includes observable data relating to the following events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as default in payments.
- Rescheduling a loan or an advance by the company on terms that the company would not have accepted under other circumstances; or
- It is probable that the debtor will enter bankruptcy or be subject to another financial restructuring.

Presentation of 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 assets.

For debt instruments measured at fair value through other comprehensive income, the loss allowance is recognized in profit or loss, while the corresponding entry is recognized in other comprehensive income.

Write-off policy

The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering the financial asset in whole or in part. The company generally does not expect to recover a significant portion of amounts that have been written off. However, financial assets that have been written off may still be subject to enforcement activities in order to comply with the company's procedures for recovering outstanding amounts.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. An impairment loss is recognized when 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 unit, and then to reduce the carrying amounts of the other assets in the unit on a pro-rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial asset, or, where appropriate, a shorter period to the carrying amount of the asset on initial recognition.

Interest income from debt instruments that are subsequently measured at amortized cost is recognized in profit or loss based on the effective interest rate, and this interest income is presented under the 'Finance Income' line item.

Q- Cash and cash equivalent

Cash and cash equivalents include cash on hand, bank current accounts, and time deposits with maturities not exceeding three months that are readily convertible into known amounts of cash.

R- Trade payables

Payables are not interest bearing and are stated at their nominal value.

S- Legal reserve

In accordance with Law No. 159 of 1981 and the Company's Articles of Association, 5% of the annual net profit is appropriated to form the legal reserve until the balance of such reserve reaches 50% of the issued capital. Should the legal reserve fall below this limit, the appropriation shall be resumed. The legal reserve shall be used only by a resolution of the General Assembly based on a proposal from the Board of Directors and in a manner that serves the interests of the Company. This reserve is non-distributable.

For the purposes of preparing the consolidated financial statements, reserves created by subsidiaries after the acquisition date are included within the Group's retained earnings rather than being presented as a separate component of equity. Accordingly, the legal reserve presented in the consolidated financial statements relates to the parent company only.

T- Cash flow statement

The statement of cash flows has been prepared using the indirect method. For the purposes of preparing the statement of cash flows, cash and cash equivalents consist of cash on hand, current accounts, and bank deposits with maturities not exceeding three months.

U- Earnings per share

Basic earnings per share are disclosed. Basic earning per share are calculated by dividing the profit or loss attributable to the company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. To determine the net profit attributable to ordinary shareholders, the employees' profit share and the Board of Directors' remuneration are deducted.

V- Sources of fair value estimation

The application of the accounting policies set out in Note (4) requires management to use estimates and assumptions in determining the carrying amounts of assets and liabilities that cannot be measured clearly through other sources.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of preparation of the consolidated financial statements. The fair value of financial instruments that are not traded in active markets is determined using valuation techniques that take into account market conditions at the date of preparation of the consolidated financial statements.

W- Investment properties

Initial recognition of investment properties is made at purchase cost together with any directly attributable expenses.

Subsequent measurement of investment properties is carried out either using the cost model or the fair value model in accordance with the amendments to the Egyptian Accounting Standards issued on 6 March 2023.

After initial recognition, an entity that chooses the fair value model must measure all of its investment properties at fair value.

The Company has chosen the fair value model for the subsequent measurement of investment properties, pursuant to the Board of Directors' resolution of El-Baddar for Packages company dated 24 September 2023.

If the carrying amount of an investment property increases as a result of measuring it at fair value, the increase shall be recognized in other comprehensive income and accumulated within equity under the title "Fair Value Revaluation Surplus of Investment Property." However, the increase shall be recognized in profit or loss to the extent that it reverses a decrease in the fair value of the same investment property previously recognized in profit or loss. This surplus is treated in the same manner as the revaluation model under Egyptian Accounting Standard (EAS) No. (10) "Property, Plant and Equipment and Their Depreciation."

If the carrying amount of an investment property decreases as a result of measuring it at fair value, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus related to that investment property, and the decrease recognized in other comprehensive income reduces the accumulated amount within equity under the title "Fair Value Revaluation Surplus of Investment Property."

If the market value of these investment properties becomes impaired below their net carrying amount, an impairment loss provision shall be recognized and charged to the statement of comprehensive income. Investment properties are presented in the financial position after deducting accumulated impairment losses, if any.

X- Share-based compensation

The cost of a cash-settled award granted to employees is measured by reference to the fair value of the liability at each consolidated balance sheet date until settlement. This cost is recognized as an employee benefit expense in the consolidated statement of income with the corresponding recognition of a liability on the consolidated balance sheet.

The cost of both the equity-settled and cash-settled awards is recognized over the vesting period, which is the period over which the employees render the required service for the award and any non-market performance condition attached to the award is required to be met. Additionally, for a cash-settled award, any changes in the fair value of the liability between the vesting date and the date of its settlement are also recognized in the consolidated statement of income within employee benefit expense.

In determining the fair value of an equity-settled or cash-settled award, an appropriate valuation method is applied. Service and non-market performance conditions are not taken into account in determining the fair value of the award, but during the vesting period the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of awards that are expected to vest. Any market performance conditions and non-vesting conditions are taken into account in determining the award's fair value.

6. Property, plant and equipment (Net)

	Land*	Buildings, constructions	Machinery & equipment	Vehicles	Tools	Furniture, computers	Artistic ownership	Leasehold improvements	Total
Cost	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as of January 1, 2025	436 563 823	456 063 893	1 633 514 525	63 585 245	128 218 515	55 797 352	56 200	2 000 000	2 775 799 553
Additions during the year	–	24 787 194	114 602 776	41 866 131	81 033 938	18 275 274	–		280 565 313
Transferred from projects under construction (Note7)	–	10 632 938	133 397 327	–	13 711 929	–	–	–	157 742 194
Surplus from the revaluation of fixed assets at fair value*	367 259 025	–	–	–	–	–	–	–	367 259 025
Disposals during the year	–	(971 640)	(531 895)	(5 545 367)	–	–	–	–	(7 048 902)
Cost as of December 31, 2025	803 822 848	490 512 385	1 880 982 733	99 906 009	222 964 382	74 072 626	56 200	2 000 000	3 574 317 183
Additions during the period	–	15 391 138	504 890 755	224 988	21 620 059	4 220 501	–	–	546 347 441
Transferred from projects under construction (Note.7)	–	104 671 300	102 626 949	–	451 000	402 961	–	–	208 152 210
Disposals during the period	–	–	–	(868 700)	–	–	–	–	(868 700)
Cost as of June 30, 2026	803 822 848	610 574 823	2 488 500 437	99 262 297	245 035 441	78 696 088	56 200	2 000 000	4 327 948 134
Accumulated Depreciation									
Accumulated Depreciation as of January 1, 2025	–	75 892 718	525 120 411	38 087 383	59 739 278	21 255 562	–	–	720 095 352
Depreciation for the year	–	12 708 086	102 750 852	10 633 669	29 497 426	6 736 947	–	317 060	162 644 040
Accumulated depreciation for disposals	–	(695 230)	(258 782)	(4 278 169)	–	–	–	–	(5 232 181)
Accumulated Depreciation as of December 31, 2025	–	87 905 574	627 612 481	44 442 883	89 236 704	27 992 509	–	317 060	877 507 211
Depreciation for the period	–	7 037 615	61 098 042	7 368 093	17 008 877	4 653 005	–	225 545	97 391 177
Accumulated depreciation for disposals	–	–	–	(868 700)	–	–	–	–	(868 700)
Accumulated Depreciation as of June 30, 2026	–	94 943 189	688 710 523	50 942 276	106 245 581	32 645 514	–	542 605	974 029 688
Impairment balance as of December 31, 2025	–	3 157 592	13 950 875	–	–	–	–	–	17 108 467
Impairment balance as of June 30, 2026	–	3 157 592	13 950 875	–	–	–	–	–	17 108 467
Net book value as of June 30, 2026	803 822 848	512 474 042	1 785 839 039	48 320 021	138 789 860	46 050 574	56 200	1 457 395	3 336 809 979
Net book value as of December 31, 2025	803 822 848	399 449 219	1 239 419 377	55 463 126	133 727 678	46 080 117	56 200	1 682 940	2 679 701 505

*According to the decision of the management of El Motaheda for Manfacturing paper and Carton Company in December 2025, the company adopted the fair value model in measuring its land. Refer to Note (27).

**The additions balance of machinery and equipment during the period includes an amount of EGP 37,326,496, representing the borrowing costs related to the Abu Dhabi Islamic Bank loan, which were recognized by El Motehada Company for Paper and Carton Manufacturing during the period of preparing the machinery and equipment for their intended use.

*** Depreciation for the period was allocated as following :	For the financial period ended June 30, 2026	For the financial period ended June 30, 2025
	EGP	EGP
Cost of sale	85 144 534	70 151 531
General and administrative	11 992 184	6 690 483
Selling and marketing	254 459	101 263
	97 391 177	76 943 277

7- Projects under construction

Description	June 30, 2026 EGP	December 31, 2025 EGP
Advances payment to purchase fixed asset (Tools & Machinery – Vehicles)	74 443 074	153 235 642
Projects under construction - constructions and machines	9 186 249	117 565 790
Land plot in Gesr El Suez	2 400 000	2 400 000
Land plot of the General Authority for Industrial Development*	101 835 944	96 685 662
The administrative unit of Shorouk Company**	22 942 344	20 060 661
Other	11 584 988	885 371
	222 392 599	**390 833 126**

*On July 20, 2025, the Urban Communities Authority – Sadat City Development Authority approved the allocation of land plot No. (H\1) in the Fifth Southern Industrial Zone in Sadat City to El-Motehada for Manufacturing Paper and Cardboard Co "Uniboard", with a total area of 60,000 square meters, for the purpose of establishing an industrial project for paper and cardboard pressing activity, the company paid 10% of the land value as a down payment. El-Motehada for Manufacturing Paper and Cardboard Co "Uniboard is committed to pay the remaining balance of the land value after a grace period of two years from the date of the down payment. The remaining amount will be paid in sixteen installments (quarterly installments) over a period of four years, ending on April 19, 2031, in accordance with the interest rate agreed upon with Sadat City Development Authority. (Refer to Note 17)

** During the year 2025, a contract was executed between Shorouk for Modern Printing and Packaging Company and Star Light for Real Estate and Tourism Development Company, whereby Shorouk for Modern Printing and Packaging Company expressed its intention to acquire an administrative unit in the Katameya Creeks project located in the Extension of Al Narges area – New Cairo City. The total area of the unit is 191 square meters, for a total consideration of EGP 24 600 000, payable in 13 installments commencing in 2025 and ending in 2028. Shorouk for Modern Printing and Packaging Company shall be notified of the unit delivery date once the administrative unit becomes ready for delivery. (Refer to Note 17)

The movement of projects under construction during the period /year was as the following:

Description	June 30, 2026 EGP	December 31, 2025 EGP
Opening balance period / year	390 833 126	217 168 215
Additions during the period / year	39 711 683	331 407 105
Transferred to fixed assets (Note 6)	(208 152 210)	(157 742 194)
Ending balance period / year	**222 392 599**	**390 833 126**

8- Other long-term investments

Description	Number of shares Owned	Nominal Value	June 30, 2026 EGP	December 31, 2025 EGP
Dar Mayo National Publishing Company	2 000	10 EGP	20 000	20 000
Less: Impairment in investment			(20 000)	(20 000)
			--	--

9- Inventories (net)

Description	June 30, 2026 EGP	December 31, 2025 EGP
Raw material	1 169 594 316	1 064 360 440
Supporting materials	50 359 167	44 772 241
Spare parts	317 020 758	258 439 818
Finished goods and work in process	258 142 042	171 797 362
Packaging materials	18 369 180	11 982 976
Goods in transit	5 496 220	34 623 461
	1 818 981 683	**1 585 976 298**
Less: Inventories impairment provision	(10 496 711)	(10 496 711)
	1 808 484 972	**1 575 479 587**

* There was no movement in inventory impairment during the current period or prior period.

10-Accounts and notes receivable (net)

Description	June 30, 2026 EGP	December 31, 2025 EGP
Local customer accounts receivable	1 285 641 612	1 353 704 506
Local customer accounts receivables - related parties (Note 30)	62 894 726	155 866 568
Foreign customer accounts receivable	78 361 544	62 981 730
Notes receivable	159 652 897	262 132 062
	1 586 550 779	**1 834 684 866**
Less: Expected credit loss for accounts and notes receivable	(70 055 594)	(58 236 190)
	1 516 495 185	**1 776 448 676**

Below is the movement of expected credit loss during the period:

Description	Balance January 1, 2026 EGP	Formed during the period EGP	Reversal during the period EGP	Balance as of June 30 ,2026 EGP
Expected credit loss	58 236 190	11 819 404	--	70 055 594
Total	**58 236 190**	**11 819 404**	**--**	**70 055 594**

Below is the movement of expected credit loss during the prior year:

Description	Balance January 1, 2025 EGP	Formed during the year EGP	Reversal during the year EGP	Balance as of December 31,2025 EGP
Expected credit loss	57 422 337	813 853	--	58 236 190
Total	**57 422 337**	**813 853**	**--**	**58 236 190**

11-Receivables and other debit balances (net)

Description	June 30, 2026 EGP	December 31, 2025 EGP
Advances payments to suppliers	110 814 121	72 125 958
Tax Authority – withholding tax	80 931 974	88 093 988
Tax Authority – advances under income tax payable	49 136 688	35 614 740
Tax Authority – value added tax	127 666 200	135 919 208
Deposits with others **	36 662 677	36 789 727
Employees' custodies	21 069 625	11 327 523
Advances payments under dividend payable *	80 899 246	67 564 701
Export subsidies	179 092 499	192 910 012
Customs custody	55 149 491	16 940 824
Prepaid expenses	30 737 307	13 337 904
Letter of guarantee margins	6 563 500	13 032 815
Other debit balances	20 580 542	19 308 211
	799 303 870	**702 965 611**
Less: Expected credit loss for other debit balances	(4 864 051)	(4 675 810)
	794 439 819	**698 289 801**

* The balance represents in the dividends paid in advance to the employees subjected to presentation of the dividends plan proposed from the board of directors to be approved by the General Assembly.

** The balance of deposits with others includes an amount of EGP 23 265 321 paid to the Egyptian General Petroleum Corporation as a security deposit for gas consumption, in accordance with the gas supply agreement between one of the Group companies and GASCO. It also includes an amount of EGP 2 740 500 paid to Behera Electricity Company as a security deposit for electricity consumption.

Below is the movement of expected credit loss during the period:

Description	Balance January 1, 2026 EGP	Formed during the period EGP	Reversal during the period EGP	Balance as of June 30, 2026 EGP
Expected credit loss for the debit balances	4 675 810	188 241	--	4 864 051
Total	**4 675 810**	**188 241**	**--**	**4 864 051**

Below is the movement of expected credit loss during the prior year:

Description	Balance January 1, 2025 EGP	Formed during the year EGP	Reversal during the year EGP	Balance as of December 31, 2025 EGP
Expected credit loss for the debit balances	4 905 273	--	(229 463)	4 675 810
Total	**4 905 273**	**--**	**(229 463)**	**4 675 810**

12-Cash and cash equivalents (net)

Description	June 30, 2026 EGP	December 31, 2025 EGP
Cash on hand	18 992 560	15 515 467
Current accounts with banks – local currency	257 857 138	259 917 902
Current accounts with banks – foreign currency	253 924 797	152 730 335
Checks under collection	--	2 231 513
	530 774 495	**430 395 217**
Less: Expected credit loss for cash and cash equivalent	(246 779)	(244 005)
	530 527 716	**430 151 212**

Below is the movement of expected credit loss during the period:

Description	Balance January 1, 2026 EGP	Formed during the period EGP	Reversal during the period EGP	Balance as of June 30 ,2026 EGP
Expected credit loss for bank balances	244 005	2 774	--	246 779
Total	**244 005**	**2 774**	**--**	**246 779**

Below is the movement of expected credit loss during the prior year:

Description	Balance January 1, 2025 EGP	Formed during the year EGP	Reversal during the year EGP	Balance as of December 31,2025 EGP
Expected credit loss for bank balances	219 721	24 284	--	244 005
Total	**219 721**	**24 284**	**--**	**244 005**

13-Provisions

Description	Balance January 1, 2026 EGP	Formed during the period EGP	Used during the period EGP	No longer required EGP	Balance as of June 30, 2026 EGP
Provision for claims*	63 299 091	11 000 000	(3 226 969)	--	71 072 122
	63 299 091	**11 000 000**	**(3 226 969)**	**--**	**71 072 122**

Description	Balance January 1, 2025 EGP	Formed during the year EGP	Used during the year EGP	No longer required EGP	Balance as of December 31, 2025 EGP
Provision for claims*	84 175 284	20 180 627	(40 278 464)	(778 356)	63 299 091
	84 175 284	**20 180 627**	**(40 278 464)**	**(778 356)**	**63 299 091**

* These provisions represent the amounts recognized as the best available estimate of the consideration required to settle the present obligation as at the statement of financial position date. These provisions relate to expected claims from certain authorities and entities in connection with the Company's activities.

14-Credit facilities

The value of credit facilities in the subsidiary companies is as follows:

Description		June 30, 2026 EGP	December 31, 2025 EGP
First: Shorouk for Modern printing and packaging			
Export Development Bank of Egypt	Credit facility amounting to EGP 96 million	--	18 602 675
Arab bank	Credit facility amounting to EGP 150 million	106 338 249	68 770 734
QNB ALAHLI Bank	Credit facility amounting to EGP 300 million	197 165 813	102 535 264
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 300 million	213 028 467	241 189 008
ABC Bank (previously BLOM)	Credit facility amounting to EGP 150 million	60 286 655	36 355 219
National Bank of Egypt	Credit facility amounting to EGP 180 million	93 931 102	123 158 129
Credit Agricole Egypt Bank	Credit facility amounting to EGP 103 million	67 496 234	60 853 152
Kuwait Finance House (Ahli United Bank)	Credit facility amounting to EGP 250 million	78 578 113	145 865 099
Banque Misr	Credit facility amounting to EGP 150 million	148 807 926	145 910 635
Alexandria Bank	Credit facility amounting to EGP 50 million	34 162 857	32 379 914
		999 795 416	**975 619 829**
Second: El Motehada Company for Paper and Carton Manufacturing			
Arab African International Bank	Credit facility amounting to EGP 250 million	248 064 454	88 580 660
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 250 million	210 142 763	129 145 265
Kuwait Finance House (Ahli United Bank)	Credit facility amounting to EGP 400 million	331 574 867	356 223 854
National Bank of Egypt	Credit facility amounting to EGP 200 million	14 231 967	20 807 933
QNB ALAHLI Bank	Credit facility amounting to EGP 300 million	122 858 444	96 138 132
Abu Dhabi Commercial Bank	Credit facility amounting to EGP 120 million	2 743 085	9 526 246
Banque Misr	Credit facility amounting to EGP 300 million	224 859 055	280 791 370
Emirates NBD	Credit facility amounting to EGP 150 million	--	70 830 169
HSBC Bank	Credit facility amounting to EGP 300 million	248 477 036	214 587 987
		1 402 951 671	**1 266 631 616**
Third: Al-Baddar Packaging Company			
QNB ALAHLI Bank	Credit facility amounting to EGP 120 million	63 735 917	65 514 062
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 200 million	199 424 386	199 722 085
Alexandria bank	Credit facility amounting to EGP 50 million	50 000 000	49 751 429
Bank Misr	Credit facility amounting to EGP 100 million	81 050 532	--
		394 210 835	**314 987 576**
Fourth: Windsor Company			
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 10 million	1 377 607	1 888 906
		1 377 607	**1 888 906**
Total Credit Facility		**2 798 335 529**	**2 559 127 927**

15-Loans

The details of the loans are as follows:

1-According to subsidiary companies

	June 30, 2026	December 31, 2025
	EGP	EGP
El Shorouk for Modern Printing and Packaging	52 244 766	73 480 700
El Baddar company for Packages	100 759 058	116 175 872
El Motehada company for Paper and Carton Manufacturing	451 632 710	109 308 304
	604 636 534	**298 964 876**

Loans are classified according to due date as follows:

2-According to due date

	June 30, 2026	December 31, 2025
	EGP	EGP
Current portion	56 922 356	71 614 742
Non-current portion	547 714 178	227 350 134
	604 636 534	**298 964 876**

Set out below the details of the loans granted to the company and its subsidaries

Company Name	Bank Name	Loan Amount	Type of Loan	Utilized Portion of the Loan	Number of Installments	Installment Frequency	Start Date of the Installments	End Date of the Installments	Commitments and Guarantees	Loan Balance as at 30 June 2026 EGP	Loan Balance as at 31 December 2025 EGP
EL Shorouk for Modern Printing and PackagingS.A.E	QNB Alahli Bank	105 million EGP	Financing	Total Loan Amount	16	Quarterly	Decemebr 7, 2020	May 7, 2020	Insurance Policy	–	13 619 916
	Crédit Agricole Bank	22.6 million EGP	A financing arrangement secured by the disposed assets	Total Loan Amount	58	Monthly	September 4, 2024	September 4, 2029	Insurance Policy	18 341 632	19 748 576
	Crédit Agricole Bank	14.6 million EGP	A financing arrangement secured by the disposed assets	Total Loan Amount	58	Monthly	Novemeber 21, 2023	Novemeber 21, 2028	Insurance Policy	9 369 752	10 891 326
	EDBE Bank	37.5 million EGP	Credit Facility Structured as a Medium-Term Loan	Total Loan Amount	16	Quarterly	March 16, 2024	March 16, 2029	Insurance Policy Financial Covenants	24 533 382	29 220 882
										52 244 766	73 480 700
El Baddar for Packages S.A.E	ADIB Bank	60 million EGP	Financing	Total Loan Amount	36	Monthly	May 31, 2023	April 30, 2026	–	–	6 660 056
	ADIB Bank	66.25 million EGP	Ijarah Mausufah fe al-Zima (Forward Lease) Contract	Total Loan Amount	16	Quarterly	Augest 31, 2026	May 30, 2030	--	63 105 000	63 105 000
	Loan from EFG Hermes Corp-Solutions*	135.6 million EGP	A financing arrangement secured by the disposed assets	Total Loan Amount	14	Semi-Annual	May 27, 2021	May 26, 2028	Insurance Policy Financial Covenants	37 654 058	46 410 816
										100 759 058	116 175 872
El Motaheda for Manfacturing paper and Carton	ADIB Bank	56 million EGP	Master Ijarah Financing Agreement (for Asset / Assets)	Total Loan Amount	16	Quarterly	December 14, 2023	October 31, 2027	Insurance Policy Power of Attorney for Commercial Mortgage/Pledge	9 573 266	16 311 126
	ADIB Bank **	8.9 million EUR	Master Ijarah Financing Agreement (for Asset / Assets)	Utilization Rate: 88%	12	Quarterly	Not determined		Insurance Policy Power of Attorney for Commercial Mortgage/Pledge	442 059 444	92 997 178
										451 632 710	109 308 304
										604 636 534	298 964 876

***Accounting Treatment**

Both El Badddar Packaging Company and El Shorouk for Modern Printing Company obtained three loans (Nos. 985, 987, and 988) as joint obligors before the lessor to settle the full amounts due. The companies entered into agreements to sell certain fixed assets owned by them and ready for use in their existing condition to EFG Hermes Corp-Solutions, and subsequently re-leased the same assets from the same purchasing-lessor under a finance lease agreement. It is noted that the companies had been using these assets continuously in their normal operating activities without interruption prior to the execution of these agreements.

These sale and leaseback arrangements essentially represent a financing arrangement secured by the sold assets, rather than a genuine sale. Accordingly, and as long as these transactions constitute a "financing arrangement secured by the disposed assets" and not an actual sale, the lessee companies must not derecognize the sold fixed assets from their books. Instead, the companies must continue to present these sold-and-re-leased fixed assets in their financial statements without any change in their carrying amounts, and must continue depreciating them based on their remaining useful lives at the date of the sale and leaseback, even if such remaining useful lives exceed the term of the finance lease.

This treatment is required because the ownership of the leased assets will automatically revert to the selling-lessee companies at the end of the finance lease term free of charge and without any prior notice to the purchasing-lessor, provided that the lessee maintains regular payment of the lease installments on their due dates.

** On 29 May 2025, the Company entered into a financing agreement (Master Framework Agreement for Ijara-based Asset Financing) with Abu Dhabi Islamic Bank for a total amount of EUR 6.8 million. The commencement of installment repayments will be determined within two years from the signing date, following the full utilization of the financing amount, with an additional one-year grace period.

During the current financial period, the company amended the contract value to EUR 8.9 million, while maintaining the same contractual terms. The company utilized EUR 7 876 829 (equivalent to EGP 442 059 443) during the period to finance the purchase of machinery. It is expected that the full loan amount will be utilized in the subsequent period.

16-Accounts and notes payable (net)

Description	June 30, 2026	December 31, 2025
	EGP	EGP
Accounts payable - local	812 951 020	928 697 810
Accounts payable – foreign	94 854 325	29 797 368
Notes payable	218 954 096	213 264 666
Total accounts and notes payable	**1 126 759 441**	**1 171 759 844**
Notes payable – installments of the administrative unit of Al Shorouk for modern Printing and Packaging Company (Note 17)	5 740 000	5 740 000
Less: Present value-current portion relating to administrative unit	(2 056 693)	(2 469 588)
Total accounts and notes payable (net)	**1 130 442 748**	**1 175 030 256**

17-Notes payable non-current (net)

Description	June 30, 2026	December 31, 2025
	EGP	EGP
Notes payable – installments for the purchase of land of El Motheda Paper and Carton Manufacturing Company*	120 218 175	120 218 175
Notes payable – installments of the administrative unit of Al Shorouk for Modern Printing and Packaging Company**	7 175 000	10 045 000
Less: present value-non-current portion -land of the New Urban Communities Authority	(27 999 510)	(32 781 210)
Less: present value-non-current portion - administrative unit	(1 150 758)	(2 069 752)
	98 242 907	**95 412 213**

*The balance represents the value of long-term notes payable issued by the company to the New Urban Communities Authority – Sadat City Development Authority for the purpose of purchasing land plot No. (H/1) in the Fifth Southern Industrial Zone. starts on July 19, 2027, and ends on April 19, 2031 (Note 7).

Total interest capitalized on projects under construction amounted to EGP 9 058 665 as at 30 June 2026 (EGP 4 781 700 for the six-month period ended 30 June 2026).

**This amount represents the balance of long-term notes payable issued by El Shorouk for Modern Printing and Packaging Company in favor of Star Light for Real Estate and Tourism Development Company for the purpose of purchasing an administrative unit in the Katameya Creeks project, with installments commencing in 2025 and ending in 2028 (Note 7).

Total interest capitalized on projects under construction amounted to EGP 2 063 752 as at 30 June 2026 (EGP 1 331 888 for the six-month period ended 30 June 2026).

18-Other credit balances

Description	June 30, 2026	December 31, 2025
	EGP	EGP
Advance payments from customers	37 590 842	47 153 350
Tax authority – value added tax	19 575 506	29 162 314
Tax authority – property tax	223 838	223 838
Social insurance authority	3 569 530	2 795 760
Tax authority – payroll tax	5 071 946	4 933 533
Accrued interest	19 735 820	16 256 768
Accrued expenses*	161 481 716	186 817 426
Fixed assets creditors	9 033 153	10 925 935
Tax authority – withholding tax	7 346 008	7 906 845
Social contribution	6 356 774	14 951 713
Deposits from others	1 377 881	1 373 544
Deferred revenue	1 184 089	1 184 089
Other credit balances	12 808 748	8 109 916
	285 355 851	**331 795 031**

* The balance includes an amount of EGP 50 497 399 represents the share-based compensation expense for the Long time incentive plan - LTIP' to the managing director, compared to EGP 59 315 144 as of December 31, 2025 (Note 32).

19-Dividends payable

According to the decisions of the Ordinary General Assembly meetings of the subsidiaries, the dividends distribution due to the non-controlling interests, employees, and the Board of Directors as of June 30, 2026, amounted to EGP 62 632 693.

20-Capital

- The authorized share capital of the company amounts to EGP 215 338 669, divided into 215 338 669shares. The paid-up share capital also amounts to EGP 215 338 669, divided into 215 338 669 shares. The company's capital has been increased several times, the latest of which was , On June 16, 2025, the Extraordinary General Assembly approved a share swap transaction whereby the Company shall acquire the shares owned by Dar El Shorouk for Publishing S.A.E in El Shorouk for Modern Printing and Packaging S.A.E (the subsidiary), amounting to 216 852 shares representing 1.655% of its shares. In return, National for Printing Company shall issue capital increase shares amounting to 3 628 289 shares, representing 1.68% of the Company's share capital, bringing the Company's capital to EGP 215 338 669. This increase shall be fully allocated to Dar El Shorouk for Publishing S.A.E without applying pre-emption rights, in accordance with Article 32 of the Executive Regulations of the Capital Market Law No. 92 of 1992.

  The share swap shall be carried out based on the report of the independent financial advisor dated April 9, 2025, which determined the fair value of the Company's share at EGP 28.27 per share. The fair value of the share of El Shorouk for Modern Printing and Packaging S.A.E, according to the aforementioned independent financial advisor's report, was determined at EGP 473.04 per share, resulting in a swap ratio of 16.73 Company shares for each one share of El Shorouk for Modern Printing and Packaging S.A.E.The increase in the company issued capital was registered in the commercial register on December 21,2025 subsequently Misr for Central Clearing, Depository and Registry (MCDR) was formally notified of the capital increase in January 2026.

The effect of the share swap transaction on the company's equity at the date of the swap was as follows:

Description	
Number of Shares acquired in El Shorouk Modern Printing and Packaging owned by Dar Al-Shorouk for Publishing S.A.E	216 852
Swap ratio based on the valuation determined in the independent financial advisor's report – share	16.73
Number of shares issued as increase in National printing comapny capital for Dar Al-Shorouk for Publishing S.A.E	3 628 289
The fair value of the share of National Printing Company based on the valuation determined in the independent financial advisor's report- Egyptian pound for each share	28.27
The total impact amount in the Non-controlling interest -EGP	**102 578 943**
Divided as below (Egyptian pound)	
Increase in capital share	3 628 289
Increase in the legal reserve	95 384 348
Formed special reserve	3 566 306
Total	**102 578 943**
Expenses related to the share swap and capital increase	1 559 059
Consolidation reserve (Note 21)	(69 106 366)
Net impact transferred from non-controlling interest	**35 031 636**

21-Consolidation reserve

	June 30, 2026 EGP	December 31, 2025 EGP
Balance on January 1st	**(68 460 353)**	**646 013**
Movement during the period / year (Note 20)	--	(69 106 366)
Balance at the end of Period / year	**(68 460 353)**	**(68 460 353)**

22-Income tax

Income tax on Profit or loss statement

	June 30, 2026 EGP	June 30, 2025 EGP
Deferred income tax	(21 709 984)	16 769 496
Current income tax	(61 069 560)	(67 635 137)
	(82 779 544)	**(50 865 641)**

Income tax on financial position statement

	June 30, 2026 EGP	December 31, 2025 EGP
Current income tax during the period / year	51 905 079	64 804 911
	51 905 079	**64 804 911**

Deferred tax liability

	June 30, 2026 EGP	December 31, 2025 EGP
Deferred tax liability - property, plants and equipment's	234 070 762	212 360 775
Deferred tax liabilities arising from the adoption of the revaluation model for the land of El Shorouk for Modern Printing and Packaging	28 767 543	28 767 543
Deferred tax liabilities arising from the fair value measurement of the investment property (land and buildings) of El Baddar company for Packages	21 109 602	21 109 602
Deferred tax liabilities arising from the application of the revaluation model for the land of El Motehada Company for Paper and Carton Manufacturing	82 633 280	82 633 280
	366 581 187	**344 871 200**

23-Non-controlling interest

	June 30, 2026 EGP	December 31, 2025 EGP
El Shorouk for Modern Printing and Packaging	10 075 253	8 916 129
El Motehada Company for Paper and Carton Manufacturing	617 826 395	594 743 524
Windsor company for trading and paper manufacturing	1 364 111	1 044 911
El Baddar company for Packages	80 752	81 435
	629 346 511	**604 785 999**

The Movement for the Non-controlling interest during the year / period presented below

	June 30, 2026 EGP	December 31, 2025 EGP
Beginning balance	604 785 999	549 098 538
Add/ (Deduct)		
NCI shares from the net profit after tax for the period / year	56 781 507	99 547 178
NCI share from revaluation surplus for assets measured at fair value in El Motaheda for Paper and carton industry (Note 27)	--	136 952 391
NCI shares from current year / period dividends	(32 220 995)	(145 780 472)
NCI shares transferred to consolidation reserve resulting from the acquisition of NCI shares in subsidiary (Note 20)	--	(35 031 636)
	629 346 511	**604 785 999**

24-Sales revenue (net)

Company sales analysis as follows:	June 30, 2026	June 30, 2025
Description	EGP	EGP
Sales of printed materials	1 262 764 239	1 150 410 035
Paper and cartoon sales	1 117 497 180	1 551 187 735
Windsor sales	66 835 336	55 532 880
Packages sales	911 712 554	791 029 049
Total	**3 358 809 309**	**3 548 159 699**

25-Other revenue

	June 30, 2026	June 30, 2025
Description	EGP	EGP
Export subsidies	19 906 366	24 617 751
Total	**19 906 366**	**24 617 751**

26-Salaries and other remuneration for board of directors

	June 30, 2026	June 30, 2025
Description	EGP	EGP
Salaries and other remuneration for board of directors	11 030 000	8 900 000
Total	**11 030 000**	**8 900 000**

27-Asset revaluation surplus (fair value)

	Parents company share	Non-controlling interest share	June 30, 2026
Description	EGP	EGP	EGP
Fixed asset revaluation surplus (lands) by fair value*	253 004 789	5 903 100	258 907 889
Investment in properties revaluation surplus**	250 292 018	5 839 805	256 131 823
Fixed asset revaluation surplus (lands) by fair value***	147 673 352	136 952 391	284 625 743
	650 970 159	**148 695 296**	**799 665 455**

* According to the decision of the Board of Directors of El-Shorouk Modern Printing Company held on December 24, 2023, the company's management used the fair value model to evaluate the company's lands on December 31, 2023. The company's management appointed an expert to evaluate the company's lands. The fair value for the lands amounted to EGP 310 885 760 According to the expert's report. (The report includes the re-evaluation of factory land No. (1) located in Sector No. (15/16/17/18) - Block 13003 - Industrial Area (A). and factory land (2) in Plot No. (3C/1) - Block 13044 - Industrial Area (A)). The use of the fair value model for land valuation resulted in a land valuation surplus of EGP 258 907 899 (which resulted from the difference between the fair value of the lands according to the expert's evaluation, amounting to EGP 310 885 761 and the book value of the lands, which amounted to EGP 23 210 329. the deferred tax amounted to EGP 28 767 543 will be deducted)

** Investments properties represented in lands and buildings that El Baddar company for Packages has decided to use for the purpose of investment properties. The company has used the fair value model in evaluating these real estate investments, and the company's management has appointed an expert to evaluate real estate investments. The fair value of those real estate investments amounted to EGP 291 396 988 (which represents a separate evaluation of the factory land and factory buildings located in the "Qubaa" industrial zone, Gesr Al Suez - Cairo Governorate).

The use of the fair value model to evaluate investment properties resulted in a revaluation surplus of investment properties amounted to EGP 256 131 823 EGP (which is the result of the difference between the fair value according to the expert's evaluation of EGP 291 396 988 and the book value of the asset, which amounted to EGP 14 155 563 and after deducting deferred tax amounted 21 109 602 EGP).

*** During December 2025, based on a decision of the Company management of United Paper and Carton Manufacturing Company, the Company's management adopted the fair value model to measure the Company's land as at December 31, 2025. Accordingly, the Company appointed an independent expert to value the Company's land, and the fair value of such land amounted to EGP 385 500 000 in accordance with the expert's report. This relates to the valuation of the Company's factory land located at Plot No. B, South of the Fifth Industrial Zone – Sadat City.

The use of the fair value model for measuring the land resulted in a land revaluation surplus amounting to EGP 284 625 743, representing the difference between the fair value of the land as determined by the expert, amounting to EGP 385 500 000, and the carrying amount of the land, amounting to EGP 18 240 975, after deducting deferred tax amounting to EGP 82 633 280.

28-Non-Current assets held for sale

The net book value of assets held for assets held for sale amounted to EGP 1 142 251 during the financial year ending on December 31, 2025, represented in the cost of the machinery and equipment of the old factory. The cost and accumulated depreciation for these assets amounted to EGP 8 939 405 and 7 797 154 EGP, respectively. According to the decision of the Board of Directors of El Baddar Packaging Company on September 24, 2023, the exploitation of these lands and buildings was approved, and part of the assets, represented by lands and buildings, were transferred to real estate investment. Note (27).

29-Details of operation of the holding company and its subsidiaries

Company name	Uniboard	Windsor	El Shorouk	National printing separate	El Baddar	Total	Eliminations	Consolidation
Profit or Loss as of 30 June 2026	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Items								
Revenue	1 426 515 224	124 375 795	1 306 742 145	--	933 621 048	3 791 254 212	(432 444 903)	3 358 809 309
Cost of sales	(1 089 784 419)	(76 405 609)	(928 830 781)	--	(776 887 903)	(2 871 908 712)	420 277 703	(2 451 631 009)
Gross profit	**336 730 805**	**47 970 186**	**377 911 364**	--	**156 733 145**	**919 345 500**	**(12 167 200)**	**907 178 300**
Selling, general and administrative expenses	(104 073 341)	(5 250 089)	(150 178 684)	(7 757 336)	(68 932 922)	(336 192 372)	6 255 120	(329 937 252)
Other revenue / expenses	(87 651 502)	(1 297 636)	(88 904 718)	4 437 195	(65 437 321)	(238 853 982)	(19 132 385)	(257 986 367)
Income tax	(29 290 657)	(9 502 483)	(38 414 838)	--	(5 571 566)	(82 779 544)	--	(82 779 544)
Net profit for the period	**115 715 305**	**31 919 978**	**100 413 124**	**(3 320 141)**	**16 791 336**	**261 519 602**	**(25 044 465)**	**236 475 137**

Balance as of 30 June 2026	Uniboard	Windsor	El Shrouk	National separate	Al Baddar	Total	Eliminations	Consolidation
Items	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Total assets	4 268 860 664	178 591 936	3 189 328 747	372 394 717	1 645 372 389	9 654 548 454	(1 144 640 975)	8 509 907 479
Total liabilities	2 848 388 440	42 180 816	1 736 874 535	15 068 385	1 120 067 667	5 762 579 843	(293 375 193)	5 469 204 650

30- Due to/from related parties

The main transactions with related parties are represented in the following:

Company name	Nature	Payrol and incentive	Sales	Balance			
				Account and notes receivables Note (10)		Current account (Net)	
		For the Period ended June 30, 2026	For the Period ended June 30, 2026	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
		EGP	EGP	EGP	EGP	EGP	EGP
Dar El Shorouk company	Related party	–	2 414 737	3 243 478	5 822 075	539 293	–
Papiros Company	Related party	–	385 366 069	59 557 455	149 950 700	–	–
Al Shrouk Paper	Related party	–	–	93 793	93 793	4 974 145	–
Other parties - (Current account)	Board of Directors Membes	11 030 000	–	–	–	41 943	–
		11 030 000	387 780 806	62 894 726	155 866 568	5 555 381	–
Due from related party						5 555 381	–

31-Earning per share

Description	June 30, 2026 EGP	June 30, 2025 EGP
Net profit for the period after income tax	179 693 630	200 045 227
Divided by:		
Weighted average of outstanding stocks	215 338 669	211 710 380
Earning per share for the period (EGP/share)	**0.83**	**0.94**

32- Share based payment

The Extraordinary General Assembly of the Company, held on 24 December 2023, approved the resolution of the Board of Directors dated 14 December 2023 regarding the implementation of a cash-based incentive plan for the Managing Director, referred to as the "Long-Term Incentive Plan (LTIP)," for a period of three years. Under this plan, the Managing Director is entitled to receive a cash incentive equivalent to the market value of 5 156 850 shares of the Company over a three-year period, in accordance with the following conditions:

- A cash incentive equivalent to 1 718 950 shares, due on February 1, 2025.
- A cash incentive equivalent to 1 718 950 shares, due on February 1, 2026.
- A cash incentive equivalent to 1 718 950 shares, due on February 1, 2027.

During the current year, the fair value weighted average of the share was re-measured, and the revised amounts are presented as follows:

Amounts to be recognized over the duration of the plan	December 31, 2024 EGP	December 31, 2025 EGP	December 31, 2026 EGP	December 31, 2027 EGP
February 2025	1 252 585	--	--	--
June 2025	32 552 884	--	--	--
February 2026	23 295 529	15 066 815	2 477 445	--
February 2027	16 004 399	10 572 360	10 572 360	1 708 957
Total	**73 105 397**	**25 639 175**	**13 049 805**	**1 708 957**

According to the BOD meeting held on March 25, 2025, it decided that cost of applying the long term incentive plan "LTIP" of the managing director should be borne by the subsidiaries. On June 16, 2025 the Extra Ordinary General Assembly Meeting has approved such decision.

The value of the share under this scheme is calculated as follows:

- The cash incentive due for the year 2025 is calculated based on the fair value study of National Printing Company, issued by the independent financial advisor for the purpose of the IPO on the Egyptian Stock Exchange, after deducting the nominal value of the share.

- The cash incentive due for the years 2026 and 2027 is calculated based on the average trading value of the Company's share on the Egyptian Stock Exchange during the last ten working days of January of each respective year, after deducting the nominal value of the share.

Based on the above, the company's management has performed a present value study to determine the value required to be recognized as a share-based payment expenses in the records of EL Shorouk for Modern Printing and Packaging (the subsidiary) for the application of this plan. As of June 30, 2026 amounted to EGP 5 982 255 compared to EGP 25 639 175 recognized during the financial year ended 31 December 2025.

33-Tax position

(33/1) Modern El Shorouk for printing & packaging

The Company's profit is subject to income tax according to the provisions of the Egyptian Income Tax Law No. 91 of 2005, and its Executive Regulations and all its' amendments

Firstly: Corporate income tax

From starting activity till year 2020

Payment and agreement were made for the mentioned years, and all taxes due were paid according to the inspection differences.

Years from 2021 till year 2023

These years have been inspected .

Years from 2024 till year 2025

The tax returns have been submitted for years 2024 and 2025 on the legal dates and payment of all tax due, these years is under progress.

Secondly :Payroll tax

The books have been inspected, settled and paid any differences until the end of year 2022.

From the years 2023 up to date

The quarterly tax returns and annual reconciliations have been duly submitted within the prescribed deadlines in accordance with Law No. 206 up to the date, company books have not been inspected for these years.

Thirdly: Value added tax

The books have been inspected, settled and paid any differences until the end of year 2020.

For the years from 2021 to 2022

The returns were submitted within the legal dates, the inspection has been completed and the inspection differences are currently being settled.

Years from 2023 up to date

The returns were submitted within the legal dates, and the inspection still in process.

Fourthly : Withholding tax

The books have been inspected, settled and paid any differences until the end of year 2020.
For the years from 2021 till 2024 From 41 were submitted in the legal dates.

Fifthly :Stamp tax

The books have been inspected, settled and paid any differences until the end of year 2022.
For the years from 2023 to 2025, the company books have not been inspected.

Sixthly :Property tax

The company books have not been inspected from the inspection date up to date.
The tax property has been paid till the year ended 2021.
For years from 2022 till 2024, the industrial companies are exempted from paying property tax by Prime Ministerial Decision No. 61 of 2022.

(33/2) El Motehada for Manufacturing Paper and Carton

Corporate income tax

The Company's profit is subject to income tax according to the provisions of the Egyptian Income Tax Law No. 91 of 2005, and its Executive Regulations and all its' amendments

Years from inspection to 2021

The tax inspection was conducted covering the period from the inception date until the year 2021, and the inspection tax differences were paid.

Years from 2022 up to date

The company submitted their tax return at the legal dates and the company books have not been inspected.

Stamp tax

Years from inception dates till 2021

The company books were inspected, and tax inspection differences were paid.

Years from 2022 till 2025

The company's books weren't inspected for this years.

Payroll tax

Years 2009/2010 till 2021

The company books were inspected, and tax inspection differences were paid until the year 2021.

Years 2022 till 2025

The company is committed to submitting quarterly and annually reconciliations on the legal dates according to law 206 for 2020 and the company books have not been inspected .

Value added tax

Years 2016 till 2022

The company books were inspected, and tax inspection differences were paid.

Years 2023 up to date

The company submitted their tax return at the legal dates and is the company books have not been inspected yet for these years.

Withholding tax

The company submitted the form no. 41 till June 30, 2026 and is the company books were inspected till 2024 and all tax inspection differences were paid.

(33/3) WINDSOR

Value Added Tax (VAT)

For the period from inception date till year 2018, the company books were inspected, and tax inspection differences were paid.

For the year 2019 -2020, Documents are being prepared for inspection, but no inspection has not started.

Corporate Income Tax

For the years from 2011 till 2021, The company books were inspected, and tax inspection differences were paid.

Years 2022–2023, the tax returns were submitted on legal dates in accordance with Law No. 91 of 2005 and its amendments.

Payroll Tax

For the years from inception date till 2021, company books were inspected, and tax inspection differences were paid.

The company is committed to submitting quarterly and annually reconciliations on the legal dates

Stamp Tax

For the years till 2021, company books were inspected, and tax inspection differences were paid.

(33/4) – Al-Baddar Packaging Company

Corporate Income Tax

The Company's profit is subject to income tax according to the provisions of the Egyptian Income Tax Law No. 91 of 2005, and its Executive Regulations and all its' amendments

For the years from inception date to 2019:

The company books were inspected, and tax inspection differences were paid

Year from 2020 to 2022:
The company books were inspected and the inspection result have been approved.
For the year from 2023 till 2025 .
the Company submitted the tax returns for that year within the statutory deadlines in accordance with the provisions of Law No. 91 of 2005, and the company book have not been inspected up to date.

Payroll Tax
From inception date to 2022:
The company books were inspected, and tax inspection differences were paid.

Years 2023 and 2025:

The quarterly returns have been submitted up to the date, as well as the monthly settlement, in accordance with the provisions of Law No. 206 of 2020

Stamp Tax
Years from inception date to 2022:
The company books were inspected, and tax inspection differences were paid.

Years 2023 and 2025:
The company books have not been inspected.

Value Added Tax (formerly Sales Tax)
Years from inception date to 2020
The company books were inspected, and tax inspection differences were paid.

Years from 2021 up to 2025:
The Company has submitted the tax returns for that year within the statutory deadlines, paid the tax due as declared in such returns, and the Company has not been notified by the Egyptian Tax Authority of any request to conduct a tax audit for those years.

Withholding Tax
The company applies a tax deduction, collection, and payment system to the Tax Authority within the legal deadlines and the company books were inspected till the year 2024 and tax inspection differences were paid.

(33/5) – National Printing

a) **Corporate income tax**
For the years 2005 to 2008, it was not included in the inspection sample.
From 2009 to 2010, the company books was inspected, and the company filed Appeal No. 219 of 2017, and it was considered by the Appeal Committee No. (33), Sector (1), No. 287 of 2018, and the decision was issued that the inspection will be repeated and inspection was inspected and finished till 2010.
The company is committed to submitting tax returns on the legal dates for the years from 2011 to 2025, and to date The company books were not inspected.

b) **Stamp tax**
The company's books have not yet been inspected for the years from the date of incorporation until the date.

c) **Payroll tax**
The company's books were inspection from the beginning of activity until 2020, and all tax differences were paid.
For the year 2021 up to date, the company's books have not yet been inspected, and the tax returns were submitted on the legal dates.

d) Value added tax

The company registered for value-added tax as of December 31, 2022.
The tax returns were submitted on the legal dates and paid all the tax due based on the declaration.
The company's books have not yet been inspected.

e) Property tax

No evidence has been provided that the company is claiming the amount of the property tax due.

34-Financial risk management

Group companies are exposed to the following financial risks as a result of their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.
- Currency risk.
- Interest rate risk.
- Capital risk management.

This disclosure presents information related to the group's exposure to the above-mentioned risks, as well as the group's objectives, policies, and special methods for measuring and managing risk, as well as the group's management of capital. It also presents some additional quantitative disclosures included in these consolidated financial statements.

The Group's Board of Directors assumes full responsibility for developing and monitoring the general framework for managing the Group's risks. It also identifies and analyzes the risks facing the Group to determine risk levels and appropriate controls and monitor those risks and the extent of its commitment to those levels.

The group's management aims to establish a constructive and disciplined control environment through which it ensures that all employees are aware and understand their role and obligations.

Capital risk management.

The group manages its capital in order to maintain the companies' ability to continue and achieve the highest return for shareholders by maintaining ideal ratios of debt and equity balances. There are no fundamental changes in the group's general strategy.

The group's capital structure consists of net debt (which represents the borrowed amounts detailed in Notes No. 15 and 16 - less cash and bank balances) and the group's equity (which includes issued capital, reserves and retained profits). The capital is not subject to any requirements imposed by parties outside the group.

In accordance with the Group's internal policies and procedures, the executive management reviews the capital structure on a regular basis. As part of this review management considers the cost of capital and the risks associated with each class of capital.

Credit risk

Credit risk is the risk that one party to financial instruments will not fulfill its obligations and expose the other party to financial losses. This risk arises mainly from customers and other debtors of group companies.

Accounts receivables & other debit balances

The Group's exposure to credit risk is primarily affected by the characteristics of each customer. The demographic characteristics of the group's customer base, including the risk of business failure, have a lesser impact on credit risk.

The group's sales represent sales to many local and foreign customers, and therefore there is no concentration of credit risk geographically. The group's management has developed a set of credit policies according to which the necessary credit analysis is carried out for each customer against the payment and delivery terms provided to him.

The group companies recognize impairment losses, which represent their estimate of the loss incurred by customers and other debtors considering historical information related to dealing with them.

Liquidity risk

Liquidity risk is the risk that the Group will not meet its obligations when they fall due.

The Group's direction to liquidity management is to ensure - whenever possible - that it always has sufficient liquidity to meet its obligations on their due date in normal and critical circumstances without incurring unacceptable losses or harming the Group's reputation. The group also ensures that sufficient cash is available upon request to meet expected operating expenses for an appropriate period, including the burden of financial obligations, excluding the potential impact of severe circumstances that cannot be reasonably predicted, such as natural disasters and accidents.

The following are the remaining contractual maturities of the financial liabilities, which include estimated interest payments:

June 30, 2026	Less Than one year	More Than one year	Total
	EGP	EGP	EGP
Non-interest-bearing liabilities	1 545 820 107	--	1 545 820 107
Interest-bearing liabilities	2 858 941 192	645 957 085	3 504 898 277
Total	**4 404 761 299**	**645 957 085**	**5 050 718 384**

December 31,2025	Less Than one year	More Than one year	Total
	EGP	EGP	EGP
Non-interest-bearing liabilities	1 602 488 677	--	1 602 488 677
Interest-bearing liabilities	2 634 013 081	322 762 347	2 956 775 428
Total	**4 236 501 758**	**322 762 347**	**4 559 264 105**

Market risk

The Group's activities expose it primarily to financial risks resulting from fluctuations in foreign exchange rates and fluctuations in interest rates.

Foreign currency risk

Some of the company's transactions are carried out in foreign currencies as a result of the company's activity and transactions, and as a result the company is exposed to fluctuations in currency exchange rates. The US dollar, euro, and pound sterling are the main currencies in which these transactions are carried out. The company manages its exposure to foreign exchange rate risk.

The following table displays the book values - at the end of the fiscal year / Period - of the company's assets of a monetary nature in the main foreign currencies (which are mainly represented in balances due from customers) and of its liabilities of a monetary nature in the same currencies (which are mainly represented by suppliers in foreign currencies), due to which the company is exposed to risk. Currency exchange rate:

	June 30, 2026	
	Assets	Liabilities
	EGP	EGP
USD	438 815 719	157 432 466
EURO	241 124 908	577 282 961
GBP	560 485	--
CHF	514 209	1 152 384
SAR	478 872	--
AED	1 267 721	3 087 695
LD	--	--
Total	**682 761 914**	**738 955 506**

Foreign currency risk sensitivity analysis

The following table shows the company's sensitivity to a 10% increase or decrease in the Egyptian pound against foreign currency exchange rates. 10% is the sensitivity rate used in preparing internal reports on foreign currency risk and presenting them to responsible managers, and it represents management's assessment of the reasonably expected change in foreign currency exchange rates. The sensitivity analysis includes only the outstanding balances of items of a monetary nature in foreign currencies and is based on adjusting the translation of the balances of those items at the end of the period by a change of 10% in the exchange rates of those currencies.

The sensitivity analysis includes outstanding borrowing balances, and also includes customer balances in foreign currencies.

The positive number in the table below indicates an increase in profit or equity when the strength of the Egyptian pound increases by 10% against the foreign currency in question. If the Egyptian pound weakens by 10% against the relevant foreign currency, this will lead to an opposite effect of the same value on profit or equity, and the values below will become negative.

	June 30, 2026	
	Assets	Liabilities
	EGP	EGP
USD	43 881 572	15 743 247
EURO	24 112 491	57 728 296
GBP	56 049	--
CHF	51 421	115 238
SAR	47 887	--
AED	126 772	308 770
LD	--	--
Total	**68 276 191**	**73 895 551**

Interest rate risk

This risk represents changes in market interest rates, which adversely affect operating results and the values of financial assets and liabilities. The Group continuously monitors fluctuations in interest rates, and in the event of a significant increase in interest rates, the Group relies on self-financing sources in order to avoid interest rate volatility and its impact on the fair value of financial assets and liabilities.

Interest rate sensitivity analysis

The sensitivity analyses set out below have been determined based on the exposure to interest rate risk relating to derivative and non-derivative financial instruments at the end of the reporting period. With respect to variable-interest-rate liabilities, the analysis has been prepared on the assumption that the outstanding liability balance at the end of the reporting period was outstanding throughout the entire year. A benchmark of "one hundred basis points," equivalent to a 1% increase or decrease, is used in the preparation of internal reports addressing interest rate risk that are presented to key management personnel, and this benchmark represents management's assessment of a reasonably possible change in interest rates.

If the interest rate were to decrease or increase by 100 basis points, with all other variables remaining constant, the Company's profit for the Period ended June 30, 2026 would decrease or increase by EGP 34,03 million (2025: decrease or increase by EGP 28,5 million). This is mainly attributable to the Company's exposure to interest rate risk on borrowings subject to variable interest rates.

Fair value estimate

The fair values of financial assets and liabilities are estimated at the following levels:

Level one	Fair value measurements within this level represent those measurements derived from quoted (unadjusted) prices for identical assets or liabilities in active markets.
Level two	Fair value measurements within this level represent those measurements derived from observable inputs for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); however, they do not constitute quoted prices as included in Level 1..
Level three	Fair value measurements within this level represent those measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

35- Contingent Liabilities

Promissory Notes

The Company and its subsidiaries have executed promissory notes amounting to EGP 4 162 744 100 Egyptian pound and an amount of 6 755 556 USD and an amount of 10 924 353 Euro in favor of the aforementioned banks, in connection with the granted credit facilities and loans. These promissory notes were issued in consideration for the Company being granted banking facilities in the form of overdrafts, loans, or any other types of credit facilities (Disclosure 14 and 15).

Guarantees and letters of credit collateral (security).

The value of the unsecured portion of letters of guarantee and letters of credit of the Group companies amounted to EGP 287 648 153.

36- Significant Events Occurring during the Period

- Land Ownership Dispute – El Baddar Packaging Company (Subsidiary)

  Between 1990 and 1991, Al-Badar for Containers Company (a subsidiary) purchased two plots of land with a total area of approximately 8,750 square meters, located at Hawd Samman Al-Wostani, pursuant to preliminary contracts executed with the original owner, based on registered contracts and a final court judgment issued in favor of the original owner in 1989. Said judgment ruled that the original owner be handed over an area of 42 feddans of vacant land located at Hawd Samman Al-Wostani, with the right to use and dispose thereof. These lands were recorded in the books of Al-Badar for Containers Company under investment property.

  The Company has been notified of a claim submitted by the General Authority for Agrarian Reform, affiliated with the Ministry of Agriculture, demanding that the Company pay usufruct fees, alleging that it is the owner of the land purchased by Al-Badar for Containers Company between 1990 and 1991. This claim is based on a ruling issued by the Supreme Administrative Court in favor of the General Authority for Agrarian Reform, which included the recovery by the Authority of certain parcels of land, including Plot No. 33 at Hawd Samman Al-Wostani, which encompasses the land purchased by Al-Badar for Containers Company between 1990 and 1991. The Company was not served with notice of this lawsuit or of any appeals filed by the Ministry of Agriculture, nor was it otherwise notified thereof; accordingly, the Company did not intervene in these proceedings.

  It was also determined that the Authority had issued a decision in 1981 for the temporary release of Plot No. 33 at Hawd Samman Al-Wostani, which included the release of all plots with a total area of 65 feddans. These lands were handed over to the original owner, with respect to whom the South Cairo Court issued its aforementioned final and conclusive judgment in 1988, confirming his right to dispose of the land and prohibiting the Ministry of Agriculture from interfering therewith. This judgment formed the basis upon which the Company's former shareholders relied when purchasing the land.

Due to the conflict between these two final judgments, and in order to safeguard the Company's assets, the Company has submitted an application to regularize the legal status of the land.

The Company negotiated with the Authority to reduce the amount of the usufruct fees; however, a decision was issued by the committee to assess the usufruct fees starting from the year 2006 at an aggregate amount of approximately EGP 3,500 per square meter. Such assessment is inconsistent with Article 375 of the Egyptian Civil Code, which provides for prescription after the lapse of five years, and is also inconsistent with Prime Ministerial Decree No. 308 of 2022, which determines the annual usufruct value at a rate of 5% of the ownership price per square meter.

Based on the opinion of the Company's legal advisor, who is of the view that possession of the land constitutes actual, stable possession and is under the full control of Al-Badar for Containers Company, and that—were it not for the Authority's decision regarding the usufruct fees—the Company would have completed the regularization of the legal status of the land and obtained full ownership thereof, thereby ensuring its full legal rights to dispose of and exploit the land. Furthermore, under the provisions of the Egyptian Civil Code, usufruct fees are due only for the last five years and may not exceed 5% of the land ownership price, in accordance with the decision of the Prime Minister concerning exploited land.

- On Thursday, 12 February 2026, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to cut the overnight deposit rate, the overnight lending rate, and the Central Bank's main operation rate by 100 basis points, bringing them down to 19.00%, 20.00%, and 20.50%, respectively. The Committee also decided to reduce the credit and discount rate by 100 basis points to 19.00%.

- The region has witnessed a significant military escalation since the date of these financial statements. On February 28, 2026, the United States and Israel launched an attack on Iran targeting its nuclear capabilities and aiming to reduce the ballistic missile threat in the region. On the first day of the escalation, Iranian leadership was targeted, followed by Iranian retaliatory missile attacks on Israel and US military bases, resulting in casualties. As of the date of these financial statements, the confrontations are ongoing.

  Management closely monitors ongoing developments and assesses the potential impacts on the economy in general and on the Company's operations, financial position, and results in particular, including the potential effects on supply chains, financing costs, and demand levels for the Company's products and services

37- Financial year

The financial year of the company starts on the first of January and ends on December 31 of each year.

Chief Financial officer	Managing Director	Chief executive director
Mr / Ahmed Abaza	Mr / Sherif El Moallem	Eng / Ibrahim El Moallem