CAIRO POULTRY COMPANY S.A.E.

SPECIAL PURPOSE SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

TOGETHER WITH AUDITOR'S REPORT

Content	Page

Deloitte.

Wafik, Ramy & Partners
Accountants and Auditors
Cairo Festival City Business Park
Building 14D – Fifth Settlement
Cairo 11835
Egypt
P.O.Box: 45, Zamalek 11211

www.deloitte.com

Auditor's Report

To: The Shareholders of Cairo Poultry Company S.A.E

Report on the Special Purpose Separate Financial Statements

We have audited the accompanying special purpose separate financial statements of Cairo Poultry Company S.A.E., (the "Company") which comprise the separate statement of financial position as of December 31, 2025, and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.
The special purpose financial statements have been prepared by management and comprise the statutory financial statements as of December 31, 2025, incorporating the accounting treatments and adjustments relating to the merger, as determined in the report of the Committee established to reconsider the valuation results pursuant to the decision of the CEO of the General Authority for Investment and Free Zones No. (556) of 2025, as described in further detail in Note (1) to the accompanying notes to the special purpose separate financial statements.

Management's Responsibility for the Special Purpose Separate Financial Statements

These separate financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies set out in Note (2) to the accompanying notes to the separate financial statements, in addition to the accounting treatments and adjustments related to the merger, which were determined within the framework of the merger procedures approved by the General Authority for Investment and Free Zones (GAFI) and by the resolutions of the Extraordinary General Meetings of the merging and merged Companies, following the merger agreement concluded on April 1, 2026, between the merging Company and its merged subsidiaries, as stated in Note (1) to the accompanying notes to the financial statements, and the prevailing Egyptian laws.

Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose separate financial statements are free from material misstatement.
An audit involves performing test examinations of the documents and evidence supporting the amounts and disclosures contained in the financial statements. An audit also involves evaluating the accounting policies and principles applied, the significant accounting estimates made by management, as well as assessing the appropriateness of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose separate financial statements.

Opinion

In our opinion, the special purpose separate financial statements referred to above present fairly, in all material respects, the separate financial position of the Cairo Poultry Company as of December 31, 2025, and its separate financial performance and its cash flows for the year then ended and in accordance with the accounting policies set out in Note (2) to the accompanying notes to the special purpose separate financial statements, and the related Egyptian laws and regulations.

Emphasis of matter

Without qualifying our opinion, we draw attention to Notes (1) and (2-1) to the accompanying notes to the special purpose separate financial statements, which indicate that these separate financial statements have been prepared for a specific purpose, which is to present the financial impact resulting from the merger and to determine the balance of retained earnings available as of December 31, 2025, for distribution to the shareholders of Company following the merger.

These statements have been prepared for the specific purpose referred to above and are not intended to replace the financial statements prepared for general purposes in accordance with the applicable financial reporting framework, and may not be appropriate for use for any other purpose.

Cairo, September 8, 2026

W. Alf

Wafik Alfred Hanna
(F.R.A. 132 - R.A.A 9176)
FESAA, CPA

Wafik Ramy
Accountants
&
Auditors
1
& Partners

Cairo Poultry Company (S.A.E.)
Special Purpose Separate Statement of Financial Position
As of December 31, 2025

EGP	Note No.	December 31, 2025	December 31, 2024
Assets			
Non-current assets			
Property, plant, and equipment (net)	(4)	1 214 909 053	1 056 526 876
Projects under construction	(5)	80 425 387	49 129 360
Biological assets - Poultry wealth	(6)	768 642 602	644 451 717
Right of use assets (net)	(7-A)	101 102 081	35 561 139
Investments in subsidiaries	(8)	2 789 827	2 789 827
Total non-current assets		**2 167 868 950**	**1 788 458 919**
Current assets			
Inventory (net)	(9)	1 994 987 930	1 716 049 948
Biological assets- Broiler chicks and hatching eggs at fair value	(10)	501 008 910	500 067 859
Trade and notes receivables (net)	(11)	1 234 849 031	1 154 230 254
Due from related parties	(12-A)	65 583 094	78 987 173
Other debit balances (net)	(13)	210 790 526	150 131 581
Cash on hand and at banks	(14)	4 531 842 942	2 539 818 089
Total current assets		**8 539 062 433**	**6 139 284 904**
Total assets		**10 706 931 383**	**7 927 743 823**
Equity and liabilities			
Equity			
Issued and paid-up capital	(15)	1 789 351 397	1 789 351 397
Legal reserve	(16)	264 968 764	173 361 252
Merger reserve	(16)	397 311 725	397 311 725
Retained earnings		5 022 171 385	2 379 371 778
Total equity		**7 473 803 271**	**4 739 396 152**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	(17)	89 487 808	85 428 657
Lease liabilities	(7-B)	65 647 479	23 929 710
Notes payable	(20)	19 829 682	--
Total non-current liabilities		**174 964 969**	**109 358 367**
Current liabilities			
Provisions	(18)	697 134 600	797 540 423
Credit facilities	(19)	94 705 183	45 092 097
Trade and notes payable	(20)	738 020 154	690 468 681
Due to related parties	(12-B)	7 887 336	4 709 269
Current income tax liability	(21)	738 025 265	773 059 678
Lease liabilities	(7-B)	30 236 207	14 102 209
Accrued expenses and other credit balances	(22)	752 154 398	754 016 947
Total current liabilities		**3 058 163 143**	**3 078 989 304**
Total Liabilities		**3 233 128 112**	**3 188 347 671**
Total equity and liabilities		**10 706 931 383**	**7 927 743 823**

- The accompanying notes form an integral part of these special purpose separate financial statements and to be read therewith.

Accountant/Ahmed Abdel Raouf	**Mr. Adel El-Alfy**	**Engineer/ Mohamed Tarek Zakaria**
Chief Financial and Administrative Officer	Managing Director	Board Chairman

- Auditor's report (attached).

Cairo Poultry Company (S.A.E.)
Special Purpose Separate Statement of Profit or Loss
For the year ended December 31, 2025

EGP	Note No.	December 31, 2025	December 31, 2024
Revenues	(23)	15 793 601 621	14 753 980 997
Cost of revenues	(24)	(12 445 832 597)	(11 147 442 699)
Gross profit		**3 347 769 024**	**3 606 538 298**
Add/(deduct):			
General and adminstrative expenses	(25)	(303 108 100)	(256 756 639)
Selling and marketing expenses	(26)	(408 147 495)	(318 530 645)
Provisions formed	(18)	(161 115 789)	(472 628 716)
Provisions no longer required	(18)	205 166 993	6 412 828
Expected credit losses	(11,13)	(5 220 860)	--
Reversal of Expected credit losses	(11,13)	--	35 670 745
Other operating income	(27)	336 216 003	423 737 240
Other operating expenses		(465 352)	(770 142)
Operating profit		**3 011 094 424**	**3 023 672 969**
Credit interest		701 117 433	235 630 792
Finance cost	(28)	(25 551 159)	(28 933 895)
Foreign currency exchange (losses) / gains		(17 182 288)	28 071 220
Net profit for the year before tax		**3 669 478 410**	**3 258 441 086**
Income taxes	(29)	(737 666 267)	(782 922 812)
Net profit for the year after tax		**2 931 812 143**	**2 475 518 274**
Basic and diluted earning per share	(30)	**1.48**	**1.27**

- The accompanying notes form an integral part of these special purpose separate financial statements and to be read therewith.

Cairo Poultry Company (S.A.E)
Special Purpose Separate Statement of Comprehensive Income
For the year ended December 31, 2025

EGP	December 31, 2025	December 31, 2024
Net profit for the period after tax	2 931 812 143	2 475 518 274
Items of other comprehensive income	--	--
Comprehensive income for the period	**2 931 812 143**	**2 475 518 274**

- The accompanying notes form an integral part of these special purpose separate financial statements and to be read therewith.

Cairo Poultry Company (S.A.E.)
Special Purpose Separate Statement of Changes in Equity
For the year ended December 31, 2025

EGP	Issued and paid-up capital	Legal reserve	Merger reserve	Retained earnings	Total
	EGP	EGP		EGP	EGP
Balance as at January 1, 2024	**497 001 600**	**125 782 630**	--	**462 097 844**	**1 084 882 074**
Equity of the merged Companies based on the balances in the financial statements as at 31 December 2023	445 190 905	224 559 080	--	1 556 262 451	**2 226 012 436**
Effect of the merger	847 158 892	(224 559 080)	--	(2 018 360 295)	**(1 395 760 483)**
Balance as at January 1, 2024 after the merger *	**1 789 351 397**	**125 782 630**	--	--	**1 915 134 027**
Merger reserve	--	--	907 564 928	--	**907 564 928**
Transferred to legal reserve	--	47 578 622	--	(47 578 622)	--
Impact of implementation of EAS 13 - Revised	--	--	--	(24 034 677)	**(24 034 677)**
Dividends distributed to shareholders and employees **	--	--	(510 253 203)	(24 533 197)	**(534 786 400)**
Total comprehensive income for the year	--	--	--	2 475 518 274	**2 475 518 274**
Balance as of December 31, 2024	**1 789 351 397**	**173 361 252**	**397 311 725**	**2 379 371 778**	**4 739 396 152**
Balance as at January 1, 2025	**1 789 351 397**	**173 361 252**	**397 311 725**	**2 379 371 778**	**4 739 396 152**
Transferred to legal reserve	--	91 607 512	--	(91 607 512)	--
Dividends distributed to employees	--	--	--	(197 405 024)	**(197 405 024)**
Total comprehensive income for the year	--	--	--	2 931 812 143	**2 931 812 143**
Balance as of December 31, 2025	**1 789 351 397**	**264 968 764**	**397 311 725**	**5 022 171 385**	**7 473 803 271**

*The equity balance as at 1 January 2024 represents the Company's net equity following the merger, in accordance with the reports of the original valuation committee and the reconsideration committee (Note 36).

** The shareholders and employees dividends, which were decided during the financial year ended 31 December 2024 in respect of the profits for 2023, amounting to EGP 510 253 203, were deducted from the merger reserve. This treatment was applied because the net equity of the merged Companies and the surviving Company as at 31 December 2023 had already been reduced by the amount of such dividends, in accordance with the report of the Committee for Reconsideration of the Valuation Results, formed pursuant to Decision No. (556) of 2025 issued by the Chief Executive Officer of the General Authority for Investment and Free Zones.

- The accompanying notes form an integral part of these special purpose separate financial statements and to be read therewith.

Cairo Poultry Company (S.A.E.)
Special Purpose Separate Statement of Cash Flows
For the year ended December 31, 2025

EGP	Note No.	December 31, 2025	December 31, 2024
Cash flows from operating activities			
Net profit for the period before tax		3 669 478 410	3 258 441 086
Adjusted by:			
Depreciation of property, plant, and equipment	(4)	164 346 394	119 856 002
Amortization of right of use assets	(7-A)	15 756 722	9 935 791
Poultry wealth amortization and mortality losses	(6)	1 091 030 321	732 706 487
Gain on disposal of property, plant, and equipment	(4)	(8 533 402)	(1 493 632)
Write-down / (reversal of write-down) in inventories	(9)	2 898 841	(36 111 196)
Expected credit losses	(11,13)	5 220 858	--
Reversal of expected credit losses	(11,13)	--	(35 670 744)
Change in fair value of biological assets (broiler chicks and hatchery eggs)		3 373 786	(111 730 080)
Reversal of impairment of poultry wealth during the year	(6)	(3 392 764)	(79 146 574)
Gain on disposal of poultry wealth (parents/ grandparents)	(27)	(149 810 554)	(205 256 259)
Credit interest		(701 117 433)	(235 630 792)
Interest expense on lease liabilities	(28)	14 501 769	5 191 237
Gain on cancellation of lease contracts	(27)	(2 051 137)	--
Interest expense	(28)	11 049 390	23 742 658
Provisions formed	(18)	161 115 789	472 628 716
Provisions no longer required	(18)	(205 166 993)	(6 412 828)
		4 068 699 997	**3 911 049 872**
(Increase) / decrease in inventories		(281 836 823)	17 141 452
Increase in biological assets (broiler chicks and hatchery eggs)		(4 314 837)	(59 903 330)
Decrease in trade and note receivables		(80 446 750)	(170 888 254)
(Increase) / decrease in other debit balances		(61 633 701)	60 512 850
Decrease / (increase) in due from related parties		13 404 130	(30 509 726)
Increase in due to related parties		3 178 068	1 288 593
Increase / (decrease) in accounts and notes payable		47 551 476	(111 901 265)
(Decrease) / increase in other credit balances*		(29 417 248)	235 102 933
Provisions used	(18)	(56 354 619)	(52 678 794)
Cash flows generated from operating activities		**3 618 829 693**	**3 799 214 331**
Finance costs paid		(8 732 905)	(23 742 658)
Dividends paid to employees during the year		(169 850 360)	(112 511 086)
Income tax paid	(21)	(773 059 678)	(408 893 359)
Net cash flows generated from operating activities		**2 667 186 750**	**3 254 067 228**
Cash flows from investing activities			
Payments for purchase of property and equipment and projects under construction **		(341 069 398)	(183 141 504)
Payments to purchase and rear poultry wealth	(6)	(1 212 052 789)	(970 794 931)
Proceeds from sale of property, plant, and equipment	(4)	13 091 399	4 004 648
Proceeds from sale of poultry wealth		150 034 901	218 262 331
Credit interest collected		701 117 433	235 630 792
Net cash flows used in investing activities		**(688 878 454)**	**(696 038 664)**
Cash flows from financing activities			
Net change in credit facilities		49 613 086	(201 872 256)
Lease liabilities payments	(7-B)	(35 896 529)	(15 010 440)
Dividends paid to shareholders during the year		--	(406 133 606)
Net cash flows generated from / (used in) financing activities		**13 716 557**	**(623 016 302)**
Net change in cash and cash equivalents during the year		**1 992 024 853**	**1 935 012 262**
Cash and cash equivalents at the beginning of the year	(14)	2 539 818 089	604 805 827
Cash and cash equivalents at the end of the year	(14)	**4 531 842 942**	**2 539 818 089**

Non-cash transactions:

* The change in the dividends payable to employees amounted to EGP 27 554 664 has been excluded from the change in the other credit balances.

** An amount of EGP 17 513 187, representing the present value of future payments arising from the acquisition of property, plant and equipment during the year, has been excluded.

- The accompanying notes form an integral part of these special purpose separate financial statements and to be read therewith.

1. The Company's general information

Cairo Poultry Company S.A.E., an Egyptian joint stock Company was incorporated in 1977, in accordance with the provisions of the Investment Law No. 230 of 1989, which was replaced by the investment Guarantees and Incentives Law No. 8 of 1997, which was replaced by Investment Law No. 72 of 2017. The Company was registered in the commercial register under number 42444 on 26 July 1977. The Company's term is 25 years starting from July 19, 2002. The Company's head office is located in 32A- Mourad Street- Giza- Egypt.

The Company's main activities are as follow:

- Production, breeding and fattening of chicks, production of animal feed, mixing of raw materials and production of fertilized eggs from parent chickens.
- Production of cold rooms to achieve the purposes of the company.
- Production of table eggs from breeding hens.
- Production of fertilized eggs from parent chickens.
- Establishment and operation of feed plants to produce all feed stocks, animal, poultry and fish concentrates and non-traditional feeds.
- Establishment of a poultry slaughterhouse.
- Manufacturing slaughterhouse waste.
- Carrying out export operations of the company's products.
- Carrying in import operations of the company's products.
- Open branches and grant agencies to sell the company's products throughout Arab Republic of Egypt.
- Trading in all products and production supplies of the company.
- Participate in similar projects locally and abroad.

The main shareholder of the company is Egyptian Holding Company for Poultry LTD, a subsidiary of Adeptio AD Holdings (the ultimate parent) which owns 53.46% of the Company's capital through its subsidiaries and the ultimate beneficiary owner is Mr. Mohamed Ali Rashed Alabbar.

Merger

- On 3 August 2025, the valuation report of the committee formed pursuant to Resolution No. (94) of 2018 issued by H.E. Dr. the Minister of Investment and International Cooperation was issued to verify the accuracy of the preliminary valuation of the assets and liabilities of Cairo Poultry Company (the merging Company) and the following merged Companies for the purpose of the merger, under No. 776, as approved by the Chief Executive Officer of the General Authority for Investment and Free Zones, hereinafter referred to as the "Original Valuation Committee Report".
    - New Cairo Poultry Company S.A.E.
    - Cairo Poultry Processing Company S.A.E.
    - Cairo for Feed Production S.A.E.
    - Wadi El Natroun for Parent Chicken S.A.E.
    - Wadi El Natroun for Broiler Fattening S.A.E.
- The merging Company and certain of the merged companies submitted a request to the General Authority for Investment and Free Zones to reconsider the Original Valuation Committee Report. Accordingly, a committee was formed pursuant to Resolution No. (556) of 2025 issued by the Chief Executive Officer of the General Authority for Investment and Free Zones to examine the request submitted by the merging Company and certain of the merged Companies for reconsideration of the Original Valuation Committee Report. This committee issued its report under No. 1108 dated 15 October 2025, which was approved by the Chief Executive Officer of the General Authority for Investment and Free Zones on 14 October 2025, and is hereinafter referred to as the "Reconsideration Committee Report".

In this report, the Reconsideration Committee concluded that the amendments relating to the contested items, as set out therein, should be approved, including the revision of the net equity of the merging Company and the merged companies as at 31 December 2023 (the date adopted as the basis for the merger), as follows:

- The net equity of Cairo Poultry Company S.A.E. (the merging Company) as at 31 December 2023 amounted to EGP 1 893 673 200.
- The net equity of New Cairo Poultry Company S.A.E. (a merged Company) as at 31 December 2023 amounted to EGP 15 753 885.
- The net equity of Cairo Poultry Slaughterhouses Company S.A.E. (a merged Company) as at 31 December 2023 amounted to EGP 5 706 942.
- The net equity of Cairo Feed Production Company S.A.E. (a merged Company) as at 31 December 2023 amounted to nil.
- The net equity of Wadi El Natroun Poultry Parent Stock Company S.A.E. (a merged Company) as at 31 December 2023 amounted to nil.
- The net equity of Wadi El Natroun Broiler Production Company S.A.E. (a merged Company) as at 31 December 2023 amounted to nil.

This resulted in a total book equity of the Companies included in the merger amounting to EGP 1 915 134 027.

- On 12 November 2025, the Board of Directors of Cairo Poultry Company approved both the Valuation Committee Report and the Reconsideration Committee Report issued in respect thereof and adopted the valuation results for the purposes of implementing the merger.
- On 1 April 2026, the Extraordinary General Assembly of the Company convened and resolved as follows:

1. Approval of the merger of the following companies (the merged companies) into Cairo Poultry Company (the merging Company), at the carrying amounts of the assets and liabilities of the merging Company and the merged companies based on the financial statements as at 31 December 2023, being the date adopted as the basis for the merger, with such amounts to be allocated among the shareholders of the Company in its new form after the merger in accordance with the market contribution ratios.
   - New Cairo Poultry Company S.A.E.
   - Cairo Poultry Processing Company S.A.E.
   - Cairo for Feed Production S.A.E.
   - Wadi El Natroun for Parent Chicken S.A.E.
   - Wadi El Natroun for Broiler Fattening S.A.E.
2. Approval of the adoption of the two valuation reports, namely the "Original Valuation Committee Report" and the Reconsideration Committee Report, regarding the verification of the accuracy of the preliminary valuation of the assets and liabilities of both the merging Company and the merged companies.
3. Approval of the amendment of the objects of the merging Company to include the activities of the merged companies, in connection with the merger.
4. Approval of the reopening of the head offices, branches and business locations of the merged companies and their addition as branches and business locations of the merging Company, in connection with the merger.
5. Approval of the determination of the issued and paid-up share capital of the Company, in connection with the merger, at EGP 1 789 351 397, representing the aggregate net equity of the merging Company and the merged companies at carrying value as at 31 December 2023, to be allocated among the shareholders of the Company in its new form after the merger in accordance with the market contribution ratios, pursuant to the Original Valuation Committee Report and the Reconsideration Committee Report, after appropriating an amount of EGP 125 782 630 to the legal reserve of the merging Company.
6. Approval of the amendment of Articles (3), (4), (6) and (7) of the Articles of Association of the merging Company in the manner set out in the minutes of the Extraordinary General Assembly meeting.
7. Approval of the draft merger agreement and the amendment agreement relating to Articles (3), (4), (6) and (7) of the Articles of Association of the merging Company.

8. Approval of the substitution of the merging Company for the merged companies as their legal successor in all rights and obligations in connection with the merger.
9. Approval of the authorization of the Chairman of the Board of Directors, or any person delegated by him, to proceed with the merger procedures in accordance with the provisions of the law, with the right to appoint attorneys or delegate others for such purpose.

- On 30 June 2026, the General Authority for Investment and Free Zones issued its final approval of the merger, with the effectiveness thereof being conditional upon completion of the deregistration of the merged Companies from the Commercial Register and the endorsement of the merger resolution in the Commercial Register of Cairo Poultry Company S.A.E. (the merging Company). The date adopted as the effective date of the merger is 31 December 2023, however the merger takes effect in the books of the merging Company upon the deregistration of the merged Companies from the Commercial Register and the endorsement of the merger resolution in the Commercial Register of the merging Company.
- During July 2026, the merged companies were deregistered from the commercial register, and the commercial register of Cairo Poultry Company S.A.E. (the merging Company) was amended. Accordingly, the merger became legally effective upon completion of all legal procedures.

2. Significant accounting policies

The following is a summary of the most significant accounting policies used in the preparation of the special purpose separate financial statements, which are consistently applied to all financial periods presented unless otherwise stated:

2.1 Basis of preparation

The special purpose separate financial statements for the financial year ended 31 December 2025, together with the comparative information for the financial year ended 31 December 2024, have been prepared in accordance with the accounting policies set out in Note (2) to the notes accompanying the financial statements and in accordance with the provisions of the merger agreement dated 1 April 2026 entered into between the Company and its merged subsidiaries, as set out in detail in Note (1) to the accompanying notes to the special purpose separate financial statements.

These special-purpose separate financial statements have been prepared for the purpose of presenting the financial impact resulting from the merger on the Company's financial position, results of operations and cash flows for the financial year ended 31 December 2025, together with the comparative information for the financial year ended 31 December 2024, and determining the effect of the merger on the balance of retained earnings available for distribution to the Company's shareholders, in accordance with the provisions of the merger agreement.

The special purpose separate financial statements have been prepared on the historical cost basis except for:
- Biological assets (chicks in fattening farms at fair value) .
- Biological assets (eggs in hatcheries at fair value) .

The preparation of the special purpose separate financial statements requires the use of significant accounting estimates and also requires management to exercise significant judgment in applying the Company's accounting policies. Note (3) describes the significant accounting estimates and assumptions relating to these separate financial statements, as well as the significant judgments exercised by the Company's management in applying the Company's accounting policies.

2.2 Foreign currencies transactions

The special purpose separate financial statements are measured and presented using the currency of the primary economic environment in which the Company operates ('the functional currency'). The special purpose separate financial statements are presented in Egyptian Pounds, which is the Company's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of each financial period using the exchange rates prevailing at that date. The resulting differences are charged to the special purpose separate statement of profit or loss.

2.3 Property, plant, and equipment

The Company applies the cost model at measurement of property, plant, and equipment, and the property, plant, and equipment are recognised on their costs net of the accumulated depreciation and accumulated impairment losses. The cost of property, plant, and equipment includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the Company.

The Company recognises subsequent costs of the acquisition of the property, plant, and equipment as a separate asset, only when it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably. The Company recognises in the carrying value of property, plant, and equipment the cost incurred to replace part of that asset at the date such costs are borne, which is depreciated over the remaining useful life of the related asset or the estimated useful life, whichever is less, and the carrying amount of replaced parts are de-recognised. The Company recognises the costs of daily servicing of the property, plant, and equipment in the special purpose separate statement of profit or loss.

The straight-line method is used to allocate the depreciation of property, plant, and equipment consistently to their residual values over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life.

The Company reviews the residual value of property, plant, and equipment and estimated useful lives of property, plant, and equipment at the end of each financial year and adjusted when expectations differ from previous estimates.

At the end of the financial year, the Company's management prepared a technical study to review the estimated useful lives of the assets' groups. This study resulted in a change in the estimated useful lives of some assets. The impact of these changes has been recognized in the depreciation expense charged to the special purpose separate statement of profit or loss, whereby the depreciation expense was increased by EGP 23 711 568.

Below are the estimated useful lives of the assets:

	Years	
Description	**Current**	**Previous**
Buildings, constructions, and facilities	7 - 40 years	7 - 50 years
Machineries and equipment	7 - 14 years	7 - 14 years
Tools and equipment	5 years	5 years
Vehicles	5 - 10 years	5 - 10 years
Furniture and office equipment	3 - 14 years	3 - 14 years
Biological assets - plant wealth	20 - 50 years	20 - 50 years

The carrying amount of an item of property, plant, and equipment is reduced to the recoverable amount, if the recoverable amount of an asset is lower than its carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses arising from the disposal of an item of property, plant, and equipment from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item, and the gain or loss resulting from the disposal of property, plant, and equipment is included in the special purpose separate statement of profit and loss.

2.4 Projects under construction

Projects in progress are carried at cost and recognised as property, plant, and equipment when the recognition criteria for the property, plant, and equipment are met. When the value of the projects in progress exceeds the expected recoverable amount, their value is reduced to recoverable amount and differences are charged to the special purpose separate statement of profit or loss.

2.5 Biological assets

Biological assets are chicks at fattening farms, eggs at hatcheries, grandparent herds and parent herds. The biological assets are measured at fair value less estimated selling costs. In case that the fair value can't be determined, the biological asset is measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of these assets can be reliably measured, they are measured at fair value less estimated selling costs.

First: Biological assets – current assets (chicks at fattening farms, eggs at hatcheries) are measured at fair value less estimated selling costs since there is active market and the information required to establish a reliable and objective fair value is often available.

Second: Biological assets – non-current assets (grandparent herds and parent herds) are measured at cost less any accumulated depreciation and impairment losses, if any, this is due to the absence of an active market that can be relied upon to derive relevant prices for grandparent and parent flocks, in addition given the instability and sharp fluctuations observed in the market prices of poultry and related sector commodities. The Company's management believes that the market data currently available do not provide an appropriate or reliable basis for determining the fair value of this category of biological assets in a manner that reflects the true economic value, as reliable and continuous information is not available to support such fair value measurement.

The Company's management maintains the historical cost method must be retained for the measurement of non-current biological assets taking into account their short productive lives and the difficulty of determining fair value reliably. The company also acknowledges that the theoretical concept of replacement cost may be used as a guideline to inform the estimation of fair value for non-current biological assets. However, due to the nature of activities and the instability observed in the market, the adoption of the historical cost method deems more suitable.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are tested annually by the Company for impairment at the date of the special purpose separate financial statements. Non-financial assets that have definite useful lives, and they are subject to depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that the asset incurred impairment losses.

The asset is tested for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows from other inflows of assets or groups of assets (cash-generating units).

The Company recognizes impairment losses in the special purpose separate statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

At the end of each financial period, the company assesses whether there is an indication that the impairment loss of any asset other than goodwill, which is recognized in prior years are not impaired, the company then evaluates the recoverable amount of that asset.

Impairment losses recognized in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Impairment losses, which should not exceed the carrying amount that would have been determined (net of depreciation) are also reversed. Such reversal is recognized in the special purpose separate statement of profit or loss.

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into consideration payment terms determined in the contract and after deduction of taxes or discounts. Revenues are recognized to the extent that financial benefits will be achieved by the Company, and when revenues and costs can be confidently determined.

Revenue from contracts with customers is recognized based on a five-step model as specified in Egyptian Accounting Standard (48) Revenue from Contracts with Customers.:

Step 1 — Identifying the contract (contracts) with customers: A contract is an agreement between two or more parties establishing rights and commitments and establishing criteria that must be adhered to.

Step 2 — Identifying performance obligations: A performance obligation is a commitment in the contract to transfer authorized goods or services to the customer.

Step 3 — Determining the transaction price: The transaction price is the monetary amount expected to be earned by the Company in exchange for the transfer of goods or services to the customer, excluding amounts collected on behalf of other parties.

Step 4 — Allocating the transaction price to the performance obligations in the contract: For contracts that include more than one performance obligation, the Company allocates the transaction price to each obligation, at the monetary amount expected to be earned for each performance obligation.

Step 5 — Recognizing revenue when (or as) the Company satisfies a performance obligation.

A- Sales of goods

Revenue is recognized from the sale of goods to traders or contractors who have the right to sell them and determine their prices when the goods are delivered to them, and the Company does not retain significant risks of ownership of the goods, there is no obligation that prevent those traders or contractors to accept the goods sold. Delivery is recognized, both in the Company's stores or in specific locations, according to the agreements. When the Company transfers the significant risk and rewards of the ownership of the goods to the traders, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Sales to traders do not comprise the element of financing, as the credit period granted to them is short.

B- Rendering of services

Revenue resulting from services rendered is recognized in the related period when the execution of the transaction can be measured at the end of the financial period.

C- Interest income

Interest income is recognized on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

D- Dividends income

Dividends income is recognized when the right to receive payment is established.

2.8 Government's export subsidy

The government's export subsidy on the export sales is recognized as a percentage of the value of exported goods, when there is proper evidence that the company will deserve this subsidy and meet all required conditions to obtain such subsidy, which is recognized under cost of revenues in the special purpose separate statement of the profit or loss.

2.9 Financial Instruments:

The Company classifies its financial instruments at amortized cost.

This classification depends on the Company's business model in managing financial assets and the characteristics of the contractual cash flows.

The Company measures its financial assets at amortized cost when they are within a business model of holding assets to collect contractual cash flows, where the contractual terms determine specific cash flows at specific dates that are solely payments of principal and interest (SPPI).

Initial recognition

At initial recognition, the financial assets and financial liabilities are measured at their fair value. Transaction costs for financial assets recorded at fair value through profit or loss are treated as expenses in the special purpose separate statement of profit or loss. For any financial assets or financial instruments not measured at fair value through profit or loss, their fair value is affected by the transaction costs that are directly related to the acquisition or issuance of the financial asset or financial liability.

Classification of financial liabilities

The Company classifies a financial liability as a financial liability through profit or loss in case it leads to the elimination or reduction of a classification mismatch or in case a group of financial liabilities' performance is evaluated in accordance with fair value.

All other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is shown in the special purpose separate statement of financial position when the Company has a current non-revokable legal right to offset these amounts, has the intent to offset these amounts or to sell the asset and settle the liability at the same time.

Reclassification

Financial assets are reclassified only when the Company changes the business model used in managing the financial assets. For example, if Company management changes its preference to keep an asset for a short-term period or long-term period, no reclassification is done.

Subsequent measurement

Debt instruments

Amortized cost: Assets are classified as hold to collect where contractual cash flows are solely payments of principal and interest. Interest income from these financial assets is recognized in finance income using the effective interest method. Any profits or losses resulting from derecognition are recognized directly in profit or loss and presented in other gains (losses), in addition to the profit and losses from foreign exchange differences. Impairment losses are presented as a separate line item in the special purpose separate statement of profit or loss.

Equity instruments

Investments in equity instruments are subsequently measured at fair value. The Company's management performed a fair value assessment and concluded that there is no material change between the historical cost of these unquoted instruments and their fair value.

Derecognition

The Company derecognizes the financial asset only when the contractual right to receive cash flows from the financial asset is extinguished or when all risks and rewards of ownership of the financial assets are transferred to another party.

Financial liabilities are derecognized when the financial liability stipulated in the contract is settled, cancelled or extinguished. Significant amendments to the terms of the debt instrument are considered an extinguishment of the financial liability, and a new financial liability is to be recognized.

Impairment of financial assets

The Company evaluates the expected credit losses related to its financial assets held at amortized cost based on future expectations. The impairment model applied depends on whether there is a significant increase in credit risk. For trade receivables, the Company applies the simplified approach allowed by Egyptian Accounting Standard No. 47 which requires expected losses to be recognized over the course of the lifetime of these instruments starting from initial recognition.

2.10 Trade receivables and other debit balances

Trade receivables are amounts due from the Company's customers for products sold or services performed in the Company's ordinary course of business. If collection is expected within 12 months from the date of the financial statements or in the Company's normal operating cycle of the business, they are classified as current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit losses.

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods to services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable the future economic benefits associated with the asset will flow to the Company. Other prepayments are expensed into profit or loss when the services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognized in profit or loss for the year.

2.11 Special purpose separate statement of cash flows

The special purpose statement of cash flows is prepared using the indirect method. For the purpose of preparing the special purpose statement of cash flows, cash and cash equivalents comprise cash on hand, banks current accounts and time deposits due in three months.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

A. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the special purpose separate statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the special purpose separate financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

C. Current tax and deferred tax for the year

Current and deferred tax are recognized as an expense or income in the special purpose separate statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.13 Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories cost is determined as follows:

- Raw materials and packaging materials and spare parts using the weighted average method.
- Finished goods (feed) at manufacturing cost, using raw materials, direct and indirect manufacturing costs, and wages.
- Finished production (poultry products) based on fair value minus selling costs at the date of slaughtering broiler chickens.

The cost of finished goods and work in progress comprises costs of purchase, costs of conversion and other costs (based on normal operating capacity), incurred by the Company in bringing the inventories to their present location and condition, and excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale.

The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs.

2.14 Capital

Ordinary shares are classified within equity. Share premiums, if any, are added to legal reserve to the extent of half of the capital, and the remaining balance of the premium is transferred to a special reserve, after deducting the share issuance expenses (net of any advantage related to their income taxes) from the amount of share premium.

If the Company repurchases its own equity instruments (treasury shares), these instruments are presented net of equity, amount paid or received in exchange for those instruments is recognized directly in the Company's equity.

2.15 Employees' benefits

Pension obligations:

1. Defined contribution plans

A defined contributions plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity (fund). The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The implemented defined contribution plans are:

- The pension plan under which the Company pays fixed contributions to the General Authority for Social Insurance on a mandatory basis,
- The Company's contributions to the service fund system of the employees of Cairo Poultry Company (CPC) for the benefit of the employees of the Company (the Fund has an independent legal corporate body)

The Company has no further liabilities once its obligations are paid. The regular contributions are recognized as periodic cost for the year in which they are due and as such are included in staff costs.

2. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that is within the scope of EAS 28 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination cost and benefits obligation are initially measured. The Company measures and recognizes the subsequent changes in accordance to the nature of the benefits based on the number of employees expected to accept the offer of benefits. Where it is not expected to settle the benefits falling due before 12 months after the end of the reporting period, the benefits are discounted to their present value.

3. Employees' share in legally defined profits

The Company recognizes expected cash dividends as the employees' share in accordance with the companies' articles of association, to be included as part of dividends in equity, and as liabilities when the ordinary general assembly meeting of the shareholders of the Company approved the proposed dividends. The Company does not record any liabilities in the employees' share of undistributed dividends.

2.16 Leases

The Egyptian Accounting Standard No. 49 "Leasing contracts" provides one accounting model for the lessor and the lessee, where the lessee recognizes the right to use the leased asset within the Company's assets, and it also recognizes an obligation that represents the present value of the non-paid lease payments within the Company's obligations, there is no classification of lease contracts for the lessee as an operating contract or a financing contract, there are optional exemptions for short-term lease contracts and low-value lease contracts.

For the lessor, the lessor must classify each of its lease contracts, either as a finance lease or as an operating lease.

For the finance lease, at the commencement date, a lessor shall recognize assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.

For operating leases, the lessor must recognize the lease payments as income, either on a straight-line basis or on any other regular basis.

Determine the lease contract:

At the commencement of the contract, the Company assesses whether the contract is a lease contract or includes a lease contract. The contract is a lease contract or includes a lease contract if the contract transfers the right to control the use of a specific asset for a period in return for a fee.

Recognition and measurement

The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-to-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term lease (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the special purpose separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the special purpose separate statement of financial position.

The Company as a lessor:

Lease liabilities include, if possible, the present value of fixed payments, including those fixed in substance, any penalties for terminating the lease, and variable lease payments that depend on an index or rate, and amounts expected to be paid by the lessee according to residual value guarantees, and the purchase price if the lessee is reasonably certain to exercise the purchase option, and penalties for terminating the lease. If the lease term reflects the lessee's exercise of the option, this is considered.

Short-term and Low-value Asset Leases:

Short-term leases are leases with a term of 12 months or less. Low-value assets are those that do not meet the materiality threshold of the Company and are not significant to the Company detailed separate statement of financial position. Payments for short-term leases and low-value asset leases are recognized on a straight-line basis in the special purpose separate statement of profit or loss.

Variable Lease Payments:

Some lease contracts include variable payments linked to the use or performance of the leased asset. These payments are recognized in the special purpose separate statement of profit or loss statement.

Extension and Termination Options:

When determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option. The lease term does not include extension or termination options unless the company is reasonably certain to exercise or not exercise them. The Company reassesses the lease term when there is a significant event or change in circumstances within its control that affects whether it is reasonably certain to exercise or not exercise the options.

2.17 Provisions

Provisions are recognized when the Company 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 the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset, if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.18 Borrowings

The Company recognises borrowings initially at fair value plus any directly attributable transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the original value (net of transaction costs) and value at the date of maturity is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transactions costs of the loan to the extent that the Company expects that all of the facility will be drawn. In this case, the fee is deferred until the draw-down occurs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the special purpose separate financial statements.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, the Company capitalizes the borrowing costs related to the production or construction of a qualifying asset as a part of such asset's costs, until such time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Company determines the amount of borrowing costs that are capitalized on this asset, which is the actual borrowing costs incurred by the entity during the year because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Company recognizes other borrowing costs as expenses in the year the Company incurs such costs.

2.20 Investment in subsidiaries

Investments in subsidiaries are investments in entities in which the company has control. The investor controls the investee when he is exposed or is entitled to variable returns through his contribution to the investee and is able to influence those returns through his authority over the investee.

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

3. Critical accounting estimates and judgments.

Estimates and judgments are continuously evaluated based on prior experience and other factors, including expected future events which match these circumstances:

1. Significant accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

A- Useful lives of property, plant and equipment

The Company's management depreciates its property, plant, and equipment using the straight-line method so that the value of the asset is reduced to its estimated residual value over the estimated useful life. Estimation of the useful life relies on the estimation and judgment based on the entity's experience with similar property, plant, and equipment, taking into consideration the expected usage, number of shifts in which these machineries are used and their technical aging. The depreciation methods applied to these assets are reviewed when there is a significant change in the method of obtaining economic benefits from those assets.

B- Expected credit losses of trade receivables.

Expected credit losses of trade receivables is estimated by monitoring the aging of receivables. The Company's management examines the credit position and ability of customers to make payments for their past due debts. Management applies the simplified approach allowed by EAS No. (47) which requires that lifetime expected credit losses be recognized upon initial recognition of these assets. An Expected credit losses is recorded in the value of the amounts owed by customers whose aging debts have exceeded the credit period granted to them at the end of the year.

C- Biological assets

The nature of the company's activity leads to the need to estimate the useful life of the biological assets. The technical office (in the integrated agricultural production segment and the integrated poultry production segment), one of the company's departments, uses technical elements to prepare this estimate for the useful life of the biological assets. These assets are accounted for as follows:

Current assets, represented in the chicks at broiler fattening farms and eggs at hatcheries, are accounted for on the basis of fair value less costs to sell.
Non-current assets represented in grandparent and parent herds are measured by the Company's management using the historical cost method, taking into consideration their short productive lives, which range from 60 to 66 weeks, and the difficulty of determining fair value reliably. Management also theoretically considers that replacement cost could be used as a guidance indicator to estimate the fair value of non-current biological assets; however, given the nature of the activity and market conditions, the use of the historical cost method is considered more appropriate.

D- Income taxes

The Company is subject to income taxes on the profits of legal entities. The Company makes estimates for the income tax provision using the consultancy advice of an expert. If the final result of the taxes differs from the initial amounts recorded, such differences will affect the income taxes and the deferred tax provision in the period in which these differences occurred.

E- Obsolescence of inventory
The obsolescence of inventory is estimated through management's monitoring of the consumption of all inventory items and their estimation of obsolescence rates for slow-moving items, in addition to items that are, in the view of management, no longer usable due to obsoletion, slow movement, expiry or damage.

2. Significant personal judgments in applying accounting policies

In general, the application of the Company's accounting policies does not require management to use personal judgment (other than those relating to the accounting estimates and assumptions referred to in (Note 3-1) above) that could have a material effect on the amounts recognized in the special purpose separate financial statements.

4. Property, plant, and equipment (net)

	Land *	Buildings, constructions, and facilities	Machineries and equipment	Vehicles	Tools and equipment	Furniture and office equipment	Biological assets - plant wealth **	Total
Cost	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at January 1, 2024	107 820 253	915 004 093	1 061 626 656	176 499 609	64 332 985	50 049 402	19 906 470	2 395 239 468
Additions and transfers from projects under construction during the year	880 742	27 132 890	55 415 495	72 789 533	14 096 080	7 859 759	--	178 174 499
Disposals during the year	(2 209 695)	(455 154)	(1 155 682)	(1 476 502)	(402 140)	(60 291)	--	(5 759 464)
Balance at December 31, 2024	**106 491 300**	**941 681 829**	**1 115 886 469**	**247 812 640**	**78 026 925**	**57 848 870**	19 906 470	**2 567 654 503**
Additions and transfers from projects under construction during the year	26 112 469	106 777 432	127 598 218	45 554 735	11 197 143	10 046 571	--	327 286 568
Disposals during the year	--	(5 632 286)	(10 510 119)	(4 715 484)	(59 272)	(61 365)	--	(20 978 526)
Cost at December 31, 2025	**132 603 769**	**1042 826 975**	**1232 974 568**	**288 651 891**	**89 164 796**	**67 834 076**	**19 906 470**	**2 873 962 545**
Accumulated depreciation and impairment								
Accumulated depreciation and impairment at January 1, 2024	--	**392 071 928**	**767 473 002**	**135 895 515**	**44 527 085**	**40 933 473**	**13 619 070**	**1 394 520 073**
Depreciation expense for the year	--	34 815 320	57 771 552	19 727 245	3 257 493	3 879 123	405 269	119 856 002
Accumulated depreciation of disposals	--	(174 443)	(1 137 302)	(1 476 502)	(402 140)	(58 061)	--	(3 248 448)
Accumulated depreciation and impairment at December 31, 2024	--	**426 712 805**	**824 107 252**	**154 146 258**	**47 382 438**	**44 754 535**	**14 024 339**	**1 511 127 627**
Depreciation expense for the year	--	60 804 565	62 729 636	31 037 446	4 548 535	4 993 274	232 938	164 346 394
Accumulated depreciation of disposals	--	(3 771 813)	(7 827 430)	(4 701 084)	(59 272)	(60 930)	--	(16 420 529)
Accumulated depreciation and impairment at December 31, 2025	--	**483 745 557**	**879 009 458**	**180 482 620**	**51 871 701**	**49 686 879**	**14 257 277**	**1 659 053 492**
Net book value								
At December 31, 2025	**132 603 769**	**559 081 418**	**353 965 110**	**108 169 271**	**37 293 095**	**18 147 197**	**5 649 193**	**1 214 909 053**
At December 31, 2024	**106 491 300**	**514 969 024**	**291 779 217**	**93 666 382**	**30 644 487**	**13 094 335**	**5 882 131**	**1 056 526 876**

*The land category includes assets with net book value amounted to EGP 16 570 176 (2024 EGP 16 570 176) which were purchased through initial contracts which were not yet formally registered as of the date of the special purpose separate financial statements.

** The Company's management has formed a 54% (2024: 54%) impairment provision of the plant wealth value based on specialized technical study which indicates that this plant wealth can't reach its marginal productivity.

Depreciation expense is allocated in the special purpose separate statement of profit or loss, as follows:

	2025	2024
	EGP	EGP
Cost of revenues (Note 24)	145 214 195	108 645 250
Selling and marketing expenses (Note 26)	16 081 359	8 372 028
General and administrative expenses (Note 25)	3 050 840	2 838 724
Total depreciation expense	**164 346 394**	**119 856 002**

The proceeds from the disposal of property, plant, and equipment in the special purpose separate cash flow statement are as follows:

	2025	2024
	EGP	EGP
Net carrying amount of disposed assets	4 557 997	2 511 016
Gains on disposal of property, plant, and equipment (Note 27)	8 533 402	1 493 632
Proceeds from disposal of property, plant, and equipment	**13 091 399**	**4 004 648**

5. Projects under construction

	December 31, 2025	December 31, 2024
	EGP	EGP
Cost at the beginning of the period	53 312 600	48 345 596
Additions during the period	280 564 329	157 168 739
Transferred to property, plant, and equipment	(237 365 272)	(144 440 994)
Settlement against other financial position items	(16 086 270)	(7 760 740)
	80 425 387	**53 312 601**
Less: Impairment of projects under construction	--	(4 183 241)
Balance at the end of the year	**80 425 387**	**49 129 360**

Projects under construction comprise the amount of building fixtures, additions to machineries, equipment and furniture which require a period of preparation to be ready for use, and for which the substantial work has not been completed until the date of the special purpose separate statement of financial position, and are as follows:

	December 31, 2025	December 31, 2024
	EGP	EGP
Machinery and equipment	36 080 277	24 922 230
Down payment for purchase of property, plant, and equipment	4 209 730	20 730 184
Vehicles	22 647 800	3 610 000
Buildings	16 245 054	2 529 964
Land	1 242 526	1 242 526
Furniture	--	277 697
Total projects under construction	**80 425 387**	**53 312 601**
Less: Impairment of projects under construction	--	(4 183 241)
Net projects under construction	**80 425 387**	**49 129 360**

6. Biological assets- Poultry wealth

	December 31, 2025	December 31, 2024
	EGP	EGP
Cost at the beginning of the year	486 001 013	242 860 243
Accumulated amortization at the beginning of the year	(145 846 934)	(75 580 672)
Poultry farming expenses at the beginning of the year	315 519 259	263 311 395
Impairment of poultry wealth at the beginning of the year	(11 221 621)	(90 368 195)
Net book value at the beginning of the year	**644 451 717**	**340 222 771**
The additions resulting from purchases	607 945 718	434 230 569
The additions resulting from the capitalized feeding and rearing cost	604 107 071	536 564 362
Amortization of poultry wealth and mortality loss (note 24)	(1 091 030 321)	(732 706 487)
Disposals during the year	(428 142 826)	(191 089 799)
Accumulated amortization of disposals during the year	427 918 479	178 083 727
Reversal of impairment of poultry wealth during the year (Note 24)	3 392 764	79 146 574
Net book value at the end of the year	**768 642 602**	**644 451 717**

7. lease contracts

A- Right of use assets

	December 31, 2025	December 31, 2024
	EGP	EGP
Farms	39 093 115	22 258 598
Building and fixtures	7 569 006	5 911 940
Vehicles	48 155 412	--
Refrigerators and cold rooms	6 284 548	7 390 601
	101 102 081	**35 561 139**

	2025	2024
	EGP	EGP
Cost at the beginning of the year	**52 931 578**	**35 899 981**
Additions during the year	91 437 075	24 465 939
Lease contracts cancelled during the year	(19 259 578)	(7 434 342)
Cost at the end of the year	**125 109 075**	**52 931 578**

	2025	2024
	EGP	EGP
Accumulated amortization at the beginning of the year	**17 370 439**	**14 868 990**
Amortization expense for the year	15 756 722	9 935 791
Accumulated amortization of lease contracts cancelled	(9 120 167)	(7 434 342)
Accumulated amortization at the end of the year	**24 006 994**	**17 370 439**
Net book value at the end of the year	**101 102 081**	**35 561 139**

B- Lease liabilities

	December 31, 2025	December 31, 2024
	EGP	EGP
Non-current	65 647 479	23 929 710
Current	30 236 207	14 102 209
	95 883 686	**38 031 919**

Lease liabilities before discounting are as follows:

	December 31, 2025	December 31, 2024
	EGP	EGP
Within a year	33 441 253	15 480 299
From 1 to 2 years	33 615 005	15 586 628
More than 2 years	123 791 064	25 494 284
Balance at the end of the year	**190 847 322**	**56 561 211**
Average incremental borrowing rate	**21.65%**	**28.75%**

Lease liabilities after discounting are as follows:

	December 31, 2025	December 31, 2024
	EGP	EGP
Within a year	30 236 207	14 102 209
From 1 to 2 years	24 029 715	11 705 443
More than 2 years	41 617 764	12 224 267
Balance at the end of the year	**95 883 686**	**38 031 919**

Movement of lease liabilities during the year is as follows:

	2025	2024
	EGP	EGP
Balance at the beginning of the year	38 031 919	23 385 183
Additions during the year	91 437 075	24 465 939
Liabilities related to lease contracts cancelled during the year	(12 190 548)	--
Interest expense (Note 28)	14 501 769	5 191 237
Payments during the year	(35 896 529)	(15 010 440)
Balance at the end of the year	**95 883 686**	**38 031 919**

Amounts recognised in the special purpose separate statement of profit or loss:

	2025	2024
	EGP	EGP
Amortization of right of use – Buildings and fixtures	3 996 177	3 392 010
Amortization of right of use – Farms	5 573 267	3 591 956
Amortization of right of use – Vehicles	3 186 815	--
Amortization of right of use – Refrigerators and cold rooms	3 000 463	2 951 825
Total amortization of right of use assets	**15 756 722**	**9 935 791**
Interest charged on lease liabilities	**14 501 769**	**5 191 237**

8. Investments in subsidiaries

The table below shows the investments in subsidiary companies as of 31 December 2025 and 31 December 2024, including the country of incorporation and the main activities, which management considers significant to the Company. The capital of the subsidiaries listed below consists only of ordinary shares in which the Company holds a direct interest.

Name of the Company	Country of incorporation	Nature of activity	Company's Percentage of shareholding		Cost of Investment EGP	
			December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Delta trading and import company	Egypt	Trade and export of livestock and poultry	100%	100%	250 000	250 000
Aman for Security Services	Egypt	Security	67.83%	67.83%	2 039 827	2 039 827
Cairo Financial Leasing	Egypt	Finance lease	100%	100%	500 000	500 000
					2 789 827	**2 789 827**

9. Inventory (net)

	December 31, 2025 EGP	December 31, 2024 EGP
Raw materials	795 910 389	618 147 278
Finished goods	605 335 910	468 807 380
Medicine used in production	217 424 446	267 335 499
Spare parts and consumables	252 830 785	237 859 122
Goods in transit	95 405 886	97 074 964
Packing and packaging materials	65 968 682	61 815 032
	2 032 876 098	**1 751 039 275**
Less: Inventories write-down	(37 888 168)	(34 989 327)
Balance at the end of the year	**1 994 987 930**	**1 716 049 948**

Movement of inventories write-down during the year is as follows:

	2025 EGP	2024 EGP
Balance at the beginning of the year	34 989 327	71 100 523
Formed during the year (note 24)	2 898 841	--
No longer required during the year (note 24)	--	(36 111 196)
Balance at the end of the year	**37 888 168**	**34 989 327**

10. Biological assets – Broiler chicks and eggs

	December 31, 2025 EGP	December 31, 2024 EGP
Biological assets (broiler chicks at broiler farms)	318 631 746	254 824 758
Biological assets (hatching eggs at hatcheries)	182 377 164	245 243 101
Balance at the end of the year	**501 008 910**	**500 067 859**

11. Trade and notes receivables (net)

	December 31, 2025	December 31, 2024
	EGP	EGP
Trade receivable	832 101 422	757 390 833
Notes receivable	449 595 176	443 859 012
	1 281 696 598	**1 201 249 845**
Less: Expected credit losses	(46 847 567)	(47 019 591)
	1 234 849 031	**1 154 230 254**

Movement of expected credit losses during the year is as follows:

	2025	2024
	EGP	EGP
Balance at the beginning of the year	47 019 591	86 873 068
Used during the year	--	(636 806)
No longer required during the year	(172 024)	(39 216 671)
Balance at the end of the year	**46 847 567**	**47 019 591**

12. Due from/to related parties

A. Due from related parties

	December 31, 2025	December 31, 2024
	EGP	EGP
Egyptian company for international touristic projects	38 458 214	48 588 896
Corporation Guard Services (Aman)	951 617	--
Americana Kuwait- Meat segment	24 372 964	27 856 757
Americana Kuwait- Restaurants segment	1 800 299	2 541 520
	65 583 094	**78 987 173**

B. Due to related parties

	December 31, 2025	December 31, 2024
	EGP	EGP
California Gardens	2 463 740	1 124 870
Corporation Guard Services (Aman)	--	2 775 657
Cairo Financial Leasing	326 376	334 077
Delta Trading and Import Company	435 050	435 050
International Touristic Restaurant- Oman	37 162	39 615
American food Investment	4 625 008	--
	7 887 336	**4 709 269**

C. Key management compensation

The Company provides and discloses the amounts paid to senior management to the Company's shareholders at the Ordinary General Meeting of shareholders.

D. Transactions with related parties

The Company entered into several transactions with companies that are included within the definition of related parties as stated in EAS (15) "Disclosure of related parties". The related parties comprise the Company's top management, their entities, Companies under common control, and/or joint management and control, and their partners and employees of senior management in addition to affiliated and sister companies. The Company considers the partners of joint arrangements and non-controlling interests as related parties. The management decides the terms and conditions of the transactions and services provided by/to the related parties and any other expenses.

The following is a summary of the nature and values of transactions with related parties during the year:

Company	Relation type	Transaction nature	Value of the transactions EGP December 31, 2025	December 31, 202
Americana Kuwait- Meat segment	Subsidiary to the parent Company	Sales	134 041 219	121 921 75
Americana Kuwait- Restaurants segment	Subsidiary to the parent Company	Sales	5 131 648	5 334 29
Americana Egypt for Storage and Refrigeration	Subsidiary to the parent Company	Storage services	1 704 175	-
The International company for Agricultural Development- Farm Frites	Subsidiary to the parent Company	Sales Purchases	2 794 700 40 500	2 398 17 76 93
Egyptian company for International Touristic Projects	Subsidiary to the parent Company	Sales Purchases	342 108 029 --	347 205 59 57 20
The International company for Agricultural Development- Farm Frites	Subsidiary to the parent Company	Sales Purchases	192 460 123 132	246 31 30 32
Americana Gulf for foods	Subsidiary to the parent Company	Sales	--	9 814 19
Corporation Guard Services (Aman)	Subsidiary	Security Services	40 200 220	28 960 78

13. Other debit balances (net)

	December 31, 2025 EGP	December 31, 2024 EGP
Tax authority	139 072 380	92 263 251
Accrued revenues	36 000 203	28 624 472
Advances to suppliers	11 501 636	13 351 084
Security deposits held with others	10 823 914	8 690 325
Prepaid expenses	17 490 963	5 384 380
Cash margins against letters of guarantee	2 874 500	2 874 500
Advances to employees	2 263 420	2 082 226
Other debit balances	10 953 928	11 697 743
	230 980 944	**164 967 981**
Less: Expected credit losses	(20 190 418)	(14 836 400)
	210 790 526	**150 131 581**

Movement of expected credit losses during the year is as follows:

	2025 EGP	2024 EGP
Balance at the beginning of the year	14 836 400	11 572 536
Formed during the year	5 392 883	3 545 926
Used during the year	(38 865)	(282 062)
Balance at the end of the year	**20 190 418**	**14 836 400**

14. Cash on hand and at banks

	December 31, 2025 EGP	December 31, 2024 EGP
Current accounts	1 196 889 969	1 872 526 251
Treasury bills (maturity of three months or less)	3 160 821 260	414 910 707
Time deposits (maturity of three months or less)	144 133 380	215 160 970
Checks under collection	19 743 084	20 686 412
Cash in transit	3 854 592	8 767 004
Cash on hand	6 400 657	7 766 745
	4 531 842 942	**2 539 818 089**

15. Issued and paid-up capital

The Company merged the companies referred to in note (1) pursuant to the approval of the Extraordinary General Assembly held on 1 April 2026, and pursuant to the decision of the Chairman of the General Authority for Investment and Free Zones (GAFI) No. 239/2, issued on 30 June 2026, at the book value of the assets and liabilities of the merging Company and the merged Companies, in accordance with the financial statements as of 31 December 2023, being the date adopted as the basis for the merger. The merger resulted in the distribution of the ownership interests among the Company's shareholders in its new form following the merger, in accordance with the market value ratio. The merged Companies were deregistered from the Commercial Register in July 2026.

Pursuant to the decision of the Chairman of the General Authority for Investment and Free Zones (GAFI) No. 239/2, issued on 30 June 2026, the issued share capital of Cairo Poultry Company S.A.E. became, following the merger, EGP 1 789 351 397, divided into 1 789 351 397 shares, with a nominal value of EGP 1 per share. The following sets out the Company's shareholders' structure following the merger:

Shareholder Name	Number of shares	Value of shares EGP	Ownership Percentage
Egyptian Holding Company for Poultry Limited	944 444 125	944 444 125	52.78%
Other shareholders	844 907 272	844 907 272	47.22%
Total	**1 789 351 397**	**1 789 351 397**	**%100**

16. Reserves

	December 31, 2025 EGP	December 31, 2024 EGP
Legal reserve	264 968 765	173 361 252
Merger reserve	397 311 725	397 311 725
	662 280 489	**570 672 977**

Legal reserve

According to the company's articles of association, an amount equal to 5% of the annual net profits shall be set aside to form the legal reserve. This allocation shall cease once the reserve reaches 50% of the company's issued capital. The legal reserve may be used to increase the capital or to reduce accumulated losses. If the balance of the legal reserve falls below the prescribed limit, the company is required to resume setting aside amounts from the annual net profits until the reserve balance reaches the specified percentage again. The legal reserve is not distributable.

Merger reserve

This reserve represents the difference between the total equity of Cairo Poultry Company S.A.E. (the merging Company) and the merged Companies referred to in Note No. (1), based on the financial statements approved by the auditors of those Companies as at 31 December 2023, which is the date adopted as the basis for the merger, and the valuation determined by the General Authority for Investment and Free Zones (GAFI).

The following sets out the adjustments that resulted in the reserve balance, in accordance with the report issued by the committee established to reconsider the valuation results pursuant to the decision of the Chairman of the General Authority for Investment and Free Zones (GAFI) No. (556) of 2025.

	December 31, 2025	December 31, 2024
	EGP	EGP
Non-recognition of the debit balance relating to withholding tax and certain other debit balances	150 907 645	150 907 645
Non-recognition of certain property, plant, and equipment items	246 404 080	246 404 080
Liabilities arising from the valuation for the purpose of the merger *	510 253 203	510 253 203
	907 564 928	**907 564 928**
Less: Dividends distributed to shareholders and employees *	(510 253 203)	(510 253 203)
	397 311 725	**397 311 725**

* The shareholders and employees dividends, which were decided during the financial year ended 31 December 2024 in respect of the profits for 2023, amounting to EGP 510 253 203, were deducted from the merger reserve. This treatment was applied because the net equity of the merged Companies and the surviving Company as at 31 December 2023 had already been reduced by the amount of such dividends, in accordance with the report of the Committee for Reconsideration of the Valuation Results, formed pursuant to Decision No. (556) of 2025 issued by the Chief Executive Officer of the General Authority for Investment and Free Zones.

17. Deferred tax liability

	Fixed assets	Provisions	Total
	EGP	EGP	EGP
Balance as of 1 January 2024	**81 181 062**	**(4 655 760)**	**76 525 302**
Movement in deferred tax liabilities during the year (Note 29)	7 686 573	1 216 782	8 903 355
Balance as of 31 December 2024	**88 867 635**	**(3 438 978)**	**85 428 657**
Movement in deferred tax liabilities during the year (Note 29)	5 173 767	(1 114 616)	4 059 151
Balance as of 31 December 2025	**94 401 402**	**(4 553 594)**	**89 487 808**

18. Provisions

	Restructuring provision EGP	Legal provision EGP	Other provision EGP	December 31, 2025 EGP	December 31, 2024 EGP
Beginning balance	**4 973 016**	**2 988 841**	**789 578 566**	**797 540 423**	**384 003 329**
Formed during the year	--	1 690 500	159 425 289	**161 115 789**	**472 628 716**
Used during the year	(1 135 372)	(833 500)	(54 385 747)	**(56 354 619)**	**(52 678 794)**
Provisions no longer required	--	(121 797)	(205 045 196)	**(205 166 993)**	**(6 412 828)**
Balance at the end of the year	**3 837 644**	**3 724 044**	**689 572 912**	**697 134 600**	**797 540 423**

A) Other provision

Other provisions are related to expected claims from external parties in relation to the Company's activities. These provisions are reviewed by management annually and adjusted based on the latest developments, discussions and agreements with such parties.

B) Restructuring provision

The Company's management estimates the restructuring provision based on its assessment of the present value of expected liabilities arising from the restructuring that resulted in a current obligation arising from a past event. This applies to restructuring operations that have detailed plans approved and announced to the affected parties, and for which significant changes are unlikely to occur.

C) Legal provision

The provision represents the total amount set aside to address specific legal claims filed against the Company by external parties. Management, after obtaining appropriate legal advice, believes that the outcome of these legal claims will not materially exceed the value of the provision established as of December 31, 2025.

19. Credit facilities

	December 31, 2025 EGP	December 31, 2024 EGP
Current credit facilities	94 705 183	45 092 097
	94 705 183	**45 092 097**

The balance of credit facilities represents the value of the utilised facilities granted to the Company by the banks it deals with. The total available facilities as of December 31, 2025, amounted to approximately EGP 1.461 billion. The interest rate for facilities in Egyptian pounds is based on the average of the corridor price to the corridor price – lending plus a contractual margin, in addition to facilities related to the Ministry of Finance initiative with an interest rate of 15% and the Ministry of Agriculture at an interest rate of 9.5%. These facilities are secured by collateral guarantees provided by the Company to the lending banks.

20. Trade and notes payable

	Current		Non-current	
	December 31, 2025 EGP	December 31, 2024 EGP	December 31, 2025 EGP	December 31, 2024 EGP
Trade payables	712 601 057	666 268 708	--	--
Notes payables	25 419 097	24 199 973	19 829 682	--
Total	**738 020 154**	**690 468 681**	**19 829 682**	--

21. Current income tax liability

	December 31, 2025	December 31, 2024
	EGP	EGP
Balance at the beginning of the year	773 059 678	407 933 580
Income taxes for the year (Note 29)	738 025 265	773 059 678
Settlements related to prior years	--	959 779
Income taxes paid and settled during the year	(773 059 678)	(408 893 359)
Balance at the end of the year	**738 025 265**	**773 059 678**

22. Accrued expenses and other credit balances

Description	December 31, 2025	December 31, 2024
	EGP	EGP
Advances from customers	255 661 612	297 397 597
Accrued wages and bonuses	92 163 837	182 670 725
Accrued selling and distribution expenses	166 584 163	103 178 749
Accrued expenses	106 610 475	80 431 777
Tax Authority payables	44 845 377	36 018 228
Dividends payables – employees	44 754 812	17 200 148
Security deposits from others	20 512 900	16 815 660
Social security authority	8 761 661	6 452 400
Accrued interest	2 535 488	592 255
Employees and service fund	416 169	393 654
Other credit balances	9 307 904	12 865 754
	752 154 398	**754 016 947**

23. Revenues

	2025	2024
	EGP	EGP
Sales of poultry segment	6 738 226 328	6 619 671 574
Sales of slaughterhouse segment	5 353 621 654	4 923 652 470
Sales of feed segment	3 701 753 639	3 210 656 953
	15 793 601 621	**14 753 980 997**

24. Cost of revenues

	2025	2024
	EGP	EGP
Raw and consumable materials	8 327 846 239	8 212 999 369
Poultry wealth amortization and mortality losses (note 6)	1 091 030 321	732 706 487
Wages and salaries	776 670 230	642 801 954
Property, plant, and equipment depreciation (note 4)	145 214 195	108 645 250
Right of use assets amortization	7 897 896	4 204 903
Export subsidy	(10 674 247)	(16 981 043)
Write-down / (reversal of write-down) in inventories (note 9)	2 898 841	(36 111 196)
Reversal of impairment of poultry wealth (note 6)	(3 392 764)	(79 146 574)
Change in fair value of broiler chicks and hatchery eggs	3 373 786	(111 730 080)
Other expenses	2 104 968 100	1 690 053 629
	12 445 832 597	**11 147 442 699**

25. General and administrative expenses

	2025	2024
	EGP	EGP
Wages and salaries	223 728 106	192 296 981
Property, plant, and equipment depreciation (note 4)	3 050 840	2 838 724
Right of use assets amortization	729 686	773 293
Other expenses	75 599 468	60 847 641
	303 108 100	**256 756 939**

26. Selling and marketing expenses

	2025	2024
	EGP	EGP
Wages and salaries	183 744 995	150 242 216
Advertising expenses	77 607 271	56 585 555
Property, plant, and equipment depreciation (note 4)	16 081 359	8 372 028
Right of use assets amortization	7 129 140	4 957 595
Other expenses	123 584 730	98 373 251
	408 147 495	**318 530 645**

27. Other operating income

	2025	2024
	EGP	EGP
Gains on disposal of parent/ grandparent chicken	149 810 554	205 256 259
Gains on disposal of property, plant, and equipment	8 533 402	1 493 632
Gains resulting from the cancellation of lease contracts	2 051 137	--
Insurance compensations	2 278 436	5 694 902
Other income	173 542 474	211 292 447
	336 216 003	**423 737 240**

28. Finance cost

	2025	2024
	EGP	EGP
Debit interest	11 049 390	23 742 658
Interest expense on lease liabilities	14 501 769	5 191 237
	25 551 159	**28 933 895**

29. Income taxes

	2025	2024
	EGP	EGP
Current income tax	738 025 265	773 059 678
Deferred income tax	4 059 151	8 903 355
Prior years' adjustments	(4 418 149)	959 779
	737 666 267	**782 922 812**

Effective tax rate adjustments:

	2025	2024
	EGP	EGP
Profit for the year before taxes	3 669 478 410	3 258 441 084
Income taxes using enacted tax rate (%22.5)	825 632 642	733 149 244
Tax effect on:		
Non-deductible expenses	58 485 031	113 864 026
Non-taxable income	(141 472 445)	(59 190 355)
Provisions used	(1 529 963)	(2 531 444)
Effect of recognition of deferred tax assets from prior periods	969 151	(3 328 438)
Tax differences (Inspection/Adjusted returns/Interest on advance payments)	(4 418 149)	959 779
Income tax expense	**737 666 267**	**782 922 812**
Effective tax rate	**20.1%**	**24.03%**

30. Basic and diluted earnings per share for the year

a) Basic earnings per share

	2025	2024
	EGP	EGP
Net profit for the year after taxes	2 931 812 143	2 475 518 272
Employees share of dividends	(278 664 116)	(197 405 013)
Net profit for the year after employees' dividends	**2 653 148 027**	**2 278 113 259**
Weighted average number of outstanding shares during the year*	1 789 351 398	1 789 351 398
Basic earnings per share	**1,48**	**1,27**

* It represents the issued capital shares for the Company following the merger (Note 15).

b) Diluted share

Basic and diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares for the effects of all potential ordinary shares that cause this dilution (dilutive). The Company does not have any potential dilutive shares as of both December 31, 2025, and December 31, 2024, therefore, the diluted earnings per share are equal to the basic earnings per share.

31. Contingent liabilities

The Company has contingent liabilities represented in letters of guarantee arising in the ordinary course of business, from which it is anticipated that no material liabilities will arise. The balance of letters of guarantee issued by the Company during the ordinary course of business amounted to EGP 5 300 000 as of 31 December 2025 (2024: EGP 4 650 000).

32. Financial risk management

32.1 Financial risks factors

The Company activities are exposed to various financial risks. These risks include market risks (including foreign currency exchange rate risk, prices risk, and interest rate risk affecting cash flows and fair value), as well as credit risk and liquidity risk.

The Company's management aims to minimise the potential adverse effects of these risks on the Company's financial performance through oversight by the Company's financial management, the Company's top management, and the Executive Committee at the Company.

The Company does not use any derivative financial instruments to hedge specific risks.

A- Market risk

1- Foreign currency exchange risks

Foreign currency exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in foreign exchange rates. The following analysis illustrates the calculation of the impact of reasonable and possible changes in foreign currencies against the Company's functional currency, while keeping all other variables remain constant, on the special purpose separate statement of profit or loss:

	2025	2024
	EGP	EGP
USD 10%	20 391 596	35 591 808
EUR 10%	(761 025)	(205 860)

The following table shows the currencies position denominated in Egyptian pounds at the financial position date:

	2025			2024
	Assets	Liabilities	Net	Net
USD	207 341 874	(3 425 915)	**203 915 957**	**355 918 083**
EUR	3 026 366	(10 636 617)	**(7 610 250)**	**(2 058 604)**

2- Price risk

The Company does not have investments in listed equity instruments and therefore is not exposed to the risk of fair value changes due to price fluctuations.

3- Interest rate risk on cash flows and fair value

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates.

The Company is exposed to interest rate risks on its interest-bearing assets and liabilities (bank deposits, treasury bills, and credit facilities). The Company manages interest rate risk by maintaining an appropriate mix of fixed-rate and variable-rate financial instruments.

The following table illustrates the sensitivity analysis of possible and reasonable changes in interest rates and the impact on the special purpose separate statement of profit or loss, based on interest-bearing financial assets and liabilities (banks, credit facilities) as of December 31, 2025:

Description	Increase/ decrease	Effect on separate profit or loss- Gain/(loss)
		EGP
31 December 2025	+1%/-1%	947 052 / (947 052)
31 December 2024	+1%/-1%	450 920 / (450 920)

B- Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions (excluding cash on hand), as well as credit risk resulting from receivables from customers, including wholesale traders, retail traders, individuals, and committed transactions. The Company manages credit risk as a whole, except for credit risk related to customer account balances, where the management of the Company manages and analyses the credit risks related to its own customers.

For banks and institutions, only high-credit-quality and rating banks and financial institutions are accepted.

For new customers, their credit risks are analyzed before standard payment and delivery terms and conditions are agreed with the customer.

For wholesale customers, reliance is placed on their independent credit rating. In the absence of such an independent credit rating, the credit risk management of each company evaluates the customer's credit worthiness based on the financial position, previous experience with the customer, and other factors. A credit limit is set for each customer based on internal and external credit limits and within the credit limits established by the Board of Directors. The credit limits for each customer are reviewed periodically.

No credit limits were exceeded during the period, and the Company's management believes that the provision for impairment of customer balances is sufficient.

C- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due to shortage of funding. Company's exposure to liquidity risk results primarily from the lack of offset between assets of maturities of financial assets and liabilities.

The management makes cash flow projections on periodic basis, which are discussed during the Executive Committee's meeting of the Company, and takes the necessary actions to negotiate with suppliers, follow up the collection process from customers and manage the inventory balances to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowers to be able to maintain financial terms, always guarantees and covenants.

The Company limits liquidity risk by maintaining sufficient bank facilities and reserves, and by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturities of the Company's undiscounted financial liabilities as of December 31, 2025, and December 31, 2024, based on contractual payment dates and current market interest rates.

December 31, 2025	Below 6 months EGP	From 6 months to 1 year EGP	From 1 year to 2 years EGP	Above 2 years EGP
Bank credit facilities	94 705 183	--	--	--
Trade payables and other credit balances	1 490 174 552	--	--	19 829 682
Due to related parties	7 887 336	--	--	--
Lease liabilities	15 545 505	17 895 748	33 615 005	123 791 064
Total	**1 608 312 576**	**17 895 748**	**33 615 005**	**143 620 746**

December 31, 2024	Below 6 months EGP	From 6 months to 1 year EGP	From 1 year to 2 years EGP	Above 2 years EGP
Bank credit facilities	45 092 097	--	--	--
Trade payables and other credit balances	1 444 485 628	--	--	--
Due to related parties	4 709 269	--	--	--
Lease liabilities	8 141 161	7 339 138	15 586 628	25 494 284
Total	**1 502 428 155**	**7 339 138**	**15 586 628**	**25 494 284**

32.2 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders using the special purpose financial statements. The Company also aims to provide and maintain an optimal capital structure to reduce the cost of capital.

To maintain the capital structure, the Company's management may adjust the amounts of dividends paid to shareholders, reduce capital, issue new shares or reduce debts due on the Company.

The Company monitors the capital structure based on the net debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings and bank facilities and lease liabilities less cash and cash equivalents. Net debt to equity ratio as of December 31, 2025, and December 31, 2024, is as follows:

	December 31, 2025	December 31, 2024
	EGP	EGP
Bank credit facilities	94 705 183	45 092 097
Lease Liabilities	95 883 686	38 031 919
Less: Cash and cash equivalents	(4 531 842 942)	(2 539 818 089)
Net increase in cash over debt	**(4 341 254 073)**	**(2 456 694 073)**
Total equity	7 473 803 271	4 739 396 152
Net debts to equity ratio	**00,0%**	**00,0%**

32.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Company should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Company takes into consideration all information reasonably available. Management measures the "Biological assets – Broiler chicks" based on fair value less costs to sell, which are based on the selling price of broiler chicks in the Egyptian poultry market, which in turn are based on the supply and demand daily.

32.4 Financial instruments by category

Financial assets

	December 31, 2025	December 31, 2024
	EGP	EGP
Trade and notes receivables	1 234 849 031	1 154 230 254
Other debit balances*	57 953 090	42 435 020
Due from related parties	65 583 094	78 987 173
Cash and cash equivalents	4 531 842 942	2 539 818 089
	5 890 228 157	**3 815 470 536**

*After excluding balances of Tax Authority, advances to suppliers, and advances to employees.

Financial Liabilities

	December 31, 2025	December 31, 2024
	EGP	EGP
Bank Credit facilities	94 705 183	45 092 097
Trade and notes payables	738 020 154	690 468 681
Due to related parties	7 887 336	4 709 269
Lease Liabilities	95 883 686	38 031 919
Other credit balances*	442 885 748	414 148 722
	1 379 382 107	**1 192 450 688**

*After excluding balances of advances from customers, Tax Authority and social security Authority.

33. Tax position

The Company is subject to the provisions of the Income Tax Law No. 91 of 2005, its Executive Regulations, and amendments. The following is a summary of the tax position of Cairo Poultry Company (the merging Company) and the merged Companies as of 31 December 2025:

Cairo Poultry Company (Merging Company)

A. Corporate income tax

- The Company's books were inspected, and tax differences were settled for the period from inception till December 31, 2004.
- There was a judicial dispute over an amount of EGP 6.9 million which was paid by the Company to the Tax Authority in 2013. During 2022 a final ruling was issued in favour of the Company and the amount was refunded, settled, and recorded in the Tax Authority's records in favour of the Company.
- Tax inspection, assessment, and payment procedures have been completed for the years from 2005 to 2010.
- Tax inspection of the Company's books for the years from 2011 to 2014 has been finalized. The dispute was transferred to the Tax Appeal Committee, a decision was issued, and an appeal was subsequently filed before the Supreme Administrative Court. A final judgement was issued, and the settlement is currently underway.
- Tax inspection for the years from 2015 to 2021 has been completed, and settlement and payment procedures are in progress.
- The Company's books for the years from 2022 to 2024 have not yet been inspected.

B. Salaries tax

- Tax inspection, assessment, and payment procedures have been completed for the period from inception till December 31, 2021.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

C. Stamp duty tax

- Tax inspection, assessment, and payment procedures have been completed for the period from inception till December 31, 2021.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

D. Value added tax

- The Company's books have been inspected, and payment was made for the period from January 2016 to December 2020.
- The Company's books for the years from 2021 to 2025 have not yet been inspected.

New Cairo Poultry Company (Merged Company)

A. Corporate income tax

- There is a dispute between the Company and Tax Authority regarding the obsolescence and inspection of 2007, where the Company records were subject to inspection, and an income tax assessment was issued under form (19) on a deemed basis for taxable activities for the year 2007, with a claimed amount of EGP 47 155 521. The Company appealed this assessment, and the dispute was transferred to an appeal committee to resolve this tax dispute. A ruling was issued by the Supreme Administrative Court to cancel the appealed judgment and to refer the case back to the Administrative Court.
- The Company's books have been inspected for the years up to 2021, and settlement and payment procedures are in progress.
- The Company's books for the years from 2022 to 2024 have not yet been inspected.

B. Salaries tax

- The salaries tax inspection was completed up to the end of 2016, and the Company settled the related differences.
- The inspection of the Company's books for the years from 2017 to 2021 is in progress.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

C. Stamp duty tax

- The stamp duty tax inspection was completed up to the end of 2013, and the related differences were settled.
- The Company's books for the years from 2014 to 2020 have not yet been inspected.
- The Inspection and settlement for the year 2021 have been completed.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

D. Withholding tax

- The Company withholds the statutory percentages on its transactions with third parties in accordance with the provisions of the law and submits the withholding tax forms to the Tax Authority within the legal deadlines.
- The Company's books were inspected for the years from 2004 to 2012, and the related differences were settled.
- The Company's books for the years from 2013 to 2025 have not yet been inspected.

E. Value added tax

- The Company is registered for VAT, however, its activity is exempted from VAT in accordance with Law No. (67) of 2016. VAT returns are being submitted on a monthly basis.
- The inspection and settlement were completed for the period from January 2016 up to December 2021.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

Cairo Poultry Slaughterhouses Company (Merged Company)

A. Corporate income tax

- The Company's books have been inspected for the period from inception till 2016, and the related tax differences were settled and paid.
- Tax inspection for the years from 2017 to 2022 is currently in progress, and no tax assessment forms have been issued to date.
- The Company's books for the years from 2023 and 2024 have not yet been inspected.

B. Salaries tax

- The Company's books have been inspected for the period from inception till 2022.
- The Company's books for the years from 2023 to 2025 have not yet been inspected.

C. Withholding tax

- The Company withholds the statutory percentages on its transactions with third parties in accordance with the provisions of the law and submits the withholding tax forms to the Tax Authority within the legal deadlines.
- The Company's books were inspected for the years from 2012 to 2016, and the related differences were settled.
- The Company's books for the years from 2017 to 2025 have not yet been inspected.

D. Stamp duty

- The Company's books have been inspected, and payment was made for the period from inception till 2022.
- The Company's books for the years from 2023 to 2025 have not yet been inspected.

E. Value added tax

- Tax inspection and payment procedures have been completed till 2020.
- The Company's books for the years from 2021 to 2023 were inspected. The Company objected to the inspection results, and a decision was issued to re-inspect the Company's records.
- The Company's books for the years from the years 2024 and 2025 have not yet been inspected.

Wadi Al Natroun for Poultry Breeders Company (Merged Company)

A. Corporate income tax

- The Company benefits from a tax exemption period of ten years starting from October 23, 2011, in accordance with the provisions of Law No. 8 of 1997, as evidenced by the tax card.
- Tax inspection has been completed, and payment was made till the year 2021.
- The Company's books for the years from 2022 to 2024 have not yet been inspected.

B. Salaries tax

- Tax inspection has been completed, and payment was made till the year 2012.
- The Tax Authority is currently inspecting the Company's books for the years from 2013 to 2021.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

C. Withholding tax

- Tax inspection has been completed, and payment was made till the year 2013.
- The Company's books for the years from 2014 to 2025 have not yet been inspected.

D. Stamp duty

- Tax inspection has been completed, and payment was made till the year 2013.
- The Company's books for the years from 2014 to 2025 have not yet been inspected.

E. Value added tax

- Tax inspection has been completed, and payment was made for the years from 2016 to 2020.
- The Company's books for the years from 2021 to 2025 have not yet been inspected.

Cairo Feed Production Company (Merged Company)

A. Corporate income tax

- Tax inspection has been completed for the year 2019. Settlement and payment are in progress.
- Tax Inspection for the years from 2020 to 2022 has been finalized, and the dispute has been transferred to the Appeal Committee
- The Company's books for the years 2023 and 2024 have not yet been inspected.

B. Salaries tax

- Tax inspection has been completed, and payment was made till 2022.
- The Company's books for the years from 2023 to 2025 have not yet been inspected.

C. Withholding tax

- The Company withholds the statutory percentages on its transactions with third parties in accordance with the provisions of the law and submits the withholding tax forms to the Tax Authority within the legal deadlines.
- Tax inspection has been completed, and payment was made for the years from 2017 to 2020.
- The Company's books for the years from 2021 to 2025 have not yet been inspected.

D. Stamp duty tax

- Tax inspection has been completed, and payment was made till 2022.

E. Value added tax

- The Company is registered for value added tax, and returns are submitted on a monthly basis.
- Tax inspection has been completed, and payment was made till 2023.
- The Company's books for the years 2024 and 2025 have not yet been inspected.

Wadi Al Natron for Broilers Chicks Production Company (Merged Company)

A. Corporate tax

- Tax inspection has been completed, and payment was made for the period from inception to 2021.
- The Company's books for the years from 2022 to 2024 have not yet been inspected.

B. Salaries tax

- Tax inspection has been completed, and payment was made for the years from 2013 to 2021.
- The Company's books for the years from 2022 to 2025 have not yet been inspected.

C. Withholding tax

- The Company withholds the statutory percentages on its transactions with third parties in accordance with the provisions of the law and submits the withholding tax forms to the Tax Authority within the legal deadlines.
- Tax inspection has been completed, and payment was made for the years from 2013 to 2017.
- The Company's books for the years from 2018 to 2025 have not yet been inspected.

D. Stamp duty tax

- Tax inspection has been completed, and payment was made for the years from 2005 to 2015.
- The Company's books for the years from 2016 to 2025 have not yet been inspected.

E. Value added tax

- Tax inspection has been completed, and payment was made till December 2020.
- The Company's books for the years from 2021 to 2025 have not yet been inspected

34. Significant events during the year

- On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the main operation rate of the Central Bank by 225 basis points to 25%, 26%, and 25.50%, respectively. Additionally, the credit and discount rate was reduced by 225 basis points to 25.50%.
- On May 3, 2025, the President of the Arab Republic of Egypt signed and approved a new Labour Law (Law No. 14 of 2025) to regulate the relationship between the employer and the employee. Among other matters, the new Labour Law clarifies and makes changes related to the procedures concerning the training and rehabilitation financing fund. It repealed Law No. 12 of 2003 which was requiring Companies to deduct 1% of net profits after tax to finance the training and rehabilitation fund. According to Article No. 20 of this new Labour Law, the Training and Rehabilitation Financing Fund will operate at the national level based on the labour market's needs, aligning with the requirements of sectoral employers' organizations established by law. According to Article 21 of this law, the fund's resources will be derived from 0.25% (one-quarter of a percent) of the minimum insurance wage in public sector organizations, public business sector companies, and private sector entities employing 30 or more workers. The contribution will be no less than ten Egyptian pounds and no more than thirty Egyptian pounds per employee. Therefore, an adjustment related to the new Labour Law to reverse the provision that was formed for the training and rehabilitation financing fund according to Law No. 12 of 2003 with total amount of EGP 27 117 867.
- On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the main operation rate of the Central Bank by 100 basis points to 24%, 25%, and 24.50%, respectively. Additionally, the credit and discount rate was reduced by 100 basis points to 24.50%.
- On August 28, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the main operation rate of the Central Bank by 200 basis points to 22%, 23%, and 22.50%, respectively. Additionally, the credit and discount rate was reduced by 100 basis points to 22.50%.
- On October 2, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the main operation rate of the Central Bank by 100 basis points to 21%, 22%, and 21.50%, respectively. Additionally, the credit and discount rate was reduced by 100 basis points to 21.50%.
- On December 25, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the main operation rate of the Central Bank by 100 basis points to 20%, 21%, and 20.50%, respectively. Additionally, the credit and discount rate was reduced by 100 basis points to 20.50%.

35. Significant events subsequent to the date of the special purpose separate financial statements

- In light of the events that occurred during February 2026, the current escalations, instability, and geopolitical tensions in the Middle East, and their repercussions on the economy, trade, and global navigation, the company's management is currently assessing the potential impacts that may arise from these circumstances. Based on the company's management assessment, there is currently no indication of any material effect on its ability to manage its investments, operational activities, and associated risks, nor on its ability to provide the necessary liquidity to continue its investment activities and meet its obligations whenever dues.