Independent financial position statement as of 30/09/2026

Statement	Note number	30/09/2026	30/06/2026
Assets			
Non-current assets			
Fixed assets (net)	4	325982216.64	332054567
Projects under construction	5	66668883.32	64579470
Real estate investments (net)	6	36206889.32	36406749
Investments in shares of affiliated companies	7	40381560.00	40381560
Total non-current assets		**469239549.28**	**473422346**
Current assets			
Inventory	8	257098295.75	265407984
Clients and Receipts (Net)	9	377698337.64	270470976
/ Accounts Receivable from Holding Subsidiary / Affiliate Companies	10	0.00	0.00
Accounts Receivable from Subsidiary Companies		14450487.76	18325799
Accounts Receivable from Agencies and Authorities	11	182946795.34	211398866
Revenue Due for Collection (Net)	12	21654021.41	4341408
Prepaid Expenses	13	2275043.04	4201297
Accounts Receivable (Net)	14	49479040.04	45250583
Current Financial Investments	15	47149500.00	49995601
Cash in Hand and at Banks	16	320329060.35	169104531
Suppliers (Accounts Payable) (Net)		15077648.61	9659982
Total Current Assets		**1288158229.94**	**1048157027**
Total Assets		**1757397779.22**	**1521579373**
Equity and Liabilities			
Equity			
Issued and Paid Capital	17	70000000.00	70000000
Reserves	18	383887421.01	383887421
Retained Earnings / Losses	19	(5845828.35)-	5522159
Surplus for 2026/2025		179554262.10	179554262
Period profits	20	48568637.89	0
Total equity		**676164492.65**	**638963842**



Continued independent balance sheet as of 2026/9/30

Statement	Note number	30/09/2026	30/06/2026
Non-current liabilities			
Deferred tax liabilities	21	61524067.67	61524068
Total non-current liabilities		**61524067.67**	**61524068**
Current liabilities			
Provisions	22	31685391.30	32275443
Short-term loans		0.00	0
Suppliers	23	792034508.40	567359151
Accounts payable to interests and entities	24	109312535.34	104872325
Expenses payable	25	8460835.88	19435775
Advance revenues	26	2975.00	382321
Other payable accounts	27	50020091.46	53373572
Clients (credit balances)		28192881.52	43392876
Total current liabilities		**1019709218.90**	**821091463**
Total equity and liabilities		**1757397779.22**	**1521579373**

Income statement (profits or losses) independent of the financial period from to 2026/9/30 1/7/2026

Statement	Note number	July 1, 2026 to September 2026 ,30	to 1/7/2025 30/9/2025
Activity Revenues		-	
Total Sales of Finished Products	28	67018181.66	94167203
Total Sales of Purchased Goods		0.00	0
Sold Services	29	72238288.98	88289303
Operating Revenues from Others	30	203362698.55	164341592
Real Estate Investment Revenues	31	2757396.58	1106548
Total revenue from activities		**345376565.77**	**347904646**
Deduct activity costs		-	
Cost of producing or purchasing sold units	32	(252085707.64)	(259790839)
Gross profit		**93290858.13**	**88113807**
:Added / deducted			
Other revenues and profits	33	1014981.83	951540
Financial investment revenues	34	20073147.15	9587934
Allocations for which the purpose has ceased		0.00	0
Marketing costs (sales and distribution)	35	(6216805.55)	(5547015)
Administrative and general expenses	36	**(45038086.17)**	(37615944)
Remuneration and allowances of the Board of Directors		**(927041.00)**	(316000)
Allocations other than depreciation		**(0.00)**	(0)
Burden and losses	37	**(1440718.00)**	**(1536652)**
Results of operating activities		**60756336.39**	**53637670**
:Added / deducted			
Financial Revenues	38	1912873.79	5708222
Financial Expenses		(000.00)	(0)
Net Cost of Financing		**1912873.79**	**5708222**
Net Operating Profit		**62669210.18**	**59345892**
:Added / deducted			
Currency Exchange Gains/Losses		0.00	
Capital Gains/Losses		(000.00)	
Net Profit for the Period Before Income Tax	20	**62669210.18**	**59345892.00**
Income Taxes	**39**	(14100572.29)	(13352826.00)
Deferred Tax			
Net Profit (Loss) for the Period	**20**	**48568637.89**	**45993066**
Basic and Diluted Earnings per Share in Net Profit for the Period	**40**	**6.94**	**6.57**



Independent Statement of Comprehensive Income

About the financial period from 2026/7/1 to 2026/9/30

Statement	Note number	July 1, 2026 to September 2026 ,30	to 1/7/2025 30/9/2025
Period Profits		48568637.89	45993066
Other Comprehensive Income Items			
Total Comprehensive Income for the Period		**48568637.89**	**45993066**



Cash Flow Statement for the Financial Period from 2026/7/1 to 2026/9/30

Value in thousands of pounds

	From 2026/7/1 to 2026/9/30	From 2025/7/1 to 30/9/2025
	-	-
Net income resulting from operating activities		
Net profit before taxes and extraordinary items	63669	59346
Adjustments to reconcile net profit with cash flows from operating activities		
Depreciation and amortization	7250	5621
Provisions	(590)	(333)
Interest income	1913	
Investment returns	20073	
Adjustments to retained earnings Standard No. (5)	(5846)	58
Operating profit before changes in working capital		
Change in working capital items		
(Increase) decrease in inventory	(8310)	22842
(Increase) in accounts receivable and receivables	(99932)	(57946)
Increase in accounts payable and payables	201228	136166
Net cash from operating activities	179455	165754
Cash flows from investing activities		
(Payments) for purchasing fixed assets and long-term assets	(3067)	(5615)
Accrued interest income	1913	7049
Accrued investment returns	20073	
Proceeds from the sale of financial investments	49996	76578
(Payments) for purchasing financial investments	(97145)	(156032)
Net cash (used in) investment activities	(28230)	(78020)
Cash flows from financing activities		
Dividends paid		
(Payments) for the repayment of short-term loans		
Net cash generated from financing activities		
Net increase in cash and cash equivalents during the year	151225	87734
Cash and cash equivalents at the beginning of the year	169104	229367
Cash and cash equivalents at the end of the period	320329	317101

List of Changes in Independent Equity
About the financial period from 2026/7/1 to 2026/9/30

Statement	Issued and paid-up capital	Legal reserve	Regulatory reserve	Capital reserve	Other reserves	Retained earnings	Period profits	Total
Balance as of 205/7/1	70000000.00	83321228.17	203911808.27	38155723.88	25215198.07	30679.74	221859071.06	**642493709.19**
Settlements on retained earnings						27703.67		**(27703.67)**
Dividends paid								**(000.00)**
Total comprehensive income for the year							45993066.45	**45993066.45**
Balance as of 2025/9/30	**70000000.00**	**83321228.17**	**203911808.27**	**38155723.88**	**25215198.07**	**58383.41**	**267852137.51**	**688514479.31**
Balance on 2026/7/1	70000000.00	83321228.17	226100783.35	38155723.88	36309685.61	5522159.27	179554262.10	**638963842.38**
Settlements on retained earnings						**(11367987.62)**		**(11367987.62)**
Dividends paid								**0.00**
Total comprehensive income for the year							48568637.89	**48568637.89**
Balance on 2026/9/30	**70000000.00**	**83321228.17**	**226100783.35**	**38155723.88**	**36309685.61**	**(5845828.35)**	**228122899.99**	676164492.65



Notes Complementing the Independent Financial Statements
As of 30/9/2026

1- Overview of the Company

= Upper Egypt Mills Company – an Egyptian Joint Stock Company – was established by Presidential Decree No. 2481 of 1965 as an Egyptian Joint Stock Company. It then became subject to the provisions of Law No. 97 of 1983, followed by Law No. 203 of 1991, and subsequently transitioned to the provisions of Law No. 159 of 1981 as of 4/11/1996, the date of the extraordinary general assembly of the company. The company's articles of association were published in the Companies Gazette.

The company is registered in the commercial register under number 51093, Sohag Commercial Register.

The company's headquarters: Sohag, Qena, Luxor, Aswan, and the Red Sea governorates

Duration of the company: twenty-five years starting from 31/3/2022.

:Company activities

- Grinding grains, especially local and imported wheat, manufacturing bread, exporting grain products, and establishing or trading in real estate, whether through ownership or leasing.

*** Capital :*

- The authorized capital is 200 million Egyptian pounds (two hundred million pounds)
- The issued and paid-up capital is 70 million Egyptian pounds (seventy million pounds), divided into 7 million shares with a nominal value of 10 pounds (ten pounds) per share
- Date of approval of the financial position by the company's board of directors in its meeting No. (11) dated 29/10/2026

Capital management methods:

- The company is working on implementing capital management policies and methods aimed at enhancing the management of its owned assets, which has reflected in the following:
- Improvement of economic performance
- Application of transparency and disclosure principles in cooperation with the stock exchange and the Financial Supervisory Authority, working within the legal regulatory framework in compliance with Law No. 159 of 1981, the company's regulations, and the controls set by the holding company, while following accounting standards.

=Corporate Governance Rules and Standards:

- Based on the decision of the extraordinary general assembly of the company on the separation between the non-executive chairman and the CEO was ,2021/12/11 implemented.

2- Foundations for Preparing Financial Statements

2-1 - Compliance with accounting standards and laws

- The financial statements were prepared on 30/9/2026 in accordance with Egyptian accounting standards and in light of the applicable Egyptian laws and regulations.

2-2Measurement Bases :

- The financial statements were prepared on a historical cost basis in accordance with Egyptian accounting standards. For presentation purposes, current and non-current classifications were used in the balance sheet, while revenues and expenses were recorded in the income statement according to the accrual basis, and the indirect method was used in presenting the cash flow statement.

2-3 Currency of Transaction and Presentation

- The financial statements of the company have been prepared and presented in Egyptian pounds, which is the company's currency.

2-4 Use of Estimates and Assumptions

- The preparation of financial statements in accordance with Egyptian accounting standards requires management to make estimates and assumptions that affect the application of accounting policies and the values of assets, liabilities, revenues, and expenses. These estimates and assumptions are based on historical experience and other factors that may be relevant under those circumstances. The results of these assumptions represent the basis for the estimates of asset and liability values, which may not be available from other sources. Actual results may differ from these estimates.
- Estimates and assumptions are reviewed on an ongoing basis, and the revised accounting estimates are recognized in the same period of review, with the impact of re-evaluation affecting that period or any future financial periods that may be impacted.
- Information regarding the significant items that involve these estimates and judgments, which have a significant impact on the values in the financial statements, is provided in the following notes:
- Impairment of financial and non-financial assets.
- Provisions and contingent liabilities
- Deferred tax assets
-Useful lives of fixed assets

3- Key accounting policies followed

- The accounting policies outlined below have been consistently applied during the financial periods presented in these financial statements.
- The financial year starts on July 1 and ends on June 30 of each year

3-1 Translation of transactions in foreign currencies

- Monetary assets and liabilities in foreign currency are translated using the exchange rate prevailing on the date of the financial position, and currency differences are recognized in a separate item in the income statement.
- Non-monetary assets and liabilities measured at historical cost are translated using the exchange rates prevailing on the date of initial recognition.
- Non-monetary assets and liabilities measured at fair value are translated using the exchange rates prevailing on the date when the fair value was determined.
- The profit or loss from translating non-monetary items measured at fair value is recognized in a manner consistent with the recognition of gains or losses from changes in the fair value of the item. That is, translation differences related to items for which a gain or

loss from changes in their fair value is recognized are included in other comprehensive .income or in the income statement

3-2 Fixed assets and depreciation

A- Initial recognition and measurement:

- Fixed assets are recorded at historical cost less accumulated depreciation and impairment losses.
- The cost includes direct costs related to acquiring the asset. For assets created internally, the cost of the asset includes the cost of raw materials, direct labor, and other direct costs necessary to prepare the asset for its intended use at its location and for the purpose for which it was acquired, as well as the costs of removing and restoring the site where these .assets are located
- The main components are accounted for under a line item of fixed assets, which have .different productive lifespans as independent items within those fixed assets

B- Subsequent costs upon acquisition:

- The book value of fixed assets includes the cost of replacing a part or component of those assets when future economic benefits are expected as a result of incurring that cost, and the cost can be measured with a high degree of accuracy. Other costs are recognized in the .income statement as expenses when incurred

C- Depreciation:

- Depreciation is charged to the income statement using the straight-line method according to the depreciation rates from previous years and in light of the requirements of Egyptian Accounting Standard No. (10) and according to the decision of the Board of Directors of the Holding Company for Food Industries No. 225 dated 31/12/2020, with the Board of Directors' decision No. 20/4/2021 in the session of 28/4/2021 as follows:

%2	Real estate investment
%5	Machinery and equipment of mills
% 4	Machinery and equipment of silos
% 10	Heavy transportation

3-3 Impairment of Assets:

- The carrying amount of the company's owned assets, excluding inventory and deferred tax assets, is reviewed at the date of the financial position to determine if there are any indicators of impairment. If such indicators exist, necessary studies are prepared to determine the expected recoverable amount.

Impairment losses on assets (in cases where the carrying amount of the asset or cashgenerating unit exceeds its recoverable amount) are recognized in the income statement. If the recoverable amount of the assets increases, impairment losses are reversed, but this is limited to not increasing the carrying amount, which is determined after deducting depreciation and amortization without considering the impairment of the assets.

3-4 Projects Under Construction

- Projects under construction represent amounts spent for the purpose of creating or purchasing fixed assets until they are ready for use in operations, at which point they are transferred to fixed assets. Projects under construction are recorded at cost after deducting

any impairment (if applicable), and no depreciation is calculated until they are transferred to fixed assets.

- They are evaluated based on the actual expenditure on the projects as of 30/9/2026.

3-5 Investment Property

- Investment property is initially recognized at cost when it is probable that future economic benefits will flow to the company and its cost can be measured reliably. The purpose of holding the investment is either to earn rental income, capital appreciation, or both, and .this cost includes all expenses incurred to acquire the investment property

3-6 Investments in Subsidiaries

- Investments in subsidiaries that are controlled by the company are recorded using the cost method in accordance with paragraph (10) (12) of Egyptian Accounting Standard No. (17). The investment is recognized at acquisition cost, and the investor recognizes investment income only to the extent of the dividends received from the invested company after the acquisition date. In the case of a temporary decline in value (impairment), the carrying amount is reduced by the impairment losses, which are charged to the income statement for .each investment separately

3-7 Inventory

- Inventory is valued at the balance sheet date at the lower of cost or net realizable value.

1- The cost of raw materials issued from inventory is priced using the first-in, first-out method.

2- The cost of fuel, spare parts, and packaging materials issued from inventory is priced based on the moving average price.

3-8 Customers, Debtors, and Notes Receivable:

- Balances of customers, debtors, and notes receivable are recorded at their actual value, less an appropriate allowance for amounts expected to be uncollectible. They are classified under current assets, while amounts expected to be collected after more than a year are classified under long-term assets .

3-9 Transactions with Related Parties:

- Related parties include sister companies, major shareholders, directors, and senior management of the company, as well as companies controlled or jointly controlled or significantly influenced by those related parties. Transactions with related parties are priced in accordance with Egyptian Accounting Standard No. (15) at arm's length.

- The company has a debit balance with Valley of the Kings Milling and Related Industries as of 30/9/2026 amounting to 14.450 million Egyptian pounds, resulting from our company milling wheat to produce premium flour with a 72% extraction rate.

:Cash and Cash Equivalents 10-3

- For the purpose of preparing the cash flow statement, cash and cash equivalents include cash at banks, cash on hand, and deposits with a maturity of less than three months.

Financial Assets:

The financial policy applied as of January 1, 2021 - Egyptian Accounting Standard No. 47 "Financial Instruments"

- The company classifies financial assets into the following categories: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. The classification is

generally based on the business model under which the financial assets are managed and their contractual cash flow characteristics.

First: Financial Investments in Debt Instruments

The accounting treatment for financial investments in debt instruments is in accordance with the applicable business model of the company.

A- Financial Assets at Amortized Cost

- The financial asset is retained within the business model for financial assets held to collect contractual cash flows.
- The objective of the business model is to hold financial assets to collect the contractual .cash flows represented by the principal amount of the investment and the returns.

B - Financial assets at fair value through other comprehensive income

- The financial asset is held within a business model for financial assets held to collect contractual cash flows and for sale.
- Both collecting contractual cash flows and selling are integrated to achieve the objective of the model.

C - Financial assets at fair value through profit or loss

- The financial asset is held within other business models that involve trading, managing financial assets on a fair value basis, and maximizing cash flows through sales.
- The objective of the business model is not to hold the financial asset to collect contractual cash flows or to hold it for collecting contractual cash flows and selling; collecting contractual cash flows is incidental to the objective of the model .

Secondly: Financial investments in equity instruments

- The financial asset (equity instruments) is recognized at acquisition cost plus any directly attributable transaction costs related to the acquisition or issuance of the financial asset, and the financial asset is revalued at the end of each period at fair value through the statement of comprehensive income/profit or loss, provided that the company continues with the policy chosen for the financial asset without change .

Offsetting between financial instruments

- Offsetting between financial assets and financial liabilities is conducted if there is a legally enforceable right to offset recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3-11 Depreciation of asset values :

The financial policy applied from January 1, 2021 - New accounting standard No. 47 "Financial Instruments"

Impairment of financial assets

- The company reviews all its financial assets except for those measured at fair value through profit or loss to assess whether there is any impairment in their value as detailed below :
- Stage One: Financial assets that have not experienced a significant increase in credit risk since initial recognition, with expected credit losses calculated over a 12-month period.
- Stage Two: Financial assets that have experienced a significant increase in credit risk since initial recognition, with expected credit losses calculated over the life of the asset.
- Stage Three: Financial assets that have experienced impairment in value, requiring expected credit losses to be calculated over the life of the asset based on the difference

between the carrying amount of the instrument and the present value of expected future cash flows.

Credit losses and impairment losses related to financial instruments are measured as follows :

- A low-risk financial instrument is classified at initial recognition in Stage One and credit risk is continuously monitored by the company .
- If it is determined that there has been a significant increase in credit risk since initial recognition, the financial instrument is transferred to Stage Two, where it is not yet considered impaired at this stage .

3-12 Exclusion from the books

- Financial assets are excluded when the contractual rights to receive cash flows from the financial assets expire, and the average cost method is used to determine the profits or losses resulting from the exclusion of financial assets .
- Financial liabilities are excluded upon payment, expiration, or discharge of the obligation specified in the contract that created it.

3-13 Provisions

= *Legal reserve:*

- According to the company's articles of association, at least 5% of the net profit is allocated to form a legal reserve, and this allocation ceases when the reserve reaches 50% of the issued capital. If the reserve decreases, it is necessary to return to the allocation, and the reserve is used by a decision of the general assembly based on a proposal from the board of directors.

= *Statutory reserve*

- A percentage not exceeding 20% of the net profits may be allocated to form a statutory reserve.

= *Capital reserve :*

- It is formed from capital gains resulting from the disposal of assets at amounts greater than their book value .

= *Other reserves:*

- The General Assembly may, based on a proposal from the Board of Directors, establish other reserves as follows :

1- Reserve for Support
2- Reserve for Asset Price Increases
3-Extraordinary Reserve

3-14 Provisions:

- Provisions are recognized when the company has a current legal or constructive obligation as a result of a past event, and it is expected that an outflow of economic resources will be required to settle the obligation, with a reliable estimate of the amount of the obligation being possible. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate. When the time value of money is material, the amount recognized as a provision should be the present value of the expected expenditure required to settle the obligation.

3-15 Borrowing

- Borrowing is initially recognized at the values received, and amounts due for repayment within the year are classified as current liabilities unless the company has the right to defer repayment of the loan balance for more than twelve months after the balance sheet date, in which case the loan balance is presented as a long-term liability.

3-16 Cost of Borrowing

- Borrowing is initially recognized at the values received, and amounts due for repayment within the year are classified as current liabilities unless the company has the right to defer repayment of the loan balance for more than twelve months after the balance sheet date, in which case the loan balance is presented as a long-term liability.
- The costs of borrowing are charged directly to the income statement under financing expenses.
- Projects still under construction bear their share of borrowing costs by adding the borrowing costs directly related to acquiring, constructing, or producing an asset to the cost of that asset in accordance with Egyptian Accounting Standard No. (14.

3-17 Suppliers, Creditors, and Other Credit Balances:

- Suppliers, creditors, and other credit balances are recognized at their nominal value, and liabilities are recognized at the amount that will be paid in the future in exchange for the .services received

3-18Social Insurance

- The company makes contributions to the General Authority for Pensions and Social Insurance, calculated as a percentage of employee salaries. The company's obligations are limited to these contributions, which are charged to expenses when they are due.
- The company also contributes to the government social insurance system for its employees in accordance with Social Insurance Law No. 79 of 1975 and its amendments by Law No. of 2019. The company's obligation is limited to the value of its contribution, and the 148 company's contributions are charged to the income statement on an accrual basis.

3-19 Employee Pension System:

- The company contributes to the government social insurance system for its employees in accordance with Social Insurance Law No. 79 of 1975 and its amendments and Law No. 148 of 2019. The company's obligation is limited to the value of its contribution, and the company's contributions are charged to the income statement on an accrual basis.

3-20 Income Taxes:

- Income tax is calculated in accordance with Egyptian tax law.

Current Income Taxes

- Income tax is calculated on the profits earned in accordance with the applicable laws, regulations, and instructions in this regard, using the tax rates in effect on the date the budget is prepared, and the income tax payable is recorded in the income statement .

3-20-2 Deferred Income Taxes

- Deferred income tax is recognized by following the liability method on temporary differences between the carrying amount of an asset or liability for tax purposes (tax base) and its amount .recognized in the financial statements (accounting base) at the end of the financial year
- The deferred tax liability is recognized for all temporary differences expected to be taxable, except for the following:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that does not constitute a business combination and, at the time of the transaction, it had no effect on either accounting profit or taxable profit (tax loss.
- Deferred income tax is recognized as an asset for all deductible temporary differences, tax .deductions, and unused tax losses carried forward
- The deferred tax asset is recognized for all deductible temporary tax differences to the extent that it is expected that taxable profit will be sufficient to absorb the deductible temporary :difference, tax deductions, and unused tax losses carried forward, except for the following
- When the deferred tax asset relates to deductible temporary tax differences arising from the initial recognition of an asset or liability in a transaction that does not constitute a business combination and, at the time of the transaction, it had no effect on .either accounting profit or taxable profit (tax loss)
- The entity, at the end of each financial year, reassesses the carrying amount of deferred tax assets and reduces it to the extent that no sufficient expected taxable profits are available to utilize all or part of the deferred tax asset. Deferred tax assets that have not been recognized are reassessed at the end of each financial year, and deferred tax assets that were not previously recognized are recognized to the extent that it has become .probable that future taxable profit will allow the utilization of the deferred tax asset
- Current and deferred taxes are included as income or expense in the income statement for the year, except for taxes arising from a transaction or event in the same period or another period directly within equity .
- The company has recognized the value of deferred tax by recording the temporary differences in the depreciation of fixed assets between accounting depreciation and tax depreciation in accordance with Egyptian Accounting Standard No. "24" regarding income taxes .

:Revenue Recognition 21-3

- Revenue is measured at the fair value of the consideration received or receivable, taking into account the payment terms specified in the contract and excluding taxes and discounts. Revenue is recognized to the extent that it is probable that economic benefits will flow to the .company and that revenue and costs can be measured reliably
- The company recognizes revenue from contracts with customers based on a five-step .model as outlined in Egyptian Standard No. 48
- Step 1 - Identify the contract(s) with customers: A contract is an agreement between two or more parties that establishes rights and obligations and sets standards that must be met .for each contract
- Step 2 - Identify the performance obligations in the contract: A performance obligation is a .promise in a contract with a customer to transfer goods or services to the customer
- Step 3 - Determine the transaction price: The transaction price is the amount of consideration that the company expects to be entitled to in exchange for transferring the authorized goods or services to the customer, excluding amounts collected on behalf of .others

- Step 4 - Allocate the transaction price to the performance obligations in the contract: In a contract that involves more than one performance obligation, the company allocates the transaction price to each performance obligation based on the amount of consideration that the company expects to be entitled to in exchange for satisfying each performance obligation.

Step 5 - Recognize revenue when the company satisfies a performance obligation.

-When the company satisfies a performance obligation by delivering the authorized goods or services, this results in a contract-based asset for the consideration earned from the performance. When the value of the consideration received from the customer exceeds the .recognized revenue, a liability arises in this contract

1) Interest Revenue

- Recognizes interest income on a time basis using the effective interest rate, and when there is a decline in the outstanding balance resulting from the recognition of interest, the carrying amount is reduced to the present value of future cash flows discounted at the original effective interest rate.

2) Revenue from Distributions

- Revenue from dividends is recognized when the right to receive them arises.

3-22 Expenses

- All operating expenses, including administrative and general expenses, are recognized and charged to the income statement in the financial period in which those expenses are incurred.

3-23 Cash Flow Statement

- .The cash flow statement is prepared using the indirect method

3-24 Accounting Estimates :

- The preparation of financial statements in accordance with Egyptian accounting standards requires management to make estimates and assumptions that affect the values of assets, liabilities, revenues, and expenses during the financial periods and years. Actual .results may differ from those estimates

3-25 Basic Earnings per Share :

- Basic earnings per share for ordinary shares are calculated by dividing the profit or loss attributable to shareholders for their contribution to the company's capital by the weighted average number of ordinary shares outstanding during the year.

4) Fixed Assets :

4/1 Fixed Assets and Depreciation

- Fixed assets are shown at their historical cost and their depreciation is calculated using the straight-line method in accordance with what has been followed in previous years

Value in pounds

Description	Land	Buildings and Constructions	Machinery and Equipment	Transportation and Transit Means	Quantity And tools	Furniture	Computer	Total
Cost on 1/7/2026	6419176	162117373	382117736	119640215	18532833	12191686	3649899	704669418
Period Additions	-	-	-	-	33010	744593	200275	977878
Period Exclusions	-	-	-	-	-	-	-	-
Cost on 30/9/2026	6419676	162117373	382117736	119640215	18565843	12936279	3850174	705647296
Accumulated Depreciation on 2026/7/1	-	66585829	210428386	70049901	13927704	9178104	2444928	372614852
Depreciation for the Period	-	1790441	3091986	1687402	212895	169886	97618	7050227
Settlements	-	(129)	-	-	129	-	-	-
Accumulated Depreciation as of 30/9/2026	-	68376141	213520372	71737303	14140728	9347990	2542546	379665080
Balance as of 30/9/2026	6419176	93741232	168597364	47902912	4425115	2905241	1307628	325298668
Balance as of 30/6/2026	6419176	95531544	171689350	49590314	4605129	3013582	1204971	332054566

4/2) There are fixed assets (machines) that have been fully depreciated and are still in operation, which are:

value in pounds

Sector Name	Site Name	Total Cost	Accumulated Depreciation
Sohag	Tama Bakery	301746	301746
	Tahta Bakery	228028	228028
	Girga Workshop	26700	26700
Qena	Social Affairs Bakery	350107	350107
	Naga Hammadi Workshop	413014	413014
	Naga Hammadi Bakery	227428	227428
	Qus Workshop	21725	21725
Aswan	Aswan Sector Workshop	59645	59645
	Koma Ambo Workshop	15620	15620
The Sentence **		1644013	1644013

5) Projects Under Implementation:

Value in Pounds

The Statement	Clarification	2026/9/30	2026/6/30
Investment Composition	1/5	66368883	64279470
Investment Expenditure	2/5	300000	300000
Total **		66668883	64579470

* It will be evaluated based on the actual expenditure on projects as of 30/9/2026.

5/1) Investment Formation:-

Value in pounds

The Statement	2026/9/30	2026/6/30
Land	27102652	27102651
Buildings	29921231	28302170
Transport and Transit Means	9214009	8874649
Computer	130991	-
Total **	66368883	64279470

5/2) Investment Expenditure: -

Value in pounds

Item	2026/9/30	2026/6/30
Faster Elevator and Escalator Company (Advance for Supply and Installation) 2 elevators in Gerga Tower	300000	300000
Total **	300000	300000

6) Real Estate Investments (Net):

Value in pounds

The Statement	Clarification	2026/9/30	2026/6/30
Real Estate Investments	0	48502016	48502016
-: Deducted ** Depreciation Provision for Real Estate Investments		12295127	12095267
Balance **		36206889	36406749

** The real estate investments have been evaluated at their historical cost, and their depreciation is calculated using the straight-line method as per the practice followed in previous years

Value in Pounds

Description	Land	Buildings	Total
Cost as of 1/7/2026	1514773	46987243	48502016
Period Additions	-	-	-
Cost on 30/9/2026	1514773	46987243	48502016
Accumulated Depreciation as of 1/7/2026	-	12095267	12095267
Destruction of the period	-	199860	199860
Settlement	-	-	-
Accumulated Depreciation as of 30/9/2026	-	12295127	12295127
Balance as of 30/9/2026	1514773	34692116	36206889
Balance as of 30/6/2026	1514773	34891976	36406749

7) Investments in Subsidiary Shares

Value in Pounds

The Statement	Clarification	2026/9/30	2026/6/30
Investments in Subsidiary Shares	0	40381560	40381560
Balance **		40381560	40381560

= Investments in Wadi Al-Muluk Milling Company at 57.68% of its capital

8) Inventory :

Value in Pounds

The Statement	2026/9/30	2026/6/30
Raw Materials Warehouse	102694326	107036116
Fuel Warehouse	4894264	7020421
Spare Parts and Equipment Warehouse	99814177	90647077
Packaging Materials Inventory	11070149	21485291
Finished Goods Inventory	38625379	39219079
Total **	257098295	265407984

= Stock of Finished Production:-

Value in pounds

The Statement	2026/9/30	2026/6/30
Real Estate Stock	31606433	31606433
Finished Production	7018946	7612646
Balance **	38625379	39219079

The balance of local wheat owned by the Supply Commodities Authority in silos and warehouses = of the company as of 30/9/2026 is 184,235.697 tons of various grades, with a book value of 3,039.889 .million pounds
The balance of imported wheat owned by the Supply Commodities Authority in the company's = .silos as of 30/9/2026 is 1,116.330 tons of various grades, with a book value of 18.419 million pounds
*The raw materials stock includes 6,584.32 tons of wheat owned by Upper Egypt Mills at Wadi Al- * Muluk Company for milling and related industries, processed by Wadi Al-Muluk Company for milling .and related industries on behalf of Upper Egypt Mills, with a value of 99.828 million pounds*

9) Customers and Receivables

Value in pounds

The Statement	Clarification	2026/9/30	2026/6/30
Customers	1/9	377698338	270470975
Total **		377698338	270470975

9/1) Customers :-

Value in pounds

The Statement	2026/9/30	2026/6/30
Customers	378909761	271682398
Deduction: Provision for doubtful debts *	1211423	1211423
Total **	377698338	270470975

10) Accounts receivable from holding/subsidiary/affiliate companies Value in pounds

The Statement	2026/9/30	2026/6/30
Valley of the Kings Milling Company	14450488	18325799
Total **	14450488	18325799

** This is the result of Valley of the Kings Milling Company selling the bran produced from milling wheat to produce high-quality flour with a 72% extraction rate to them. ** The company's transactions with Valley of the Kings Milling Company are as follows :-

The Statement	2026/7	2026/8	2026/9	Total
Milling	975504.30	931298.73	695129.37	2601932.40
Download	4367.34	2547.90	2941.20	9856.44
Storage	66387.56	55012.75	75061.25	196461.56
Improvements	177344.20	115991.93	106944.85	400280.98
Total **	1223603.40	1104851.31	880076.67	3208531.38

11) City accounts with authorities and entities

Value in pounds

The Statement	2026/9/30	2026/6/30
General Tax Authority (Advance payments) and amounts deducted by others	168269104	167683225
Input tax	14677691	43715641
Total **	182946795	211398866

12) Revenues due for collection

Value in pounds

The Statement	2026/9/30	2026/6/30
Credited rents and financial revenues due, and credited interests pertaining to the period	22388292	5075679
Deduct: the provision *	734271	734271
Total **	21654021	4341408

13) Prepaid expenses:-

Value in pounds

The Statement	2026/9/30	2026/6/30
Misr Insurance -	2275043	3955175
Rents and property taxes and others -	-	246122
Total **	2275043	4201297

14) Accounts of another city:-

Value in pounds

The Statement	Clarification	2026/9/30	2026/6/30
Receivables from others		44580530	44560530
Debtors from the sale of assets related to residential buildings		100068	109856
Other receivable balances	1/14	4798442	580198
Total **		49479040	45250584

15) Other receivable balances: - *Value in pounds*

The Statement	2026/9/30	2026/6/30
Other receivable balances	19194741	14976497
Deduct: Provision	14396299	14396299
*Total ** *	4798442	580198

15-1) Current financial investments :-
Treasury bills: - *Value in pounds =*

Amount	The Bank	Price Before Tax	Duration / Day	Maturity
47149500	Emirates NBD	% 24.25	91	2026/11/3
47149500	*Total ** *			

16) Cash in Hand and at Banks: - Value in Pounds

The Statement	Clarification	2026/9/30	2026/6/30
Term Deposits in Local Currency for Three Months		20000000	20000000
Current accounts in banks		240661933	148085685
Cash in the box		59667127	1018846
*Total ** *		*320329060*	*169104531*

*** Note: The balance of account number 3170001000060500 at Bank of Egypt, Sohag, as of 30/9/2026, is 628,000 Egyptian pounds. This amount includes checks issued to local wheat suppliers that have not been cashed at the bank to date. This account is specific to the General Authority for Supply Commodities for marketing local wheat. A bank reconciliation for this account was prepared on .separately and is not included in the company's accounts 2026/9/30*
= Transactions in foreign currency are initially recorded using the prevailing exchange rate on the transaction date. The company has bank balances in foreign currencies valued as follows:- USD, equivalent to 3,931,389.14 Egyptian pounds 79825.16.

17) Capital :-
=The authorized capital is 200 million pounds
=The issued and paid-up capital is 70 million pounds, divided into 7 million shares with a nominal value of 10 pounds per share.
*** :The capital structure consists of*

.No	Names of shareholders	Number of shares	Percentage	Nominal value
1	Food Industries Holding Company	1890000	% 27	18900000
2	Mohammed bin Dhahyan bin Abdulaziz Al-Dhahyan	1266400	% 18.09	12664000
3	Union of Contributing Workers	1386947	%19.814	13869470
4	Individual and Other Shareholders	2456653	% 34.995	24566530
		7000000	% 100	70000000

18) Provisions: *Value in pounds*

The Statement	Clarification	2026/9/30	2026/6/30
Legal reserve		83321228	83321228
Statutory reserve		226100783	226100783
Capital reserve		38155724	38155724
Other reserves	1/18	36309686	36309686
*Total ** *		383887421	383887421

***Reserves are formed according to the company's articles of association and are used or disposed of in accordance with the company's articles of association and as determined by the assembly for the benefit of the company, shareholders, and employees.*

18/1) reserves: **Value in pounds**

The Statement	*2026/9/30*	*2026/6/30*
Support reserve	5770346	5770346
Reserve for asset price increases	12365563	12365563
Extraordinary reserve	18173777	18173777
*Total ***	36309686	36309686

19) Retained earnings: **value in pounds**

The Statement	*2026/9/30*	*2026/6/30*
Balance at the beginning of the period	5522159	30680
Dividend distributions		(30680)
Retained earnings from the previous year		1996993
Earnings (losses) Standard No. (5)	(11367987)	3525166
*Total ***	5845828	5522159

20) The earnings for the period from 1/7/2026 to 30/9/2026 amounted to 62.669 million pounds before tax and an amount of
million pounds after tax 48.569

21) Deferred tax liabilities: ***Value in pounds***

The Statement	*Clarification*	*2026/9/30*	*2026/6/30*
Balance of liability at the beginning of the year		61524068	58643141
Deferred tax liability for the year		-	2880927
*Total ***		61524068	61524068

= Timing differences for the depreciation of fixed assets are recognized between accounting depreciation and tax depreciation in accordance with Egyptian Accounting Standard No. "24" regarding income taxes.

22) Provisions: ***Value in pounds***

The Statement	*2026/9/30*	*2026/6/30*
Provision for disputed taxes	28705248	28705248
Other provisions (litigation)	2980143	3570195
*Total ***	31685391	32275443

*****Policy for recognizing and supporting provisions.***
*****The company conducts annual studies for the tax provision, provision for claims and disputes, and provision for litigation to determine the potential liability and its percentage, .and the provisions are supported accordingly in line with the company's business results***

23) Suppliers and notes payable: ***Value in pounds***

The Statement	*2026/9/30*	*2026/6/30*
Suppliers	792034508	567359151
*Total ***	792034508	567359151

24) Credit accounts for interests and authorities:- ***Value in pounds***

The Statement	*2026/9/30*	*2026/6/30*
Value Added Tax	29552890	40041293
Income Tax	3265353	1224615
Withholding Taxes	1026666	719742
Taxes borne by the unit (Property (Taxes	8639825	8639825
Period/Annual Profit Tax	43499443	43499443
Period Tax	14100572	
Current Social Insurance Authority	8790016	10351927
Current Comprehensive Health Insurance Authority	437770	395480
*Total ***	*109312535*	*104872325*

25) Expenses Payable: -

Value in Pounds

The Statement	2026/9/30	2026/6/30
Outstanding wages	8440473	18448341
Outstanding rents	20363	870643
Outstanding fines	-	16790
Outstanding donations	-	100000
*Total **	8460836	19435774

26) Revenues collected in advance: -

Value in pounds

The Statement	2026/9/30	2026/6/30
Credited rents and revenues from real estate "investments "collected in advance	2975	382321
*Total **	2975	382321

27) Other payable accounts: -

Value in pounds

The Statement	2026/9/30	2026/6/30
Guarantees for others	25747847	24967950
Creditors for amounts deducted from employees	1437493	1918828
Creditors for asset purchases	416227	776141
Diverse Credit Balances	22418524	25710653
*Total **	*50020091*	*53373572*

**Income Statement Items

28) Total Sales of Finished Products:-

Value in Pounds

The Statement	2026/9/30	2025/9/30
Premium Flour 50 kg 72%	38135786	42569740
Premium Flour 25 kg 72%	12365504	28445329
Bread	1183672	1192080
System Flour 50 kg 2013	-	103997
Coarse Bran	15333220	21856057
*Total **	67018182	94167203

29) Services Sold:-

Value in Pounds

The Statement	2026/9/30	2025/9/30
Transportation fees and product handling of the company	30338	184134
Weight drawing of a scale for others	1969064	2317553
Transportation fees for imported wheat	465369	2842531
Transportation fees for local wheat	3361365	10175124
Emptying and loading of coarse bran	10905458	9036828
Storage commission for imported wheat	237010	103024
Sales commission for coarse bran	55269440	63627560
Screening at Qus unit	245	2548
*Total **	72238289	88289302

30) Operating revenues for others: -

value in pounds

The Statement	2026/9/30	2025/9/30
Value of milled wheat during the period	203362698	164341592
*Total **	203362698	*164341592*

The new milling system has been implemented since 1/8/2017 based on Ministerial Directive No. 24 of 2017, and the milling cost has been increased in the operating revenues for others .against operating expenses in the income statement

***** Revenue is recognized when it is confirmed that the revenue resulting from the company's .economic activity has been achieved***

***** Sales revenue is recorded upon issuing invoices and delivering goods to customers.***

31) Real estate investment revenue: - Value in pounds

The Statement	2026/9/30	2025/9/30
Real estate investment revenue	2757397	1106548
*Total **	2757397	1106548

32) Cost of producing or purchasing sold units: - Value in pounds

The Statement	2026/9/30	2025/9/30
Raw materials, supplies, fuel, and spare parts	152743599	183626565
Wages	72018596	58552092
Purchased services	19705392	10248267
Depreciation	6969351	5209677
Rentals	35133	1429406
Property Taxes	-	16414
Indirect Taxes	19937	113472
Beginning Inventory of Finished Goods	7612645	10056962
Purchases of Goods for Sale	-	-
Less: Ending Inventory of Finished Goods	7018945	9462016
*Total **	252085708	259790839

33) Revenues and Other Profits: - Value in Pounds

The Statement	2026/9/30	2025/9/30
Profits from Sale of Scrap	8804	26898
Profits from Sale of Raw Materials and Fuels	-	124240
Compensations and Fines	224120	13544
Credited Rents	515313	549738
Other Miscellaneous Revenues	266745	237120
*Total **	*1014982*	951540

24) Financial Investment Revenues:- Value in pounds

The Statement	2026/9/30	2025/9/30
Return on the company's investment in Wadi Al-Muluk Company	17162163	4038156
Return on treasury bills	2910984	5549778
*Total **	20073147	9587934

25) Marketing Costs (Sales and Distribution):- Value in pounds

The Statement	Clarification	2026/9/30	2025/9/30
Raw materials, supplies, fuel, and spare parts		144376	29809
Wages		5452773	5206155
Other costs	1/38	619657	311051
*Total **		6216806	5547015

25/1) Other costs:- Value in pounds

The Statement	2026/9/30	2025/9/30
Purchased services	465008	164630
Depreciation	55370	64718
Rentals	99279	81703
Property Taxes	-	-
*Total **	619657	311051

36) Administrative and General Expenses:-

Value in pounds

The Statement	2026/9/30	2025/9/30
Raw materials, supplies, and fuel	1527237	1360922
Wages	35170916	25343907
Purchased services	6430667	10692537
Depreciation	225367	346778
Rentals	2496756	60008
Property Taxes	6689	127792
Indirect taxes on activity	107495	-
Total **	45965127	37931944

**Administrative and general expenses are as follows:-Value in pounds

The Statement	2026/9/30	2025/9/30
Other administrative expenses	45038086	37093181
Total **	45038086	37093181

**Compensation received by the Chairman and members:

Value in pounds

The Statement	2026/9/30	2025/9/30
Fixed salaries for the Chairman, CEO, and Technical Executive Member	619041	522763
Attendance allowance for the Chairman, CEO, and members of the Board	256000	252000
Transportation allowance for the Chairman, CEO, and members of the Board	52000	64000
Total **	927041	838763

37) Various burdens and losses:

Value in pounds

The Statement	2026/9/30	2025/9/30
Compensations and fines	516258	616271
Donations and grants	5000	10000
The contributory share is 2.5 per thousand of the revenues	919460	910381
Total **	1440718	1536652

37/1) Donations and Grants:

Value in pounds

Description	2026/9/30	2025/9/30
Government Entities	-	-
Registered Charitable Associations	5000	10000
Total **	5000	10000

38) Financial Revenues :-

Value in pounds

The Statement	2026/9/30	2025/9/30
Return on the current account of the Egypt Bank Investment Fund day by day and postal	438585	1185958
Return on deposits and current accounts	1474289	4522264
Total **	1912874	5708222

39) Income Taxes :-

Value in pounds

The Statement	2026/9/30	2025/9/30
Corporate income for the period	14100572	13352826
Paid Treasury Bill Tax	-	-
Total **	14100572	*13352826*

40) Earnings per share for the period: - *Value in pounds*

The Statement	2026/9/30	2025/9/30
Net profit for the period	48568638	45193066
Number of shares	7000000	7000000
Earnings per share from net profit for the period	6.94	6.57

41) Objectives and policies of financial instruments risk management

Overview

- The company is exposed to the following risks arising from its use of financial instruments:

1- Credit risk

2- Market risk

3- Liquidity Risks

- This clarification provides information on the extent of the company's exposure to all the risks mentioned above, as well as the company's objectives, policies, and operations regarding the measurement and management of these risks.

41-1 Credit Risks

- Credit risk is the risk of financial losses incurred by the company in the event that a client or counterparty fails to meet its contractual obligations. The company is primarily exposed to credit risks from customer balances, receivables, accrued revenues, various debtors, other receivables, and amounts due from related parties, as well as from its financial activities, including its balances with banks.

= Other Financial Assets

- Regarding credit risks arising from the company's other financial assets at amortized cost, the entity is exposed to credit risk due to the counterparty's default, and the maximum exposure to .credit risk equals the carrying amount of these assets

= Bank Balances

- The company mitigates credit risks related to bank balances by dealing with reputable banks. The company limits its exposure to credit risk by depositing its balances only with international banks or reputable local banks. Management does not expect, based on the information available to the company about the banks it deals with, that any counterparty .will default on its obligations

41-2 Market Risks

- Market risk is the risk of fluctuations in the fair value of future cash flows of a financial instrument due to changes in market prices, such as foreign exchange rate risk and interest rate risk, which are risks that could affect the company's profits. Financial instruments affected by market risk include loans, interest-bearing facilities, and deposits. The objective of managing market risk is to manage and control the risk within acceptable limits while achieving satisfactory returns. The company does not hold or .issue derivative financial instruments

Exposure to interest rate risk

- The interest rate risk is the risk of fluctuations in the fair value of future cash flows of a financial instrument due to changes in market interest rates. The company's exposure to interest rate risk is primarily related to its variable interest rate obligations. The interest on financial instruments with a variable interest rate is repriced from time to time, not .exceeding one year

41 - Liquidity Risks

- The company's cash flows and liquidity requirements are monitored by the company's .management, which maintains sufficient cash to cover expected operating expenses

Fair Values of Financial Instruments - 42

- Financial instruments consist of financial assets and financial liabilities. The company's financial assets include cash balances with banks, customer balances, receivables, accrued revenues, and other receivables. The company's financial liabilities include balances with suppliers, other payables, amounts due to related parties, and income taxes payable.

Fair values of financial assets and liabilities do not differ materially from their book values .unless otherwise stated

43- Significant Events :

The Monetary Policy Committee of the Central Bank decided in its meeting on Thursday, - September 24, 2026, to keep the key interest rates unchanged. Accordingly, the overnight deposit and lending rates and the central bank's main operation rate were set at 19%, 20%, and 19.5%, respectively, while the credit and discount rate remained at 19.5%. This decision reflects the committee's assessment of the latest developments in inflation and its expectations since its previous meeting.

44- Other Data :

The rise in prices for imported wheat for extracting 72% flour, as well as the prices of - .production inputs such as fuel, spare parts, and packaging materials, is due to rising prices The company contributes 57.68% of the capital in Valley of the Kings Milling and Related - Industries Company.

45- Tax Position

-The company applies the advance payment system according to Law 91 of 2005, Article 62

-The company pays the taxes due annually based on the tax returns prepared in accordance with the law and within the specified deadlines. The company also pays the dues to the sales tax authority on an ongoing basis, and the provision shown in the balance sheet as of amounting to 28.705 million Egyptian pounds, is considered sufficient to meet ,2026/9/30 any claims for corporate taxes, income tax, sales tax, and stamp duties.

-The company has finalized the tax accounting for "corporate entities" definitively until and has paid the due tax according to the decisions of the Appeals Committee 2012/6/30.

-The company has finalized the tax accounting for income tax definitively until the year and has paid the due tax 2022.

-The company has finalized the tax accounting for value-added tax definitively until 2018/2019 and has paid the due tax.

-The value-added tax for the period from 7/2019 to 11/2020 was examined by the internal committee at the tax authority for large taxpayers and was referred to the internal Appeals Committee at the tax authority.

-There is a legal dispute between the company and the sales tax authority regarding some services provided to others" that were subject to sales tax for the years from 2007 to 2012 " concerning commissions for marketing wheat and corn and other expenses.

-An amount of 115.4 million Egyptian pounds has been recorded as a credit balance for the company with the tax authority at the tax center for large taxpayers, and this amount has been paid from Aswan Governorate in implementation of the court ruling issued in favor of the company.

46- Auditor's fees

- The auditor's fees for reviewing the company's financial statements for the fiscal year ending on 30/6/2027 amount to four hundred thousand Egyptian pounds, plus 10% of the .total fees as value-added tax

Issued on: / /2026

Head of Financial Sector

"Accountant/ Osama Abdel-Majeed Taha"

شركة مطاحن مصر العليا

القطاع المالى