

Arabian Food Industries Company (Domty) - S.A.E
The separate financial statements
Together with the Auditor's Report
For the year ended December 31, 2025

Arabian Food Industries Company (Domty) - S.A.E

Separate financial statements

For the year ended 31 December 2025

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**Saleh, Barsoum & Abdel Aziz - Grant
Thornton
Accountants & Auditors**

**Nabil & Samaha & Partners
Public Accountants & Consultants**

Auditor's report

To: The Shareholders of Arabian Food Industries Company (Domty) - (S.A.E)

Report on the separate financial statements

We have audited the accompanying separate financial statements of Arabian Food Industries Company (Domty) - S.A.E, which are comprised of the separate financial position as of December 31, 2025, the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the 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 these separate financial statements in accordance with the Egyptian Accounting Standards, and the prevailing Egyptian laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; also this responsibility 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 separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and in the light of prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion


In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Arabian Food Industries Company (Domty) - S.A.E as of December 31, 2025, the results of its operations and its cash flows for the financial year then ended, in accordance with the Egyptian Accounting Standards and the applicable Egyptian laws and regulations related to the preparation of these separate financial statements.

Report on the legal requirements and other Regulations

The company maintains proper books of accounts, which include all that is required by the law and by the statutes of the company, and the accompanying separate financial statements are in agreement therewith. The company applies proper costing accounts that meets its designated purpose. The inventories were counted by management in accordance with methods in practice.

The financial information referred to in the Board of Directors report, is prepared in compliance with the Companies Law No. 159 of 1981 and its executive regulations thereto and is in agreement with the books and records of the Company insofar as such information is recorded therein.

Cairo, April 8, 2026


Dr. Nabil Ahmed Abdel Majeed
FESAA
CBE Register No.203
R.A.A (3155)
EFSA (166)


Nabil Ahmed Abdel Meguid PhD, CPA
Nabil & Samaha & Co
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Auditors

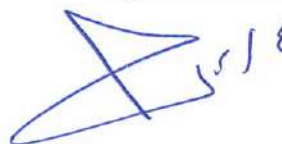

Kamel Magdy Saleh FCA,
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Saleh, Barsoum & Abdel Aziz - Grant Thornton


		<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>Note</u>	<u>EGP</u>	<u>EGP</u>
Assets			
Non-current assets			
Property, plant, and equipment	(3)	801,693,554	617,307,776
Projects under construction	(4)	88,954,232	193,385,439
Investment in Subsidiary	(5)	72,502,733	72,502,733
Total non-current assets		<u>963,150,519</u>	<u>883,195,948</u>
Current assets			
Inventories	(6)	1,250,611,372	1,233,048,891
Accounts and notes receivable	(7)	1,526,519,565	1,307,396,997
Prepayments and other debit balances	(8)	517,557,032	498,952,288
Financial Investment at amortized cost - Treasury bills	(9)	--	169,524,668
Cash on hand and at banks	(10)	615,927,172	593,022,638
Total current assets		<u>3,910,615,141</u>	<u>3,801,945,482</u>
Total assets		<u>4,873,765,660</u>	<u>4,685,141,430</u>
Equity			
Issued and paid-up capital	(16)	56,521,739	56,521,739
Legal reserve	(16)	28,260,870	28,260,870
Special reserve (Share premium)	(16)	283,422,423	283,422,423
Other reserves		170,196	170,196
Fixed assets adjustments surplus	(32)	8,348,942	13,318,831
Retained earnings	(17)	1,076,818,083	1,222,848,768
Total Equity		<u>1,453,542,253</u>	<u>1,604,542,827</u>
Non-current liabilities			
Long term loans	(15)	99,572,407	52,194,940
Lease liability – long term	(26)	34,733,697	27,811,699
Notes payable – long term		121,773	--
Deferred tax liabilities	(23)	12,917,704	19,693,090
Total non-current liabilities		<u>147,345,581</u>	<u>99,699,729</u>
Current liabilities			
Credit facilities – short term	(12)	2,311,514,563	2,067,397,001
Short term loans	(15)	30,878,285	72,262,122
Lease liability – short term	(26)	16,833,678	12,476,695
Trade and notes payable	(13)	625,580,489	400,756,409
Provisions	(11)	27,532,482	62,887,286
Accrued expenses and other credit balances	(14)	192,106,575	204,826,788
Income tax		68,431,754	160,292,573
Total current liabilities		<u>3,272,877,826</u>	<u>2,980,898,874</u>
Total liabilities		<u>3,420,223,407</u>	<u>3,080,598,603</u>
Total equity and Liabilities		<u>4,873,765,660</u>	<u>4,685,141,430</u>

Finance Managing Director
 Mohamed Abdelbaky



Chairman
 Eng. Omar Mohamed El Damaty



* Auditor's report attached.

- The accompanying notes from (1) to (34) form an integral part of these separate financial statements.

		<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>Note</u>	<u>EGP</u>	<u>EGP</u>
Net sales	(28)	9 390 408 399	9 225 973 753
Cost of sales	(28)	<u>(7 122 131 009)</u>	<u>(7 094 737 102)</u>
Gross profit		<u>2 268 277 390</u>	<u>2 131 236 651</u>
Selling and marketing expenses	(18)	(1 550 977 948)	(1 067 256 506)
General and administrative expenses	(19)	(116 097 366)	(69 965 598)
Net other operating income	(20)	120 019 400	86 240 726
Company's share from investment in Associate		--	(716 122)
Provisions no longer required	(11,8)	22 129 437	--
Write-down in inventories	(6)	(958 044)	--
Provisions	(11)	<u>(14 219 307)</u>	<u>(35 678 405)</u>
Operating Profit		<u>728 173 562</u>	<u>1 043 860 746</u>
Finance income	(21)	17 405 944	53 238 934
Finance expenses	(22)	<u>(511 170 392)</u>	<u>(420 506 761)</u>
Profits for the year before income taxes and solidarity contribution		234 409 114	676 592 919
Solidarity contribution		<u>(23 874 094)</u>	<u>(24 445 097)</u>
Profits for the year before income taxes		<u>210 535 020</u>	<u>652 147 822</u>
Income tax expense	(23)	<u>(61 656 368)</u>	<u>(157 839 638)</u>
Profits for the year after income taxes		<u>148 878 652</u>	<u>494 308 184</u>
Earnings per share	(27)	<u>0.43</u>	<u>1.42</u>

- The accompanying notes from (1) to (34) form an integral part of these separate financial statements

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Profits for the year after income taxes	148,878,652	494,308,184
Other comprehensive income	--	--
Total comprehensive income for the year	<u><u>148,878,652</u></u>	<u><u>494,308,184</u></u>

- The accompanying notes from (1) to (34) form an integral part of these separate financial statements.

	Issued and paid-up Capital		Legal reserve		Special reserve (share premium)		Other reserves		Fixed assets adjustments surplus		Retained earnings		Total	
	EGP		EGP		EGP		EGP		EGP		EGP		EGP	
Balance as of 1 January 2024	56,521,739		28,260,870		283,422,423		170,196		18,305,818		909,457,897		1,296,138,943	
Transferred from Fixed assets adjustment surplus to retained earnings (Third option - Appendix A - Revised EAS No 13) – Note (32)	--		--		--		--		(4,986,987)		4,986,987		--	
Dividends paid	--		--		--		--		--		(185,904,300)		(185,904,300)	
Profits for the year	--		--		--		--		--		494,308,184		494,308,184	
Balance as of 31 December 2024	56,521,739		28,260,870		283,422,423		170,196		13,318,831		1,222,848,768		1,604,542,827	
Balance as of 1 January 2025	56,521,739		28,260,870		283,422,423		170,196		13,318,831		1,222,848,768		1,604,542,827	
Transferred from Fixed assets adjustment surplus to retained earnings (Third option - Appendix A - Revised EAS No 13) – Note (32)	--		--		--		--		(4,969,889)		4,969,889		--	
Dividends paid	--		--		--		--		--		(299,879,226)		(299,879,226)	
Profits for the year	--		--		--		--		--		148,878,652		148,878,652	
Balance as of 31 December 2025	56,521,739		28,260,870		283,422,423		170,196		8,348,942		1,076,818,083		1,453,542,253	

	<u>Note</u>	<u>31 December 2025</u> <u>EGP</u>	<u>31 December 2024</u> <u>EGP</u>
Cash flows from operating activities			
Profits for the year before income taxes		210 535 020	652 147 822
Adjustments for:			
Depreciation of property, plant and equipment	(3)	136 570 891	100 699 295
Interest on treasury bills	(21)	(15 814 389)	(46 465 318)
Accrued withholding tax on treasury bills interest	(9)	--	4 660 942
Interest on lease liability	(26)	7 366 246	6 558 184
Foreign exchange differences - lease liability	(26)	--	1 222 873
Foreign exchange differences - loans	(15)	--	6 488 024
Foreign exchange differences - Investment in Associate		--	(8 715 096)
Company's share from investment in Associate		--	716 122
Provisions	(11)	14 219 307	35 678 405
Write-down in inventories	(6)	958 044	--
Expected credit losses in accounts and notes receivable	(7)	58 895 004	53 445 129
Expected credit losses in prepayments and other debit balances	(8)	(545 437)	1 118 601
Provisions no longer required	(11)	(21 584 000)	--
Provisions used	(11)	(27 990 111)	(29 093 672)
Gain from disposal of leased assets		(755 585)	(1 682)
Gain from sale of property, plant and equipment		(13 487 235)	(193 418)
		<u>348 367 755</u>	<u>778 266 211</u>
Change in inventories		(18 520 525)	(338 067 276)
Change in accounts and notes receivable		(278 017 572)	(422 657 888)
Change in prepayments and other debit balances		(42 244 358)	44 092 999
Change in trade and notes payable		224 945 853	126 761 404
Change in accrued expenses and other credit balances		(12 720 213)	2 747 764
Cash flows provided from operating activities		<u>221 810 940</u>	<u>191 143 214</u>
Income taxes paid		(162 246 223)	(150 430 480)
Income taxes paid from collected treasury bills interest		(7 823 820)	(4 632 122)
Net cash flows provided from operating activities		<u>51 740 897</u>	<u>36 080 612</u>
Cash flows from investing activities			
(Payments) for purchase of property, plant and equipment	(3)	(136 672 044)	(97 777 779)
Proceeds from sale of property, plant and equipment	(3)	13 790 436	287 121
(Payments) for projects under constructions	(4)	(25 780 393)	(184 494 860)
Proceeds from disposal of investment in an associate		--	12 628 827
Proceeds from treasury bills interest		39 119 100	23 160 608
(Payments) for purchase of treasury bills		--	(510 920 292)
Proceeds from matured treasury bills		150 880 900	360 039 392
Net Cash flows provided from (used in) investing activities		<u>41 337 999</u>	<u>(397 076 983)</u>
Cash flows from financing activities			
Proceeds from credit facilities		9 555 273 128	10 457 555 675
(Payments) of credit facilities		(9 311 155 566)	(9 753 281 360)
Proceeds from long-term loans	(15)	88 887 265	--
(Payments) of long-term loans	(15)	(82 893 635)	(65 183 311)
(Payments) of lease liabilities	(26)	(13 040 082)	(14 274 625)
(Payments) of lease liability interest	(26)	(7 366 246)	(6 558 184)
(Payments) of dividends		(299 879 226)	(185 904 300)
Net cash flows (used in) provided from financing activities		<u>(70 174 362)</u>	<u>432 353 895</u>
Net change in cash and cash equivalent during the year		<u>22 904 534</u>	<u>71 357 524</u>
Cash and cash equivalent - beginning of the year		593 022 638	521 665 114
Cash and cash equivalent - end of the year	(10)	<u>615 927 172</u>	<u>593 022 638</u>

The most important non-monetary transactions:

The cost of buildings and construction within fixed assets amounts to 6,402,263 Egyptian pounds transferred from advance payments to fixed asset suppliers.

The cost of machinery and equipment within fixed assets amounts to 22,899,315 Egyptian pounds transferred from advance payments to fixed asset suppliers.

- The accompanying notes from (1) to (34) form an integral part of these separate financial statements

1- Reporting Entity

Arabian Food Industries Company (Domty) – S.A.E (the "Company") or (the "Parent") was originally established under the name of Damati Company for Food Industries as a limited liability company under contract No. 18/84 dated 14 March 1984. The contract was amended on 18 July 1988 when the Company's headquarters changed, and on 14 August 1988 an Extraordinary General Assembly meeting was held and resolved to change the company's legal form from limited liability company to joint stock company subject to Companies Law No. 159 of 1981 and its executive regulations.

Based on the shareholders resolution made in the Extraordinary General Assembly meeting held on 16 August 2005 the company's name changed to Domty for food Industries Company "S.A.E"

Based on the shareholders resolution made in the Extraordinary General Assembly meeting held on 6 August 2006 the company name changed to Arabian Food Industries Company (Domty) "S.A.E" instead of Domty for Food Industries Company and the commercial register was amended.

The Company has been registered under the commercial register number 80124 on 7 September 1988.

The national number of the company: 100078389

The unified commercial register number: 10280 08000 80124

The company's period is 50 years, starting from 7 September 1988 till 6 September 2038 and is renewable.

The Company's headquarters is located at 32 c Taha Hussein Street, (previously Murad Street) - Giza

The Company's activity sites:

- 1- The Second Industrial Zone, block 12, 6th of October City.
- 2- Northern Expansion Area (CBC) – 6th of October City, blocks (43-44-45-46-63-64-65-66).

The board of directors can decide to set up branches or agencies for the company in Egypt or outside, except for Sinai Peninsula. The entity is obliged to agree prior to opening any branches or in the case of relocating the headquarters to another governate, must be based on the decision of the extraordinary general assembly.

The company's purpose is the manufacturing of all types of dairy products, including ice cream, yogurt, white cheese, processed cheese, and sterilized milk. Additionally, the company aims to expand into the production of other food products, land reclamation and cultivation, the establishment of feed factories, dairy farms, and cattle breeding. The company also engages in all food industries, the production of specialized foods and dietary supplements, as well as all types of baked goods. Furthermore, it imports manufactured and semi-manufactured food products from abroad, repackages, distributes, sells, and markets food products and manufactured goods on behalf of third parties, including local and international companies, as well as commercial agencies in the food industry sector.

The company has the right to participate in companies engaged in similar activities and to leverage foreign expertise in the fields mentioned above. Specifically, it may acquire know-how from foreign companies operating in the same industry. The company is also entitled to import all necessary production supplies required for its activities and export its products to global markets. Additionally, the company may have an interest in or participate in any manner with entities engaged in similar activities or those that may assist in achieving its objectives, whether in Egypt or abroad.

The separate financial statements of the Company for the year ended 31 December 2025, were authorized for issuance in accordance with a resolution of the board of directors on April 8, 2026.

2- Significant Accounting Policies

2-1 Basis of preparation

The separate financial statements have been prepared under the going concern assumption on a historical cost basis. The separate financial statements are prepared and presented in Egyptian pounds, which is the company's functional currency.

Statement of compliance with accounting standards

The separate financial statements of the company have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations. The accounting policies applied this year are consistent with those applied in the previous year.

The company has applied the Egyptian accounting standard No. 13 amended 2024 "Effects of changes in foreign exchange rates" issued on March 3, 2024, and applicable to financial periods beginning on or after January 1, 2024. There is no impact on the opening balance of Retained earning at the date of application.

The accounting policies applied this year are consistent with those applied in the previous year.

2-2 Significant accounting judgment and estimates

The preparation of these year-end separate financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key judgements and estimates that have a significant impact on the separate financial statement of the Company are discussed below:

2-2-1 Judgments

Revenue recognition for sale of goods

In making their judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods as set out in" EAS 48 Revenue from contracts with customers, and, in particular, whether the significant risks and rewards of ownership of the goods have passed to the buyer.

2-2-2 Estimates

Expected credit losses in trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimate is performed on an individual basis. Amounts which are not individually significant, but are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates.

Useful lives of fixed assets

The Company's management determines the estimated useful lives of its fixed assets for calculating depreciation. The residual value and estimated useful life of fixed assets are reviewed at least at the end of each financial year. When expectations differ from previous estimates, such changes are accounted for as a change in accounting estimates in accordance with Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates, and Errors."

This ensures that the depreciation method and period remain consistent with the expected pattern of economic benefits derived from these assets.

Taxes

The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company establishes provision, based on reasonable estimates, in consideration for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may be on a wide variety of issues depending on the conditions prevailing in Egypt.

Deferred tax assets are recognised for unused accumulated tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Provision for sales returns

The company's management determines the estimates of the provision for sales returns. This estimate is determined after considering the previous experience of sales returns, revenue volume and sales volume, and management periodically reviews the estimated provision value to ensure that the provision is sufficient to cover sales returns.

2-3 Summary of significant accounting policies

2-3-1 Foreign currency translation

- Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the reporting date. All differences are recognized in the statement of profit or loss.
- Non-monetary assets and liabilities measured at historical cost are translated using the exchange rates prevailing on the date when their fair value was determined.

2-3-2 Financial Instruments

EAS 47 "Financial Instruments", which replaced with EAS 26 Financial Instruments: Recognition and Measurement. Egyptian Accounting Standard No. 47 was issued in 2019, and the standard began to be applied on or after 1 January 2021 in Egypt

Except for hedge accounting, retrospective application is required, but adjustment of comparative information is not mandatory.

The standard deals with three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Classification and measurement

Under EAS 47, debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. The classification is based on two criteria: The Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application and the assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Impairment

The new impairment model according to EAS 47 requires the recognition of impairment provisions based on expected credit losses. It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under EAS 48: Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ii. Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2-3-3 Lease Contracts

- EAS 49 now requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption of certain short-term leases and leases of low-value assets.
- The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.
- The company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A- Right-of-use assets

- The company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).
- Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.
- Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets based on the entity's applied depreciation policy.
- If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset based on the entity's applied depreciation policy.
- The right-of-use assets are also subject to impairment.

B- Lease Liability

- At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:
 - fixed payments (including in-substance fixed payments), less any lease incentives receivable.
 - variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
 - amounts expected to be payable by the lessee under residual value guarantees.
 - the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
 - payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2-3-4 Revenue from contracts with customers

- Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" requires enterprises to exercise judgment and take into account all relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the method for calculating the incremental costs of obtaining a contract and the costs directly related to the performance of the contract. The standard also requires relevant disclosures.
- The company recognizes revenue from contracts with customers based on the five-step model, as it is disclosed in the Egyptian Accounting Standard No. (48) "Revenue from contracts with customers":
 - **Step 1:** Defining the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. It outlines the bases and criteria that must be met for each contract.
 - **Step 2:** Identify the performance obligations in the contract: A performance obligation is an undertaking in the contract, a contract with the customer, to transfer a good or service 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 promised goods or services to the customer, excluding amounts collected on behalf of third parties.
 - **Step 4:** Allocate the transaction price to the performance obligations stipulated in the contract. For contracts that contain more than one performance obligation, the Group will allocate the transaction price to each performance obligation at the amount to which the Group expects to be entitled in exchange for meeting each performance obligation.
 - **Step 5:** Recognize revenue when the facility fulfils the performance obligation.
- **Sale of Goods**

The company's contracts with customers involve the sale of finished goods and generally include a single performance obligation. The Company has concluded that revenue from the sale of finished goods should be recognized when control of the asset is transferred to the customer, generally when the finished goods are delivered. Therefore, the application of the standard does not have any impact on the timing of revenue recognition.

• **Variable price**

- Some contracts for the sale of finished goods give customers the right to return or discount quantities. Prior to the application of Egyptian Accounting Standard No. (48), the company recognized revenue from the sale of goods measured at the fair value of the price received or receivable, after deducting returns and trade discounts. If the revenue cannot be measured reliably, the Group defers revenue recognition until the uncertainty has passed.
- Under Egyptian Accounting Standard No. (48), the return and trade discount rights increase the variable price. The variable price is estimated at the conclusion of the contract and is credited until the relevant uncertainty clears up later. The application of restrictions on the variable price did not increase the amount of revenue to be deferred.

• **Rights of return**

- When the contract provides for giving the customer the right to return the goods within a specified period, the Group has taken in its previous estimates the expected returns using the probability-weighted average method of the amounts expected to be returned.
- The amount of revenue related to the expected returns was deferred and included in the statement of financial position under the "Liability against expected sales return" item with a corresponding adjustment to the "Cost of sales" item. The carrying amount of the goods expected to be returned is included in the "Inventory".
- Under Egyptian Accounting Standard No. (48), the price received from the customer is variable because the contract allows the customer to return the products. The Group used the expected value method to estimate the goods to be returned.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates to customers and sales taxes or duty.

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

*** Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, if any.

*** Interest income**

Interest income is recognized as interest accrues using the effective interest method. Interest income is included in finance income in the statement of profit or loss.

*** Government grants**

Government grants that are received as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the company with no further related costs are recognized in the profit or loss statement in the year in which they become virtually certain, and all attached conditions are complied with.

***Export support revenue**

Revenues for export subsidies are recognized as accrued revenue when the export invoice is issued.

2-3-5 Property, plant and equipment and its depreciation

Property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses and the difference of foreign exchange difference will be added according to EAS 13-A (the effect of change in foreign exchange). Such cost includes the cost of replacing part of the plant and equipment. when the cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. Depreciation of an asset starts when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	<u>Depreciation %</u>
Buildings and constructions	2.5%
Machinery and equipment	6.7%-10%
Motor vehicles	10% - 20%
Tools	15%
Computers and software	20% -25%
Furniture and fixtures	10%-20%

Property, plant, and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is included in the statement of profit or loss when the asset is derecognized.

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

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

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

2-3-6 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing property, plant and equipment until it is ready to be used in the operation, upon which it is transferred to property, plant and equipment. Projects under construction are valued at cost less impairment (if any).

2-3-7 Investments in Subsidiaries

Investments in subsidiaries are investments in entities which the Company has control. Control is presumed to exist when the Holding company owns, directly or indirectly, through subsidiaries, more than half of the voting power of the investee, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

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

2-3-8 Investments in Associates

Investment in associates is investment in an entity over which the Company has a significant influence, but it is neither a subsidiary company nor a joint venture project. Significant influence exists when the company directly or indirectly owns 20% or more of the voting rights in the invested company, unless in exceptional circumstances, it can be clearly determined that such ownership does not constitute influence.

Investments in associate companies are accounted for in the separate financial statements at cost, including acquisition cost, in accordance with EAS No. (18).

The share of long-term investments in the profits that are decided to be distributed from the profits of investee companies is included in the profit or loss statement as investment income.

2-3-9 Treasury bills

In accordance with the requirements of Egyptian Accounting Standard No. (47) "Financial Instruments", treasury bills have been classified on the basis of their measurement - later - at amortized cost through profits or losses, and treasury bills that are being purchased are valued at the nominal value and the difference between the purchase cost and the nominal value is recorded as a deferred investment return of treasury bills and it is amortized with the value of the treasury bills proceeds due "Interest" for the financial period through profits or losses until the maturity date of the treasury bills, and the tax due on the treasury bills returns is recorded, and upon collection, the discounted tax is recorded in the statement of financial position until it is settled with the annual tax return.

2-3-10 Inventories

Inventory items are evaluated as follows:

- a) **Raw materials and Spare parts:** at purchase cost on a weighted average basis.
- b) **Work in process:** Based on the cost of production, the last stage that has been completed according to the lists of costs or net realizable value, whichever is less.

The cost includes direct materials, direct labor and a share of indirect industrial costs and does not include borrowing costs.

- c) **Finished goods:** at the lower of the cost of production (based on the costing sheets) or net realizable value. Cost includes direct materials, direct labor and allocated share of manufacturing overhead excluding borrowing cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

2-3-11 Accounts receivable and other receivables

Accounts receivable and other receivables are stated at original invoice amount net of any expected credit losses. The company implements the simplified approach stated by ESA 47 "Financial Assets" which requires the recognition of expected credit losses based on customers aging from the date of recognition of account receivables in the profit or loss statement.

2-3-12 Accounts and notes payable, accrued expenses and other payables

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

2-3-13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2-3-14 Social Insurance

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

2-3-15 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

2-3-16 Borrowings

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

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the profit or loss statement when the liabilities are derecognized as well as through the effective interest rate method amortization process in statement of profit or loss.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the statement of profit or loss.

2-3-17 Income taxes

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

Current income tax

Current income tax assets and liabilities are measured based on the amount expected to be recovered or paid to the tax authorities, using the tax rates (and tax laws) applicable in Egypt as of the financial period-end date.

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting date in Egypt. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of the amount expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the balance sheet (accounting base) using the applicable tax rate.

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

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

2-3-18 Expenses

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

2-3-19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs are the interest and other costs that a company spends to borrow money.

2-3-20 Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and the terms for transactions with related parties are determined based on contractual agreements. The prices of the transactions are determined according to the prices of dealing with others, and all legal measures to approve these transactions are taken.

2-3-21 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer 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 transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 – Fair value measurements* are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- *Level 2 – Fair value measurements* are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3 – Fair value measurements* are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2-3-22 Contingent Liabilities and Assets

Contingent liabilities are not recognized in the financial statements, but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements, but they are disclosed when an inflow of economic benefits is probable.

2-3-23 Solidarity contribution

On January 11, 2018, Law No. 2 of 2018 the Comprehensive Health Insurance Law was issued, which comes into effect on the day following the expiration of six months from the date of its publication in the official publications. This law added financial burdens to employers, Employers are obliged to pay their share of the contributions of their employees at 4% per month from the wage of the insured worker and not less than LE 50 per month. The employers are obliged to pay their monthly contributions to the Social Insurance Authority.

Business owners are required to pay a solidarity contribution at a rate of 0.0025 (two and a half per thousand) of the total annual revenues of sole proprietorships and companies, regardless of their nature or legal framework. This contribution is not considered a tax-deductible expense under the provisions of the Income Tax Law. The Ministry of Finance is responsible for collecting this solidarity contribution based on the financial report submitted to the Tax Authority.

2-3-24 Statement of cash flows

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

2-3-25 Cash and cash equivalent

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

2-3-26 Segment Information

The main business segment of the company is the sector of production and sale of cheese products, the sector of production and sale of juice products, the sector of production and sale of baked goods products and periodic and annual financial reports on all revenues of the company are prepared on the basis of the existence of three main operating sectors and the executive management of the company monitors the operational units separately for the purpose of making decisions on the allocation of resources and performance evaluation.

2-3-27 Employees Training provisions

This provision shall be formed in implementation of the provisions of Labor law 14 of 2025, This law regulates all labor relations between workers and employers in all sectors – the public sector, the public business sector, and the private sector. According to Article 2 of this law, the legislator decided that the Training and Rehabilitation Fund, established in accordance with the provisions of Labor Law No. 12 of 2003, would retain its public legal personality. Furthermore, pursuant to Article 21 of Labor Law No. 14 of 2025, the legislator stipulated that the resources of the aforementioned fund would consist of 0.25% (one-quarter of one percent) of the minimum insurable wage in establishments within the public sector, the public business sector, and the private sector, where thirty or more employees work, a minimum of ten pounds and a maximum of thirty pounds per employee shall be borne and paid annually by the establishment in return for the services stipulated in Article (20) of this Law. Based on this, an employee training allowance shall be established.

3 - Property, plant, and equipment

- Fixed assets and right of use assets have been merged and listed in the year separate statement of financial position as follows:

	31 December 2025		31 December 2024									
	EGP	EGP	EGP	EGP	Land	Buildings	Machinery and equipment	Vehicles	Tools	Computers and software	Furniture and fixtures	Total
Net book value of fixed assets	171,065	73,080,121	774,208,210	160,133,647	--	--	24,204,416	--	--	--	--	1,093,734,417
Net book value of right of use asset:	--	--	89,454,867	44,767,826	--	--	44,767,826	--	--	--	--	24,204,416
			102,491,134	40,310,987			89,454,867					134,222,693
		9,860,910	97,512,576	8,889,482			102,491,134		2,831,350	7,274,633	3,204,608	165,973,622
		15,127,288	8,889,482	(116,916)			15,127,288		--	17,571,736	--	130,211,600
		--	--	--			--		(3,486)	(183,550)	(417)	8,889,482
		--	--	(44,513)			--		--	--	--	(3,073,429)
		--	--	--			--		--	--	--	(69,571)
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		--	--	--			--		--	--	--	8,889,482
		--	--	--			--		--	--	--	(3,073,429)
		--	--	--			--		--	--	--	(69,571)
		--	--	--			--		--	--	--	134,222,693
		--	--	--			--		--	--	--	165,973,622
		--	--	--			--		--	--	--	130,211,600
		--	--	--			--		--	--	--	8,889,482
		--	--	--			--		--	--	--	(3,073,429)
		--	--	--			--		--	--	--	(69,571)
		--	--	--			--		--	--	--	134,222,693
		--	--	--			--		--	--	--	165,973,622
		--	--									

3- Property, plant, and equipment - (continued)

- The cost of fixed assets as of 31 December 2025 includes EGP 257,736,334 which represents fully depreciated assets that are still in use.

- Depreciation expense is allocated as follows:

	<u>31 December 2025</u>
	<u>EGP</u>
Cost of sales	88,897,954
Selling and marketing expenses (note 18)	30,530,174
General and administrative expenses (note 19)	5,404,712
	<u>124,832,840</u>

- Disposals of property, plant, and equipment represent the sale of some assets as follows:

	<u>31 December 2025</u>
	<u>EGP</u>
Proceeds from sales of property, plant and equipment	13,790,436
Cost of property, plant and equipment sold	3,143,000
Accumulated depreciation relating to disposals	<u>(2,839,799)</u>
Net book value of disposed property, plant, and equipment	303,201
Gain from sale of property, plant, and equipment (note 20)	<u>13,487,235</u>

Depreciation expense is allocated as follows:

	<u>31 December 2025</u>
	<u>EGP</u>
Depreciation for the year	117,730,804
Depreciation for the year (First option - Appendix A - Revised EAS No. 13)	2,132,147
Depreciation for the year (Third option - Appendix A - Revised EAS No. 13)	4,969,889
	<u>124,832,840</u>

3- Property, plant and equipment- (continued)

Right of use assets

	<u>Buildings</u>		<u>Machines and equipment</u>		<u>Total</u>	
	<u>EGP</u>		<u>EGP</u>		<u>EGP</u>	
<u>Cost</u>						
As of 1 January 2025	51,135,912		13,196,762		64,332,674	
Additions	28,813,384		--		28,813,384	
Transferred from right of use assets to fixed assets	--		(13,196,762)		(13,196,762)	
Disposals	(4,979,868)		--		(4,979,868)	
As of 31 December 2025	74,969,428		--		74,969,428	
<u>Accumulated amortization</u>						
As of 1 January 2025	(21,361,096)		(4,032,347)		(25,393,443)	
Amortization for the year	(11,463,118)		(274,933)		(11,738,051)	
Accumulated amortization transferred from right of use assets to fixed assets	--		4,307,280		4,307,280	
Disposals	1,241,132		--		1,241,132	
Accumulated amortization as of 31 December 2025	(31,583,082)		--		(31,583,082)	
Net book value as of 31 December 2025	43,386,346		--		43,386,346	
Net book value as of 31 December 2024	29,774,816		9,164,415		38,939,231	

Amortization expense is allocated as follows:

	<u>31 December 2025</u>
	<u>EGP</u>
Cost of sales	4,225,479
Selling and marketing expenses (note 18)	7,512,572
	11,738,051

3-Property, plant, and equipment - (continued)

- The cost of fixed assets as of 31 December 2024 includes EGP 172,866,106 which represents fully depreciated assets that are still in use.

- Depreciation expense is allocated as follows:

	<u>31 December 2024</u>
	<u>EGP</u>
Cost of sales	67,920,606
Selling and marketing expenses (note 18)	19,236,392
General and administrative expenses (note 19)	3,128,357
	<u>90,285,355</u>

- Disposals of property, plant, and equipment represent the sale of some assets as follows:

	<u>31 December 2024</u>
	<u>EGP</u>
Proceeds from sales of property, plant and equipment	287,121
Cost of property, plant and equipment sold	505,339
Accumulated depreciation relating to disposals	<u>(411,636)</u>
Net book value of disposed property, plant, and equipment	93,703
Gain from sale of property, plant, and equipment (note 20)	<u>193,418</u>

- Depreciation expense is allocated as follows:

	<u>31 December 2024</u>
	<u>EGP</u>
Depreciation for the year	82,953,847
Depreciation for the year (First option - Appendix A - Revised EAS No. 13)	2,344,521
Depreciation for the year (Third option - Appendix A - Revised EAS No. 13)	4,986,987
	<u>90,285,355</u>

3-Property, plant, and equipment - (continued)

Right of use assets

	<u>Buildings</u>		<u>Machines and equipment</u>		<u>Total</u>	
	<u>EGP</u>		<u>EGP</u>		<u>EGP</u>	
<u>Cost</u>						
As of 1 January 2024	38,519,943		13,196,762		51,716,705	
Additions	19,616,611		--		19,616,611	
Disposals	(7,000,642)		--		(7,000,642)	
As of 31 December 2024	51,135,912		13,196,762		64,332,674	
<u>Accumulated Amortization</u>						
As of 1 January 2024	(19,040,201)		(2,932,617)		(21,972,818)	
Amortization for the year	(9,314,210)		(1,099,730)		(10,413,940)	
Disposal	6,993,315		--		6,993,315	
Accumulated amortization as of 31 December 2024	(21,361,096)		(4,032,347)		(25,393,443)	
Net book value as of 31 December 2024	29,774,816		9,164,415		38,939,231	
Net book value as of 31 December 2023	19,479,742		10,264,145		29,743,887	

-Amortization expense is allocated as follow:

<u>31 December 2024</u>	
<u>EGP</u>	
Cost of sales	5,050,276
Selling and marketing expenses (note 18)	5,363,664
	10,413,940

4- Projects under construction

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January	193,385,439	37,106,886
Additions	25,780,393	184,494,860
Transferred to property, plant, and equipment (note 3)	(130,211,600)	(28,216,307)
	<u>88,954,232</u>	<u>193,385,439</u>

Cost of projects under construction is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Buildings	32,212	15,159,501
Machinery and equipment	88,922,020	160,654,202
Software	--	17,571,736
	<u>88,954,232</u>	<u>193,385,439</u>

* Machinery and equipment include new production lines, juice production line, bakery production line, and new machines.

5- Investment in subsidiary

<u>Subsidiary name</u>	<u>Country</u>	<u>Percentage of investment</u>	<u>Investment value</u>	
			<u>EGP</u>	
			<u>31 December 2025</u>	<u>31 December 2024</u>
El-Tatweer for Food Industries Company	Egypt	99.9997%	72,502,733	72,502,733

6- Inventories

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Raw materials	658,795,521	653,175,706
Spare parts	158,639,427	131,319,445
Work in process	2,855,256	1,725,692
Finished goods*	423,246,886	277,759,396
Goods in transit	9,973,526	171,009,852
	<u>1,253,510,616</u>	<u>1,234,990,091</u>
Less: write-down in inventories	(2,899,244)	(1,941,200)
	<u>1,250,611,372</u>	<u>1,233,048,891</u>

* Finished goods inventory includes an amount of EGP 3,049,154 which represents the Cost of Sales that expected to be returned, in accordance with Egyptian Accounting Standard No. (48) - Revenue from contracts with customers.

7- Accounts and notes receivable

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Accounts receivables – Local	1,257,434,667	1,110,460,220
Accounts receivables – Export	290,744,371	286,099,568
Notes receivables	188,189,521	61,791,199
	<u>1,736,368,559</u>	<u>1,458,350,987</u>
Less: expected credit losses in accounts and notes receivable	(209,848,994)	(150,953,990)
	<u>1,526,519,565</u>	<u>1,307,396,997</u>

The movement of the expected credit losses in accounts and notes receivable represented as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January	150,953,990	97,508,861
Formed during the year	58,895,004	53,445,129
Balance as of 31 December	<u>209,848,994</u>	<u>150,953,990</u>

8- Prepayments and other debit balances

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Prepaid expenses	44,990,122	23,936,165
Accrued revenues	116,368,758	157,456,045
Deposits with others	7,497,027	6,413,577
Employees' advances	9,009,031	6,050,695
Withholding and debit taxes	71,209,482	66,092,953
Advances to suppliers*	268,795,635	249,491,569
Other debit balances	16,085,275	6,455,019
	<u>533,955,330</u>	<u>515,896,023</u>
Less: expected credit losses in prepayments and other receivables	(16,398,298)	(16,943,735)
	<u>517,557,032</u>	<u>498,952,288</u>

*** Advances to suppliers includes:**

- An amount of 90,023,518 Egyptian pounds, which represents advance payments to El-Tatweer for Food Industries Company for juice production and manufacturing services. These payments were made based on related party agreements concluded between the company and El-Tatweer for Food Industries Company, as approved by the minutes of the Ordinary General Assembly meeting held on April 19, 2018.

- An amount of 57,615,813 Egyptian pounds, which represents an advance payment to purchase a land plot in the Polaris project in New 6th of October City for the purpose of building and operating warehouses to store the company's products and raw materials, for which the allocation has been approved and the contract has been signed, and no notification of receipt of the land has been received until the date of the financial position.

The significant transactions during the year that resulted from the usual operations in accordance with the contracts concluded between the parties are:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Rent</u>	<u>Operating</u>	<u>Rent</u>	<u>Operating</u>
	<u>Expense</u>	<u>Expense</u>	<u>Expense</u>	<u>Expense</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
El-Tatweer for Food Industries Company – Subsidiary	40,019,278	35,929,271	33,625,377	34,929,124
	<u>40,019,278</u>	<u>35,929,271</u>	<u>33,625,377</u>	<u>34,929,124</u>

The movement of expected credit losses in prepayments and other debit balances represented as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January	16,943,735	15,825,134
Formed during the year	--	1,118,601
Expected credit losses no longer required	(545,437)	--
Balance as of 31 December	<u>16,398,298</u>	<u>16,943,735</u>

9- Financial Investments at Amortized Cost - Treasury bills

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Nominal value of treasury bills	--	190,000,000
Deferred Interest from treasury bills	--	(15,814,390)
Withholding tax on the interest (Profit or loss statement)	--	(4,660,942)
Treasury bills balance	<u>--</u>	<u>169,524,668</u>

10- Cash on hand and at banks

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
a) Local Currency		
Cash on hand	7,635,345	11,421,798
Cheques under collection	6,044,338	36,316,306
Current accounts	175,317,564	110,901,661
Time deposits	370,000,000	100,000,000
	<u>558,997,247</u>	<u>258,639,765</u>
b) Foreign currency		
Cash on hand	22,839,912	28,265,426
Current accounts	34,090,013	306,117,447
	<u>56,929,925</u>	<u>334,382,873</u>
	<u>615,927,172</u>	<u>593,022,638</u>

11- Provisions

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January	62,887,286	56,302,553
Formed during the year	14,219,307	35,678,405
Provisions no longer required during the year	(21,584,000)	--
Provision used during the year	(27,990,111)	(29,093,672)
	<u>27,532,482</u>	<u>62,887,286</u>

The balance as of December 31, 2025, is expected to be utilized in the coming years. Based on the company's assessment and after obtaining the appropriate technical advice, the outcome of these claims is not expected to result in any losses exceeding the amounts formed at year-end.

The information typically disclosed under accounting standards has not been provided, as management believes that such disclosure could significantly impact the outcome of negotiations with the relevant authorities. These provisions are reviewed annually by management and adjusted based on the latest developments, discussions, and agreements with the parties concerned.

12- Credit facilities – short term

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Egyptian pounds	2,009,094,227	2,067,397,001
Foreign currency	302,420,336	--
	<u>2,311,514,563</u>	<u>2,067,397,001</u>

The credit facilities balance as of December 31, 2025, represents the utilized amount of the total credit facilities granted to the company by banks, amounting to EGP 5.432 billion. These facilities are used for opening letters of credit and financing the company's current operations, with an average interest rate of 23.35%.

13- Trade and notes payable

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Trade payables	604,132,769	396,788,346
Notes payable	21,447,720	3,968,063
	<u>625,580,489</u>	<u>400,756,409</u>

14- Accrued expenses and other credit balances

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Accrued expenses	93,098,598	115,260,997
Deposits from others	2,033,529	1,503,661
Advances from customers	25,865,839	31,514,383
Due to Social Insurance Authority	7,469,548	5,727,123
Tax Authority	30,659,494	17,543,032
Solidarity contribution	23,874,094	24,445,097
Liability against expected sales return – EAS 48	4,200,097	4,525,502
Other credit balances	4,905,376	4,306,993
	<u>192,106,575</u>	<u>204,826,788</u>

15- Loans

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Non-current portion	99,572,407	52,194,940
Current portion	30,878,285	72,262,122
	<u>130,450,692</u>	<u>124,457,062</u>

	<u>CIB (1)</u>	<u>EALB</u>	<u>CIB (2)</u>	<u>CIB (3)</u>	<u>QNB</u>	<u>Total</u>
	<u>EGP</u>	<u>Foreign</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
		<u>currency</u>				
Balance as of 1 January 2025	35,458,696	16,556,654	27,781,368	--	44,660,344	124,457,062
Payments during the year	(35,458,696)	(16,556,654)	(8,548,113)	--	(22,330,172)	(82,893,635)
Proceeds during the year	--	--	--	88,887,265	--	88,887,265
Balance as of 31 December 2025	<u>--</u>	<u>--</u>	<u>19,233,255</u>	<u>88,887,265</u>	<u>22,330,172</u>	<u>130,450,692</u>

	<u>CIB (1)</u>	<u>EALB</u>	<u>CIB (2)</u>	<u>QNB</u>	<u>Total</u>
	<u>EGP</u>	<u>Foreign</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
		<u>currency</u>			
Balance as of 1 January 2024	56,585,226	23,247,126	36,329,481	66,990,516	183,152,349
Payments during the year	(21,126,530)	(13,178,496)	(8,548,113)	(22,330,172)	(65,183,311)
Foreign currency exchange losses on loan balances	--	6,488,024	--	--	6,488,024
Balance as of 31 December 2024	<u>35,458,696</u>	<u>16,556,654</u>	<u>27,781,368</u>	<u>44,660,344</u>	<u>124,457,062</u>

• **Loan from Commercial International Bank (1)**

On 15 July 2019 the Company signed a medium-term loan contract with The Commercial International Bank (CIB-Egypt). to obtain a loan of up to 100 million Egyptian pounds.

-The purpose of the loan:

- Financing and/or refinancing the 2019 expansion plan, specifically for the new baked goods production line and its components, with a maximum limit of EGP 100,000,000 (one hundred million Egyptian pounds only).
- Issuing letters of credit with a maximum period of 365 days including the period of acceptance of documents trading, and that is the import of the needs of the new bakery line and beyond. with maximum amount of EGP 33 million equivalents to USD 1,737,000.
- The company is committed to repay the loan amount on 20 quarterly installments as soon as the grace period ends starting after 18 months from the date of initial withdrawal
- **Interest rate:** a variable rate of the average corridor price announced by the Central Bank of Egypt, in addition to the margin.
- **Guarantees:** An insurance policy issued by an Egyptian insurance company acceptable to the bank and in its favor as a sole beneficiary against the installation risks of machines and equipment financed by the bank. provided that the installation period is covered by 115% of the total financing amount. including the replacement value. And that the policy should include coverage of the risk of riots and civil and labor disturbances at a rate of no less than 25% of the total amount of the policy.
- The loan was fully repaid in November 2025.

• **Loan from Commercial International Bank (2)**

Represented in the value of medium-term financing granted to the company by the Commercial International Bank on 18 November 2021 (according to the initiative of the Central Bank of Egypt in December 2019) in an amount not exceeding 54,000,000 EGP (only fifty-four million Egyptian pounds).

-The purpose of the loan:

- Financing the investment cost of the company related to the local purchase and/or importing part of the fourth production line for the bakery industry. the croissant production line. machinery and equipment. and both the additional costs and the installation cost for them. in accordance with the terms and conditions stipulated in the loan contract.
- The company is committed to repay the financing amount in 20 quarterly installments as soon as the grace period ends, which is specified for a maximum of twelve months, expires from the date of the first withdrawal of the financing amount or the withdrawal of the total financing amount.
- **The interest rate:** an 8% interest rate applies to the first tranche in accordance with the initiative of the Central Bank of Egypt. and the corridor interest rate for lending announced by the Central Bank of Egypt applies to the second tranche. in addition to the margin.
- - **Guarantees:** an insurance policy issued by an Egyptian insurance company acceptable to the bank and in its favor as a single beneficiary, at a rate of 115% of the total amount of financing, including the replacement value, provided that the document includes coverage of the risk of riots and civil and labor disturbances at a rate of no less than 25% of the total amount of the policy.

• **Loan from Commercial International Bank (3)**

Represented in the value of medium-term financing granted to the company by the Commercial International Bank on 30 September 2025 in an amount not exceeding 236,000,000 EGP (only Two hundred thirty-six million Egyptian pounds). Including a sub-limit not exceeding the equivalent of USD 3,000,000 (only three million United States dollars).

-The purpose of the loan:

- Financing and/or partial refinancing of 70% of the investment cost related to the purchase of machinery and equipment for the new croissant production line, including its accessories, installation costs, customs duties, and value-added tax associated with such machinery and equipment.

- The company is committed to repay the financing amount in 16 quarterly installments as soon as the grace period ends, which is specified for a maximum of twenty-four months, from the date of the first withdrawal of the financing amount or the withdrawal of the total financing amount.

- **The interest rate:** A variable rate based on the average corridor rate announced by the Central Bank of Egypt, in addition to the applicable margin.

- **Guarantees:** The Company undertakes to enter into and maintain, in a manner acceptable to the Bank, an installation all-risk insurance policy issued in favor of the Bank as the sole beneficiary. The policy shall cover the installation period of the financed machinery and shall provide coverage of 115% of the value of the financed machinery and equipment, immediately upon the arrival of such machinery and equipment. The coverage shall correspond to the medium-term financing amount granted by the Bank to the Company and shall be in the same currency of the drawdown. The policy must be issued by an Egyptian insurance company acceptable to the Bank, with the Bank named as the sole beneficiary.

This installation insurance policy shall be replaced, immediately upon completion of the installation of the financed machinery and equipment, with an all-risk insurance policy providing the same coverage percentage, issued by an Egyptian insurance company acceptable to the Bank and naming the Bank as the sole beneficiary, and covering the medium-term financing amount in the same drawdown currency. The replacement policy must include the replacement value of the financed machinery and equipment, as well as coverage against riot, civil commotion, and labor disturbances of not less than 25% of the value of such machinery, and the deductible shall not exceed 10%.

The Company shall provide the Bank with all information related to such insurance as the Bank may request from time to time. The insurance must be maintained with an Egyptian insurance company acceptable in form and substance to the Bank, and the Bank must be provided with the original insurance policies issued in the same drawdown currency.

• **Loan from EALB**

-Represents a credit facility in the form of a long-term loan granted to the company by the Egyptian Arab Land Bank during 2019 with a total amount of USD 2.100.000 (only two million and one hundred thousand US dollars only).

-The purpose of the loan:

- It is to finance the import of the bakery production line.

- Loan term: 6 years. including the grace and withdrawal period, with a maximum of 12 months, to be paid in 20 equal quarterly installments.

-**Interest rate:** 3,462% above the 3-month SOFR rate. with SFOR review at the end of each quarter.

-**Guarantees:** Signing (4) promissory notes, each with a value of 525 thousand US dollars, for use in foreign currency. The company is also committed to allocating part of an insurance policy in favor of the bank, amounting to 110% of the total long-term financing against all risks.

-The loan was fully repaid in November 2025.

• **Loan from QNB**

- It is represented in a loan contract concluded with Qatar National Bank Al Ahli on 26 October 2021 (according to the initiative of the Central Bank of Egypt in December 2019) amounting to 66,000,000 Egyptian pounds (only sixty-six million Egyptian pounds).

-The purpose of the loan:

- It is dedicated to finance production lines with the aim of increasing the production capacity of industrial activity.
- Loan period: 5 years starting from the date of signing the loan contract and ending on 26 October 2026. This period includes the grace period and the withdrawal period, which is scheduled for one year from the date of the first withdrawal, all provided that the withdrawal conditions established under the loan contract are fulfilled, as well as providing the bank with the documents it deems to allow the withdrawal of loan.

Repayment period: The company is obligated to repay the loan in 16 quarterly installments of equal value from the value of the balance used at the end of the withdrawal period in addition to the applicable return in accordance with the terms and conditions of the loan contract.

-Interest rate: 8% according to the initiative of the Central Bank of Egypt.

- Guarantees: an insurance policy in favor of the bank covering 110% of the loan value on the assets financed by the bank against all risks.

16- Capital

On 31 December 2025 the Company's authorized capital amounted to EGP 282,608,695 (31 December 2024: EGP 282,608,695).

As of 31 December 2012, the issued and paid-up capital was EGP 30,000,000 divided over 1,200,000 shares of par value EGP 25 each.

On September 30, 2013, the Extraordinary General Assembly decided to increase the issued and paid-up capital by EGP 20,000,000, distributed over 800,000 shares with a nominal value of EGP 25 per share. This increase brought the issued and paid-up capital to EGP 50,000,000, distributed over 2,000,000 shares, with a nominal value of EGP 25 per share.

The increase was executed through the distribution of bonus shares at a ratio of 2 shares for every 3 existing shares.

On 21 October 2015 the Extraordinary General Assembly decided the fragmentation of the nominal value of each share from EGP 25 to EGP 0,2 and was approved in the commercial register on 15 December 2015.

On 7 April 2016 the Board of Directors decided (authorized by the extraordinary General Assembly in the 15 January 2016) to increase the paid-up capital by EGP 6,521,739 distributed over 32,608,695 shares with a nominal value of 20 piaster per share then the initial public offering held on the final fair value for the share amounted to EGP 9,20 per share were the difference of EGP 9 were share premium.

According to article 94 of Companies Law No. 159 of 1981 of the Implementing Regulations, an amount of EGP 9,366,743 was added from the share premium to the legal reserve. Thus, the legal reserve is half the issued capital, and a special reserve was charged with the remaining amount of the premium of EGP 283,422,423 after deducting the issuance expenses amounted to EGP 689,089 and the capital increase was approved in the commercial register on 17 May 2016, accordingly the issued and paid-up capital as of 31 December 2025 amounted to EGP 56,521,739 divided over 282,608,695 shares (31 December 2024: EGP 56,521,739).

The Extraordinary General Assembly decided on 31 March 2021 to reduce the authorized capital from 500,000,000 Egyptian pounds to 282,608,695 Egyptian pounds in accordance with the provisions of Article No. 10 of the rules of listing in the Egyptian Stock Exchange that the authorized capital should not exceed five times the issued capital.

17- Retained Earnings

The balance of Retained Earnings on 31 December 2025 is as follows:

First: The Profits for the year amounting to EGP 148,878,652 which will be presented to the general assembly, which will consider approving the results of the year ending December 31, 2025.

Second: Retained earnings from previous years after all approved distributions up to the date of the financial statements amounts to EGP 927,939,431, as disclosed in the statement of changes in equity.

18- Selling and marketing expenses

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Marketing activities	261,250,368	146,341,360
Advertising activities	200,494,833	75,760,990
Salaries and wages	485,417,988	355,668,412
Warehousing	64,493,618	53,409,263
Vehicles and transportation rent and licenses	107,224,227	89,684,234
Spare parts and maintenance	110,556,514	84,321,371
Fixed assets depreciation (Note 3)	30,530,174	19,236,392
Right of use assets amortization (Note 3)	7,512,572	5,363,664
Insurance	10,187,892	7,866,919
Expected credit losses in accounts receivable (Note 7)	58,895,004	53,445,129
Freight expenses	114,928,347	86,747,728
Packaging and packing materials - current	19,202,529	14,751,009
Packaging and packing materials	8,263,354	9,747,973
Training programs and courses	8,875,083	11,950,510
Cash transfer expenses	9,263,404	8,285,681
Export customs clearance fees	1,473,764	955,262
Loading and unloading expenses	4,585,552	5,584,055
Stationary	1,832,226	2,091,805
Medical care	2,504,723	1,996,480
Others	43,485,776	34,048,269
	<u>1,550,977,948</u>	<u>1,067,256,506</u>

19- General and administrative expenses

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Salaries and wages	78,075,900	44,707,458
Board of directors allowances	1,200,000	1,100,000
Fixed assets depreciation (Note 3)	5,404,712	3,128,357
Transportation rental expenses, travel expenses, and vehicles licenses	956,420	711,206
Stationary	735,177	982,554
Medical Care	435,903	446,321
Donations	1,889,150	592,450
Expected credit losses in other debit balances (Note 8)	--	1,118,601
Others	27,400,104	17,178,651
	<u>116,097,366</u>	<u>69,965,598</u>

20- Net other operating income

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Export support subsidy	32,844,310	45,357,958
Discount granted by suppliers	10,400,949	--
Scrap sales	62,507,230	40,687,668
Other income	24,091	--
Gain from sale of Property, plant, and equipment (Note 3)	13,487,235	193,418
Gain on disposal of right of use assets	755,585	1,682
	<u>120,019,400</u>	<u>86,240,726</u>

21- Finance income

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Interest on treasury bills	15,814,389	46,465,318
Interest on time deposits	1,591,555	6,773,616
	<u>17,405,944</u>	<u>53,238,934</u>

22- Finance expenses

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Interest on loans and credit facilities	502,747,351	490,759,767
Interest expense – lease liability	7,366,246	6,558,184
Losses (gains) from foreign exchange differences	1,056,795	(76,811,190)
	<u>511,170,392</u>	<u>420,506,761</u>

23- Income taxes

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Current income taxes	68,431,754	160,292,573
Deferred income taxes	(6,775,386)	(2,452,935)
	<u>61,656,368</u>	<u>157,839,638</u>

Reconciliation of the effective income tax rate

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Profit for the year before income taxes excluding treasury bills interest	194,720,631	605,682,504
<u>Add: Non-deductible expenses</u>		
Accounting depreciation	124,832,840	90,285,356
Provisions formed during the year	74,072,355	90,242,135
Donations	6,071,766	4,326,201
Voluntary contributions	--	2,375,000
Board of directors' allowances	1,200,000	1,100,000
Realized credit forex differences previously deducted from the prior year's pot	67,326,293	17,878,399
Unrealized debit forex differences	10,949,605	--
Effect of application of Egyptian Accounting Standard (48)	307,153	3,338,062
Excess of 7% of documented general and administrative expenses	29,541,774	21,452,424
Solidarity contribution 0.25%	23,874,094	24,445,097
Cost of financing and investment of treasury bill returns	760,583	2,009,290
<u>Less: Deductible expenses</u>		
Tax depreciation	(179,157,625)	(92,871,293)
Capital gains	(13,487,235)	(193,418)
Provisions used	(26,584,348)	--
Provisions no longer required	(22,129,437)	(24,490,690)
Donations to registered charities	(1,889,150)	(2,967,450)
Effect of Application of Egyptian Accounting Standard (48)	(325,405)	(4,176,394)
Unrealized credit forex differences	--	(67,326,293)
Tax base	<u>290,083,894</u>	<u>671,108,930</u>
Income Tax	<u>65,268,876</u>	<u>150,999,509</u>
Returns on treasury bills before income taxes	15,814,389	46,465,318
Tax due on treasury bills returns	3,162,878	9,293,064
Income taxes at the effective tax rate	<u>68,431,754</u>	<u>160,292,573</u>

23- Income taxes (continued)

Components of deferred tax liability:

	<u>Balance sheet</u>		<u>Profit or loss</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Depreciation of Property, plant, and equipment	68,113,808	52,376,370	15,737,438	1,152,872
Foreign currency exchange differences	(2,463,661)	15,148,416	(17,612,077)	11,125,776
Expected credit losses in accounts and notes receivables	(47,216,024)	(33,964,648)	(13,251,376)	(12,025,154)
Expected credit losses in other debit balances	(3,689,617)	(3,812,340)	122,723	(251,685)
Provisions	(2,781,069)	(11,409,250)	8,628,181	(1,924,774)
Deferred tax liability against right of use assets – EAS 49	954,267	1,354,542	(400,275)	(529,970)
Net deferred tax liabilities	12,917,704	19,693,090	(6,775,386)	(2,452,935)

24- Contingent liabilities

The balance of the company's contingent liabilities related to bank letters of guarantee issued for third parties on 31 December 2025 amounted to EGP 10,650,000 (31 December 2024: EGP 12,400,000), It is expected that no significant obligations are expected to arise from these guarantees.

25- Capital commitments

The balance of the company's contracted capital commitments as of 31 December 2025 amounted to EGP 160,899,018 (31 December 2024: 240,564,711 EGP) as follows:

	<u>Contract amount</u>	<u>Paid amount</u>	<u>Un-paid amount</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Lands	106,981,200	(40,920,399)	66,060,801
Machinery and equipment	193,250,711	(98,412,494)	94,838,217
	300,231,911	(139,332,893)	160,899,018

26- Lease liability

Applying Egyptian Accounting Standard No. 49, the lease obligations on 31 December 2025 amounted of 51,567,375 Egyptian pounds, represented as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January 2025	40,288,394	33,732,544
Additions during the year	28,813,384	19,616,611
Disposals of lease liabilities	(4,494,321)	(9,009)
Debit interest	7,366,246	6,558,184
Foreign currency exchange losses	--	1,222,873
Instalments paid during the year	(20,406,328)	(20,832,809)
Balance	<u>51,567,375</u>	<u>40,288,394</u>
Lease liability – short term	16,833,678	12,476,695
Lease liability – long term	34,733,697	27,811,699
	<u>51,567,375</u>	<u>40,288,394</u>

27- Earnings per share

The basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to the company's ordinary shareholders by the weighted average number of outstanding shares during the year. The earnings per share are determined after deducting the employees' and Board of Directors' share of profits, which is estimated to determine the shareholders' portion of the profits. The Company does not have any diluted earnings per share.

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	148,878,652	494,308,184
Employees and Board of directors' dividends*	(28,004,335)	(93,635,946)
Net profit available for distribution	<u>120,874,317</u>	<u>400,672,238</u>
Number of shares outstanding	282,608,695	282,608,695
Earnings per share – basic and diluted	<u>0.43</u>	<u>1.42</u>

* According to the Egyptian law, employees and Board of Directors members are entitled to a percentage of the company's profit as a profit sharing when dividends are declared, subject to the approval of the company's General Assembly.

28- Segment reporting

In 2012, the company was operating in one segment - Dairy products, From September 2013, the Company started the production of juice and from September 2018, the Company started the production of Bakery products therefore the Company started to operate into three segments as follows:

- Dairy products
- Juice Products
- Bakery Products

The company's executive management monitors operating units separately to make decisions regarding resource allocation and performance evaluation.

The performance of the segments is assessed on a gross basis and is continuously measured based on the financial statement profits or losses. The Chief Executive Officer (decision-maker) is informed of each segment's financial position according to the segment report to facilitate decisions on resource allocation and performance evaluation.

Primary segments results – related products for the year ended 31 December 2025 are as follows:

	<u>Dairy products</u>	<u>Juice products</u>	<u>Bakery products</u>	<u>Total</u>	
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	
Segment sales	6,812,319,454	710,374,165	2,287,356,599	9,810,050,218	
Sales discounts - Egyptian Accounting Standard (48)	(374,184,815)	(17,418,969)	(28,363,440)	(419,967,224)	
Liability against expected sales returns	(3,803,478)	(396,619)	--	(4,200,097)	
Liability against expected sales returns no longer required	4,085,066	440,436	--	4,525,502	
Segment cost of sales	(4,882,861,645)	(637,614,720)	(1,601,347,491)	(7,121,823,856)	
Cost of expected sales returns	2,696,977	352,177	--	3,049,154	
Cost of expected sales returns no longer required	(3,029,661)	(326,646)	--	(3,356,307)	
Gross Profit	<u>1,555,221,898</u>	<u>55,409,824</u>	<u>657,645,668</u>	<u>2,268,277,390</u>	
Operating expenses net of other operating income				(1,540,103,828)	
Finance income				17,405,944	
Finance expenses				(511,170,392)	
Solidarity contribution				(23,874,094)	
Income tax expenses				(61,656,368)	
Net profit for the year				<u>148,878,652</u>	
	<u>Dairy products</u>	<u>Juice products</u>	<u>Bakery products</u>	<u>Unallocated</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Depreciation for the year	(30,131,687)	(6,251,502)	(43,361,956)	(37,985,659)	(117,730,804)
Depreciation for the year (First option)	(1,273,645)	(858,502)	--	--	(2,132,147)
Depreciation for the year (Third option)	(811,165)	(1,245,944)	--	(2,912,780)	(4,969,889)
Amortization of right of use assets	(137,467)	(137,466)	--	(11,463,118)	(11,738,051)
	<u>(32,353,964)</u>	<u>(8,493,414)</u>	<u>(43,361,956)</u>	<u>(52,361,557)</u>	<u>(136,570,891)</u>

Primary segments results – related products for period ended 31 December 2024 are as follows:

	<u>Dairy</u> <u>products</u> <u>EGP</u>	<u>Juice</u> <u>products</u> <u>EGP</u>	<u>Bakery</u> <u>products</u> <u>EGP</u>	<u>Total</u> <u>EGP</u>
Segment sales	6,916,926,511	745,755,764	1,899,065,866	9,561,748,141
Sales Discounts - Egyptian Accounting Standard (48)	(309,555,000)	(11,880,563)	(18,515,219)	(339,950,782)
Liability against expected sales returns	(4,085,066)	(440,436)	--	(4,525,502)
Liability against expected sales returns no longer required	8,026,747	675,149	--	8,701,896
Segment cost of sales	(5,124,696,979)	(595,572,585)	(1,371,129,476)	(7,091,399,040)
Cost of expected sales returns	3,029,661	326,646	--	3,356,307
Cost of expected sales returns no longer required	(6,132,745)	(561,624)	--	(6,694,369)
Gross Profit	1,483,513,129	138,302,351	509,421,171	2,131,236,651
Operating expenses net of other operating income				(1,087,375,905)
Finance income				53,238,934
Finance expenses				(420,506,761)
Solidarity contribution				(24,445,097)
Income tax expenses				(157,839,638)
Net profit for the year				494,308,184

	<u>Dairy</u> <u>products</u> <u>EGP</u>	<u>Juice</u> <u>products</u> <u>EGP</u>	<u>Bakery</u> <u>products</u> <u>EGP</u>	<u>Unallocated</u> <u>EGP</u>	<u>Total</u> <u>EGP</u>
Depreciation for the year	(20,584,366)	(5,781,411)	(32,830,374)	(23,757,696)	(82,953,847)
Depreciation for the year (First option)	(1,486,019)	(858,502)	--	--	(2,344,521)
Depreciation for the year (Third option)	(721,633)	(1,549,728)	--	(2,715,626)	(4,986,987)
Amortization of right of use assets	(549,865)	(549,865)	--	(9,314,210)	(10,413,940)
	(23,341,883)	(8,739,506)	(32,830,374)	(35,787,532)	(100,699,295)

Segments Assets

31 December 2025	<u>Dairy</u> <u>products</u> <u>EGP</u>	<u>Juice</u> <u>products</u> <u>EGP</u>	<u>Bakery</u> <u>product</u> <u>EGP</u>	<u>Unallocated</u> <u>EGP</u>	<u>Total</u> <u>EGP</u>
Total assets	216,289,729	22,647,732	283,549,505	4,296,716,570	4,819,203,536
Capitalized assets (First option)	2,397,585	429,251	--	--	2,826,836
Revaluated assets (Third option)	4,380,409	1,991,785	--	1,976,748	8,348,942
Right of use assets	--	--	--	43,386,346	43,386,346
	223,067,723	25,068,768	283,549,505	4,342,079,664	4,873,765,660

31 December 2024	<u>Dairy</u>	<u>Juice</u>	<u>Bakery</u>	<u>Unallocated</u>	<u>Total</u>
	<u>products</u>	<u>products</u>	<u>products</u>		
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Total assets	113,216,704	18,335,674	261,797,421	4,264,349,402	4,657,699,201
Capitalized assets (First option)	3,671,229	1,287,754	--	--	4,958,983
Revaluated assets (Third option)	5,191,574	3,237,729	--	4,889,528	13,318,831
Right of use assets	4,582,208	4,582,207	--	--	9,164,415
	<u>126,661,715</u>	<u>27,443,364</u>	<u>261,797,421</u>	<u>4,269,238,930</u>	<u>4,685,141,430</u>

Secondary Segment results – geographical sectors for the year ended 31 December 2025 are as follows:

Geographical areas:

<u>Local:</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Cairo	5,263,452,341	4,920,532,623
Alexandria	830,340,849	961,653,601
Delta	1,269,321,080	1,278,078,544
Upper Egypt	1,534,626,611	1,592,729,772
	<u>8,897,740,881</u>	<u>8,752,994,540</u>
<u>Export:</u>	912,309,337	808,753,601
	<u>9,810,050,218</u>	<u>9,561,748,141</u>
Sales returns provision (EAS 48)	(4,200,097)	(4,525,502)
Sales returns provision no longer required (EAS 48)	4,525,502	8,701,896
Sales discounts - Egyptian Accounting Standard (48)	(419,967,224)	(339,950,782)
	<u>9,390,408,399</u>	<u>9,225,973,753</u>

29- Tax position

a) Corporate taxes

Years from inception till 2019

The company submitted its tax returns on the legal dates, and they were inspected by the Tax Authority for those years, the tax disputes were resolved, and payments were made.

Years (2020-2021)

The company submitted the tax return on time, and the tax center for major financiers notified the company of Form 19. The company appealed the form on time, and the dispute was resolved with the specialized committee and the appeal committee, and final settlement is underway.

Years From 2022 till 2024

The Company submitted the income tax returns on the legal dates and no notification was received from the center for examination.

b) Sales taxes / Value added taxes

Years from inception till December 2023

The company has undergone a tax inspection for the period from the date of inception till December 31, 2023, and has settled the tax differences resulting from the inspection.

Period from December 2024 till December 2025

The company submits monthly tax returns and regularly pays the due taxes on a regular basis, and no inspection notification has been received from the center to date.

c) Salaries and wages taxes

From the date of inception till 31 December 2022

All tax disputes were examined and resolved, and the Company settled and paid all tax differences for that period.

Years (2023-2025)

The company has raised the monthly wage and salary adjustments based on the system for unifying the foundations and standards for calculating wages and salaries, in accordance with Finance Minister Resolution No. 251 of 2023. In implementation of the Unified Tax Procedures Law No. 206 of 2020, amended by Law No. 211 of 2020, the company prepared the tax settlement for the years 2023 and 2024 and submitted it to the tax system on the legal date.

d) Stamp duty taxes

Years from inception till December 2022

Tax disputes over the differences resulting from the examination were examined and resolved by the relevant committees, and payment was made.

Period (from 1/1/2023 to 31/12/2025)

The company calculates the stamp duty on gas consumption as well as other vessels and the development fee. The company supplies the tax regularly on the form prepared for this purpose.

e) Withholding tax

The company has undergone a tax inspection for the years from the date of inception till December 31, 2015, and has settled the tax differences resulting from the inspection. The Company withholds tax on its transactions with suppliers and service providers in accordance with tax law.

f) Property tax

Years from the beginning of submission till 2021

The property tax was settled and paid in accordance with the ruling issued by the Administrative Court until December 2021.

Years from 2022 till 2024

According to Prime Ministerial Decree No. 61 of 2022, the Egyptian Ministry of Finance fully covers the property tax on buildings used for industrial activities for a period of three years, starting from January 1, 2022.

Years from 2025 till 2026

In accordance with Prime Ministerial Decree No. 3 of 2024, the provisions of Decree No. 61 of 2022 have been extended for an additional two years, starting from the day following the end of the original period stated in Article One, and concluding at the end of December 2026.

There are no outstanding tax disputes with the Egyptian Tax Authority, and the provisions recorded in the financial statements for the year ended 2025 are sufficient to cover the company's tax obligations.

30- Risk management

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, The Company is exposed to interest rate risk on its interest-bearing liabilities, banks credit facilities and long-term loans.

The following table shows the extent to which an acceptable potential change in interest rates with all other variables remaining constant affects the company's profits before tax (by affecting loans and facilities with a floating interest rate), It should be noted that this change has no effect on equity other than the impact on profits as described below:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Change in interest rate</u>	<u>Effect on profit before TAX</u> <u>EGP</u>	<u>Change in interest rate</u>	<u>Effect on profit before TAX</u> <u>EGP</u>
Financial Liabilities	%1+	(22,268,543)	%1+	(18,414,076)
	%1-	22,268,543	%1-	18,414,076

b) Foreign Currency Risk

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates. The total financial assets denominated in foreign currencies amount to LE 390,628,33 (31 December 2024: LE 676,666,000) whereas ,the total financial liabilities denominated in foreign currencies amounts to LE 546,604,879 (31 December 2024 LE : 102,159,852).

- The following table shows the impact of an acceptable potential change in foreign exchange rates, holding all other variables constant. The impact on the company's pre-tax income is due to changes in the value of assets and financial liabilities. It should be noted that changes in the exchange rates of all other foreign currencies are not significant.

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Change in exchange rate</u>	<u>Impact on profits before tax</u>	<u>Change in exchange rate</u>	<u>Impact on profits before tax</u>
USD	%10+	(16,094,237)	%10+	55,615,627
	%10-	16,094,237	%10-	(55,615,627)
EUR	%10+	451,706	%10+	1,788,820
	%10-	(451,706)	%10-	(1,788,820)
GBP	%10+	30,843	%10+	30,645
	%10-	(30,843)	%10-	(30,645)
AED	%10+	13,379	%10+	14,266
	%10-	(13,379)	%10-	(14,266)
SAR	%10+	641	%10+	1,244
	%10-	(641)	%10-	(1,244)

c) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company seeks to limit its credit risk with respect to banks by applying many control procedures include credit limits and only dealing with reputable banks.

The Company seeks to limit its credit risk with respect to customers by

- Setting credit limits for all customers according to an internal evaluation policy.
- Assessing the customer's credit status in accordance with tight credit limits.
- Follow up on current customer balances.

The company avoids credit risks by applying many supervisory measures, and the company's dealings are limited to highly credit-efficient financial institutions.

d) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and finance lease, the company uses credit limits and monitors the loans due dates. The table below summarizes the due dates of the Company's financial obligations based on undiscounted contractual payments:

Financial Liabilities	<u>Less than 3</u> <u>months</u>	<u>From 3 to 12</u> <u>months</u>	<u>From 1 to 5</u> <u>years</u>	<u>More than 5</u> <u>years</u>	<u>Total</u>
31 December 2025					
Loans	7,719,571	23,158,714	99,572,407	--	130,450,692
Short term credit facilities	2,311,514,563	--	--	--	2,311,514,563
Lease liability	3,765,719	13,067,959	34,733,697	--	51,567,375
Suppliers, accrued expenses and other payables	796,239,344	--	--	--	796,239,344
Income Tax payable	68,431,754	--	--	--	68,431,754
Notes payable	21,569,493	--	--	--	21,569,493
Total financial liabilities not deducted	<u>3,209,240,444</u>	<u>36,226,673</u>	<u>134,306,104</u>	<u>--</u>	<u>3,379,773,221</u>
Financial liabilities	<u>Less than 3</u> <u>months</u>	<u>From 3 to 12</u> <u>months</u>	<u>From 1 to 5</u> <u>years</u>	<u>More than 5</u> <u>years</u>	<u>Total</u>
31 December 2024					
Loans	18,973,493	53,288,629	52,194,940	--	124,457,062
Short term credit facilities	2,067,397,001	--	--	--	2,067,397,001
Lease liability	5,379,226	7,097,469	27,811,699	--	40,288,394
Suppliers, accrued expenses and other payables	601,615,134	--	--	--	601,615,134
Income Tax payable	160,292,573	--	--	--	160,292,573
Notes payable	3,968,063	--	--	--	3,968,063
Total financial liabilities not deducted	<u>2,857,625,490</u>	<u>60,386,098</u>	<u>80,006,639</u>	<u>--</u>	<u>2,998,018,227</u>

e) Capital risk management

The company manages its capital to ensure that it will continue in sufficient level while maximising the return to the shareholders through the optimisation of debt-to-equity balance. The company's overall strategy remains unchanged during the year.

31- Fair values of financial instruments

The Company's financial instruments are represented in financial assets and financial liabilities, the financial assets include cash on hands and banks, trade and notes receivables, due from related parties, and other receivables. the financial liabilities include trade and notes payables, loans, short-term credit facilities, machinery installments, long term notes payable and other payables.

The significant accounting policies applied for the recognition and measurement of the above - mentioned financial assets and liabilities and the related income and expenses are included in note (2) of the notes to the financial statements.

The fair values of financial assets and liabilities do not differ materially from their carrying values, unless otherwise stated.

32- Property, plant, and equipment adjustments surplus

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance As of 1 January	13,318,831	18,305,818
<u>Deduct:</u>		
Transferred to retained earnings from machinery and equipment adjustments surplus (Depreciation)	(2,057,109)	(2,271,361)
Transferred to retained earnings from vehicles adjustments surplus (Depreciation)	(2,912,780)	(2,715,626)
	<u>8,348,942</u>	<u>13,318,831</u>

33- Significant and subsequent events

Significant events

On February 20, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to keep the overnight deposit and lending rates, as well as the Central Bank's main operation rate at 27.25%, 28.25%, and 27.75%, respectively, and decided to keep the credit and discount rates at 27.75%.

On April 8, 2025, Arabian Food Industries Company (Domty) decided to split the company into two separate entities. The decision was taken after evaluating various strategic alternatives, including the potential exclusion of the bakery segment from the proposed acquisition transaction by the Denmark Company Arla Foods.

On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the rates of the overnight deposit and lending interest and the main transaction rate of the Central Bank by 225 basis points to 25.00%, 26.00%, and 25.50%, respectively, It also decided to reduce the credit and discount rates by 225 basis points to reach 25.50%.

On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates, as well as the central bank's main operation rate, by 100 basis points to 24.00%, 25.00%, and 24.50% respectively, it also decided to reduce the credit and discount rate by 100 basis points to reach 24.50%.

On July 10, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to keep the overnight deposit and lending rates, as well as the Central Bank's main operation rate at 24.00%, 25.00%, and 24.50%, respectively, and decided to keep the credit and discount rates at 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, as well as the central bank's main operation rate, by 200 basis points to 22,00%, 23,00%, and 22,50% respectively, It also decided to reduce the credit and discount rate by 200 basis points to reach 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, as well as the central bank's main operation rate, by 100 basis points to reach 21.00%, 22.00%, and 21.50% respectively. It also decided to reduce the credit and discount rate by 100 basis points to reach 21.50%.

On November 16, 2025, the Board of Directors of Arabian Food Industries Company (Domty) unanimously approved the adoption of the report issued by the committee formed pursuant to the Decision of the Minister of Investment and International Cooperation No. 96 of 2018, and endorsed by the Chief Executive Officer of the General Authority for Investment and Free Zones on 29 September 2025, regarding the verification of the accuracy of the initial assessment of the company's assets and liabilities for the purpose of the demerger, as well as the conclusions of the committee concerning the net shareholders' equity of both the demerging company and the demerged company, and presenting it to the Extraordinary General Assembly for approval.

The Board also unanimously approved the demerger of Arabian Food Industries Company (Domty) into two companies (a demerging company and a demerged company) in accordance with the horizontal demerger method. Noting that these resolutions will not become effective until they are approved by the Financial Regulatory Authority (FRA) and the Extraordinary General Assembly, the date of which has not yet been determined.

On November 20, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to keep the overnight deposit and lending rates, as well as the Central Bank's main operation rate at 21.00%, 22.00%, and 21.50%, respectively, and decided to keep the credit and discount rates at 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, as well as the central bank's main operation rate, by 100 basis points to reach 20.00%, 21.00%, and 20.50% respectively. It also decided to reduce the credit and discount rate by 100 basis points to reach 20.50%.

On December 30, 2025, an Extraordinary General Assembly Meeting of Arabian Food Industries Company (Domty) was convened. The Assembly unanimously approved the proposal submitted by the Company's Board of Directors regarding the horizontal demerger of Arabian Food Industries Company (Domty) - S.A.E. into two entities (a demerging company and a demerged company), in accordance with the horizontal demerger method for the financial year ended December 31, 2024.

Subsequent Events

On February 12, 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates, as well as the central bank's main operation rate, by 100 basis points to reach 19.00%, 20.00%, and 19.50% respectively. It also decided to reduce the credit and discount rate by 100 basis points to reach 19.50%. The Central Bank of Egypt's Board of Directors also decided to reduce the cash reserve ratio that banks are required to maintain with the Central Bank of Egypt from 18% to 16%.

Subsequent to the date of the financial statements, certain regions in the Middle East witnessed an increase in geopolitical tensions, which had economic implications for the regional markets and the Egyptian market. These events are considered non-adjusting events in accordance with Egyptian Accounting Standard (EAS) No. (7) Events After the Reporting Period. Accordingly, no adjustments have been made to the balances and figures reported in the financial statements as of December 31, 2025, which reflect the conditions that existed at that date.

Management is closely monitoring developments and assessing the potential impact on the Company's operations, financial position, and cash flows. As of the date of approval of these separate financial statements, the Company is unable to reliably determine the effect of these events. Management will continue to monitor developments and assess their potential impact during the upcoming financial periods and will take necessary actions if any material impact on the financial position or operating results arise.

34- Comparative figures

Comparative figures are reclassified as often as necessary to align with changes in the presentation used for the current year.