

THE EGYPTIAN SATELLITE COMPANY
"NILE SAT (S.A.E) - FREE ZONE"

THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

TOGETHER WITH
THE INDEPENDENT AUDITOR'S REPORT

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*Translation of Auditor's Report
Originally Issued in Arabic*

AUDITOR'S REPORT

To the Shareholders of
The Egyptian Satellite Company "Nile Sat (S.A.E) - Free Zone "

Report on the Financial Statements

We have audited the accompanying financial statements of **The Egyptian Satellite Company "Nile Sat (S.A.E) - Free Zone"**, which comprise the statement of financial position as of December 31, 2025, and the related statements of income (profit or losses), comprehensive income, changes in owner's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Egyptian Satellite Company "Nile Sat (S.A.E) - Free Zone"** as of December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the prevailing Egyptian laws and regulations.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which include all that is required by law and the Statutes of the company which are in agreement with the accompanying financial statements. The company prepares an overall operating cost sheet. Management conducted the inventory physical count according to normal practices.

The financial information presented in the Board of Directors' report, prepared in conformity with Law No. 159 for 1981, and its executive regulations which stipulated by law No. 4 for 2018 are in conformity with the company's books, within the limits that such information recorded in the books.

Cairo: February 12, 2026

Auditor


Khaled Alabbat

Forvis Mazars Mostafa Shawki

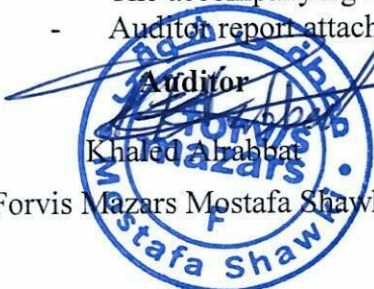



THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025

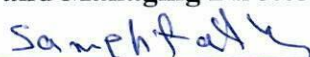
(Amounts expressed in US Dollar)

	<u>Note</u>	<u>31/12/2025</u>	<u>31/12/2024</u>
		<u>USD</u>	<u>USD</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Fixed assets (net)	(5, 4/3)	269 510 071	294 031 696
Intangible assets (net)	(6, 4/14)	28 362	38 093
Financial assets at amortized cost-treasury bonds	(7, 4/8/b)	105 602 885	114 921 912
Projects under Construction	(8, 4/4)	2 398 332	2 648 917
Investments at fair value through other comprehensive income	(9, A/4/8)	1 459	688
Total non-current assets		<u>377 541 109</u>	<u>411 641 306</u>
<u>Current assets</u>			
Inventory - spare parts	(4/5)	1 663 916	1 683 960
Accounts receivable (net)	(10, 4/11)	50 848 833	41 061 874
Debtors and other debit balances (net)	(11, 4/11)	1 851 935	1 563 986
Financial assets at amortized cost- Treasury bills	(19 / b/4/8)	17 182 662	7 071 191
Cash and cash equivalent	(12, 4/7)	278 477 527	225 289 565
Total current assets		<u>350 024 873</u>	<u>276 670 576</u>
Total assets		<u>727 565 982</u>	<u>688 311 882</u>
<u>Owners' Equity and Liabilities</u>			
<u>Owners' equity</u>			
Issued and paid-up capital	(16)	186 624 920	186 624 920
Reserves	(4/15)	46 644 490	43 760 400
Retained earnings		395 307 724	368 366 900
Net profit for the year		65 602 408	57 681 798
Other component of other comprehensive income	(4/17)	(285 755)	(286 526)
Total owners' equity		<u>693 893 787</u>	<u>656 147 492</u>
<u>Non-current Liabilities:</u>			
Insurance for others	(17)	14 115 461	14 269 558
Total non-current Liabilities		<u>14 115 461</u>	<u>14 269 558</u>
<u>Current Liabilities:</u>			
Provisions	(13, 4/12)	4 460 538	3 148 291
Fixed assets creditors	(14)	595 985	4 697 873
Creditors and other credit balances	(15)	14 500 211	10 048 668
Total current liabilities		<u>19 556 734</u>	<u>17 894 832</u>
Total owners' equity and liabilities		<u>727 565 982</u>	<u>688 311 882</u>

- The accompanying notes are an integral part of these financial statements.
- Auditor report attached.


Auditor
 Khaled Alrabat
 Forvis Mazars Mostafa Shawki

**Head of Finance
and Financial Planning**

 Tamer Talaat Elsaadany

**Chairman
and Managing Director**

 General/ Sameh Katta

THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
STATEMENT OF INCOME (profit or losses)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts expressed in US Dollar)

	<u>Note</u>	<u>From 1/1/2025 To 31/12/2025</u>	<u>From 1/1/2024 To 31/12/2024</u>
		<u>USD</u>	<u>USD</u>
Operating revenues	(4/6)	98 467 541	101 140 112
<u>(Less) operating expenses:</u>			
Wages and salaries	(20)	(1 745 201)	(1 720 127)
Technical support fees paid to satellite manufacturing companies	(21)	(1 829 307)	(2 079 699)
Operating expenses	(22)	(27 986 671)	(26 340 155)
Operating depreciation		(27 871 982)	(28 019 259)
Total direct operating expenses		(59 433 161)	(58 159 240)
Gross profit		39 034 380	42 980 872
Add / (less):			
Marketing expenses		(274 068)	(220 878)
General and administrative expenses	(23)	(3 112 088)	(2 818 733)
Financing expenses		(222 773)	(216 579)
Board of Directors allowances and remuneration		(545 416)	(707 376)
Provision formed during the year	(13)	(1 237 217)	(787 474)
Administrative depreciation		(203 220)	(212 697)
Reversed / provided Expected credit losses	(30)	1 319 342	(2 543 816)
Amortization of intangible assets	(6)	(19 386)	(12 779)
Governmental fees		(1 287 747)	1 345 845)
Foreign currency re-evaluation differences		1 843 438	(9 877 320)
Credit interest	(24/a)	13 746 461	13 355 755
Investment in securities gain (bonds and treasury bills)	(24/b)	16 417 290	20 040 400
Other revenues		112 441	28 534
Capital Gain		30 971	19 734
Net Profit for the period from continuing operations		65 602 408	57 681 798
Earnings per share (Dollar/ share)	(26)	1.57	1.38

- The accompanying notes are an integral part of these financial statements.

Head of Finance and Financial Planning

Tamer Talaat Elsaadany

T. Elsaadany

Chairman and Managing Director

General/ Sameh Katta

Sameh Katta

THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts expressed in US Dollar)

	<u>From 1/1/2025 To</u> <u>31/12/2025</u>	<u>From 1/1/2024 To</u> <u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Net Profit for the year	65 602 408	57 681 798
<u>Other comprehensive income</u>		
Investment at fair value through other comprehensive income	771	(585)
Total comprehensive income for the year	<u>771</u>	<u>(585)</u>
Total comprehensive income	<u>65 603 179</u>	<u>57 681 213</u>

- The accompanying notes are an integral part of these financial statements.

Head of Finance and Financial Planning

Tamer Talaat Elsaadany

T. ElSaadany

Chairman and Managing Director

General/ Sameh Katta

Sameh Katta

Translation of Financial Statements
Originally Issued in Arabic

THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in US Dollar)

<u>Note</u>	<u>Paid-up Capital</u> <u>USD</u>	<u>Legal Reserve</u> <u>USD</u>	<u>Capital Reserve</u> <u>USD</u>	<u>Retained Earnings</u> <u>USD</u>	<u>Net profit for the period</u> <u>USD</u>	<u>Other component of other comprehensive income</u> <u>USD</u>	<u>Total</u> <u>USD</u>
Balance as of January 1, 2024	186 624 920	41 378 690	193 985	351 241 311	43 754 499	(285 941)	622 907 464
Net profits for the year	--	--	--	--	57 681 798	--	57 681 798
Other component of other comprehensive income	--	--	--	--	--	(585)	(585)
Change in Equity							
Dividends distributed	--	--	--	(23 756 549)	--	--	(23 756 549)
Transferred to retained earnings	--	--	--	43 754 499	(43 754 499)	--	--
Adjustment on retained earnings	--	--	--	(684 636)	--	--	(684 636)
Transferred to legal reserve	--	2 187 725	--	(2 187 725)	--	--	--
Balance as of December 31, 2024	186 624 920	43 566 415	193 985	368 366 900	57 681 798	(286 526)	656 147 492
Balance as of January 1, 2025	186 624 920	43 566 415	193 985	368 366 900	57 681 798	(286 526)	656 147 492
Net profits for the year	--	--	--	--	65 602 408	--	65 602 408
Other component of other comprehensive income	--	--	--	--	--	771	771
Change in Equity							
Dividends distributed	--	--	--	(26 733 444)	--	--	(26 733 444)
Transferred to retained earnings	--	--	--	57 681 798	(57 681 798)	--	--
Adjustment on retained earnings	--	--	--	(1 123 440)	--	--	(1 123 440)
Transferred to legal reserve	--	2 884 090	--	(2 884 090)	--	--	--
Balance as of December 31, 2025	186 624 920	46 450 505	193 985	395 307 724	65 602 408	(285 755)	693 893 787

- The accompanying notes are an integral part of these financial statements.

Head of Finance and Financial Planning

Tamer Talaat Elsaadany

T. ElSaadany

Chairman and Managing Director

General/ Sameh Katta

Sameh Katta

THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in US Dollar)

	<u>Note</u>	<u>31/12/2025</u>	<u>31/12/2024</u>
		<u>USD</u>	<u>USD</u>
<u>Cash flow from operating activities</u>			
Net profit for the year		65 602 408	57 681 798
<u>Adjustments to reconcile net profit with net cash flows from operating activities</u>			
Fixed assets depreciation	(5)	28 075 202	28 231 956
Amortization of intangible assets	(6)	19 386	12 779
Reversed / provided Expected credit losses	(30)	(1 319 342)	2 543 816
Foreign currency re-evaluation exchange (net)		322 200	(3 769 321)
Credit interest	(24/A)	(13 746 461)	(13 355 755)
Provisions	(13)	1 237 217	787 474
Capital Gain		(30 971)	(19 734)
		80 159 639	72 113 013
Change in inventory		20 044	(223 951)
Change in accounts and notes receivable		(9 080 905)	(8 892 507)
Change in debtors and other debit balances		989 216	1 697 527
Change in creditors and other credit balances		3 306 812	871 749
Change in insurance for other		602 736	134 060
Used from provision		(9 251 149)	(397 873)
Net Cash Flows provided from Operating Activities		66 746 393	65 302 018
<u>Cash flows from investing activities</u>			
Payments for purchase of fixed assets		(7 407 474)	(9 161 716)
Payments for purchase treasury bills and bonds		(283 812)	(13 831 755)
Credit interest		12 449 061	12 201 030
Capital gain		30 971	19 734
Net Cash Flows Provided from(Used in) Investing Activities		4 788 746	(10 772 707)
<u>Cash Flows from Financing Activities</u>			
Dividends (paid)		(18 505 444)	(16 276 549)
Net Cash Flows (used in) Financing Activities		(18 505 444)	(16 276 549)
Net changes in cash and cash equivalent during the year		53 029 695	38 252 762
Foreign currency re-evaluation differences		(64 577)	829 121
Expected Credit Losses	(30)	(2 815 618)	(3 038 462)
Cash and cash equivalent at the beginning of the year	(12)	228 328 027	189 246 144
Cash and cash equivalent at the end of the year		278 477 527	225 289 565

Major Non-Cash Transactions Note No. (28)

- The accompanying notes are an integral part of these financial statements.

Head of Finance and Financial Planning

Tamer Talaat Elsaadany

T. Elsaadany

Chairman and Managing Director

General/ Sameh Katta

Sameh Katta

THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. COMPANY'S BACKGROUND

1.1 LEGAL STATUSES AND ACTIVITIES

- The Egyptian Satellite Company "Nile Sat (S.A.E) - Free Zone" was established under Investment Law No. 230 of 1989 and by virtue of the Minister of Economy and Foreign Trade Decree No. 456 of 1996 issued on June 27, 1996, and published in the Investment Gazette Issue No. 221 dated August 27, 1996.
- The Company was registered in the Commercial Register under No. 682 in the General Administration of the Commercial Register - Cairo Investment Commercial Registry Office, The Company's duration is 25 years starting July 1, 2021, ending June 30, 2046.
- According to the Decree No. 431 issued by the Chairman of the Media Free Zone on February 8, 2001, the company is authorized to operate under the system of free zone in the Media Free Zone in 6th of October City, according to Law no. (8) for 1997 which amended by Investment Law No. 72 of 2017, and this license is valid until February 6, 2026.

2.1 PURPOSE OF THE COMPANY

- The purpose of the company is to establish and acquire satellite systems including both space and land sectors and manufacturing, launching satellites and land stations, as well as, supplements, operate and manage these systems and lease satellite capacities and attached land devices and other related services, providing services, consultations and integrated solutions in the field of satellite specifications, operation, ground stations and related works, as well as the establishment of satellite TV channel and Establishing and operating data centers (Data Centers) in accordance with the laws governing the Radio and Television Union within the Arab Republic of Egypt and the resolutions governing encrypted channels, receivers and decoders.
- The company started its activity on July 1, 1998, after the launch of first Egyptian Satellite Nile Sat (101) in April 1998. The second Egyptian Satellite Nile Sat (102) was launched in August 2000.
- The Egyptian satellite Nile Sat (201) was launched on August 4, 2010.
- The Egyptian satellite Nile Sat (301) was launched on June 8, 2022.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

- The Financial Statements have been prepared in accordance with the Egyptian Accounting Standards (EAS). The financial statements are presented in the United States Dollar. The financial statements of the company have been approved by the board of directors on 28 January 2026

3. THE SIGNIFICANT ACCOUNTING ASSUMPTIONS AND THE MAIN SOURCES OF UNCERTAIN ESTIMATES

For applying accounting standards which requires management to make estimates and assumptions in order to determine the book value of assets and liabilities which could not be measured accurately through other sources.

Although the estimates and associated assumptions are based on the past historical experience of the management and other relevant factors, however under different circumstances, the outcome of which may differ from those estimates as a result the estimates used to determine those assumptions should be revised on a regular basis.

The company recognizes the changes in the accounting estimates in the year affected by these changes if these changes affect only this year or in the succeeding periods if such changes should affect current and succeeding periods.

The following assets and liabilities are considered as the material items that used the accounting estimates and assumptions in their measurements which materially affect their book value and their relevant revenues and expenses that are recorded in the company's financial statements in accordance with the applied accounting policies as mentioned in Note No. 4. The material items are as follows:

- Fixed assets and the applied depreciation policy including estimated useful lives, net residual value and the basis for determining the impairment in the assets' values.
- Intangible assets and the applied amortization policy including estimated useful lives and the basis for determining the impairment in the assets' values.
- The basis for estimating the impairment value to meet the uncollectible debts.
- The basis for inventory valuation and estimating the impairment in the inventory's book value when implementing the cost or net realizable value whichever is lower in addition to the impairment provided for slow moving inventory.
- The basis for providing provisions to meet the contingent liabilities.
- The basis for classifying the monetary assets and liabilities at their inception which depend on the business model at the date of the initial recognition of these assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES APPLIED

The preparation of the financial statements in accordance with Egyptian Accounting Standards require using estimates and assumptions that could affect the values and disclosures of the contingent assets and liabilities at the balance sheet date and could also affect the values of revenues and expenses during the fiscal period. Although the estimates and associated assumptions are based on the best available information to the management relevant to the current events, however under different circumstances, the outcome of which may differ from those estimates.

4.1. Foreign Currency Translation

The Company maintains its accounts in USD because the majority of the company's transactions are conducted in USD. Transactions denominated in other currencies during the year are recorded on the basis of a fixed exchange rate each month. Monetary assets and liabilities denominated in other currencies as of the financial statements date are reevaluated using the exchange rates prevailing at that date. The resulting exchange differences are recorded in the income statement.

4.2. Impairment of Tangible and Intangible Assets

At each balance sheet date the company reviews the carrying amount of its tangible assets except for (the inventory) and the intangible assets that have a definite useful life to determine if there are any evidence or indicators for the probability of the occurrence of impairment in their values and if these evidence or indicators are available then the company estimates the recoverable value for each individual asset for the purpose of determining their impairment losses. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

4.3. Fixed Assets and its Depreciation

Fixed assets are stated at their historical cost less the accumulated depreciation and accumulated impairment losses resulting from the impairment in their values except for the land which is recorded at cost less the impairment in its value. The cost of the fixed asset includes all the expenditures directly related to the asset's acquisition.

The depreciation of the fixed assets begins when the assets are ready for their intended use in operation in accordance with the same previously mentioned depreciation basis.

The fixed assets are depreciated at cost except for the assets under construction (Projects under construction), land, and collectibles art using the straight-line method over the estimated useful life of each type of these assets as follows:

	<u>Years</u>
Buildings and constructions	50
<u>Appliances and Equipment</u>	
Satellite (201), (301) and tracking stations *	18
Other equipment and devices	12-15
Electricity station	20
Vehicles	5
Tools	12
Furniture and office equipment	12-20
Computers	3
Servers and computer systems	5-7

* According to the company's annual technical report, the satellites maneuverable estimated useful life after the previous operating period still complies with its estimated useful lifetime.

4.4. Projects under Construction

Cost incurred for the purchase or construction of fixed assets are initially recorded in this account. When the asset is completed and ready for use, the cost is transferred to fixed assets' account.

4.5. Inventory Valuation

The spare parts inventory is valued at the lower of acquisition cost or net realizable value, while the issued inventory from the power warehouse is valued according to the moving average method. The inventory was issued from the ground and space sectors warehouses (spare parts for satellite).

4.6. Revenue

- Revenue recognition:

Revenue is recognized on the basis of Five-step model as defined in the Egyptian accounting standard No. (48) as follows:

- **Step (1):** identify contract(s) with customers. Contract is defined as agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria that must be fulfilled in each contract.
- **Step (2):** identify separate performance obligations in the contract. Performance obligation is a promise in a contract with a customer to transfer to the customer either good or service.
- **Step (3):** Determine the transaction, Price.
The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Step (4):** Allocation of transaction price to distinct performance obligations in the contract for the contracts which has more than performance obligation. The company will allocate the transaction price to each performance obligation to a specific amount in exchange for the contract that the company expects to obtain in exchange for fulfilling each performance obligation.
- **Step (5):** Recognize revenues when the company satisfies the performance obligations.

- The transfer of control to a party to the contract may require a period of time, and accordingly, the company fulfills its obligations, and its revenue is recognized over that time period.
- The amount of income is measured based on the contractually agreed transaction price of the performance obligation specified in the contract. If the contract includes variable consideration, the company estimates the amount of consideration to which it is entitled in return for transferring the promised services to the customer. Income is recognized in profit and loss when the specified performance obligation is satisfied.
- The annual channel allocation revenue is recognized on the basis of distributing the total value allocated for each contract equally over the contract period.

4.7. Cash and cash equivalent

Cash and cash equivalent includes all cash on hands and at banks, as well short term investments which can be converted into cash easily in less than three months.

4.8. Financial instruments

Financial assets classification and measurement

Egyptian Accounting Standard No. (47) "Financial Instruments" cancels the previous categories of Egyptian Accounting Standard No. (26) "Financial Instruments - Recognition and Measurement" held-to-maturity, loans and receivables, and available-for-sale. However, the Egyptian Accounting Standard No. (47) "Financial Instruments" largely retains the existing requirements in the Egyptian Accounting Standard No. (26) "Financial Instruments - Recognition and Measurement" for the classification and measurement of financial liabilities.

The entity classifies its financial assets to: Financial assets at amortized cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss. The classifying is made based on the entity's business model for managing the financial assets and the contractual cash flow.

a- Financial Asset Classification: Fair Value Through Other Comprehensive Income

A financial asset must be classified and measured at fair value through other comprehensive income (unless the asset is designed at fair value through profit or loss under the fair value option) if it meets both the following criteria:

- The financial assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b- Financial Assets at Amortized Cost

A financial asset is classified as measured at amortised cost where:

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

Business Model Test

Introduces a business model test that requires an entity to assess whether its business objective for a debt instrument is to collect the contractual cash flows of the instrument as opposed to realizing its fair value change from sale prior to its contractual maturity.

- The assessment of a business model is not made at an individual financial instrument level.
- The assessment is based on how key management personnel actually managed the business, rather than management's intentions for specific financial assets.
- An entity may more than one business model for managing its financial assets and the classification need not be determined at the reporting entity level. For example, it may have one portfolio of investments that it manages with the objective of collecting contractual cash flows and another portfolio of investment held with the objective of trading to realise changes in fair value. It would be appropriate for entities like these to carry out the assessment for classification purposes at portfolio level, rather than at entity level.

Both debt and equity instruments are classified and measured as follows:

Financial Instrument	Measurement methods according to business model		
	Amortized Cost	Fair value through OCI	
Equity Instruments	not apply	A one-time option upon initial recognition and is not reversible	Fair value through P/L
Debt Instrument	The business model of assets held to collect contractual cash flows	The business model of assets held to collect contractual cash flows and to sell	Ordinary treatment of equity instruments

Derecognition of Financial Assets

Derecognition is the removal of a previously recognised financial instrument from an entity's statement of financial position.

An entity should identify a financial asset when:

- The contractual rights to the cash flows from the financial asset expire, or
- The entity transfers the financial asset or substantially all the risks and rewards of ownership the financial assets to another party.

Impairment of Financial Assets

- Financial assets are assessed for indicators of impairment at each balance sheet date except for the assets valued at fair value in the profit and loss.
- The amount of the impairment of financial assets measured by amortized cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate of the financial asset.
- The carrying amount of all financial assets are directly reduced with the impairment losses except for the reduction in the expected collected amounts from the receivables' debts as the company provides them with a contra account for impairment in their values, when the receivables' debts are uncollectible the company writes them off as a deduction from the contra account for impairment and any subsequent collections from previously written off debts will be added to this account. All the changes in the carrying amount of the impairment are recorded at the income statement.
- If the company recognized impairment losses in the value of financial assets except for the shareholders' equity instruments classified as financial investments available for sale and if these losses are reduced during a subsequent period and this reduction could be linked to an event that occurred after the date of its recognition , then the impairment losses are subsequently reversed at the income statement that the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.
- For the shareholders' equity instruments classified as financial investments available for sale, the impairment losses in the investments' value previously recognized at the income statement, the company will not recover any subsequent reduction in the impairment losses values at the income statement but the company will recognize any subsequent raise in the fair value of these investments directly at the shareholders' equity.

4.9. Dividends

Dividends are recognized as a liability in the fiscal period subsequent to the period of dividends' declaration.

4.10. End of Services (Indemnity)

The company contributes to the governmental social insurance system for the benefit of its employees in accordance with Social Insurance Law No. 79 of 1975 as amended. Contributions are charged to the income statement using the accrual basis of accounting. The company's employees are awarded end of service benefits in accordance with the resolution of the Board of Directors meeting No. 190 for year 2012 as regulated by the Chairman and the Managing Director Resolution No. 69 for year 2012.

The regulatory rules of granting end of service benefits are in accordance to the actuarial survey which provides estimates to be used in calculating the rewards granted to the employees.

End of service benefit provisions are charged to the income statement.

4.11. Receivables, Debtors and Other Debit Balances

Receivables (lease receivables), notes receivables and debtors which are expected to be collected during the period are recognized at nominal value less an allowance for any uncollectible amounts and are classified as current assets. Long-term lease receivables are recognized at nominal value less an allowance for any uncollectible amounts and are classified as long-term assets. Rescheduled lease receivables are re-measured using the net present value.

Impairment of financial Assets

- ESA 47 "Financial Instruments" replaces the "incurred loss" model in ESA 26 "Financial Instruments - Recognition and Measurement" with the "Expected Credit Losses" (ECL) model. The new impairment model applies to financial assets measured at amortized cost and to customers.
- For impaired customer receivables, expected credit losses are estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate under the contract.
- Expected credit losses are a weighted estimate of credit losses. It is measured taking into account the cash flows expected to be received, the probability of default and the LGD rate (any the magnitude of the loss if there is a default) taken into account and the relevant valuation based on historical past due data adjusted by specific customer factors and forward-looking information that includes macroeconomic factors.
- The company determines ECL values based on the number of days overdue which is determined to be predictive of the risk of loss in accordance with Egyptian Accounting Standard No. 47 "Financial Instruments".
- The determinants of expected credit losses (probability of default - Value at expected credit losses - loss rate at default) result in three scenarios.
- A weighted ECL is calculated on three levels (basic - best - worst) for all three stages (12 months and lifetime ECL).
- Customers' indebtedness is written off (either partially or completely) when there is no reasonable expectation of recovery of all or part of the financial asset. This is generally.

- The case when the company determines that the lessee does not have assets or sources of income that can generate sufficient cash flows to pay off the amounts subject to the write-off. This evaluation is done on an individual level for each client. Recoveries of amounts previously written off are included within 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income.
- The financial assets that have been written off may still be subject to legal procedures in accordance with the company's procedures to recover the amounts due.

4.12. Provisions

Provisions are recognized in the balance sheet when the company has a current legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation and the amount has been reliably estimated. In case of material effect in the time value of money, the provision is estimated by discounting the future cash flows using a pre-tax discount rate which reflects the present assessment of the time value of money and the risks related to the liability. Provisions are reviewed at each balance sheet date and amended (when necessary) to represent the best current estimate.

4.13. Cash Flows Statement

The cash flows statement is prepared according to the indirect method.

4.14. Intangible Assets

Are the assets that the company has the right to utilize them and are expected to generate future economic flows. These assets resulted from the costs incurred to utilize these intangible assets.

The intangible assets are represented in the value of the computer software and the purchased licenses.

4.14.1 Amortization of Intangible Assets

The computer software and licenses item are amortized over 3 years using the straight-line method.

4.15. Legal Reserve

According to Article No. (35) of Association 5% is to be retained from the company's net profit to form a legal reserve until such reserve equals 50% of the issued capital. No dividend payments are to be paid from this reserve. The reserve may be utilized based on a proposal from the Board of Directors. This reserve is not available for distribution.

4.16. Credit Interest

- Credit interest is recognized on the basis of time period according to the accrual basis.

4.17. Other component of other comprehensive income

Includes items of income and expenses (including reclassification adjustments, which are not recognized in profit or loss' income, "according to required or permitted by other Egyptian Accounting Standards).

Other component of other comprehensive income includes the following:

- a) Re-measurement of defined benefit plans.
- b) Gains and losses on the translation of foreign currency financial statements of the activity of foreign
- c) Gains and losses arising from the restatement of financial assets available for sale evaluation.
- d) The effective portion of gains or losses used to cover the cash flow hedging instruments.

4.18. Allotment Contracts

- The Egyptian Satellite Company, Nilesat, has contracted with other satellite companies to allocate 6 transponders for a period of 9 years, and the space capacities will be reallocated to the company's clients.
- The Egyptian Satellite Company Nilesat contracts with satellite channels to allocate space capacities on the Nilesat satellite, as the Egyptian Satellite Company Nilesat establishes and owns space systems in both its space and terrestrial sectors, including manufacturing, owning and launching satellites, establishing and owning ground stations and their accessories, and when Satellite channels wish to allocate a part of a satellite channel (TV channel) to be done by agreement between the two parties to provide the necessary services for that, while ensuring that the agreed service will not be interrupted.

4.19. Capital Management Risk

The Management of the company aims to save the ability of the company to continue to provide dividends to shareholders and to save the best of capital structure to achieve the balance in the elements of financial the company's investments.

4.20. Financial Instruments

The financial instruments are represented in monetary assets and liabilities. Monetary assets include cash at banks, lease receivables, debtors and other debit balances.

Monetary liabilities include loans, some creditors and other credit balances and fixed assets creditors.

The main risks the company could encounter are interest rate risk, foreign currency risk, credit risk and liquidity risk.

4.21. Interest Rate Risk

The interest rate risk is represented in the fluctuation in the interest rates, which could adversely affect the result of operations of the company.

To minimize this risk, time deposits of different currencies & variable interest rates are placed to match the loans obtained by the company with variable interest rates for different maturities

4.22. Foreign Currency Risk

The foreign currency risk represents the risk of fluctuations in exchange rates, which in turn affects the company's cash inflows, and out flows of foreign currency as well as the evaluation of assets and liabilities with other currencies.

4.23. Credit Risk

Credit risk is represented in the inability of customers (lease receivables) which obtained the Credit to settle due debts, balances due to the company are concentrated in the balances due from some governmental organization in addition to customers having good financial positions. to minimize this risk, some customers are granted early payment discounts in addition to re-scheduling some indebtedness. Furthermore, the company obtains sufficient collaterals and advance deposits from some customers according to the contracts signed with them.

4.24. Liquidity Risk

Liquidity risk is represented in the factors that could affect the company's ability to settle a part or its whole obligations and according to the policy of the company the liquidity is managed appropriately to meet the company's current obligations and in case of the increase of the current obligations, the company depends on different financing sources to settle these obligations which could reduce this risk to its minimum level.

4.25. The Fair Value of The Financial Instruments

According to the evaluation basis mentioned in the notes attached to the financial statements for the monetary assets and liabilities the book value of such items represents a reasonable value for its fair value on the balance sheet date.

THE EGYPTIAN SATELLITE COMPANY "NILE SAT (S.A.E) - FREE ZONE"
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
 (Amounts expressed in US Dollar)

5. FIXED ASSETS (NET)

<u>Cost</u>	<u>Description</u>	<u>Land*</u>		<u>Buildings & Constructions</u>		<u>Satellites</u>		<u>Appliances and Equipment</u>		<u>Vehicles</u>		<u>Tools</u>		<u>Furniture & Office Equipment</u>		<u>Computers</u>		<u>Total</u>		
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
27 459 252	Cost as of January 1, 2024	--	19 431 294	19 431 294	453 332 674	40 318 920	1 286 810	53 329	5 595 876	804 779	548 282 934	17 168	1 108 479							
--	Additions during the year	--	--	--	--	792 269	95 993	13 781	189 268											
--	Disposal during the year	--	--	--	--	(296 844)	--	--	(28 886)											(370 813)
27 459 252	Cost as of 31/12/2024	27 459 252	19 431 294	19 431 294	453 332 674	40 814 345	1 382 803	67 110	5 756 258	776 864	549 020 600	776 864	549 020 600							
27 459 252	Cost as of January 1, 2025	--	19 431 294	19 431 294	453 332 674	40 814 345	1 382 803	67 110	5 756 258	776 864	549 020 600	776 864	549 020 600							
--	Additions during the year	--	5 659	5 659	--	2 837 898	68 739	216	680 911	20 827	3 614 250	--	3 614 250							
--	Disposal during the year	--	(23 317)	(23 317)	(59 799)	(297 606)	(65 758)	--	(28 723)	--	(475 203)	--	(475 203)							
27 459 252	Cost as of 31/12/2025	27 459 252	19 413 636	19 413 636	453 303 875	43 354 637	1 385 784	67 326	6 408 446	797 691	552 159 647	797 691	552 159 647							
	<u>Accumulated depreciation</u>																			
--	Accumulated depreciation as of 1/1/2024	--	7 049 940	7 049 940	190 471 157	23 766 361	697 184	52 072	4 313 518	777 529	227 127 761	777 529	227 127 761							
--	Depreciation for the year	--	392 774	392 774	2 253 896	2 200 810	160 380	1 585	203 690	18 821	28 231 956	18 821	28 231 956							
--	Disposals	--	--	--	--	(296 844)	--	--	(28 886)											(370 813)
--	Accumulated depreciation as of 31/12/2024	--	7 442 714	7 442 714	215 725 053	25 670 327	857 564	53 657	4 488 322	751 267	254 988 904	751 267	254 988 904							
--	Accumulated depreciation as of 1/1/2025	--	7 442 714	7 442 714	215 725 053	25 670 327	857 564	53 657	4 488 322	751 267	254 988 904	751 267	254 988 904							
--	Depreciation for the year	--	404 330	404 330	2 518 575	2 102 667	166 288	1 371	199 158	19 813	28 075 202	19 813	28 075 202							
--	Disposals	--	(23 317)	(23 317)	(7 062)	(289 671)	(65 757)	--	(28 723)	--	(414 530)	--	(414 530)							
--	Accumulated depreciation as of 31/12/2025	--	7 823 727	7 823 727	240 899 566	27 483 323	958 095	55 028	4 658 757	771 080	282 649 576	771 080	282 649 576							
	<u>Net book</u>																			
27 459 252	Net book value as of 31/12/2025	27 459 252	11 589 909	11 589 909	212 373 309	15 871 314	427 689	12 298	1 749 689	26 611	269 510 071	26 611	269 510 071							
27 459 252	Net book value as of 31/12/2024	27 459 252	11 988 580	11 988 580	237 607 621	15 144 018	525 239	13 453	1 267 936	25 597	294 031 696	25 597	294 031 696							
--	Fully depreciated assets as of 30/12/2025	--	--	--	--	11 150 711	526 881	50 092	3 479 739	748 806	15 956 229	748 806	15 956 229							

* Land includes the amount of EGP 116 205 806 (equivalent to US\$ 21 131 402) which represents the purchase price of land measuring 62,429.25 meters purchased by preliminary contract dated March 19, 2008. The registration of the purchased land from the Radio and Television Union was notarized under no.1599 on June 26, 2012.

** Satellites include the cost of manufacturing the satellite (301)

6. INTANGIBLE ASSETS (NET)

	<u>Intangible assets (software and licenses)</u> <u>USD</u>
Cost as of January 1, 2024	140 613
Additions during the year	50 872
Disposals during the year	<u>(41 075)</u>
Cost as of December 31, 2024	<u>150 410</u>
Cost as of January 1, 2025	150 410
Additions during the year	9 655
Cost as of December 31, 2025	<u>160 065</u>
Accumulated amortization January 1, 2024	140 613
Amortization for the year	12 779
Accumulated disposals	<u>(41 075)</u>
Accumulated amortization as of December 31, 2024	<u>112 317</u>
Accumulated amortization January 1, 2025	112 317
Amortization for the year	19 386
Accumulated amortization as of December 31, 2025	<u>131 703</u>
Net book value as of December 31, 2025	<u>28 362</u>
Net book value as of December 31, 2024	<u>38 093</u>
Fully depreciated assets as of December 31, 2025	<u>99 539</u>

7. FINANCIAL ASSETS AT AMORTIZED COST - TREASURY BONDS

	<u>31/12/2025</u> <u>USD</u>	<u>31/12/2024</u> <u>USD</u>
Treasury Bonds at amortized cost- USD	106 785 776	106 403 588
Treasury Bonds at amortized cost- EURO	65 942	10 768 838
Balance the cost of financial assets at amortized cost before valuation	106 851 718	117 172 426
Revaluation of currency differences	(65 942)	(524 519)
Balance the cost of financial assets at amortized cost after valuation	106 785 776	116 647 907
Expected credit losses*	<u>(1 182 891)</u>	<u>(1 725 995)</u>
Net financial assets at amortized cost	<u>105 602 885</u>	<u>114 921 912</u>

	<u>Balance as of 1/1/2025</u> <u>USD</u>	<u>Reversed During the Year</u> <u>USD</u>	<u>Balance as of 31/12/2025</u> <u>USD</u>
*Expected credit losses	1 725 995	(543 104)	1 182 891
	<u>1 725 995</u>	<u>(543 104)</u>	<u>1 182 891</u>

8. PROJECTS UNDER CONSTRUCTION

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Building & constructions at the company site	--	3 690
Appliance and equipment - closed circuit television	646 975	1 419 100
Furniture and office equipment	71 206	483 476
Computers	19 234	--
Advance payments for the purchase of fixed assets	--	298 911
Letters of credit	1 660 917	443 740
	<u>2 398 332</u>	<u>2 648 917</u>

9. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>Issued Capital in original currency</u>	<u>Participation of %</u>	<u>Participation Paid %</u>	<u>Participation Value USD</u>	<u>Impairment in investments USD</u>	<u>31/12/2025 USD</u>	<u>31/12/2024 USD</u>
1. El Mehwer for Satellite Channels and Media (Not Listed)	14 115 510	4.662 %	100 %	658 000	(658 000)	--	--
2. Telecom Egypt Company (Listed)	--	--	100 %	2 707	--	1 459	688
						<u>1 459</u>	<u>688</u>

10. ACCOUNTS RECEIVABLE (NET)

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Short term receivables – Current receivables*	59 238 083	59 134 626
Less /Expected credit losses **	(8 389 250)	(18 072 752)
	<u>50 848 833</u>	<u>41 061 874</u>

* Account receivables balance includes an amount of USD 12 926 692 represents the debts due on the National Media Authority (Previously Radio and Television Union)

	<u>Balance as of 1/1/2025 USD</u>	<u>Reversed During the Year USD</u>	<u>Used During the Year USD</u>	<u>Balance as of 31/12/2025 USD</u>
*Expected credit losses	18 072 752	(561 370)	(9 122 132)	8 389 250
	<u>18 072 752</u>	<u>(561 370)</u>	<u>(9 122 132)</u>	<u>8 389 250</u>

11. DEBTORS AND OTHER DEBIT BALANCES (NET)

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Prepaid expenses	110 961	196 412
Accrued deposits interest	1 297 400	1 154 725
Deposits with others	3 113	16 864
Other debit balances	453 171	201 249
	1 864 645	1 569 250
Expected credit losses *	(12 710)	(5 264)
	1 851 935	1 563 986

	<u>Balance as of</u> <u>1/1/2025</u>	<u>Provided</u> <u>During the</u> <u>Year</u>	<u>Used During</u> <u>the Year</u>	<u>Balance as of</u> <u>31/12/2025</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
*Expected credit losses	5 264	7 976	(530)	12 710
	5 264	7 976	(530)	12 710

12. CASH AND CASH EQUIVALENTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Time deposits - USD*	250 375 932	209 285 396
Time deposits - EGP *	3 892 386	3 864 772
Time deposits - EURO*	719 381	634 244
Bank current accounts - USD	6 932 040	5 208 722
Bank current accounts - EGP	9 603 525	7 476 220
Bank current accounts - EURO	7 548 424	1 820 329
Bank current accounts - UAE Dh.	57 561	3 721
Cash on hand	50 543	34 623
Notes receivable due during 3 months	2 113 353	--
	281 293 145	228 328 027
Less: Expected credit losses **	(2 815 618)	(3 038 462)
	278 477 527	225 289 565

* The deposits include the amounts of EGP 10 028 039, EUR 612 500 and USD 3 625 000 pledged deposits in favor of National Bank of Egypt and Emirates NBD against the letters of guarantee as described in note No. (18)

	<u>Balance as of</u> <u>1/1/2025</u>	<u>Reversed During</u> <u>the Year</u>	<u>Balance as of</u> <u>31/12/2025</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
**Expected credit losses	3 038 462	(222 844)	2 815 618
	3 038 462	(222 844)	2 815 618

13. PROVISIONS

	<u>Balance as of 1/1/2025</u>	<u>Foreign exchange during the Year</u>	<u>Provided During the Year</u>	<u>No longer required During the Year</u>	<u>Used during the Year</u>	<u>Balance as of 31/12/2025</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
End of Service Provisions	3 148 291	203 517	1 237 217	--	(128 487)	4 460 538
	<u>3 148 291</u>	<u>203 517</u>	<u>1 237 217</u>	<u>--</u>	<u>(128 487)</u>	<u>4 460 538</u>

14. FIXED ASSETS CREDITORS

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Foreign suppliers	595 985	4 697 873
	<u>595 985</u>	<u>4 697 873</u>

15. CREDITORS AND OTHER CREDIT BALANCES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Eutel sat - Satellite spare spaces	1 888 140	1 161 284
Tax Authority	4 332	59 487
Social Insurance Authority	25	26 636
Retention insurance	91 501	65 363
Customers credit balances and prepaids	7 821 222	4 604 629
Accrued expenses and wages	281 430	224 339
General Authority for Investment	639 135	669 479
Health contribution insurance*	2 641 342	--
National Telecommunication Regulatory Authority	889 257	2 574 727
Other credit balances	243 827	662 724
	<u>14 500 211</u>	<u>10 048 668</u>

* Law No. (2) of 2018 was issued regarding the comprehensive health insurance system, which stipulated in its Article No. (40) "Ninthly" the necessity of deducting a contributory share of 2.5 from thousand the total annual revenues of individual establishments and companies, regardless of their nature or the legal system they are subject to. The company has calculated the contributory share and applied it retroactively to the financial statements from the year 2018 and has classified it among its liabilities.

16. CAPITAL

Authorized Capital:

The authorized capital of the company amounted to USD 500 million (Five Hundred Million US Dollars only).

Issued, Subscribed and Paid-up Capital

The issued, subscribed and fully paid-up capital amounts to USD 186,624,920 (One hundred and eighty-six million six hundred and twenty-four thousand nine hundred and twenty US dollars) distributed over 37,324,984 shares (Thirty-seven million three hundred and twenty-four thousand nine hundred and eighty-four shares) with a par value of USD 5 per share and Company 's share listed on the stock exchange in Cairo.

Shares held in the central depository:

- Shares held in the central depository amounted to 37,199,013 shares as percentage 99.66% from total issued shares.
- Number of shares owned by the entities from banks and associations 32,713,111 shares as percentage 87.64% of total shares.

	<u>No. of shares</u>	<u>31/12/2025</u>	<u>31/12/2024</u>
		<u>USD</u>	<u>USD</u>
Issued and paid-up capital	37 324 984	186 624 920	186 624 920
	37 324 984	186 624 920	186 624 920

17. INSURANCE FOR OTHERS

Deposits from other balances amounted to USD 14,115,461 as of December 31, 2025, represents deposits collected from some clients according to the terms of the contracts and amount USD 14,269, 558 as of December 31, 2024.

18. CONTINGENT LIABILITIES

Performance Letters of Guarantee issued from banks in favor of others as of December 31, 2025, amounted to USD 125,000 EGP 10,010,000 EUR 3,237,500 by deposits at banks that the company deals with.

19. FINANCIAL ASSETS AT AMORTIZED COST - TREASURY BILLS

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Treasury bills at a nominal value	26 638 606	15 406 357
	26 638 606	15 406 357
Less:		
Returns of non-amortized treasury bills not accrued yet	(5 295 027)	(3 733 692)
Less:		
Treasury bills taxes	(866 678)	(570 388)
Balance the cost of financial assets at amortized cost before valuation	20 476 901	11 102 277
The revaluation of currency differences	(3 294 239)	(4 031 086)
Net financial assets at amortized cost after revaluation	17 182 662	7 071 191

20. TOTAL WAGES AND BENEFITS

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Direct wages and salaries (Charged to income statement)	1 745 201	1 720 127
Indirect wages, salaries and other allowances (Charged to expenses items)	3 215 199	3 106 709
	<u>4 960 400</u>	<u>4 826 836</u>

21. TECHNICAL SUPPORT FEES PAID TO SATELLITE MANUFACTURING COMPANIES

The technical support of satellite manufacturing company – Thales Alenia space as of December 31, 2025, amounted to US\$ 1,829,307 represented in the performance incentives for technical, engineering and training assistance provided by the manufacturing companies of satellite to the company in terms of providing technical services to the operations of the satellites (201) &(301) in accordance with the manufacturing contracts for the amount of 2,079,699 US\$ for the fiscal year ended December 31, 2024.

22. OPERATING EXPENSES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Satellite channels allotment expense	22 442 202	21 052 191
Insurance expenses (operating centers)	2 085 858	1 722 117
expenses (operating centers)	2 325 590	2 448 915
Operating supplies	472 725	459 203
Wages & salaries for operating indirect centers	660 296	657 729
	<u>27 986 671</u>	<u>26 340 155</u>

23. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Wages and salaries (Indirect)	1 914 206	1 652 931
Insurance expenses (Indirect)	18 798	21 738
Management and other general expenses	1 163 610	1 121 137
Supplies	15 474	22 927
	<u>3 112 088</u>	<u>2 818 733</u>

24. CREDIT INTEREST

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
A- <u>Credit Deposit Benefits</u>		
Deposit Interest - Current Accounts	13 746 461	13 355 755
Total interest in credit deposits	13 746 461	13 355 755
B- <u>Interest on investment in securities</u>		
Treasury bills interest	2 809 761	1 937 685
Bonds dollar interest	13 607 529	18 102 715
Total return on investment in securities	16 417 290	20 040 400
Total interest income on deposits and income from investments in securities.	30 163 751	33 396 155

25. RELATED PARTIES TRANSACTIONS

25/1 -During the Year many of financial transactions occurred between the company and the related parties, the material transactions are represented as follows:

<u>Description</u>	<u>Nature of relation</u>	<u>Material transactions during the Year</u>	<u>Balance as of 31/12/2025</u>	<u>Balance as of 31/12/2024</u>
		<u>USD</u>	<u>USD</u>	<u>USD</u>
a) National Media Authority (Shareholder with 40%) *	Leased a space on the satellite	8 551 140	12 926 692	12 603 553
b) El Mehwar Company for Satellite Channels and Media (An investee company with 4.662%)*	Leased a space on the satellite	951 660	336 149	(480)
c) Misr Insurance Co. (Shareholder with 5.9%) **	Providing insurance services for some company's assets	48 867	34 190	35 206
d) National Bank of Egypt (Shareholder with 7.54%)	Banking transactions in the form of current accounts and deposits	4 459 234	51 099 794	46 640 560
e) Next Bank (Shareholder with 1%)	Banking transactions in the form of current accounts and deposits	356 850	11 055 099	10 698 249
f) Misr Bank (Shareholder with 7.52%)	Banking transactions in the form of current accounts and deposits	111 491	113 634	2 143

* According to the Egyptian Accounting Standard (15) Related Party Disclosure, paragraph (18), related parties are dealt with on the same basis as dealing with others.

** Payment for the services rendered is in cash.

25/2 The total cost of the Board of Directors expense line item amounts to USD 545,416. This represents expenses charged to the Board of Directors as a cost center, bearing its share of the Company's expenses. Such cost also includes the amounts received by Board members as salaries, bonuses, attendance allowances, transportation and other related benefits during the year ended 31 December 2025, totaling EGP 23,018,346 (equivalent to USD 474,405), compared to EGP 16,866,649 (equivalent to USD 612,043) for 2024. In addition, Board members' bonuses related to the distribution of 2024 profits amounted to USD 1,477,067, which were paid to corporate entities.

26. EARNING PER SHARE

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Net profit of the Year	65 602 408	57 681 798
<u>Deduct:</u>		
Board of Directors' remuneration (proposed / actual)	(1 937 651)	(1 477 067)
Employees' share in profits (proposed / actual)	<u>(4 906 773)</u>	<u>(4 727 636)</u>
	58 757 984	51 477 095
Weighted average of outstanding shares.	<u>37 324 984</u>	<u>37 324 984</u>
Earnings per share (Dollar/ Share)	<u>1.57</u>	<u>1.38</u>

27. CURRENCIES POSITION

Assets and liabilities value cash on other currencies on financial date was equivalent amount US\$ 22,667,443 and US\$ 10,890,741 as successively, the total foreign currencies balances on financial date as follows:

<u>Currency</u>	<u>Surplus/Deficit)</u>
Egyptian pound	410 134 257
Euro	2 661 045
Swiss Francs	750
UAE Dh.	211 419

28. NON-CASH TRANSACTIONS IN CASH FLOWS STATEMENTS

The non-cash transactions in cash flows statements were disposal to prepare the cash flows statements as follows:

- USD 756 833 from each of account receivables and deposits from others.
- USD 1,486,996 has been excluded from the 'Projects Under Construction' account and the corresponding 'Fixed Assets' account.
- USD 8,228,000 from each of account receivables and profit dividends.

29. TAX POSITION

29.1 Corporate Tax

The company is not subject to corporate tax, the company was operate under the Free Zone System according to Law No. 8 for 1997 which modified as Law No. 72 for 2017.

29.2 Salary Tax

The company was inspected till December 31, 2022, settlements were made and this was last inspection, assessment and settlement.

From 2023 and up to date the company pays the amount due monthly on a regular basis.

29.3 Sales Tax

The company was inspected till December 31, 2015, and paid amount 81,420 Egyptian Pounds and 40,303 Egyptian Pounds for the tax authority, The value of tax differences for the period from year 2012 till 2015 and settlements were made and this was the final inspection, assessment and settlement.

29.4 Value Add Tax

According to Law no. (67) of 2016 which canceled the public tax Law on export sales with Law no. (11) of 1991, and replace it with value added tax, so that the company started from the beginning of 2016 to submit the monthly tax return in its legal due.

29.5 Withholding tax

The company was inspected till December 31, 2020, settlements were made and this was last inspection, assessment and settlement, the company start to submit the quarterly tax return in its legal due

29.6 Property Tax

The Property Tax Authority estimated property tax due with the amount 6,614,677 Egyptian Pounds for the period from 1/7/2013 till end of 2019.

The general assembly of the Legislative Sections of the State Council has been issued (the decision no. 721 dated 15/5/2018 which states that (the project established in the free zones are not subject to property tax prescribed by Law No. 196 of 2008 starting from the date of implementation of the Investment Law issued Law No. 72 of 2017) On 1/6/2017. The meeting was held with the head of the property tax district in Giza on February 18, 2021, and it was agreed with him based on the approval of the head of the tax authority that the company is owed only 3,006,327 million Egyptian pounds for the period from July 1, 2013 to May 31, 2017, and to be paid by the company on 11 installments starting from February 2021 and ending in December 2021. and, the total amount owed by the company has been fully paid, and the last installment was paid by receipt No. 108077 on December 14, 2021 with an amount of EGP 186,347 and accordingly the company will be paid the total amount owed by it according to the agreement, and as of June 1, 2017, the company is not subject to property tax, and the dispute file between the company and property tax has been resolved.

30. EXPECTED CREDIT LOSSES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>
Accounts receivable (Note 10)	(561 370)	2 193 298
Debtors and other debit balances (Note 11)	7 976	(4 629)
Cash and cash equivalent (Note 12)	(222 844)	211 491
Financial assets at amortized cost (Note 7)	(543 104)	(6 673)
	<u>(1 319 342)</u>	<u>2 393 487</u>

31. Adjustments on Retained Earnings

The Company's management recorded adjustments to retained earnings, resulting in a net balance of USD 1,123,440.

	<u>31/12/2025</u>
	<u>USD</u>
Health insurance contribution	2 319 405
National Telecom Regulatory Authority (NTRA)	(751 234)
Adjustment on other credit balance	(440 045)
Net other adjustments	(4 686)
	<u>1 123 440</u>

* The amount USD 2,319,405 representing the health contribution in accordance with Law No. (2) of 2018 related to the Comprehensive Health Insurance System, which represents 2.5 per thousand of the Company's total revenues.

32. IMPORTANT EVENT

According to the Ordinary General Assembly meeting held on Monday, March 24, 2025, that approve dividends amounting to US\$ 26.7 million after deducting the legal reserve and fully settled.