

National Printing S.A.E

Consolidated interim financial statements

for the period ended March 31,2026

together with limited review report



Saleh, Barsoum & Abdel Aziz

Grant Thornton

Saleh, Barsoum & Abdel Aziz

Nile City South Tower,

6th floor

2005A Cornish El Nil,

Ramlet Boulaq, Cairo, 11221

Egypt

T +20 (0) 2 246 199 09

Limited review report

Originally issued in Arabic

Limited review report

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

Introduction

We have reviewed the accompanying consolidated interim financial statements of National Printing "S.A.E" which comprise the consolidated interim statement of financial position as of March 31, 2026 , and the related consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly in all material respects, the consolidated financial position of National Printing "S.A.E" as of March 31, 2026 and of its consolidated financial performance and its consolidated cash flows for the three months period then ended, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, June 14, 2026


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



National Printing Company
"S.A.E."
Consolidated interim statement of financial position
As of March 31, 2026

	Note	March 31, 2026	December 31, 2025
	No.	EGP	EGP
Assets			
Non-current assets			
Property, plant and equipment (net)	(6)	2 654 941 501	2 679 701 505
Projects under construction	(7)	719 053 261	390 833 126
Investment properties (at fair value)	(27)	291 396 988	291 396 988
Notes receivable long term		--	2 500 000
Total non-current assets		3 665 391 750	3 364 431 619
Current assets			
Inventories (net)	(9)	1 506 473 277	1 575 479 587
Letter of credit		4 160 332	839 187
Accounts and notes receivable (net)	(10)	1 677 053 006	1 776 448 676
Due from related parties	(30)	5 485 621	--
Receivables and other debit balances (net)	(11)	764 254 142	698 289 801
Cash and cash equivalents (net)	(12)	521 276 519	430 151 212
Total current assets		4 478 702 897	4 481 208 463
Non-current assets held for sale	(28)	1 142 251	1 142 251
Total Assets		8 145 236 898	7 846 782 333
Equity and liabilities			
Equity			
Issued and paid-up capital	(20)	215 338 669	215 338 669
Legal reserve		107 669 335	107 669 335
Consolidation reserve	(21)	(68 460 353)	(68 460 353)
Special reserve		3 566 306	3 566 306
Retained earnings		1 363 972 002	1 060 491 517
Reserve of Fair value revaluation of assets	(27)	650 970 159	650 970 159
Net profit for the period \ year		45 065 659	303 480 485
Equity attributable to owners' of the parent company		2 318 121 777	2 273 056 118
Non-controlling interest	(23)	630 945 235	604 785 999
Total Equity		2 949 067 012	2 877 842 117
Non-current liabilities			
Deferred tax liabilities	(22)	349 424 527	344 871 200
Borrowings - non-current portion (net)	(15)	573 584 037	227 350 134
Notes payable - non-current portion (net)	(17)	96 856 547	95 412 213
Total non-current liabilities		1 019 865 111	667 633 547
Current liabilities			
Provisions	(13)	63 337 859	63 299 091
Credit facilities	(14)	2 557 799 147	2 559 127 927
Borrowings - current portion	(15)	64 019 838	71 614 742
Accounts and notes payable (net)	(16)	1 081 098 338	1 175 030 256
Due to related parties	(30)	948 409	--
Dividends payable	(19)	31 195 323	35 634 711
Payables and other credit balances	(18)	333 486 291	331 795 031
Current income tax	(22)	44 419 570	64 804 911
Total current liabilities		4 176 304 775	4 301 306 669
Total Equity and Liabilities		8 145 236 898	7 846 782 333

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

Financial Manager
Ahmed Abaza

Managing Director
Mr / Sherif El Moalem

Chief executive director
Eng / Ibrahim El Moalem

Auditors' report attached.

National Printing Company

"S.A.E."

Consolidated Interim statement of profit or loss

For the Period ended on March 31, 2026

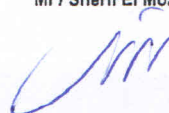
	<u>Note</u>	<u>For three months Period ended on</u>	
		<u>March 31, 2026</u>	<u>March 31, 2026</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Sales revenue (net)	(24)	1 665 642 875	1 729 245 671
<u>Less:</u>			
Cost of sales		(1 255 047 363)	(1 240 853 458)
Gross profit		410 595 512	488 392 213
Other operating revenue	(25)	7 077 740	12 285 232
<u>(Deduct) / add:</u>			
Selling and distribution expenses		(65 641 935)	(75 533 309)
General and administrative expenses		(79 774 395)	(79 079 127)
Social contribution		(4 815 967)	(5 107 611)
Provision formed	(13)	(250 000)	(3 017 304)
Share-based compensation expense (incentive for the MD)	(32)	(2 477 445)	(10 024 859)
Expected credit loss for cash and cash equivalent	(12)	92 177	28 253
Reversal of expected credit loss for accounts and notes receivable	(10)	(5 280 208)	--
Expected credit loss for accounts and notes receivable	(10)	--	370 157
Expected credit loss for other debit balances	(11)	(38 280)	--
Reversal of expected credit loss for other debit balances	(11)	--	209 037
Board of director's salaries and remuneration	(26)	(5 515 000)	(4 450 000)
Profit from operation		253 972 198	324 072 682
Finance costs		(149 453 792)	(187 240 726)
Credit interest		6 097 055	22 050 569
Capital gain		--	1 575 600
Foreign currency exchange differences		(7 542 047)	2 720 181
Other income		1 746 122	1 656 657
Net profit for the period before tax		104 819 536	164 834 963
Income tax	(22)	(29 041 314)	(36 173 196)
Deferred tax	(22)	(4 553 327)	(3 743 144)
Net profit for the period after tax		71 224 895	124 918 623
<u>Attributed to:</u>			
Share holders of the parent company		45 065 659	90 113 351
Non controlling Interest		26 159 236	34 805 272
Net profit for the period		71 224 895	124 918 623
Earning per share of the period (EGP / share)	(31)	0.21	0.43

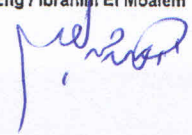
- The accompanying notes form an integral part of the consolidated financial statements and should be read there with.


Financial Manager
Ahmed Abaza

Managing Director
Mr / Sherif El Moalem

Chief executive director
Eng / Ibrahim El Moalem





National Printing Company

"S.A.E."

Consolidated Interim statement of comprehensive income

For the period ended on March 31, 2026

	<u>For the financial Period ended on</u>	
	<u>March 31, 2026</u>	<u>March 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period after tax	71 224 895	124 918 623
Other comprehensive income	--	--
Total comprehensive income	71 224 895	124 918 623
<u>Distributed as follows:</u>		
Owners of the company	45 065 659	90 113 351
Non controlling interest	26 159 236	34 805 272
	71 224 895	124 918 623

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


Financial Manager

Mr / Ahmed Abaza

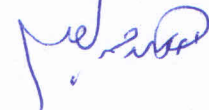
Managing Director

Mr / Sherif El Moalem



Chief executive director

Eng / Ibrahim El Moalem



National Printing Company

"S.A.E."

Consolidated interim statement of changes in equity

For the period ended March 31, 2026

	Issued and paid-up capital	Legal reserve	Consolidation reserve	Special reserve	Retained earnings	Assets revaluations surplus (fair value)	Net profit for the year / profit period	Equity of the shareholders of the parent	Total non-controlling interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2025	211 710 380	2 028 866	646 013	--	790 816 129	503 296 807	403 345 748	1 911 843 942	549 096 538	2 460 942 480
Transferred to retained earnings	--	--	--	--	403 345 748	--	(403 345 748)	--	--	--
Transferred to legal reserve	--	10 256 122	--	--	(10 256 122)	--	--	--	--	--
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
Net profit for the period after tax	--	--	--	--	--	--	90 113 351	90 113 351	34 805 272	124 918 623
Balance as of March 31, 2025	211 710 380	12 284 987	646 013	--	1 183 905 755	503 296 807	90 113 351	2 001 957 293	583 903 810	2 585 861 103
Balance as of January 1, 2026	215 338 669	107 669 335	(68 460 353)	3 566 306	1 060 491 517	650 970 159	303 480 485	2 273 056 118	604 785 999	2 877 842 117
Transferred to retained earnings	--	--	--	--	303 480 485	--	(303 480 485)	--	--	--
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
Net profit for the period after tax	--	--	--	--	--	--	45 065 559	45 065 559	26 159 236	71 224 895
Balance as of March 31, 2026	215 338 669	107 669 335	(68 460 353)	3 566 306	1 363 972 002	650 970 159	45 065 559	2 318 121 777	630 945 235	2 949 067 012

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

Financial Manager
Ahmed Abaza

Managing Director
Mr / Sherif El Moslem

Chief executive director
Eng / Ibrahim El Moslem

National Printing Company

"S.A.E."

Consolidated Interim statement of cash flows

For the period ended March 31, 2026

	<u>Note</u> <u>No.</u>	<u>March 31, 2026</u> <u>EGP</u>	<u>March 31, 2025</u> <u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		104 819 536	164 834 963
<u>Adjusted by:</u>			
Depreciation of property, plant and equipment	(6)	47 643 992	37 919 192
Provisions formed	(13)	250 000	3 017 304
Expected credit loss for other debit balances	(11)	(5 280 209)	--
Reversal of expected credit losses for accounts and notes receivable	(10)	--	(370 157)
Reversal of expected credit losses for other debit balances	(11)	--	(209 037)
Reversal of expected credit losses for cash	(12)	(92 177)	(28 253)
Credit interest		(6 097 055)	(22 050 569)
Finance costs		149 453 792	187 240 726
Capital gain		--	(1 575 600)
		290 697 879	368 778 569
Decrease (increase) in inventories and letter of credit		65 685 165	(219 667 472)
Decrease (increase) in accounts and notes receivable		99 395 670	145 304 323
(Increase) in debtors and other debit balances		(96 791 033)	(43 315 125)
(increase) in due from related parties		(5 485 621)	(13 616 360)
(Decrease) increase in accounts and notes payable		(93 931 918)	34 546 748
Increase in payables and other credit balances		(1 935 092)	(39 606 630)
Increase in due to related parties		948 409	6 554 016
Cash flows generated from operating activities		258 583 459	238 978 069
Tax paid*		(13 319 754)	(49 967 236)
Provisions used	(13)	(211 232)	--
Net cash flows generated from operating activities		245 052 473	189 010 833
<u>Cash flows from investing activities</u>			
Proceeds from credit interest		6 097 055	22 050 569
(Payments) for purchases of property, plant and equipment	(6)	(22 883 988)	(32 257 641)
Proceeds from sale of property, plant and equipment		--	1 628 600
(Payments) for projects under construction		(328 220 135)	(102 846 978)
Net cash flows (used in) investing activities		(345 007 068)	(111 425 450)
<u>Cash flows from financing activities</u>			
Net proceeds (paid) from loans and credit facilities		341 254 553	(64 681 653)
Interest paid		(150 266 828)	(183 872 026)
Net cash flows generated from (used in) financing activities		190 987 725	(248 553 679)
Net change in cash and cash equivalents during the period		91 033 130	(170 968 296)
Cash and cash equivalents at the beginning of the period		430 151 212	551 872 672
Expected credit loss on cash		92 177	28 253
Cash and cash equivalents at the end of the period	(12)	521 276 519	380 932 629

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

* The effect of non-cash transactions represented in the taxes paid transferred to other receivables amounted to EGP 36 106 901, have been eliminated, in order to reach the amounts paid in cash.

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

Financial Manager

Ahmed Abaza



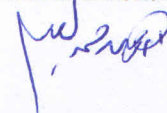
Managing Director

Mr / Sherif El Moalem



Chief executive director

Eng / Ibrahim El Moalem



National Printing Company
"S.A.E."
Notes to the consolidated interim financial statements
For the period ended March 31, 2026

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

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

2- Company purpose

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

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

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

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

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Subsidiary companies (direct ownership)</u>	<u>Direct ownership interest</u>	<u>Direct ownership interest</u>
El Shorouk for Modern Printing and Packaging "Shorouk"	99.37%	97.72%

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Subsidiary company (indirect ownership)</u>	<u>Direct ownership interest</u>	<u>Direct ownership interest</u>
Windosr company for Trading and Paper Manufacturing	99.00%	99.00%
EL Motaheda company for Manufacturing Paper and Cardboard " Uniboard"	52.212%	52.212%
El Baddar company for Packages	99.97%	99.97%

The consolidated interim financial statements for the financial period ended 31 March 2026 were approved by the Board of Directors on June 11, 2026.

3- Basis of preparation of the consolidated financial statements

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

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

4- Critical accounting assumptions and key sources of estimation uncertainty

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

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

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

Significant estimates in applying accounting policies

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

Key sources of uncertainty estimation

Useful life for tangible assets

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

Inventories write down

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

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

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

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

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

Provisions

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

Deferred tax

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

5- Accounting policies

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

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

A- Basis of consolidation

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

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

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

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

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

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

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

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

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

B- Business combination

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

- Identifying an acquirer,
- Measuring the cost of the business combination; and
- Allocating, at the acquisition date, the cost of the combination to the assets acquired and liabilities and contingent liabilities assumed.

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

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

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

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

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

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

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

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

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

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

C- Financial investments available for sale

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

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

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

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

D- Impairment of non - financial assets

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

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

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

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

E- Property, planet and equipment and depreciation

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

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

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

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

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

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

Accounting Treatment of the Hermes Loan

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

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

The fair value of the Company's land

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

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

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

F- Projects under construction

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

G- Recognition and measurement of revenue

Revenue result from sale goods

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Performance obligation recognized at a point in time:

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

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

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

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

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

5-The customer acceptance of the asset.

Sales of goods:

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

Government grants

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

Credit interest

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

Other revenues

Other operating income is recognized based on the accrual basis.

H- Translation of foreign currencies

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

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

I- Tax**Current income tax**

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

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

Deferred tax

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

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

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

J- Inventories

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

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

Raw materials (main, auxiliary and spare parts)

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

Work in process

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

K- Provisions

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

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

L- Short-term employee benefits

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

M- Dividends distribution

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

Employee shares of profit

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

N- Borrowing and credit facilities

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

O- Borrowing cost

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

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

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

P- Financial instruments

Initial recognition

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

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

Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets. In such a case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost when both of the following conditions are met, unless it is classified as measured at fair value through profit or loss:

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

A debt investment is measured at fair value through other comprehensive income when both of the following conditions are met, unless it is classified as measured at fair value through profit or loss:

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

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

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

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

Financial assets – business model evaluation

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

- The stated policies and objectives of the portfolio and how those policies are implemented in practice. This includes whether management's strategy focuses on earning contractual interest revenue, maintaining a specific interest rate profile, matching the duration of the financial assets with the duration of any related liabilities or expected cash outflows, or generating cash flows through the sale of assets
- How the performance of the portfolio is evaluated and how reporting on the portfolio is provided to the Company's management
- The risks that affect the performance of the business model (and the financial assets held within that model) and how these risks are managed
- How business activity managers are compensated — for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows collected; and
- The frequency, volume, and timing of sales of financial assets in previous periods, the reasons for such sales, and expectations regarding future sales activity

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

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

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

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

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

- Possible events that could change the value or the timing of the cash flows;
- Terms that may result in changes to the contractual interest rate, including variable interest rate features;
- Prepayment terms and the duration of the financing period; and
- Terms that prevent the Group from claiming cash flows from specified assets (for example, non-recourse terms).

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

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

Financial assets – Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

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

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gains or losses arising from derecognition are also recognized in profit or loss.

Debt investments at fair value through other comprehensive income

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

Equity investments at fair value through other comprehensive income

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

Financial liabilities – classification, subsequent measurement and profit or loss

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

Financial liabilities

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

Derecognition

Financial assets

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

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

Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different; in this case, a new financial liability is recognized at fair value based on the modified terms.

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

Offsetting

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

Impairment of assets

Non-derivative financial assets

Financial instruments and contracts' assets

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

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

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Expected credit losses are discounted using the financial asset's effective interest rate.

Credit-impaired financial assets

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

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

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

Presentation of expected credit loss allowance in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

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

Write-off policy

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

Non-financial assets

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

Effective interest method

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

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

Q- Cash and cash equivalent

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

R- Trade payables

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

S- Legal reserve

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

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

T- Cash flow statement

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

U- Earnings per share

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

V- Sources of fair value estimation

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

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

W- Investment properties

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

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

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

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

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

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

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

X- Share-based compensation

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

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

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

6. Property, plant and equipment (Net)

Cost	Land*	Buildings, constructions	Machinery & equipment	Vehicles	Tools	Furniture, computers & office equipment	Artistic ownership	Leasehold improvements	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as of January 1, 2025	436 553 823	456 063 893	1633 514 325	63 555 245	128 218 515	55 787 352	56 200	2 000 000	2 775 799 553
Additions during the year	—	24 787 194	114 602 776	41 866 131	81 033 938	18 275 274	—	—	280 565 313
Transferred from projects under construction (Note 7)	—	10 632 938	133 397 327	—	13 711 929	—	—	—	157 742 194
Surplus from the revaluation of fixed assets at fair value*	367 259 025	—	—	—	—	—	—	—	367 259 025
Disposals during the year	—	(971 640)	(531 895)	(5 545 367)	—	—	—	—	(7 048 902)
Cost as of December 31, 2025	803 822 848	490 512 385	1 880 982 733	99 906 009	222 964 382	74 072 626	56 200	2 000 000	3 574 317 183
Additions during the period	—	457 916	7 935 734	224 990	13 182 516	1 072 832	—	—	22 883 988
Cost as of March 31, 2026	803 822 848	490 970 301	1 888 918 467	100 130 999	236 156 898	75 145 458	56 200	2 000 000	3 597 201 171
Accumulated Depreciation									
Accumulated Depreciation as of January 1, 2025	—	75 892 718	525 120 411	38 087 383	59 739 278	21 255 562	—	—	720 095 352
Depreciation for the year	—	12 708 086	102 750 852	10 633 069	29 497 426	6 736 947	—	317 060	162 644 040
Accumulated depreciation for disposals	—	(695 230)	(258 782)	(4 278 169)	—	—	—	—	(5 232 181)
Accumulated Depreciation as of December 31, 2025	—	87 905 574	627 612 481	44 442 883	89 236 704	27 992 509	—	317 060	877 507 211
Depreciation for the period	—	3 511 585	29 505 147	3 773 868	8 416 222	2 371 162	—	66 018	47 643 992
Accumulated Depreciation as of March 31, 2026	—	91 417 159	657 117 628	48 216 741	97 652 926	30 363 671	—	383 078	925 151 203
Impairment balance as of December 31, 2025	—	3 157 592	13 950 875	—	—	—	—	—	17 108 467
Impairment balance as of March 31, 2026	—	3 157 592	13 950 875	—	—	—	—	—	17 108 467
Net book value as of March 31, 2026	803 822 848 #	396 395 550 #	1 217 849 964 #	51 914 258 #	138 503 972 #	44 781 787 #	56 200	1 616 922 #	2 654 941 501
Net book value as of December 31, 2025	803 822 848 #	399 449 219 #	1 239 419 377 #	55 463 126 #	133 727 678 #	46 080 117 #	56 200	1 682 940	2 679 701 505

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

** Depreciation for the period allocated as following :

	For the financial period ended March 31, 2026	For the financial period ended March 31, 2025
	EGP	EGP
Cost of sale	42 408 289	34 556 353
General and administrative	5 189 999	3 311 500
Selling and marketing	45 704	51 339
	47 643 992	37 919 192

National Printing Company "S.A.E"

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7- Projects under construction

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Advances payment to purchase fixed asset (Tools & Machinery – Vehicles)	387 209 216	153 235 642
Projects under construction - constructions and machines	207 075 142	117 565 790
Land in Gesr El Suez	2 400 000	2 400 000
Land of the General Authority for Industrial Development*	99 164 587	96 685 662
The administrative unit of Shorouk Company**	21 610 457	20 060 661
Other	1 593 859	885 371
	<u>719 053 261</u>	<u>390 833 126</u>

*On July 20, 2025, the Urban Communities Authority – Sadat City Development Authority approved the allocation of land plot No. (H11) in the Fifth Southern Industrial Zone in Sadat City to El-Motehada for Manufacturing Paper and Cardboard Co "Uniboard", with a total area of 60,000 square meters, for the purpose of establishing an industrial project for paper and cardboard pressing activity, the company paid 10% of the land value as a down payment. El-Motehada for Manufacturing Paper and Cardboard Co "Uniboard" is committed to pay the remaining balance of the land value after a grace period of two years from the date of the down payment. The remaining amount will be paid in sixteen installments (quarterly installments) over a period of four years, ending on April 19, 2031, in accordance with the interest rate agreed upon with Sadat City Development Authority. (Refer to Note 17)

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

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Opening balance period / year	390 833 126	217 168 215
Additions during the period / year	328 220 135	331 407 105
Transferred to fixed assets (Note 6)	–	(157 742 194)
Ending balance period / year	<u>719 053 261</u>	<u>390 833 126</u>

8- Other long-term investments

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

9- Inventories (net)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Raw material	973 248 036	1 064 360 440
Supporting materials	58 397 800	44 772 241
Spare parts	274 065 559	258 439 818
Finished goods and work in process	190 633 878	171 797 362
Packaging materials	18 326 116	11 982 976
Goods in transit	2 298 599	34 623 461
	<u>1 516 969 988</u>	<u>1 585 976 298</u>
Less: Inventories impairment provision	(10 496 711)	(10 496 711)
	<u>1 506 473 277</u>	<u>1 575 479 587</u>

10-Accounts and notes receivable (net)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Local accounts receivable	1 325 681 574	1 353 704 506
Local accounts receivables - related parties (Note 30)	101 333 632	155 866 568
Foreign accounts receivable	52 195 067	62 981 730
Notes receivable	261 359 132	262 132 062
	<u>1 740 569 405</u>	<u>1 834 684 866</u>
Less: Expected credit loss for accounts and notes receivable	(63 516 399)	(58 236 190)
	<u>1 677 053 006</u>	<u>1 776 448 676</u>

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

	<u>Balance</u>	<u>Formed during</u>	<u>Reversal during</u>	<u>Balance as of</u>
	<u>January 1, 2026</u>	<u>the period</u>	<u>the period</u>	<u>March 31, 2026</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Expected credit loss	58 236 190	5 280 209	--	63 516 399
Total	<u>58 236 190</u>	<u>5 280 209</u>	<u>--</u>	<u>63 516 399</u>

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

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

11-Receivables and other debit balances (net)

<u>Description</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Advances payments to suppliers	97 529 284	72 125 958
Tax Authority – withholding tax	86 550 976	88 093 988
Tax Authority – advances under income tax payable	18 781 744	35 614 740
Tax Authority – value added tax	129 314 101	135 919 208
Deposits with others **	36 601 477	36 789 727
Employees' custodies	18 332 490	11 327 523
Advances payments under dividend payable *	96 165 296	67 564 701
Export subsidies	198 403 373	192 910 012
Customs custody	32 744 334	16 940 824
Prepaid expenses	18 729 859	13 337 904
Letter of guarantee margins	7 875 040	13 032 815
Other debit balances	27 940 258	19 308 211
	768 968 232	702 965 611
Less: Expected credit loss for other debit balances	(4 714 090)	(4 675 810)
	764 254 142	698 289 801

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

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

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

<u>Description</u>	<u>Balance</u> <u>January 1, 2026</u>	<u>Formed during</u> <u>the period</u>	<u>Reversal during</u> <u>the period</u>	<u>Balance as of</u> <u>March 31, 2026</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Expected credit loss for the debit balances	4 675 810	38 280	--	4 714 090
Total	4 675 810	38 280	--	4 714 090

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

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

12-Cash and cash equivalents (net)

<u>Description</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Cash on hand	14 687 007	15 515 467
Current accounts with banks – local currency	199 956 971	259 917 902
Current accounts with banks – foreign currency	306 784 369	152 730 335
Checks under collection	--	2 231 513
	<u>521 428 347</u>	<u>430 395 217</u>
Less: Expected credit loss for cash and cash equivalent	(151 828)	(244 005)
	<u>521 276 519</u>	<u>430 151 212</u>

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

<u>Description</u>	<u>Balance</u> <u>January 1, 2026</u>	<u>Formed during</u> <u>the period</u>	<u>Reversal during</u> <u>the period</u>	<u>Balance as of</u> <u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Expected credit loss for bank balances	244 005	--	(92 177)	151 828
Total	<u>244 005</u>	<u>--</u>	<u>(92 177)</u>	<u>151 828</u>

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

<u>Description</u>	<u>Balance</u> <u>January 1, 2025</u>	<u>Formed during</u> <u>the year</u>	<u>Reversal during</u> <u>the year</u>	<u>Balance as of</u> <u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Expected credit loss for bank balances	219 721	24 282	--	244 005
Total	<u>219 721</u>	<u>24 282</u>	<u>--</u>	<u>244 005</u>

13-Provisions

<u>Description</u>	<u>Balance</u> <u>January 1, 2026</u>	<u>Formed</u> <u>during the</u> <u>period</u>	<u>Used during</u> <u>the period</u>	<u>No longer</u> <u>required</u>	<u>Balance as of</u> <u>March 31, 2026</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision for claims*	63 299 091	250 000	(211 232)	--	63 337 859
	<u>63 299 091</u>	<u>250 000</u>	<u>(211 232)</u>	<u>--</u>	<u>63 337 859</u>

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

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

14-Credit facilities

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

<u>Description</u>	<u>Facility amount</u>	<u>March 31, 2026</u> <u>EGP</u>	<u>December 31, 2025</u> <u>EGP</u>
<u>First: Shorouk for Modern printing and packaging</u>			
Export Development Bank of Egypt	Credit facility amounting to EGP 96 million	9 818 583	18 602 675
Arab bank	Credit facility amounting to EGP 100 million	89 279 782	68 770 734
QNB ALAHLI Bank	Credit facility amounting to EGP 150 million	119 978 504	102 535 264
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 300 million	205 363 851	241 189 008
ABC Bank (previously BLOM)	Credit facility amounting to EGP 100 million	58 284 512	36 355 219
National Bank of Egypt	Credit facility amounting to EGP 180 million	131 481 029	123 158 129
Credit Agricole Egypt Bank	Credit facility amounting to EGP 103 million	81 479 915	60 853 152
Kuwait Finance House (Ahli United Bank)	Credit facility amounting to EGP 250 million	132 689 019	145 865 099
Banque Misr	Credit facility amounting to EGP 150 million	125 715 382	145 910 635
Alexandria Bank	Credit facility amounting to EGP 50 million	25 902 136	32 379 914
		979 992 713	975 619 829
<u>Second: : El Motehada Company for Paper and Carton Manufacturing</u>			
Arab African International Bank	Credit facility amounting to EGP 250 million	117 356 636	88 580 660
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 250 million	206 272 066	129 145 265
Kuwait Finance House (Ahli United Bank)	Credit facility amounting to EGP 400 million	334 199 216	356 223 854
National Bank of Egypt	Credit facility amounting to EGP 200 million	23 870 051	20 807 933
QNB ALAHLI Bank	Credit facility amounting to EGP 300 million	142 153 432	96 138 132
Abu Dhabi Commercial Bank	Credit facility amounting to EGP 120 million	1 438 727	9 526 246
Banque Misr	Credit facility amounting to EGP 300 million	241 294 659	280 791 370
Emirates NBD	Credit facility amounting to EGP 150 million	1 270	70 830 169
HSBC Bank	Credit facility amounting to EGP 300 million	201 028 679	214 587 987
		1 267 614 736	1 266 631 616
<u>Third: Al-Baddar Packaging Company</u>			
QNB ALAHLI Bank	Credit facility amounting to EGP 120 million	23 916 456	65 514 062
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 200 million	191 132 999	199 722 085
Alexandria bank	Credit facility amounting to EGP 50 million	47 464 046	49 751 429
Bank Misr	Credit facility amounting to EGP 100 million	47 678 197	--
		310 191 698	314 987 576
<u>Fourth: Windsor Company</u>			
Abu Dhabi Islamic Bank	Credit facility amounting to EGP 10 million	--	1 888 906
		--	1 888 906
Total Credit Facility		2 557 799 147	2 559 127 927

15-Loans

The details of the loans in accordance with their classification (current / non-current) and for each subsidiary are as follows:

1-According to subsidiary companies

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
El Shorouk for Modern Printing and Packaging	62 889 304	73 480 700
El Baddar Company for Packages	112 845 845	116 175 872
El Motehada Company for Paper and Carton Manufacturing	461 868 726	109 308 304
	<u>637 603 875</u>	<u>298 964 876</u>

2-According to due date

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Current portion	64 019 838	71 614 742
Non-current portion	573 584 037	227 350 134
	<u>637 603 875</u>	<u>298 964 876</u>

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

Company Name	Bank Name	Loan Amount	Type of Loan	Utilized Portion of the Loan	Number of Installments	Installment Frequency	Start Date of the Installments	End Date of the Installments	Commitments and Guarantees	Loan Balance as at 31 March 2025 EGP	Loan Balance as at 31 December 2025 EGP
EL Shorouk for Modern Printing and Packaging S.A.E	QNB Al Ahli Bank	105 million EGP	Financing	Total Loan Amount	16	Quarterly	December 7, 2020	May 7, 2029	Insurance Policy	6 800 958	13 619 916
	Credit Agricole Bank	22.5 million EGP	A financing arrangement secured by the disposed assets	Total Loan Amount	58	Monthly	September 4, 2024	September 21, 2028	Insurance Policy	19 746 576	19 746 576
	Credit Agricole Bank	14.5 million EGP	A financing arrangement secured by the disposed assets	Total Loan Amount	58	Monthly	November 21, 2023	November 21, 2028	Insurance Policy	10 055 376	10 581 326
	EDBE Bank	37.5 million EGP	Credit Facility Structured as a Medium-Term Loan	Total Loan Amount	16	Quarterly	March 16, 2024	March 16, 2028	Financial Covenants	26 877 132	29 220 882
El Baddar for Packages S.A.E	ADIB Bank	60 million EGP	Financing	Total Loan Amount	36	Monthly	May 31, 2023	April 30, 2028	--	3 330 029	6 680 056
	ADIB Bank	68.25 million EGP	Ijarah Mausufah Is a-Zima (Forward Lease) Contract	Total Loan Amount	16	Quarterly	August 31, 2025	May 30, 2030	--	63 105 000	63 105 000
	Loan from EFG Hermes Corp-Solutions*	135.6 million EGP	A financing arrangement secured by the disposed assets	Total Loan Amount	14	Semi-Annual	May 27, 2021	May 26, 2028	Insurance Policy Financial Covenants	46 410 816	46 410 816
										112 845 845	116 175 872
El Moulheda for Manufacturing paper and Carton	ADIB Bank	56 million EGP	Master Ijarah Financing Agreement (for Asset / Assets)	Total Loan Amount	16	Quarterly	December 14, 2023	October 31, 2027	Insurance Policy Power of Attorney for Commercial Mortgage/Fledge	14 715 582	16 311 126
	ADIB Bank **	8.8 million EUR	Master Ijarah Financing Agreement (for Asset / Assets)	Utilization Rate: 86%	12	Quarterly	Not determined	Not determined	Insurance Policy Power of Attorney for Commercial Mortgage/Fledge	447 153 144	92 957 176
										481 885 728	109 308 304
										637 633 875	298 584 876

***Accounting Treatment**

Both El Baddar Packaging Company and El Shorouk for Modern Printing Company obtained three loans (Nos. 995, 997, and 998) as joint obligors before the lessor to settle the full amounts due. The companies entered into agreements to sell certain fixed assets owned by them and ready for use in their existing condition to EFG Hermes Corp-Solutions, and subsequently re-leased the same assets from the same purchasing lessor under a finance lease agreement. It is noted that the companies had been using these assets continuously in their normal operating activities without interruption prior to the execution of these agreements.

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

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

** On 26 May 2025, the Company entered into a financing agreement (Master Framework Agreement for Ijarah-based Asset Financing) with Abu Dhabi Islamic Bank for a total amount of EUR 6.8 million. The commencement of installment repayments will be determined within two years from the signing date, following the full utilization of the financing amount, with an additional one-year grace period.

During the current financial period, the Company amended the contract value to EUR 6.8 million, while maintaining the same contractual terms. The company utilized EUR 5,463,090 (equivalent to EGP 354,155,966) during the period to finance the purchase of machinery. It is expected that the full loan amount will be utilized in the subsequent period.

16-Accounts and notes payable

<u>Description</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Accounts payable - local	686 295 541	928 697 810
Accounts payable – foreign	106 573 537	29 797 368
Notes payable	284 758 535	213 264 666
Total Accounts and Notes Payable	1 077 627 613	1 171 759 844
Notes payable – Installments of the administrative unit of Al Shorouk for modern Printing and Packaging Company (Note 17)	5 740 000	5 740 000
Less: Present value-current portion relating to administrative unit	(2 269 275)	(2 469 588)
Total Accounts and Notes Payable (Net)	1 081 098 338	1 175 030 256

17-Notes payable non-current portion (Net)

<u>Description</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Notes Payable – installments for the purchase of land of El Motheda Paper and Carton Manufacturing Company*	120 218 175	120 218 175
Notes Payable – installments of the administrative unit of Al Shorouk for Modern Printing and Packaging Company**	8 610 000	10 045 000
Less: Present value-non-current portion -land of the New Urban Communities Authority	(30 390 360)	(32 781 210)
Less: Present value-non-current portion - administrative unit	(1 581 268)	(2 069 752)
	96 856 547	95 412 213

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

Interest capitalized on projects under construction amounted to EGP 6 667 815 as at 31 March 2026 (EGP 2 390 850 for the three-month period ended 31 March 2026).

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

Interest capitalized on projects under construction amounted to EGP 1 420 661 as at 31 March 2026 (EGP 668 795 for the three-month period ended 31 March 2026).

18-Other credit balances

<u>Description</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Advance payments from customers	54 365 450	47 153 350
Tax authority – value added tax	34 090 609	29 162 314
Tax authority – property tax	223 838	223 838
Social insurance authority	3 256 562	2 795 760
Tax authority – payroll tax	4 759 572	4 933 533
Accrued interest	17 069 804	16 256 768
Accrued expenses*	170 866 232	186 817 426
Fixed asset creditors	10 925 935	10 925 935
Tax authority – withholding tax	5 511 156	7 906 845
Social contribution	18 369 723	14 951 713
Deposits from others	1 372 379	1 373 544
Deferred revenue	1 184 089	1 184 089
Other credit balances	11 490 942	8 109 916
	<u>333 486 291</u>	<u>331 795 031</u>

* The balance includes an amount of EGP 46 992 589 represents the share-based compensation expense for the 'Long time incentive plan - LTIP' to the managing director, compared to EGP 59 315 144 as of December 31, 2025 (Note 32).

19-Dividends payable

According to the decisions of the Ordinary General Assembly meetings of the subsidiaries, the dividends distribution due to the non-controlling interests, employees, and the Board of Directors as of December 31, 2026, amounted to EGP 31 195 323.

20-Capital

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

The share swap shall be carried out based on the report of the independent financial advisor dated April 9, 2025, which determined the fair value of the Company's share at EGP 28.27 per share. The fair value of the share of El Shorouk for Modern Printing and Packaging S.A.E, according to the aforementioned independent financial advisor's report, was determined at EGP 473.04 per share, resulting in a swap ratio of 16.73 Company shares for each one share of El Shorouk for Modern Printing and Packaging S.A.E.

The increase in the company issued capital was registered in the commercial register on December 21, 2025 subsequently Misr for Central Clearing, Depository and Registry (MCDR) was formally notified of the capital increase in January 2026.

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

Description

Number of Shares acquired in El Shorouk Modern Printing and Packaging owned by Dar Al-Shorouk for Publishing S.A.E	216 852
Swap ratio based on the valuation determined in the independent financial advisor's report – share	16.73
Number of shares issued as increase in National printing company capital for Dar Al-Shorouk for Publishing S.A.E	3 628 289
The fair value of the share of National Printing Company based on the valuation determined in the independent financial advisor's report- Egyptian pound for each share	28.27
The total impact amount in the Non-controlling interest -EGP	<u>102 578 943</u>

Divided as below (Egyptian pound)

Increase in capital share	3 628 289
Increase in the legal reserve	95 384 348
Formed special reserve	3 566 306
Total	<u>102 578 943</u>
Expenses related to the share swap and capital increase	1 559 059
Consolidation reserve (Note 21)	(69 106 366)
Net impact transferred from non-controlling interest	<u>35 031 636</u>

21-Consolidation reserve

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Balance on January 1*	(68 460 353)	646 013
Movement during the period / year	--	(69 106 366)
Balance at the end of Period / year	<u>(68 460 353)</u>	<u>(68 460 353)</u>

22-Income tax

Income tax on Profit or loss statement

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Deferred income tax	(4 553 327)	(3 743 144)
Current income tax	(29 041 314)	(36 173 196)
	<u>(33 594 641)</u>	<u>(39 916 340)</u>

Income tax on financial position statement

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Current income tax during the period / year	44 419 570	64 804 911
	<u>44 419 570</u>	<u>64 804 911</u>

Deferred tax liability

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Deferred tax liability - property, plants and equipment's	216 914 102	212 360 775
Deferred tax liabilities arising from the adoption of the revaluation model for the land of El Shorouk for Modern Printing and Packaging	28 767 543	28 767 543
Deferred tax liabilities arising from the fair value measurement of the investment property (land and buildings) of El Baddar company for Packages	21 109 602	21 109 602
Deferred tax liabilities arising from the application of the revaluation model for the land of El Motehada Company for Paper and Carton Manufacturing	82 633 280	82 633 280
	<u>349 424 527</u>	<u>344 871 200</u>

23-Non-controlling interest

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
El Shorouk for Modern Printing and Packaging	9 11 975	8 916 129
El Motehada Company for Paper and Carton Manufacturing	620 485 814	594 743 524
Windsor company for trading and paper manufacturing	1 165 138	1 044 911
El Baddar company for Packages	82 308	81 435
	<u>630 945 235</u>	<u>604 785 999</u>

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance	604 785 999	549 098 538
<u>Add/ (Deduct)</u>		
NCI shares from the net profit after tax for the period / year	26 159 236	99 547 178
NCI share from revaluation surplus for assets measured at fair value in El Motaheda for Paper and carton industry (Note 27)	--	136 952 391
NCI shares from current period \ year dividends	--	(145 780 472)
NCI shares transferred to consolidation reserve resulting from the acquisition of NCI shares in subsidiary	--	(35 031 636)
	<u>630 945 235</u>	<u>604 785 999</u>

24-Sales revenue

Company sales analysis as follows:

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Sales of printed materials	518 411 513	561 197 785
Paper and cartoon sales	663 177 342	735 695 558
Windsor sales	29 134 571	26 428 694
Packages sales	454 919 449	405 923 634
<u>Total</u>	<u>1 665 642 875</u>	<u>1 729 245 671</u>

25-Other revenue

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Export subsidies	7 077 740	12 285 232
<u>Total</u>	<u>7 077 740</u>	<u>12 285 232</u>

26-Salaries and other remuneration for board of directors

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Salaries and other remuneration for board of directors	2 500 000	4 450 000
<u>Total</u>	<u>2 500 000</u>	<u>4 450 000</u>

27-Asset revaluation surplus (fair value)

	<u>Parents</u> <u>company share</u>	<u>Non-controlling</u> <u>interest share</u>	<u>March 31, 2026</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Fixed asset revaluation surplus (lands) by fair value*	253 004 789	5 903 100	258 907 889
Investment in properties revaluation surplus**	250 292 018	5 839 805	256 131 823
Fixed asset revaluation surplus (lands) by fair value***	147 673 352	136 952 391	284 625 743
	<u>650 970 159</u>	<u>148 695 296</u>	<u>799 665 455</u>

* According to the decision of the Board of Directors of El-Shorouk Modern Printing Company held on December 24, 2023, the company's management used the fair value model to evaluate the company's lands on December 31, 2023. The company's management appointed an expert to evaluate the company's lands. The fair value for the lands amounted to EGP 310 885 760 According to the expert's report (which represented in the re-evaluation of factory land No. (1) located in Sector No. (15/16/17/18) - Block 13003 - Industrial Area(A). And factory land (2) in Plot No. (3C/1) - Block 13044 - Area Industrial (A). The use of the fair value model for land valuation resulted in a land valuation surplus of EGP 258 907 899 (which resulted from the difference between the fair value of the lands according to the expert's evaluation, amounting to EGP 310 885 761 and the book value of the lands, which amounted to EGP 23 210 328. the deferred tax amounted to EGP 28 767 543 will be deducted)

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

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

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

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

28-Non-Current assets held for sale

The net book value of assets held for sale amounted to EGP 1 142 251 during the financial year ending on December 31, 2025, represented in the cost of the machinery and equipment of the old factory. The cost and accumulated depreciation for these assets amounted to EGP 10 540 500 and 8 728 289 EGP, respectively. According to the decision of the Board of Directors of El Baddar Packaging Company on September 24, 2023, the exploitation of these lands and buildings was approved, and part of the assets, represented by lands and buildings, were transferred to real estate investment. Note (27).

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

Items	Company name		Uniboard		Windsor		El Shorouk		National separate		El Baddar		Total		Eliminations		Consolidation	
	Balance as of 31 March 2026		EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Revenue			839 990 308		54 926 412		545 156 890	--	--		463 678 437		1 903 752 047		(238 109 172)		1 665 642 875	
Cost of sales			(648 849 142)		(36 142 143)		(416 640 407)	--	--		(382 324 638)		(1 483 956 330)		228 908 967		(1 255 047 363)	
Gross profit			191 141 166		18 784 269		128 516 483		--		81 353 799		419 795 717		(9 200 205)		410 595 512	
Selling, general and administrative expenses			(52 953 219)		(2 648 250)		(63 361 550)		(3 963 777)		(31 019 534)		(153 946 330)		3 015 000		(150 931 330)	
Other revenue / expenses			(66 307 740)		(510 511)		(41 081 716)		2 307 215		(46 236 894)		(151 829 646)		(3 015 000)		(154 844 646)	
Income tax			(18 012 745)		(3 602 885)		(10 795 650)		--		(1 183 361)		(33 594 641)		--		(33 594 641)	
Net profit for the period			53 867 462		12 022 623		13 277 567		(1 656 562)		2 914 010		80 425 100		(9 200 205)		71 224 895	

Items	Balance as of 31 March 2026		Uniboard		Windsor		El Shrouk		National separate		Al Baddar		Total		Eliminations		Consolidation	
			EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Total assets			4 048 849 773		163 209 390		3 045 825 875		376 469 992		1 654 893 453		9 289 248 483		(1 144 011 586)		8 145 236 898	
Total liabilities			2 620 753 996		46 695 628		1 680 507 223		17 480 080		1 124 387 218		5 489 824 145		(293 654 259)		5 196 169 886	

30- Due to/from related parties

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

Company name	Nature	Payrol and incentive	Sales	Account and notes receivables		Current account (Net)
		For the Period ended March 31, 2026	For the Period ended March 31, 2026	March 31, 2026	December 31, 2025	March 31, 2026 December 31, 2025
		EGP	EGP	EGP	EGP	EGP
Dar El Shorouk company	Related party	–	1 033 758	10 855 833	5 822 075	211 476
Papiros Company	Related party	–	219 795 764	90 384 006	149 950 700	–
Al Shrouk Paper	Related party	–	–	93 794	93 793	5 274 145
Other parties - (Current account)	Board of Directors Membes	5 515 000	–	–	–	(948 409)
		5 515 000	220 829 522	101 333 633	155 866 568	4 537 212
Due from related party						–
Due to related party						5 485 621
						(948 409)

National Printing Company "S.A.E"

Notes to the consolidated interim financial statements

For the period ended March 31, 2026

31-Earning per share

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Net profit after income tax	45 065 659	90 113 351
Divided by:		
Weighted average of outstanding stocks	215 338 669	211 710 380
Earning per share (EGP/share)	0.21	0.43

32- Share based payment

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

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

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

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

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

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

- The cash incentive due for the year 2025 is calculated based on the fair value study of National Printing Company, issued by the independent financial advisor for the purpose of the IPO on the Egyptian Stock Exchange, after deducting the nominal value of the share.
- The cash incentive due for the years 2026 and 2027 is calculated based on the average trading value of the Company's share on the Egyptian Stock Exchange during the last ten working days of January of each respective year, after deducting the nominal value of the share.

Based on the above, the company's management has performed a present value study to determine the value required to be recognized as a share-based payment expenses in the records of EL Shorouk for Modern Printing and Packaging (the subsidiary) for the application of this plan. As of March 31, 2026 amounted to EGP 2 477 445 compared to EGP 25 639 175 recognized during the financial year ended 31 December 2025.

33-Tax position

(34/1) Modern El Shorouk for printing & packaging

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

Firstly: Corporate income tax

From starting activity till year 2020

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

Years from 2021 till year 2023

These years have been inspected .

Years from 2024 till year 2025

The tax returns have been submitted for years 2024 and 2025 on the legal dates and payment of all tax due

Secondly :Payroll tax

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

From the years 2023 up to date

The quarterly tax returns and annual reconciliations have been duly submitted within the prescribed deadlines in accordance with Law No. 206 up to the present date, and no tax examination has been conducted.

Thirdly: Value added tax

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

For the years from 2021 up to 2022

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

Years from 2023 up to date

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

Fourthly : Withholding tax

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

For the years from 2021 till 2024 From 41 were submitted in the legal dates.

Fifthly :Stamp tax

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

For the years 2023 and 2024, the company books have not been inspected.

Sixthly :Property tax

The company books have not been inspected from the inspection date up to date.

The tax property has been paid till the year ended 2021.

For years from 2022 till 2024, the industrial companies are exempted from paying property tax by Prime Ministerial Decision No. 61 of 2022.

(34/2) El Motehada for Manufacturing Paper and Carton

Corporate income tax

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

Operating years up to 2021

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

Years from 2022 up to date

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

Stamp tax**Years from inception dates till 2021**

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

Years from 2022 till 2025

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

Payroll tax**Years 2009/2010 till 2021**

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

Years 2022 till 2025

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

Value added tax**Years 2016 till 2022**

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

Years 2023 up to date

The company submitted their tax return at the legal dates and is the company books haven't been inspected yet for those years.

Withholding tax

The company submitted the form no. 41 till March 31, 2026 and is the company books were inspected till 2020 and all tax inspection differences were paid.

(34/3) WINDSOR**Value Added Tax (VAT)**

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

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

Corporate Income Tax

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

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

Payroll Tax

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

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

Stamp Tax

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

(34/4) – Al-Baddar Packaging Company**Corporate Income Tax**

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

For the years from inception date to 2019:

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

Year from 2020 to 2023:

The tax examination for such years is currently in progress.

For the year from 2024 till 2025 .

the Company submitted the tax returns for that year within the statutory deadlines in accordance with the provisions of Law No. 91 of 2005, and no tax examination has been conducted up to the present date in accordance with the Tax Authority's audit plan.

Payroll Tax

From inception date to 2022:

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

Years 2023 and 2025:

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

Stamp Tax

Years from inception date to 2022:

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

Years 2023 and 2025:

The company books have not been inspected.

Value Added Tax (formerly Sales Tax)

Years from inception date to 2020

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

Years from 2021 up to 2025:

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

Withholding Tax

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

(34/5) – National Printing

a) Corporate income tax

For the years 2005 to 2008, it was not included in the inspection sample.

From 2009 to 2010, the company books was inspected, and the company filed Appeal No. 219 of 2017, and it was considered by the Appeal Committee No. (33), Sector (1), No. 287 of 2018, and the decision was issued that the inspection will be repeated and inspection was inspected and finished till 2010.

The company is committed to submitting tax returns on the legal dates for the years from 2016 to 2024, and to date The company books were not inspected.

b) Stamp tax

The company's books have not yet been inspected for the years from the date of incorporation until the date.

c) **Payroll tax**

The company's books were inspection from the beginning of activity until 2020, and all tax differences were paid.

For the year 2021 up to date, the company's books have not yet been inspected, and the tax returns were submitted on the legal dates.

d) **Value added tax**

The company registered for value-added tax as of December 31, 2022.

The tax returns were submitted on the legal dates and paid all the tax due based on the declaration.

The company's books have not yet been inspected.

e) **Property tax**

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

34-Financial risk management

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

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

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

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

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

Capital risk management.

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

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

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

Credit risk

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

Accounts receivables & other debit balances

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

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

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

Liquidity risk

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

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

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

<u>March 31, 2026</u>	<u>Less Than one year</u>	<u>More Than one year</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Non-interest-bearing liabilities	1 505 647 086	--	1 505 647 086
Interest-bearing liabilities	2 626 238 119	670 440 584	3 296 678 703
Total	4 131 885 205	670 440 584	4 802 325 789

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

Market risk

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

Foreign currency risk

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

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

March 31, 2026

	<u>Assets</u>	<u>Liabilities</u>
	<u>EGP</u>	<u>EGP</u>
USD	399 626 218	318 177 064
EURO	241 126 080	621 329 542
GBP	623 112	--
CHF	185 264	1 265 047
SAR	512 839	--
AED	18 475 720	3 304 295
Total	660 549 233	944 075 948

Foreign currency risk sensitivity analysis

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

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

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

March 31, 2026

	<u>Assets</u>	<u>Liabilities</u>
	<u>EGP</u>	<u>EGP</u>
USD	39 962 622	31 817 706
EURO	24 112 608	62 132 954
GBP	62 311	--
CHF	18 526	126 505
SAR	51 284	--
AED	1 847 572	330 430
Total	66 054 923	94 407 595

Interest rate risk

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

Interest rate sensitivity analysis

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

If the interest rate were to decrease or increase by 100 basis points, with all other variables remaining constant, the Company's profit for the Period ended March 31, 2026 would decrease or increase by EGP 31,9 million (2025: decrease or increase by EGP 28,5 million). This is mainly attributable to the Company's exposure to interest rate risk on borrowings subject to variable interest rates.

Fair value estimate

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

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

35- Contingent Liabilities

Promissory Notes

The Company and its subsidiaries have executed promissory notes amounting to EGP 4 257 744 100 and an amount of USD 5 755 556 and an amount of Euro 10 924 353 in favor of the aforementioned banks, in connection with the granted credit facilities and loans. These promissory notes were issued in consideration for the Company being granted banking facilities in the form of overdrafts, loans, or any other types of credit facilities (Disclosure 14 and 15).

Guarantees and letters of collateral credit (security).

The value of the unsecured portion of letters of guarantee and letters of credit of the Group companies amounted to EGP 287 080 260.

36- Significant Events Occurring during the Period

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

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

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

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

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

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

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

- On Thursday, 12 February 2026, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to cut the overnight deposit rate, the overnight lending rate, and the Central Bank's main operation rate by 100 basis points, bringing them down to 19.00%, 20.00%, and 20.50%, respectively. The Committee also decided to reduce the credit and discount rate by 100 basis points to 19.00%.
- During the current period the region has witnessed a significant military escalation. On February 28, 2026, the United States and Israel launched an attack on Iran targeting its nuclear capabilities and aiming to reduce the ballistic missile threat in the region. On the first day of the escalation, Iranian leadership was targeted, followed by Iranian retaliatory missile attacks on Israel and US military bases, resulting in casualties. As of the date of these financial statements, the confrontations are ongoing.

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

37- Financial year

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

Financial Manager
Ahmed Abaza

Managing Director
Mr / Sherif El Moallem

Chief executive director
Eng / Ibrahim El Moallem



