GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)
SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
TOGETHER WITH A LIMITED REVIEW REPORT

GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)

SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

Contents

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Translation Of Limited review Report
Originally Issued in Arabic

Limited Review Report on Separate Financial Statements

To The Board of Directors of Gadwa for Industrial Development Company (S.A.E.)

Introduction

We have reviewed the accompanying separate interim financial position of **Gadwa for Industrial Development Company (S.A.E.)** as of 30 June 2025, as well as the related separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these separate interim financial statements based on our limited review.

Scope of Limited Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity," A review of 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the separate interim financial position of the entity as of 30 June 2025, and of its separate interim financial performance and its separate interim cash flows for the period then ended in accordance with Egyptian Accounting Standards.

Cairo: 27 August 2025

Auditor
Mohamed Ahmed Abu EL Kassim
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SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025

	Notes	30 June 2025 EGP	31 December 2024 EGP
ASSETS			
Non-current assets			
Fixed assets	(3)	**4,738,170**	4,892,040
Investments in subsidiaries	(4)	**4,399,713,503**	3,726,315,847
Right-of-use assets	(14-1)	**19,358,363**	21,268,269
Projects under construction		**727,000**	627,000
Deferred tax assets	(9)	**41,145,118**	24,259,323
Total non-current assets		**4,465,682,154**	3,777,362,479
Current assets			
Due from related parties	(5-A)	**28,382,724**	303,951,860
Prepayments and other debit balances	(6)	**4,422,637**	5,436,334
Cash on hand and at banks	(7)	**182,914,463**	50,336,423
Total current assets		**215,719,824**	359,724,617
TOTAL ASSETS		**4,681,401,978**	4,137,087,096
EQUITY AND LIABILITIES			
EQUITY			
Issued and paid-up capital	(8)	**2,004,129,804**	2,004,129,804
Treasury shares	(8)	**(156,537,063)**	(116,483,266)
Legal reserve		**53,228,669**	389,437
Revaluation surplus of fixed assets under equity method		**308,098,561**	-
Retained earnings		**1,330,831,907**	673,117,659
Profit for the period / year		**593,625,576**	1,056,784,635
TOTAL EQUITY		**4,133,377,454**	3,617,938,269
LIABILITIES			
Non-current liabilities			
lease liabilities - non-current portion	(14-2)	**23,301,993**	24,487,461
Total non-current liabilities		**23,301,993**	24,487,461
Current liabilities			
lease liabilities - current portion	(14-2)	**3,966,851**	4,080,908
Due to related parties	(5-B)	**473,429,262**	448,539,429
Tax liabilities		**9,093,440**	7,730,126
Accruals and other credit balances	(10)	**38,232,978**	34,310,903
Total current liabilities		**524,722,531**	494,661,366
TOTAL LIABILITIES		**548,024,524**	519,148,827
TOTAL LIABILITIES AND EQUITY		**4,681,401,978**	4,137,087,096

Group Chief Financial Officer — **Ahmed Hamdy Helmy**

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Chief Executive Officer — **Yasser Mohamed Zaki**

- The accompanying notes from (1) to (22) are an integral part of these separate interim financial statements.
- Limited review report "attached".

SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024	**For the three months ended 30 June 2025**	For the three months ended 30 June 2024
		EGP	EGP	**EGP**	EGP
Operations revenue	(11)	**605,509,673**	789,679,360	**88,233,426**	364,195,629
Operations cost	(12)	**(2,954,520)**	-	**(2,954,520)**	-
GROSS PROFIT		**602,555,153**	789,679,360	**85,278,906**	364,195,629
General and administrative expenses	(13)	**(24,474,712)**	(20,285,654)	**(11,074,381)**	(9,912,429)
Expected credit loss in due from related parties balance	(5-A)	**(5,397,429)**	(36,207,896)	**(3,697,118)**	(36,103,019)
Other revenue		**1,669,577**	63,372,004	**1,669,577**	63,372,004
OPERATING INCOME		**574,352,589**	796,557,814	**72,176,984**	381,552,185
Foreign exchange differences		**722,139**	486,554	**814,367**	(268,104)
Finance expense		**(7,389,121)**	(4,531,148)	**(3,568,179)**	(2,378,399)
Finance income		**9,054,174**	34,832,988	**6,344,068**	21,218,983
PROFIT BEFORE INCOME TAXES		**576,739,781**	827,346,208	**75,767,240**	400,124,665
Income taxes	(9)	**16,885,795**	(4,072,949)	**13,721,197**	(3,534,002)
PROFIT FOR THE PERIOD		**593,625,576**	823,273,259	**89,488,437**	396,590,663
EARNINGS PER SHARE	(18)	**0.50**	0.69	**0.08**	0.34

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Group Chief Financial Officer	**Chief Executive Officer**
Ahmed Hamdy Helmy	**Yasser Mohamed Zaki**

- The accompanying notes from (1) to (22) are an integral part of these separate interim financial statements.

SEPARATE INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	**For the three months ended 30 June 2025**	For the three months ended 30 June 2024
	EGP	EGP	**EGP**	EGP
Profit for the period	**593,625,576**	823,273,259	**89,488,437**	396,590,663
Items related to comprehensive income	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**593,625,576**	823,273,259	**89,488,437**	396,590,663

- The accompanying notes from (1) to (22) are an integral part of these separate interim financial statements.

Gadwa For Industrial Development Company (S.A.E.)

SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Issued and Paid-up Capital	Treasury shares	General reserve	Legal reserve	Splitting process adjustments	Revaluation surplus of fixed assets under equity method	Retained earnings	Profit for the Period	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2025	2,004,129,804	(116,483,266)	-	389,437	-	-	673,117,659	1,056,784,635	3,617,938,269
Transferred to legal reserve and retained earnings	-	-	-	52,839,232	-	-	1,003,945,403	(1,056,784,635)	-
Dividends for the year 2024	-	-	-	-	-	-	(116,522,176)	-	(116,522,176)
Treasury shares (Note 8)	-	(40,053,797)	-	-	-	-	-	-	(40,053,797)
Revaluation surplus of fixed assets under equity method (Note 4) *	-	-	-	-	-	308,098,561	-	-	308,098,561
Adjustments to retained earnings of subsidiaries (Note 4)	-	-	-	-	-	-	(229,708,979)	-	(229,708,979)
Profit for the period	-	-	-	-	-	-	-	593,625,576	593,625,576
Balance as of 30 June 2025	**2,004,129,804**	**(156,537,063)**	**-**	**53,228,669**	**-**	**308,098,561**	**1,330,831,907**	**593,625,576**	**4,133,377,454**
Balance as of 1 January 2024 (before adjustments)	2,004,129,804	-	29,678,496	371,012	(88,916,974)	-	6,344,304	368,503	1,951,975,145
Adjustments	-	-	-	-	-	-	234,288,584	819,195,250	1,053,483,834
Balance as of 1 January 2024 (after adjustments)	2,004,129,804	-	29,678,496	371,012	(88,916,974)	-	240,632,888	819,563,753	3,005,458,979
Transferred to legal reserve and retained earnings	-	-	(29,678,496)	18,425	88,916,974	-	760,306,850	(819,563,753)	-
Dividends for the year 2023	-	-	-	-	-	-	(35,008)		(35,008)
Treasury shares (Note 8)	-	(18,954,690)	-	-	-	-	-	-	(18,954,690)
Adjustments to retained earnings	-	-	-	-	-	-	(4,771,196)	-	(4,771,196)
Adjustments to retained earnings of subsidiaries (Note 4)	-	-	-	-	-	-	(307,519,023)	-	(307,519,023)
Profit for the period	-		-	-	-	-	-	823,273,259	823,273,259
Balance as of 30 June 2024	2,004,129,804	(18,954,690)	-	389,437	-	-	688,614,511	823,273,259	3,497,452,321

* The adjustments represent the impact of applying the amended Accounting Standard No. (10) on certain fixed assets (land and buildings) of some subsidiaries, resulting in an amount of EGP 351,326,256 as revaluation surplus of fixed assets using the equity method and the balance as of 30 June 2025, amounted to EGP 308,098,561. (Note 4).

- The accompanying notes from (1) to (22) are an integral part of these separate interim financial statements.

SEPARATE INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Cash flows from operating activities			
Profit before income taxes		**576,739,781**	827,346,208
Depreciation of fixed assets	(3)	**445,578**	413,544
Amortization of right-of-use assets	(14-1)	**1,909,906**	1,909,906
Expected credit loss in due from related parties balance	(5-A)	**5,397,429**	36,207,896
Losses from sale of investments in associate and subsidiaries	(12)	**2,954,520**	-
Profit share from subsidiaries	(4)	**(605,509,673)**	(789,679,360)
Finance expense		**7,389,121**	4,531,148
Finance income		**(9,054,174)**	(34,832,988)
Operating (Loss) Profit before changes in working capital		**(19,727,512)**	45,896,354
Changes in due from related parties		**270,171,707**	(119,107,167)
Changes in prepayments and other debit balance		**1,013,697**	(4,353,918)
Changes in due to related parties		**24,889,833**	10,048,743
Changes in tax liabilities		**1,363,314**	1,569,197
Changes in accruals and other credit balances		**(1,714,956)**	14,398,510
Net cash flows provided from (used in) operating activities		**275,996,083**	(51,548,281)
Cash flows from investing activities			
Payments to acquire fixed assets	(3)	**(291,708)**	(536,470)
Proceeds from the sale of investments in subsidiaries and associates		**7,547,079**	-
Projects under construction		**(100,000)**	-
Finance income received		**9,054,174**	23,545,200
Net cash flow provided from investing activities		**16,209,545**	23,008,730
Cash flows from financing activities			
Payments for lease liabilities		**(1,299,525)**	(960,904)
Payments to acquire treasury shares		**(40,053,797)**	(18,954,690)
Dividends paid		**(116,522,176)**	(35,008)
Finance expense paid		**(1,752,090)**	(1,891,072)
Net cash flows (used in) financing activities		**(159,627,588)**	(21,841,674)
Net change in cash and cash equivalent during the period		**132,578,040**	(50,381,225)
Foreign exchange difference related to cash and cash equivalent		**-**	1,088
Cash and cash equivalent – beginning of the period	(7)	**50,336,423**	50,529,333
Cash and cash equivalent – end of the period	(7)	**182,914,463**	149,196

- The accompanying notes from (1) to (22) are an integral part of these separate interim financial statements.

1- Background

Gadwa For Industrial Development Company (S.A.E.) was established in accordance with Law No. (159) for the year 1981 as a result of the splitting of Aspire Capital Holding Company for Financial Investments (S.A.E) (previously - Pioneers Holding Company for Financial Investments) in according to Law No. (159) of 1981 and without violating Article (27) of the Capital Market Law No. (95) for the year 1992 and Article (121) and Article (122) of the Executive regulations.

The main purpose of the Company is to invest in, share and contribute, directly and indirectly in all fields of industrial investments, and the Company is allowed to have an interest or engage by any means with companies and others that practice similar businesses to its own or that may assist it in achieving its purpose in Egypt or abroad, also the Company may merge with such previous entities, purchase, or acquire in accordance with the law and its executive regulations.

The Company was registered in the Commercial Register under No. 171850 - Cairo on 5 September 2021.

The Company was registered in the Egyptian Exchange on 10 October 2021.

The Company duration is 25 years starting from 5 September 2021.

The separate interim financial statements for the six months ended 30 June 2025 were approved by the Board of Directors resolution 27 August 2025.

2- Significant Accounting Policies

2-1 Basis of preparation the financial statements

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for financial assets and Investments at fair value through profit or loss, and Investments at fair value through comprehensive income measured at fair value.

Statement of compliance

The financial statements of the Company have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

Changes in accounting policies

Accounting policies applied this period is the same as in the previous periods.

As of 23 October 2024, the Prime Minister issued decree No. (3527) for the year 2024 to amend now Egyptian Accounting Standard No. (51) Financial statements in the economics of hyperinflation, The standard is subject to a decision by His Excellency the prime minister in accordance with Paragraph No. 6, specifying the beginning of the period or periods in which this standard will be applied.

2-2 Lease contracts

Contract is defined to be (or include) a lease contract based on its contents, The contract is a lease contact or include a lease contract if it transfers the control over the use of the asset described for a year for a price.

At the commencement of the contract, lease is classified as a financial lease or operating lease; where the contract is classified as a financial lease if it transfers in a material respect mostly all the risks and rewards from owning the contractual asset and classified as an operating lease if it doesn't transfer in a material respect mostly all the risks and rewards from owning the contractual asset.

At the commencement of the contract, asset is measured (right of use) at cost, where cost includes all initiation costs incurred to prepare the asset to the condition required as per the contract.

The lease liability is measured by the present value of the unpaid lease payments at the date, deducting the lease payments using the imbedded interest in the contract, if it can be easily measured, or using interest on extra lending for the lessor if it can't be measured, in addition to any other variable payments, expected payments, and price for the right of purchasing the asset, according to the contract.

Interest on lease payments, or any variable payments not included in the measurement of the lease liability is included in the statement of profits or losses.

2- Significant Accounting Policies (Cont'd)

2-2 Lease contracts (Cont'd)

If the lease contract transfers the ownership of the asset, or the asset cost reflects the right of purchasing the asset, the asset is amortized over its useful life (right of use), and except for that, the asset is amortized (right of use) starting from the contract commencing Date To its useful life (right of use) or the end of the contract date, whichever is shorter.

The Company assesses at each reporting date whether there is an indication that asset may be impaired, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment loss is recognized in the statement of profits or losses. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years, Such reversal is recognized in the statement of profits or losses.

2-3 Foreign currency translation

- The financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.
- Transactions in currencies other than Egyptian pound are initially recorded using the prevailing exchange rates on the transaction date.
- Monetary assets and liabilities denominated in currencies other than Egyptian pound are retranslated using the exchange rates prevailing at the statement of financial position date, all differences are recognized in the statement of profit or loss.
- Nonmonetary items that are measured at historical cost in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date of the initial recognition.
- Nonmonetary items measured at fair value in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date when the fair value is determined.

2-4 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses, Such cost includes the cost of replacing part of the Fixed assets when the cost is incurred, if the recognition criteria are met, Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the Fixed assets as a replacement if the recognition criteria are satisfied, All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the assets as follows:

	Years
Furniture	16-7
Telecommunications Equipment	8
Computers	8
Electrical Equipment	5-8
Leasehold Improvements	As per contract term
Vehicles	5
Tools and Equipment	10

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

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

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

2- Significant Accounting Policies (Cont'd)

2-4 Fixed assets (cont'd)

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

2-5 Investments

Investments in subsidiaries

Investments in subsidiaries are investments in entities which the company has control, Control is presumed to exist when the parent has direct or indirect control through subsidiaries on the investee having the power to control the financial and operating policies of the company to benefit from its operations, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

Investments in subsidiaries are accounted for using the equity method and according to the equity method the investment in any subsidiary company is recognized initially at cost. Then the investment balance is increased or decreased to prove the company's share in the investee company profit or loss among the company's profit or loss, the investment balance is decreased by dividends value acquired from the investee company.

2-6 Accounts receivable and other debit balances

Accounts and other receivables are stated at original invoice amount net of any impairment losses.

Impairment losses are measured as the difference between the accounts and other receivables carrying amount and the present value of estimated future cash flows, The impairment loss is recognized in the statement of profit or loss, Reversal of impairment is recognized in the statement of profit or loss in the year in which it occurs.

2-7 Legal reserve

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

2-8 Income taxes

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

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and it's carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

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

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

2-9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

- **Revenue from contracts with customers**

An Egyptian standard no.48 revenue from contract with customers set out five step model to be applied as follow:

2- Significant Accounting Policies (Cont'd)

2-9 Revenue recognition (Cont'd)

Step one: Identify the contract (contracts) with the customer. A contract is an agreement between two parties or more creates enforceable rights or obligations A company applies the revenue guidance to contracts with customers.

Step two: Identify the separate performance obligations in the contract. A performance obligation is a promise in a contract to provide a product or service to a customer.

Step three: Determine the transaction price. The transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services, except the amount that collect on behalf of third parties.

Step Four: Allocate the transaction price to the separate performance obligations. If more than one performance obligation exists in a contract, allocate the transaction price based on relative standalone selling prices.

Step five: Recognize revenue: when the company satisfies its performance obligation.

Companies satisfy performance obligations and recognize revenue over a period of time if one of the following criteria is met.

a. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
b. The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If an entity does not satisfy its performance obligation over time according to previous conditions, the entity will recognize revenue at point in time when performance obligation is satisfied.

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

- **Selling goods**
  Revenue from the sale of goods is recognized when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer. This usually occurs on delivery of the goods and issuance of an invoice in the case of domestic sales and when the goods leave the factory in the case of export sales.

- **Interest income**
  Interest income is recognized as interest accrues according to timeline considering the targeted return on the financial asset.

- **Dividends revenue**
  Revenue is recognized when the company's right to receive the payment is established.

2-10 Expenses

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

2-11 Accounts payable and other credit balances

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

2-12 Related parties' transactions

Related parties represent associated companies, major quota holders, directors and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such related parties. Pricing policies and terms of these transactions are approved by the board of directors. Pricing policies and terms of these transactions with related parties are not different from those with others.

2- Significant Accounting Policies (Cont'd)

2-13 Significant accounting estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses during the financial years, while the actual results may vary from those estimates.

2-14 Impairment

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired, A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired, Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment losses are recognized in the statement of profit or loss.

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

2-15 Statement of cash flows

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

2-16 Cash and cash equivalent

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months after deducted banks credit balances.

2-17 Financial Instruments

A. Initial Recognition

The institution is to recognize in the balance sheet the financial asset, or liability only when the institution is a contractual part in a financial instrument.

At initial recognition the financial asset, or liability is measured at fair value if they are classified as financial assets, or liabilities at fair value through profits or losses.

At initial recognition, the financial assets classified as financial assets at fair value through other comprehensive income, and financial assets at amortized cost are recognized at fair value plus the transaction cost.

At initial recognition, the financial liabilities classified as amortized cost are recognized at fair value minus the transaction cost.

B. Classification and measurement of financial assets and liabilities

The Egyptian standard number (47) – Financial Instruments include six main categories based on the subsequent measurement for the financial assets, as follows:

- Financial assets by amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets through profits or losses.

In general, the classification of the financial assets as per the Egyptian standard number (47) – Financial Instruments is based on the business model managing the financial asset and related contractual cash flows.

2- Significant Accounting Policies (Cont'd)

2-17 Financial Instruments (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

Financial assets are classified based on amortized cost, or fair value through other comprehensive income, or fair value through profits or losses.

The financial asset is classified based on the business model managing the financial asset and related contractual cash flows.

Financial assets are measured by amortized cost, if two conditions were met, and if was not measure by fair value through profits or losses.

- The asset is included in a business model planning to keep the asset for its contractual future cash flows.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.
- The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measured by fair value through profits or losses.

The asset is included in a business model. Its goal is to collect contractual cash flows and sale of the financial asset.

The financial asset must be measured at fair value through profits or losses, if not measured by the amortized cost, or at fair value through comprehensive income.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, if this would materially result in reducing the volatility of measurement and recognition.

The institution must classify all its assets to be subsequently measure at amortized cost, except for the following:

- Financial liabilities at fair value through profits or losses, where those kinds of liabilities and related derivatives representing these liabilities, subsequently, at fair value.
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.
- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard.
  B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).

- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard.
  B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).

- Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, when applicable by the Egyptian Accounting Standards, or when it results in better information, for:

A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes – as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.

2- Significant Accounting Policies (Cont'd)

2-17 Financial Instruments: (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

B- There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for this group on this base to the top management of the institution (also as defined in the Egyptian Accounting Standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president.

Financial assets and liabilities – re-classification: financial instruments are re-classified only when the financial model of the portfolio as a total change.

C. Impairment of financial assets value

The "Expected Credit Loss" model is applied on the financial assets measured at amortized cost, and contractual assets, and debt investments, at fair value through other comprehensive income, but not based on investments in equity.

The company valuates all available information, including future-based information for the expected credit losses related to the included assets at amortized cost.

The "Expected Credit Loss" model is based on if there is an increase in the expected credit losses. And to valuate if there is a material increase in credit risk, the failure to pay risk, at the financial statements date, is compared with the failure to pay risk at the initial recognition date, according to all the available information, and reasonable supporting future information.

As for only trading debtors' balances, due from related parties, and cash and cash equivalent, the company recognize the expected credit losses according to simple approach as per Egyptian Accounting Standard number (47).

The simple approach for recognizing expected credit losses, don't require the company to track the credit risk changes, but it can recognize impairment losses according to the permanent expected credit losses, at the preparation date of the financial statements.

The impairment in the credit losses value guide may include indicators showing that debtors or group of debtors are facing material financial problems, or failure, or delay in profits or principal payment, or liquidation problem, or any other financial restructuring, and as the observable information are showing a measurable impairment in the expected future cash flows, like, delays variables, or economic conditions related to payment failure. The trading debtors are audited in kind, depending on each situation, to detect if there is any reason for disposal.

The company measures the expected credit losses through considering payment failure risks during the contractual period, and includes, during measurement, the future information.

D. Disposing of the financial asset from the books

The institution is to dispose of the financial assets from the books, only when:

- The contractual rights of the financial asset cash flows are over, or
- The institution transfers the financial asset.

The institution must dispose of the financial asset from the books (or part of the financial liability) from the balance sheet, when only it is reconciled – meaning that, the liability is paid to the contractual exact time, or canceled, or expired.

3- Fixed Assets

	Furniture	Tele-communications Equipment	Computers	Electrical Equipment	Leasehold Improvements	Vehicles	Tools and Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
1 January 2025	463,178	1,284,720	558,239	1,261,540	2,327,763	900,000	9,918	6,805,358
Additions for the Period	155,963	-	-	135,745	-	-	-	291,708
30 June 2025	619,141	1,284,720	558,239	1,397,285	2,327,763	900,000	9,918	7,097,066
Accumulated depreciation								
1 January 2025	(61,634)	(295,276)	(127,185)	(348,606)	(737,873)	(340,611)	(2,133)	(1,913,318)
Depreciation for the Period (Note 13)	(16,028)	(80,295)	(34,890)	(80,926)	(142,943)	(90,000)	(496)	(445,578)
30 June 2025	(77,662)	(375,571)	(162,075)	(429,532)	(880,816)	(430,611)	(2,629)	(2,358,896)
Net book value								
As of 30 June 2025	**541,479**	**909,149**	**396,164**	**967,753**	**1,446,947**	**469,389**	**7,289**	**4,738,170**

- There is no mortgage over the ownership of fixed asset.

3- Fixed Assets (Cont'd)

	Furniture	Tele-communications Equipment	Computers	Electrical Equipment	Leasehold Improvements	Vehicles	Tools and Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
1 January 2024	404,128	874,114	347,160	1,038,375	2,327,763	900,000	9,918	5,901,458
Additions for year	59,050	410,606	211,079	223,165	-	-	-	903,900
31 December 2024	463,178	1,284,720	558,239	1,261,540	2,327,763	900,000	9,918	6,805,358
Accumulated depreciation								
1 January 2024	(35,860)	(142,450)	(69,008)	(207,975)	(451,988)	(160,611)	(1,141)	(1,069,033)
Depreciation for the year	(25,774)	(152,826)	(58,177)	(140,631)	(285,885)	(180,000)	(992)	(844,285)
31 December 2024	(61,634)	(295,276)	(127,185)	(348,606)	(737,873)	(340,611)	(2,133)	(1,913,318)
Net book value								
As of 31 December 2024	401,544	989,444	431,054	912,934	1,589,890	559,389	7,785	4,892,040

4- Investments In Subsidiaries

		Nature	Share	30 June 2025	Share	31 December 2024
				EGP		EGP
(1)	Semow For Consulting Company (S.A.E)	Subsidiary	**99.99%**	**1,199,431,174**	99.99%	844,112,490
(2)	El Hessn for Consulting Company (S.A.E)	Subsidiary	**99.65%**	**782,492,424**	99.65%	670,862,852
(3)	Arabian Company for Dairy Products (Arab Dairy) (S.A.E)	Subsidiary	**36.22%**	**984,595,523**	36.66%	874,944,159
(4)	Giza Power for Manufacturing Company (S.A.E)	Subsidiary	**0.00003%**	**3,625,136**	0.00003%	3,625,136
(5)	Electro Cable Egypt Company (S.A.E)	Subsidiary	**25.29%**	**1,143,793,227**	25.29%	1,105,115,116
(6)	Universal For Papers and Packing Materials Company (Unipack) (S.A.E)	Subsidiary	**35.89%**	**303,358,538**	35.89%	245,238,613
(7)	El Noor Pharmaceutical Company (S.A.E)	Subsidiary	**60.00%**	**630**	60.00%	630
(8)	PFA For Consulting Company (S.A.E)	Subsidiary	**0.04%**	**62,827**	0.04%	62,827
(9)	Orange for pharmacies management Company (L.L.C.)	Subsidiary	**0.10%**	**100**	0.1%	100
				4,417,359,579		3,743,961,923
	Impairment in investments in subsidiaries			**(17,646,076)**		(17,646,076)
				4,399,713,503		3,726,315,847

The company's profit share from investments in subsidiaries during the Period as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	EGP	EGP
Semow For Consulting Company	**428,102,241**	232,367,267
El Hessn for Consulting Company	**102,940,948**	255,075,420
Arabian Company for Dairy Products (Arab Dairy)	**(48,927,352)**	37,551,394
Electro Cable Egypt Company	**119,233,829**	253,409,509
Universal For Papers and Packing Materials Company (Unipack)	**4,160,007**	11,275,770
	605,509,673	789,679,360

The company's share from adjustments on retained earnings of investments in subsidiaries during the Period as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	EGP	EGP
Semow For Consulting Company	**(72,786,572)**	(42,859,238)
El Hessn for Consulting Company	**(72,517,832)**	(117,908,819)
Arabian Company for Dairy Products (Arab Dairy)	**804,960**	(34,494,683)
Electro Cable Egypt Company	**(80,555,718)**	(110,234,706)
Universal For Papers and Packing Materials Company (Unipack)	**(4,653,817)**	(2,021,577)
	(229,708,979)	(307,519,023)

The company's profit share from the adjustment resulting from the revaluation surplus of fixed assets for certain subsidiaries during the period as follows:

	For the six months ended 30 June 2025
	EGP
Semow For Consulting Company	**3,015**
El Hessn for Consulting Company	**81,206,456**
Arabian Company for Dairy Products (Arab Dairy)	**168,275,355**
Universal For Papers and Packing Materials Company (Unipack)	**58,613,735**
	308,098,561

3- Investments In Subsidiaries (Cont'd)

(1) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Semow for Consulting Company was valuated according to equity method taken as a base for splitting as of 31 December 2020.

During year 2021, Semow for Consulting Company had increased its capital by amount of EGP 350,000,000, Aspire Capital Holding Company for Financial Investments (Previously - Pioneers Holding Company for Financial Investments) had fully subscribed in that capital increase, which had transferred to Gadwa for Industrial Development Company as a result of splitting process. The investment value became EGP 350,209,984 for 49993750 shares, representing 99.99% of capital.

During year 2024, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements" and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 201,527,332 that was adjusted to the retained earnings and in the amount of EGP 338,454,489 as a profit share of investments in subsidiaries in the separate interim statement of profit or loss.

(2) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in El Hessn for Consulting Company was valuated according to equity method taken as a base for splitting as of 31 December 2020.

During year 2021, El Hessn for Consulting Company had increased its capital by amount of EGP 25,000,000, Aspire Capital Holding Company for Financial Investments (Previously - Pioneers Holding Company for Financial Investments) had fully subscribed in that capital increase, which had transferred to Gadwa for Industrial Development Company as a result of splitting process. The investment value becomes EGP 64,850,184 for 2516230 shares, representing 99.65 % of capital.

During year 2024, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements" and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 371,593,622 that was adjusted to the retained earnings and in the amount of EGP 360,450,245 as a profit share of investments in subsidiaries in the separate interim statement of profit or loss.

(3) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Arabian Company for Dairy Products (Arab Dairy) was valuated according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 736,284,329 for 63821732 shares, representing 39.89% of capital.

As of 2 November 2021, the General Assembly meeting of Arabian Company for Dairy Products (Arab Dairy) decided to increase the company's issued and paid capital by EGP 130 million, and Company's share in the capital increase amounted to EGP 51,855,634 which was paid on the first quarter of 2022. The investment value amounted to EGP 788,139,963 for 115677366 shares representing 39.89% of capital.

As of 31 July 2023, the General Assembly Meeting of Arabian Company for Dairy Products (Arab Dairy) decided to increase the company's issued and paid capital by EGP 210 million, and Company's share in the capital increase amounted to EGP 83,766,368 which was paid on the third quarter of 2023. The investment value amounted to EGP 871,906,331 for 199443734 shares representing 39.89% of capital.

During year 2023, the Company restructured its investments in Arabian Company for Dairy Products (Arab Dairy) by transferring the ownership of share of its investments equal to 3.23% by 16150000 shares valued EGP 16,150,000 to its subsidiaries, so that the Company's ownership in it reached 36.66% with a value of EGP 855,756,330 for 183293734 shares.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries control the company's financial and operational policies.

During year 2024, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements" and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 20,516,974 that was adjusted to the retained earnings and in the amount of EGP 33,735,693 as a profit share of investments in subsidiaries in the separate interim statement of profit or loss.

During 2024, the Company conducted fair value assessments of its investments to determine whether there were any indicators of impairment in those entities. Accordingly, the Company recognized an impairment loss of EGP 17,646,076 on its investment in the Arabian Company for Dairy Products (Arab Dairy), bringing the total impairment balance as of December 31, 2024 to EGP 17,646,076.

4- Investments in Subsidiaries (Cont'd)

(4) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Giza Power for Manufacturing Company was valuated according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 3,625,135 for 10 shares, representing 0.00003% of capital.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 72.29% from the issued and paid-up capital of Giza Power for Manufacturing Company.

(5) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Electro Cable Egypt Company was valuated according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 534,124,968 for 930094470 shares, representing 26.15% of capital.

During year 2023, the Company purchased 110000000 shares, at a value of EGP 52,341,247, so the total investment value becomes EGP 586,466,215, for 1040094470 shares, representing 29.24% of capital.

During year 2023, Electro Cable Egypt Company retired treasury stocks, which resulted in increasing the Company's percentage to become 30.55% of the issued and paid-up capital of Electro Cable Egypt Company.

During year 2023, the Company sold 202000000 shares, at a value of EGP 113,899,437, so the total investment value becomes EGP 472,566,777, for 838094470 shares, representing 24.62% of capital.

During year 2024, Electro Cable Egypt Company retired treasury stocks, which resulted in increasing the Company's percentage to become 25.29% of the issued and paid-up capital of Electro Cable Egypt Company.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 71.96% from the issued and paid-up capital of Electro Cable Egypt Company.

During year 2024, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements" and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 409,809,805 that was adjusted to the retained earnings and in the amount of EGP 336,462,776 as a profit share of investments in subsidiaries in the separate interim statement of profit or loss.

(6) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Universal for Papers and Packing Materials Company (Unipack) was valuated according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 242,487,841 for 35214990 shares, representing 45.73% of capital.

As of 28 March 2021, Universal for Papers and Packing Materials Company (Unipack) approved the division of the company's shares into ten shares, so the nominal value of each share became EGP 0.1 instead of EGP 1, so the investment value amounted EGP 242,487,841 for 352149900 shares, representing 45.73% of the capital.

During year 2023, Universal for Papers and Packing Materials Company (Unipack) retired treasury stocks which resulted in increasing the Company's percentage to become 46.10% of the issued and paid-up capital of Universal for Papers and Packing Materials Company (Unipack).

During year 2023, the Company restructured its investments in Universal for Papers and Packing Materials Company (Unipack) by transferring the ownership of share of its investments equal to 9.84% by 78000000 shares valued EGP 53,710,228 to its subsidiaries, so that the Company's ownership in it reached 35.89% with a value of EGP 188,777,613 for 274149900 shares.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 73.87% from the issued and paid-up capital of Universal for Papers and Packing Materials Company (Unipack).

During year 2024, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements" and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 24,855,338 that was adjusted to the retained earnings and in the amount of EGP 33,721,942 as a profit share of investments in subsidiaries in the separate interim statement of profit or loss.

4- Investments in Subsidiaries (Cont'd)

(7) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in El Noor Pharmaceutical Company was valuated according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 630 for 600000 shares, representing 60% of capital.

(8) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in PFA For Consulting Company was valuated according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 62,827 for 6245 shares, representing 0.04% of capital.
This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 99.99% from the issued and paid-up capital of in PFA For Consulting Company.

(9) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Orange for Pharmacies Management Company was valuated according to equity method taken as a base for splitting as of 31 December 2020, the investment value amounted EGP 100 for 100 shares, representing 0.10% of capital.
This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 65% from the issued and paid-up capital of in Orange for Pharmacies Management Company.

5- Due From / To Related Parties

A- Due from Related Parties

	Affiliation	30 June 2025 EGP	31 December 2024 EGP
El Hessn for Consulting Company	Subsidiary	-	204,992,863
El Noor Pharmaceutical Company	Subsidiary	89,204,300	83,454,300
Arabian Company for Dairy Products (Arab Dairy)	Subsidiary	28,911,657	5,594,084
Semow For Consulting Company	Subsidiary	-	94,246,417
		118,115,957	388,287,664
Expected credit loss in due from related parties balance		(89,733,233)	(84,335,804)
		28,382,724	303,951,860

The change in expected credit loss in due from related parties balance is as following:

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Beginning balance	84,335,804	1,978,142
Charged during the Period	5,397,429	36,207,896
Ending balance	89,733,233	38,186,038

B- Due to Related Parties

	Affiliation	30 June 2025 EGP	31 December 2024 EGP
Pioneers Properties for Urban Development Company	Related party	187,681,688	448,369,512
PFA for Consulting Company	Subsidiary	160,544,527	-
El Hessn for Consulting Company	Subsidiary	49,773,168	-
Semow for Consulting Company	Subsidiary	48,074,637	-
Shareholders current account	Shareholders	27,355,242	169,917
		473,429,262	448,539,429

6- Prepayments And Other Debit Balances

	30 June 2025 EGP	31 December 2024 EGP
Deposits with others	846,158	846,158
Employee's custodies and trusts	141,902	116,368
Amounts paid to employees under dividends distributions	1,765,000	4,122,854
Accrued revenue	1,669,577	-
Other debit balances	-	350,954
	4,422,637	5,436,334

7- Cash On Hand and At Banks

	30 June 2025 EGP	31 December 2024 EGP
Local Currency		
Cash on hand	**3,238**	174,676
Current accounts	**132,909,711**	159,185
Deposits less than 3 months	**50,000,000**	50,000,000
	182,912,949	50,333,861
Foreign Currency		
Current accounts	**1,514**	2,562
	1,514	2,562
	182,914,463	50,336,423

8- Issued and Paid-Up Capital

As of 24 July 2021, the Extraordinary General Assembly Meeting unanimously approved the report number 534 as of 15 June 2021 from the Economic Performance Sector of the General Authority for Investment and Free Zones reports, confirming the preliminary book and fair value assessment of the company's assets and liabilities for the purpose of splitting the company into three companies (an original company and two resulted companies). The report concluded that net owners' equity value of Aspire Capital Holding Company for Financial Investments (S.A.E) (Previously - Pioneers Holding company for Financial Investments) is EGP 7,039,494,200, net shareholders' equity of Gadwa for Industrial Development Company (splitted company) amounted EGP 2,033,808,300.

Issued and paid-up capital amounted EGP 2,004,129,804, divided on 1054805160 shares with a face value of EGP 1.9 per share, with authorized capital of EGP 10 billion.

The Commercial Register was issued on 5 September 2021.

During year 2024, the Company purchased treasury stocks in accordance with the Board of Directors resolution on 15 April 2024, and the number of treasury stocks purchased until 31 December 2024, equal to 21761063 shares, with a value of EGP 116,483,266.

During the Period, the Company purchased treasury stocks in accordance with the Board of Directors resolution on 14 January 2025 and the number of treasury stocks purchased until 30 June 2025, equal to 29448063 shares, with a value of EGP 156,537,063.

The capital structure is as follows:

	Percentage %	Number of shares	Value EGP
Walid Mohamed Zaki	24.51%	258579730	491,301,487
Abdelkader Elmohedeb And Sons Company	14.38%	151658750	288,151,625
Taha Ibrahim Mostafa Mohamed Eltelbani	10.08%	106344921	202,055,350
Hossam Mohamed Zaki Ibrahim	4.12%	43485236	82,621,948
Hesham Ali Shoukry Hafez	7.08%	74643766	141,823,155
EGYCAP Investments Ltd.	6.73%	70935897	134,778,204
Remouz Development Company	7.40%	78024451	148,246,457
Other shareholders	25.70%	271132409	515,151,578
Total	**100%**	**1054805160**	**2,004,129,804**

9- Income Taxes

Deferred Tax	30 June 2025 EGP	31 December 2024 EGP
Beginning balance – Asset	**24,259,323**	2,651,140
Adjustments to deferred tax	**-**	1,385,186
Deferred tax for the Period – Asset	**16,885,795**	20,222,997
Ending balance – Asset	**41,145,118**	24,259,323

9- Income Taxes (Cont'd)

Income Taxes	**For the six months ended 30 June 2025 EGP**	For the six months ended 30 June 2024 EGP
Income tax	**-**	4,005,460
Deferred income tax – (revenue) expense	**(16,885,795)**	67,489
	(16,885,795)	4,072,949

Reconciliation of effective income tax rate	**For the six months ended 30 June 2025 EGP**	For the six months ended 30 June 2024 EGP
Profit before income taxes	**576,739,781**	827,346,208
Adjustments		
Add:		
Amounts that are not considered deductible costs	**11,904,342**	53,527,146
Deducted:		
Amounts considered deductible costs	**(661,406,898)**	(863,071,309)
Adjusted taxable net profit	**(72,762,775)**	17,802,045
Income tax- 22.5%	**-**	4,005,460
Effective tax rate	**0.00%**	0.48%

10- Accruals And Other Credit Balances

	30 June 2025 EGP	31 December 2024 EGP
Accrued expenses	**343,894**	569,751
Brokerage companies' liabilities	**31,847,914**	32,417,166
Other credit balances	**6,041,170**	1,323,986
	38,232,978	34,310,903

11- Operations Revenue

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Profit share from investment in subsidiaries (Note 4)	**605,509,673**	789,679,360
	605,509,673	789,679,360

12- Operation Cost

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Losses from sale of investments in associate and subsidiaries	**2,954,520**	-
	2,954,520	-

13- General And Administrative Expenses

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Salaries and wages	**16,496,490**	13,232,366
Registrations and other fees	**877,218**	714,628
Depreciation of fixed assets (Note 3)	**445,578**	413,544
Amortization of right-of-use assets (Note 14)	**1,909,906**	1,909,906
Other expenses	**4,745,520**	4,015,210
	24,474,712	20,285,654

14- Lease Contracts

During year 2021, the Company leased a headquarter in the New Cairo area, Cairo Governorate, for a year of nine years. The total undiscounted rental value according to the contract amounted to EGP 58,343,174, to be paid in quarterly instalments of EGP 1,269,237, with an annual increase of 5% for the second year and 7% starting from the third year.

1- Right-of-use assets

	30 June 2025 Buildings EGP	31 December 2024 Buildings EGP
Cost		
Beginning balance	**33,741,671**	33,741,671
Ending balance	**33,741,671**	33,741,671
Accumulated Amortization		
Beginning balance	**(12,473,402)**	(8,653,590)
Amortization for the Period / year	**(1,909,906)**	(3,819,812)
Ending balance	**(14,383,308)**	(12,473,402)
Net book value at Period / year end	**19,358,363**	21,268,269

2- Lease liabilities

	30 June 2025 Operating Lease EGP	31 December 2024 Operating Lease EGP
Lease liability - non-current portion	**23,301,993**	24,487,461
Lease liability - current portion	**3,966,851**	4,080,908
Liability balance	**27,268,844**	28,568,369

15- Tax Position

Corporate tax

- The Company was established in September 2021 and submitted tax returns on the legal dates for year 2022 according to Law No. 91 for year 2005 and has not been examined till the financial statements date.

Payroll tax

- The Company deducts payroll taxes from employees according to Law No. 91 for year 2005 and its amendments and reconciled regularly with the Tax Authority.

Withholding tax

- The Company deducts withholding taxes according to the Law and pay the accrued balance to the Tax Authority.

Value added Tax (VAT)

- The company submits tax declarations in accordance with Law No. 76 of 2016, and has not been examined till the financial statements date.

Stamp tax

- The Company was established in September 2021 and has not been examined till the financial statements date.

16- Legal Position

There is no pending or filed lawsuits for or against Gadwa Industrial Development Company - an Egyptian Joint Stock Company till 30 June 2025.

17- Financial Instruments Risk Management

Introduction

The company is exposed to the following risks due to the usage of financial instruments:

A) Market risk.
B) Foreign currency risk.
C) Interest rate risk.
D) Credit risk.
E) Liquidity risk.

This note presents the information on the company's exposure to the previously mentioned risks and the company's objectives, policies, and operations in terms of measuring and managing these risks as well as how the company manages its capital.

The Board of Directors of the parent company is responsible for establishing and supervising a general framework for managing the risks to which the company is exposed. And the company's senior management is responsible for developing and following up on risk management policies and submitting reports to the parent company on its activities on a regular, periodic basis.

The Company's current financial risk management framework is a mixture of formally documented risk management policies in some areas and non-formally documented risk management policies in other areas.

Financial instruments of the company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade and notes receivable, due from related parties, and other receivables), the financial liabilities include (customers – credit balances, credit facilities, lease liabilities, trade payable, contractors, notes payable, loans, land creditors, due to related parties, tax liabilities, shareholders' credit balances, accrued expenses and other credit balances). Note (2) in the accompanying notes of the consolidated financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

In accordance with the valuation principles used in the valuation of the Company's assets and liabilities stated in Note (2), the fair values of financial assets and liabilities are not materially different from their carrying amounts at the financial position date.

A) Market Risk

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

B) Foreign Currency Risk

The foreign currency risk represents the risk that the value of the inflows and outflows in foreign currencies, as well as, valuation of monetary assets and liabilities in foreign currencies, will fluctuate due to changes in foreign currency exchange rates. The major financial instruments that include foreign currency balances represents cash and cash equivalent, current accounts, due to/from related parties, accrued expenses, other credit balances and loans.

The assets (liabilities) value in foreign currency in the date of the separate interim financial statements amounted to:

Currency	**30 June 2025** Net EGP	31 December 2024 Net EGP
US Dollar	**(90,816,914)**	(16,225,261)

Currency	**30 June 2025** Change percentage ٪	Effects on the profit before tax EGP	31 December 2024 Change percentage ٪	Effects on the profit before tax EGP
US Dollar	**10٪+**	**(9,081,691)**	10٪+	(1,622,526)
US Dollar	**10٪-**	**9,081,691**	10٪-	1,622,526

17- Financial Instruments Risk Management (Cont'd)

C) Interest rate risk

Interest risk represents the risk that results from changes in interest rates that may have an adverse effect on business results.

The company's total liabilities (lease liability) on 30 June 2025 amounted to EGP 27,268,844 (as of 31 December 2024, the amount of EGP 28,568,369). The total interest charged on those liabilities during the Period ended on 30 June 2025 amounted to EGP 1,752,090 (as of 30 June 2024, amounted to EGP 2,152,749 included in finance expenses).

The company's management always works to obtain the best borrowing terms available.

There are no effects on the shareholders' equity except for the effect on net profit as shown below:

	30 June 2025		31 December 2024	
	Changes in interest rate	**Effects on the profit before tax EGP**	Changes in interest rate	Effects on the profit before tax EGP
Financial liability	**+1٪**	**272,688**	+1٪	285,684
	-1٪	**(272,688)**	-1٪	(285,684)

C) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, resulting in financial losses beard by the other party. The Company is exposed to credit risk from its deposits with banks, accounts receivables as well as some other assets as represented on the financial position.

The company seeks to reduce credit risk related to bank deposits by dealing with reputable banks and by setting credit limits to its clients and monitoring their customer outstanding credit balances.

Other financial assets and cash deposits

Other credit risks arising from other financial assets related to the company which includes the balances at the banks, financial assets at amortized cost, the company is exposed the credit risks due to the failure of the other party to settle the amounts. The maximum exposure level to the credit risk equals the fair value of the assets.

The financial department of the company with the support of the parent company takes over and manages the credit risk that arise from the balances at the banks and financial entities.

Due from related parties

Balances due from related parties are related to transactions that arise within the normal course of business, and the exposure of these balances to credit risk is low, and the maximum exposure to risk is the book value of these balances.

D) Liquidity risk

Liquidity risk represents all factors which affect the company's ability to pay part or all its obligations.

The Company's management monitors the company's cashflows, financing, and liquidity requirements and its objective is to maintain a balance between continuity of funding and flexibility through the use of retained earnings, and company bank balances to match the maturity of the company liabilities when due. It also manages liquidity risks by maintaining sufficient reserves and by obtaining credit facilities.

The below table summarizes the dates of the accrual financial liabilities related to the company based on undiscounted contractual payments.

17- Financial Instruments Risk Management (Cont'd)

D) Liquidity risk (Cont'd)

Financial liabilities 30 June 2025	**Less than 3 months EGP**	**From 3 to 12 months EGP**	**From 1 to 5 years EGP**	**Total EGP**
Operating Lease Contracts	**-**	**3,966,851**	**23,301,993**	**27,268,844**
Due to related parties	**-**	**473,429,262**	**-**	**473,429,262**
Tax liabilities	**-**	**9,093,440**	**-**	**9,093,440**
Accrued expenses and other credit balances	**-**	**38,232,978**	**-**	**38,232,978**
Total undiscounted financial liabilities	**-**	**524,722,531**	**23,301,993**	**548,024,524**

Financial liabilities 31 December 2024	Less than 3 months EGP	From 3 to 12 months EGP	From 1 to 5 years EGP	Total EGP
Operating Lease Contracts	-	4,080,908	24,487,461	28,568,369
Due to related parties	-	448,539,429	-	448,539,429
Tax liabilities	-	7,730,126	-	7,730,126
Accrued expenses and other credit balances	-	34,310,903	-	34,310,903
Total undiscounted financial liabilities	-	494,661,366	24,487,461	519,148,827

18- Earnings Per Share

Earnings per share is based on a projected distribution, by dividing profit for the period by weighted average number of outstanding shares during the period as follows:

	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Profit for the period	**593,625,576**	823,273,259
Employee share (estimated)*	**(32,992,980)**	(26,247,170)
Board of directors' remuneration (estimated)*	**(46,373,781)**	(68,190,311)
Profit attributable to shareholders	**514,258,815**	728,835,778
Weighted average number of outstanding shares during the period	**1027228257**	1054552215
Earnings per share for the period	**0.50**	0.69

* Employees share and board of directors' remuneration in the dividend's distribution is calculated based on an estimated distribution project for the period's profit, for the purpose of calculating the earnings per share.

19- Key Sources for Uncertain Estimates

The Company makes future estimates and assumptions, the results of accounting estimates, as defined, are rarely equal to actual results, Estimates and assumptions with significant risks that could cause a material adjustment to the carrying amounts of assets and liabilities during the next financial year are indicated below:

Income taxes

The Company is subject to corporate tax, a provision for income tax is estimated using an expert opinion, any discrepancies between estimated and actual tax are reflected on provision for income tax and deferred tax for these years.

20- Related Parties Transactions

Related parties are sister companies, major shareholders, members of the board of directors and members of the top management of the Company or any company that controls or has a significant influence on the Company. Pricing policies and terms related to these transactions are approved by the Company's management.

20- Related Parties Transactions (Cont'd)

The transactions with related parties included in the separate interim statement of profit or loss are as follows:

Company	Affiliation	Nature of Transaction	For the six months ended 30 June 2025 EGP	For the six months ended 30 June 2024 EGP
Pioneers Securities Company	Related party	Finance expense	**5,637,031**	2,640,076
Universal for packaging Company	Subsidiary	Other revenue	**1,669,577**	1,026,591
Arab Diary Products Company	Subsidiary	Other revenue	**-**	6,335,215
Semow For Consulting Company	Subsidiary	Finance income	**-**	14,635,226
El Hessn for Consulting Company	Subsidiary	Finance income	**-**	19,996,292

The balances of related parties included in the separate interim statement of financial position are as follows:

Company	Affiliation	Item	30 June 2025 EGP	31 December 2024 EGP
Cairo For Housing & Real Estate Development Company	Related party	Deposits with others	**846,158**	846,158
Cairo For Housing & Real Estate Development Company	Related party	Lease liabilities	**27,268,844**	28,568,368
Cairo For Housing & Real Estate Development Company	Related party	Accrued expenses	**64,286**	-
Pioneers Securities Company	Related party	Brokerage companies' liabilities	**31,847,914**	32,417,166

21- Capital Commitments

None.

22- Significant Events

A. On 23 October 2024, Egyptian Accounting Standard No. 51 "Financial Statements in Hyperinflationary Economies" was issued by Prime Minister's Decree No. 3527 of 2024. This standard aims to assist in the revaluation of assets and liabilities in financial statements in a way that reflects the actual purchasing power of the currency, considering the impact of inflation. The company's management is monitoring the impact of applying this standard to study its effect on the separate financial statements. However, no instructions have been issued to apply this standard up to the date of issuance of the company's separate financial statements

B. On 17 April 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the credit and discount rate by 225 basis points, bringing it to 25.50%. subsequently, on May 22, 2025, the Central Bank of Egypt's Monetary Policy Committee decided to further cut the credit and discount rate by 100 basis points, reaching 24.50%, the company is currently studying the impact of these changes on its future financial statements.