

**GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
TOGETHER WITH AUDIT REPORT**

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

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Contents

	<u>Page</u>
Audit Report of Separate Financial Statements	2-3
Separate Statement of Financial Position	4
Separate Statement of Profit or Loss	5
Separate Statement of Comprehensive Income	6
Separate Statement of Changes in Equity	7
Separate Statement of Cash Flows	8
Notes to the Separate Financial Statements	9-28

Istanbouli, Abuelkassim, Hegazy, Fahmy

37, Street200, Degla, Maadi, Cairo, Egypt.
P.O Box: 250 Maadi

Tele. : +202 25192485
Email : info@uhy-united.com
Website: www.uhy-united.com

AUDITOR REPORT ON SEPARATE FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)

Report on the Separate Financial Statements

We have audited the accompanying Separate financial statements of **GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)**, which comprise the Separate statement of financial position as of 31 December 2025, and the separate statements of profit or loss, comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of **GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)**, as of 31 December 2025, and of its separate financial performance and its separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the company's articles of association and the financial statements agree with the company's records.

The financial information included in the General Managers' Report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, agree with the Company's books insofar as such information is recorded therein.



Cairo: 2 April 2026

M. Kassim
Auditor
Mohamed Ahmed Abu EL Kassim

FESAA
FEST
R.A.A. (17553)
EFSAR (359)
United For Auditing and Tax
(UHY – United)

SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2025

	Notes	31 December 2025 EGP	31 December 2024 EGP
ASSETS			
Non-current assets			
Fixed assets	(3)	5,055,784	4,892,040
Investments in subsidiaries	(4)	4,131,057,802	3,726,315,847
Right-of-use assets	(16-1)	17,448,457	21,268,269
Projects under construction	(6)	627,000	627,000
Deferred tax assets	(11)	25,454,276	24,259,323
Total non-current assets		4,179,643,319	3,777,362,479
Current assets			
Due from related parties	(5-A)	154,740,787	303,951,860
Prepayments and other debit balances	(7)	2,922,769	5,436,334
Cash on hand and at banks	(8)	99,049,819	50,336,423
Total current assets		256,713,375	359,724,617
TOTAL ASSETS		4,436,356,694	4,137,087,096
EQUITY AND LIABILITIES			
EQUITY			
Issued and paid-up capital	(9)	2,048,653,980	2,004,129,804
Treasury shares	(9)	(40,053,797)	(116,483,266)
Share Premium- Employees Share-Based Incentive Plan	(10)	215,579,387	-
Legal reserve		53,228,669	389,437
Revaluation surplus of fixed assets under equity method		284,768,815	-
Retained earnings		1,027,707,160	673,117,659
Profit for the year		357,649,366	1,056,784,635
TOTAL EQUITY		3,947,533,580	3,617,938,269
LIABILITIES			
Non-current liabilities			
lease liabilities - non-current portion	(16-2)	22,158,087	24,487,461
Total non-current liabilities		22,158,087	24,487,461
Current liabilities			
lease liabilities - current portion	(16-2)	3,619,947	4,080,908
Due to related parties	(5-B)	410,570,061	448,539,429
Tax liabilities		12,042,568	7,730,126
Accruals and other credit balances	(12)	40,432,451	34,310,903
Total current liabilities		466,665,027	494,661,366
TOTAL LIABILITIES		488,823,114	519,148,827
TOTAL LIABILITIES AND EQUITY		4,436,356,694	4,137,087,096

Group Chief Financial Officer



Ahmed Hamdy Helmy

Chief Executive Officer




Yasser Mohamed Zaki

- The accompanying notes from (1) to (26) are an integral part of these separate financial statements.
- Audit report "attached".


SEPARATE STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	31 December 2025 EGP	31 December 2024 EGP
Operations revenue	(13)	509,240,632	1,102,825,146
Operations cost	(14)	(125,923,862)	(17,646,076)
GROSS PROFIT		383,316,770	1,085,179,070
General and administrative expenses	(15)	(51,734,476)	(46,152,259)
Expected credit loss in due from related parties balance	(5-A)	(16,915,881)	(82,357,662)
Other revenue		34,669,577	93,819,805
OPERATING INCOME		349,335,990	1,050,488,954
Foreign exchange differences		2,264,486	(456,294)
Finance expense		(14,459,400)	(16,468,653)
Finance income		19,313,337	2,997,631
PROFIT BEFORE INCOME TAXES		356,454,413	1,036,561,638
Income taxes	(11)	1,194,953	20,222,997
PROFIT FOR THE YEAR		357,649,366	1,056,784,635
EARNINGS PER SHARE	(20)	0.06	0.18

Group Chief Financial Officer




Ahmed Hamdy Helmy



ش.م.م

Chief Executive Officer



Yasser Mohamed Zaki

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	31 December 2025	31 December 2024
	EGP	EGP
Profit for the year	357,649,366	1,056,784,635
Items related to comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>357,649,366</u>	<u>1,056,784,635</u>

- The accompanying notes from (1) to (26) are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Issued and Paid-up Capital	Treasury shares	Share Premium	General reserve	Legal reserve	Splitting process adjustments	Revaluation surplus of fixed assets under equity method	Retained earnings	Profit for the Year	Total
	EGP	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)
Capital Increase (Note 9)	85,870,196	-	-	-	-	-	-	-	-	85,870,196
Treasury shares (Note 9)	-	(40,053,797)	-	-	-	-	-	-	-	(40,053,797)
Treasury stocks retirement (Note 9)	(41,346,020)	116,483,266	-	-	-	-	-	(75,137,246)	-	-
Revaluation surplus of fixed assets under equity method (Note 4) *	-	-	-	-	-	-	284,768,815	-	-	284,768,815
Share Premium - Employees Share-Based Incentive Plan (Note 10)	-	-	215,579,387	-	-	-	-	(215,579,387)	-	-
Adjustments to retained earnings of subsidiaries (Note 4)	-	-	-	-	-	-	-	(242,117,093)	-	(242,117,093)
Profit for the year	-	-	-	-	-	-	-	-	357,649,366	357,649,366
Balance as of 31 December 2025	2,048,653,980	(40,053,797)	215,579,387	-	53,228,669	-	284,768,815	1,027,707,160	357,649,366	3,947,533,580
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 9)	-	(116,483,266)	-	-	-	-	-	-	-	(116,483,266)
Adjustments to retained earnings	-	-	-	-	-	-	-	(4,771,196)	-	(4,771,196)
Adjustments to retained earnings of subsidiaries (Note 4)	-	-	-	-	-	-	-	(323,015,875)	-	(323,015,875)
Profit for the year	-	-	-	-	-	-	-	-	1,056,784,635	1,056,784,635
Balance as of 31 December 2024	2,004,129,804	(116,483,266)	-	-	389,437	-	-	673,117,659	1,056,784,635	3,617,938,269

* 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 284,768,815 as revaluation surplus of fixed assets using the equity method.

- The accompanying notes from (1) to (26) are an integral part of these separate financial statements.

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

**SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	31 December 2025 EGP	31 December 2024 EGP
Cash flows from operating activities			
Profit before income taxes		356,454,413	1,036,561,638
Depreciation of fixed assets	(3)	914,132	844,285
Amortization of right-of-use assets	(16-1)	3,819,812	3,819,812
Expected credit loss in due from related parties balance	(5-A)	16,915,881	82,357,662
Impairment of investments in subsidiaries	(14)	120,547,045	17,646,076
Losses from sale of investments in associate and subsidiaries	(14)	5,376,817	-
Profit share from subsidiaries	(4)	(509,240,632)	(1,102,825,146)
Finance expense		14,459,400	16,468,653
Finance income		(19,313,337)	(2,997,631)
Operating (Loss) Profit before changes in working capital		(10,066,469)	51,875,349
Changes in due from related parties*		132,295,192	11,687,112
Changes in prepayments and other debit balances*		2,513,565	(2,728,710)
Changes in due to related parties*		(37,969,368)	53,875,343
Changes in tax liabilities		4,312,442	2,670,170
Changes in accruals and other credit balances		(4,918,153)	2,769,050
Net cash flows provided from operating activities		86,167,209	120,148,314
Cash flows from investing activities			
Payments to acquire fixed assets	(3)	(906,876)	(903,900)
Proceeds from the sale of investments in subsidiaries and associates		21,226,537	-
Projects under construction	(6)	(171,000)	(114,000)
Finance income received		19,313,337	2,997,631
Net cash flow provided from investing activities		39,461,998	1,979,731
Cash flows from financing activities			
Payments for lease liabilities		(2,790,335)	(2,084,312)
Payments under the capital increase	(9)	85,870,196	-
Payments to acquire treasury shares	(9)	(40,053,797)	(116,483,266)
Dividends paid		(116,522,176)	(35,008)
Finance expense paid		(3,419,699)	(3,719,457)
Net cash flows (used in) financing activities		(76,915,811)	(122,322,043)
Net change in cash and cash equivalent during the year		48,713,396	(193,998)
Foreign exchange difference related to cash and cash equivalent		-	1,088
Cash and cash equivalent – beginning of the year	(8)	50,336,423	50,529,333
Cash and cash equivalent – end of the year	(8)	99,049,819	50,336,423

- The accompanying notes from (1) to (26) are an integral part of these separate financial statements.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

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's registered address is: 5th Floor (above ground level), Building No. 231, Second District – Downtown Area, Fifth Settlement, New Cairo – Cairo.

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

The Company duration is 25 years starting from 5 September 2021 to 9 September 2046.

The separate financial statements for the year ended 31 December 2025 were approved by the Board of Directors resolution on 2 April 2026.

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 year is the same as in the previous years.

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 its 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 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 larger 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 larger 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 valued 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 values 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 value 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.

Gadwa For Industrial Development Company (S.A.E.)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

Translation Of Financial Statements
Originally Issued in Arabic

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 Year	-	-	171,000	-	-	-	-	171,000
Transferred from projects under construction (Note 6)	312,723	-	249,510	344,643	-	-	-	906,876
31 December 2025	<u>775,901</u>	<u>1,284,720</u>	<u>978,749</u>	<u>1,606,183</u>	<u>2,327,763</u>	<u>900,000</u>	<u>9,918</u>	<u>7,883,234</u>
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 Year (Note 15)	(35,817)	(160,590)	(77,432)	(173,416)	(285,885)	(180,000)	(992)	(914,132)
31 December 2025	<u>(97,451)</u>	<u>(455,866)</u>	<u>(204,617)</u>	<u>(522,022)</u>	<u>(1,023,758)</u>	<u>(520,611)</u>	<u>(3,125)</u>	<u>(2,827,450)</u>
Net book value								
As of 31 December 2025	<u>678,450</u>	<u>828,854</u>	<u>774,132</u>	<u>1,084,161</u>	<u>1,304,005</u>	<u>379,389</u>	<u>6,793</u>	<u>5,055,784</u>

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

Gadwa For Industrial Development Company (S.A.E.)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

Translation Of Financial Statements
Originally Issued in Arabic

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	<u>463,178</u>	<u>1,284,720</u>	<u>558,239</u>	<u>1,261,540</u>	<u>2,327,763</u>	<u>900,000</u>	<u>9,918</u>	<u>6,805,358</u>
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	<u>(61,634)</u>	<u>(295,276)</u>	<u>(127,185)</u>	<u>(348,606)</u>	<u>(737,873)</u>	<u>(340,611)</u>	<u>(2,133)</u>	<u>(1,913,318)</u>
Net book value								
As of 31 December 2024	<u>401,544</u>	<u>989,444</u>	<u>431,054</u>	<u>912,934</u>	<u>1,589,890</u>	<u>559,389</u>	<u>7,785</u>	<u>4,892,040</u>

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

4- Investments In Subsidiaries

	Nature	Share	31 December 2025 EGP	Share	31 December 2024 EGP
(1) Semow For Consulting Company (S.A.E)	Subsidiary	99.99%	1,184,826,854	99.99%	844,112,490
(2) El Hessn for Consulting Company (S.A.E) Arabian Company for Dairy Products (Arab Dairy) (S.A.E)	Subsidiary	99.65%	676,607,618	99.65%	670,862,852
(3) Giza Power for Manufacturing Company (S.A.E)	Subsidiary	36.22%	964,016,871	36.66%	874,944,159
(4) Electro Cable Egypt Company (S.A.E)	Subsidiary	0.00003%	3,625,136	0.00003%	3,625,136
(5) Universal For Papers and Packing Materials Company (Unipack) (S.A.E)	Subsidiary	25.29%	1,151,376,023	25.29%	1,105,115,116
(6) El Noor Pharmaceutical Company (S.A.E)	Subsidiary	33.54%	288,734,864	35.89%	245,238,613
(7) PFA For Consulting Company (S.A.E) Orange for pharmacies management Company (L.L.C.)	Subsidiary	60.00%	630	60.00%	630
(8) (L.L.C.)	Subsidiary	0.04%	62,827	0.04%	62,827
(9)	Subsidiary	0.1%	100	0.1%	100
			<u>4,269,250,923</u>		<u>3,743,961,923</u>
Impairment in investments in subsidiaries			<u>(138,193,121)</u>		<u>(17,646,076)</u>
			<u>4,131,057,802</u>		<u>3,726,315,847</u>

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

	31 December 2025 EGP	31 December 2024 EGP
Semow For Consulting Company	393,703,460	338,454,490
El Hessn for Consulting Company	53,851,575	360,450,245
Arabian Company for Dairy Products (Arab Dairy)	(69,506,005)	33,735,693
Electro Cable Egypt Company	126,816,625	336,462,776
Universal For Papers and Packing Materials Company (Unipack)	4,374,977	33,721,942
	<u>509,240,632</u>	<u>1,102,825,146</u>

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

	31 December 2025 EGP	31 December 2024 EGP
Semow For Consulting Company	(72,541,517)	(46,079,316)
El Hessn for Consulting Company	(94,208,152)	(126,031,200)
Arabian Company for Dairy Products (Arab Dairy)	4,257,737	(35,064,837)
Electro Cable Egypt Company	(80,555,718)	(113,724,243)
Universal For Papers and Packing Materials Company (Unipack)	930,557	(2,116,279)
	<u>(242,117,093)</u>	<u>(323,015,875)</u>

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

	31 December 2025 EGP
Semow For Consulting Company	19,552,420
El Hessn for Consulting Company	46,101,344
Arabian Company for Dairy Products (Arab Dairy)	164,822,578
Universal For Papers and Packing Materials Company (Unipack)	54,292,473
	<u>284,768,815</u>

The change in impairment of investments in subsidiaries is as follows:

	31 December 2025 EGP	31 December 2024 EGP
Beginning balance	17,646,076	-
Change during the Year	<u>120,547,045</u>	<u>17,646,076</u>
Ending balance	<u>138,193,121</u>	<u>17,646,076</u>

4- Investments In Subsidiaries (Cont'd)

- (1) 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 (46,079,316) 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 statement of profit or loss, At 31 December 2024, the investment value becomes EGP 844,112,490 for 49993750 shares, representing 99.99% of capital.
- (2) 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 (126,031,200) 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 statement of profit or loss, At 31 December 2024, the investment value becomes EGP 670,862,852 for 2516230 shares, representing 99.65% of capital.
- (3) 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 (35,064,837) 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 statement of profit or loss, At 31 December 2024, the investment value becomes EGP 874,944,159 for 183293734 shares, representing 36.66% of capital.

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.

During the year, the Company disposed of 2200000 shares, resulting in a direct ownership interest of 36.22%, representing a total of 181093734 shares as at the reporting date.

During the year, 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 120,547,045 on its investment in the Arabian Company for Dairy Products (Arab Dairy), bringing the total impairment balance as of 31 December 2025 to EGP 138,193,121.

- (4) 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, The investment value amounted EGP 3,625,136 for 10 shares, representing 0.00003% of capital.
- (5) 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 (113,724,243) 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 statement of profit or loss, At 31 December 2024, The investment value amounted EGP 1,105,115,116 for 838094470 shares, representing 25.29% of capital.
- (6) 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 (2,116,279) 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 statement of profit or loss, At 31 December 2024, The investment value amounted EGP 245,238,613 for 274149900 shares, representing 35.89% of capital.

During the year, Universal for Packaging Materials and Paper (Unipack) distributed 2 bonus shares for each original share, resulting in the Company's total shareholdings increasing to 822449700 shares. During the same year, the Company disposed of 54000000 shares, reducing its direct ownership interest to 33.54%, representing 768449700 shares.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

4- Investments In Subsidiaries (Cont'd)

- (7) 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, The investment value amounted EGP 630 for 600000 shares, representing 60% of capital.
- (8) 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, The investment value amounted EGP 62,827 for 6245 shares, representing 0.04% of capital.
- (9) 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, The investment value amounted EGP 100 for 100 shares, representing 0.10% of capital.

5- Due From / To Related Parties

A- Due from Related Parties	Affiliation	31 December 2025 EGP	31 December 2024 EGP
El Hessn for Consulting Company	Subsidiary	-	204,992,863
El Noor Pharmaceutical Company	Subsidiary	99,204,300	83,454,300
Arabian Company for Dairy Products (Arab Dairy)	Subsidiary	44,885,858	5,594,084
Semow For Consulting Company	Subsidiary	111,902,314	94,246,417
		255,992,472	388,287,664
Expected credit loss in due from related parties balance		(101,251,685)	(84,335,804)
		154,740,787	303,951,860

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

	31 December 2025 EGP	31 December 2024 EGP
Beginning balance	84,335,804	1,978,142
Charged during the Year	16,915,881	82,357,662
Ending balance	101,251,685	84,335,804

B- Due to Related Parties	Affiliation	31 December 2025 EGP	31 December 2024 EGP
Pioneers Properties for Urban Development Company	Related party	115,976,693	448,369,512
PFA for Consulting Company	Subsidiary	161,085,862	-
El Hessn for Consulting Company	Subsidiary	133,372,860	-
Shareholders current account	Shareholders	134,646	169,917
		410,570,061	448,539,429

6- Projects Under Construction

	1 January 2024 EGP	Additions during the year EGP	Transferred to fixed assets (Note 3) EGP	31 December 2025 EGP
Projects Under Construction	627,000	171,000	(171,000)	627,000
	627,000	171,000	(171,000)	627,000

7- Prepayments And Other Debit Balances

	31 December 2025 EGP	31 December 2024 EGP
Deposits with others	846,158	846,158
Employee's custodies and trusts	1,861,100	116,368
Amounts paid to employees under dividends distributions	-	4,122,854
Other debit balances	215,511	350,954
	2,922,769	5,436,334

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

8- Cash On Hand and At Banks

	31 December 2025	31 December 2024
	EGP	EGP
Local Currency		
Cash on hand	2,263	174,676
Current accounts	847,556	159,185
Deposits less than 3 months	98,200,000	50,000,000
	<u>99,049,819</u>	<u>50,333,861</u>
Foreign Currency		
Current accounts	-	2,562
	<u>-</u>	<u>2,562</u>
	<u>99,049,819</u>	<u>50,336,423</u>

9- 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.

On 3 June 2025, the Company's Extraordinary General Assembly decided to reduce the company's share capital from EGP 2,004,129,804 to EGP 1,962,783,784, representing a reduction of EGP 41,346,019, through the cancellation of treasury shares that had been held for more than three months, totalling 21761063 shares. The procedures were completed and recorded in the Commercial Registry on July 16, 2025

On 3 June 2025, the Company's Extraordinary General Assembly decided to increase the company's share capital from EGP 1,962,783,784 to EGP 2,048,653,980, representing an increase of EGP 85,870,196 through the issuance of 45194840 shares at their par value. The capital increase was fully paid by the beneficiaries of the share-based incentive plan. The procedures were completed and recorded in the Commercial Registry on 22 September 2025.

On 25 September 2025, the Extraordinary General Assembly of the company resolved to split the par value of the share from EGP 1.9 per share to EGP 0.38 per share, so that the issued capital became EGP 2,048,653,980, divided on 5,391,194,685 shares, with a par value of EGP 0.38 per share.

During the Year, the company purchased treasury shares in accordance with the Board of Directors' resolution issued on 14 January 2025. The number of treasury shares purchased up to 31 December 2025 amounted to 38435000 shares, at a value of EGP 40,053,797.

The capital structure is as follows:

	Percentage	Number of shares	Value
	%		EGP
Walid Mohamed Zaki	25.72%	1386398650	526,831,487
Abdelkader Elmohedeb And Sons Company	13.93%	750823750	285,313,025
Taha Ibrahim Mostafa Mohamed Eltelbani	9.86%	531724605	202,055,350
Hossam Mohamed Zaki Ibrahim	3.53%	190436180	72,365,748
Hesham Ali Shoukry Hafez	6.92%	373218830	141,823,155
EGYCAP Investments Ltd.	6.48%	349529485	132,821,204
Nawaf bin Abdullah bin Ibrahim bin Dayel	4.08%	220033325	83,612,664
Remouz Development Company	6.70%	361299838	137,293,938
Other shareholders	22.77%	1227730022	466,537,409
Total	<u>100%</u>	<u>5391194685</u>	<u>2,048,653,980</u>

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

10- Share Premium- Employees and Managers Share-Based Incentive Plan

The Company Extraordinary General Assembly approved the employees and managers share based incentive plan which was approved by the Financial Regulatory Authority.

On 3 June 2025, the Company's Extraordinary General Assembly decided to increase the company's share capital from EGP 1,962,783,784 to EGP 2,048,653,980, representing an increase of EGP 85,870,196 through the issuance of 45194840 shares at their par value. The capital increase was fully paid by the beneficiaries of the share-based incentive plan for previous years of service. The procedures were completed and recorded in the Commercial Registry on 22 September 2025, the fair value of the share on that date amounted to EGP 6.67 per share, resulting in a share premium related to the Employees and Managers Share-Based Incentive Plan amounting to EGP 215,579,387, which was charged to retained earnings.

11- Income Taxes

Deferred Tax	31 December 2025	31 December 2024
	EGP	EGP
Beginning balance – Asset	24,259,323	2,651,140
Adjustments to deferred tax	-	1,385,186
Deferred tax for the Year – Asset	<u>1,194,953</u>	<u>20,222,997</u>
Ending balance – Asset	<u>25,454,276</u>	<u>24,259,323</u>
 Income Taxes	 31 December 2025	 31 December 2024
	EGP	EGP
Deferred income tax – (revenue) expense	<u>(1,194,953)</u>	<u>(20,222,997)</u>
	<u>(1,194,953)</u>	<u>(20,222,997)</u>
 Reconciliation of effective income tax rate	 31 December 2025	 31 December 2024
	EGP	EGP
Profit before income taxes	356,454,413	1,036,561,638
Adjustments		
Add:		
Amounts that are not considered deductible costs	154,745,701	126,421,290
Deducted:		
Amounts considered deductible costs	<u>(518,924,611)</u>	<u>(1,209,769,764)</u>
Adjusted taxable net (loss)/profit	<u>(7,724,497)</u>	<u>(46,786,836)</u>
Income tax- 22.5%	-	-
Effective tax rate	<u>%0.00</u>	<u>%0.00</u>

12- Accruals And Other Credit Balances

	31 December 2025	31 December 2024
	EGP	EGP
Accrued expenses	558,424	569,751
Brokerage companies' liabilities	33,761,782	32,417,166
Other credit balances	<u>6,112,245</u>	<u>1,323,986</u>
	<u>40,432,451</u>	<u>34,310,903</u>

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

13- Operations Revenue

	31 December 2025	31 December 2024
	EGP	EGP
Profit share from investment in subsidiaries (Note 4)	<u>509,240,632</u>	<u>1,102,825,146</u>
	509,240,632	1,102,825,146

14- Operation Cost

	31 December 2025	31 December 2024
	EGP	EGP
Impairment of investments in subsidiaries	120,547,045	17,646,076
Losses from sale of investments in associate and subsidiaries	<u>5,376,817</u>	<u>-</u>
	125,923,862	17,646,076

15- General And Administrative Expenses

	31 December 2025	31 December 2024
	EGP	EGP
Salaries and wages	35,608,606	26,148,285
Registrations and other fees	1,488,363	2,389,291
Depreciation of fixed assets (Note 3)	914,132	844,285
Amortization of right-of-use assets (Note 16-1)	3,819,812	3,819,812
Other expenses	<u>9,903,563</u>	<u>12,950,586</u>
	51,734,476	46,152,259

16- 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

	31 December 2025	31 December 2024
	Buildings	Buildings
	EGP	EGP
Cost		
Beginning balance	<u>33,741,671</u>	<u>33,741,671</u>
Ending balance	33,741,671	33,741,671
Accumulated Amortization		
Beginning balance	(12,473,402)	(8,653,590)
Amortization for the Year (Note 15)	<u>(3,819,812)</u>	<u>(3,819,812)</u>
Ending balance	(16,293,214)	(12,473,402)
Net book value at Year end	17,448,457	21,268,269

2- Lease liabilities

	31 December 2025	31 December 2024
	Operating Lease	Operating Lease
	EGP	EGP
Lease liability - non-current portion	22,158,087	24,487,461
Lease liability - current portion	<u>3,619,947</u>	<u>4,080,908</u>
Liability balance	25,778,034	28,568,369

17- Tax Position

Corporate tax

- The Company was established in September 2021 and submitted tax returns on the legal dates to year 2024 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.

17- Tax Position (Cont'd)

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.

18- Legal Position

There is no pending or filed lawsuits for or against Gadwa Industrial Development Company – (S.A.E) till 31 December 2025.

19- 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.

19- Financial Instruments Risk Management (Cont'd)

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 financial statements amounted to:

Currency	31 December 2025	31 December 2024
	Net EGP	Net EGP
US Dollar	(19,062,680)	(16,225,261)

Currency	31 December 2025		31 December 2024	
	Change percentage %	Effects on the profit before tax EGP	Change percentage %	Effects on the profit before tax EGP
US Dollar	10%+	(1,906,268)	10%+	(1,622,526)
US Dollar	10%-	1,906,268	10%-	1,622,526

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 31 December 2025 amounted to EGP 25,778,034 (as of 31 December 2024, the amount of EGP 28,568,369). The total interest charged on those liabilities during the Year ended on 31 December 2025 amounted to EGP 3,419,699 (as of 31 December 2024, amounted to EGP 3,719,457 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:

	31 December 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%	257,780	+1%	285,684
	-1%	(257,780)	-1%	(285,684)

D) 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.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

19- Financial Instruments Risk Management (Cont'd)

E) 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 using 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.

Financial liabilities	Less than 3 months EGP	From 3 to 12 months EGP	From 1 to 5 years EGP	Total EGP
31 December 2025				
Operating Lease Contracts	-	3,619,947	22,158,087	25,778,034
Due to related parties	-	410,570,061	-	410,570,061
Tax liabilities	-	12,042,568	-	12,042,568
Accrued expenses and other credit balances	-	40,432,451	-	40,432,451
Total undiscounted financial liabilities	-	<u>466,665,027</u>	<u>22,158,087</u>	<u>488,823,114</u>

Financial liabilities	Less than 3 months EGP	From 3 to 12 months EGP	From 1 to 5 years EGP	Total EGP
31 December 2024				
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	-	<u>494,661,366</u>	<u>24,487,461</u>	<u>519,148,827</u>

20- Earnings Per Share

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

	31 December 2025 EGP	31 December 2024 EGP
Profit for the year	357,649,366	1,056,784,635
Employee share (estimated)*	(31,603,348)	(26,148,285)
Board of directors' remuneration (estimated)*	<u>(23,733,420)</u>	<u>(90,373,891)</u>
Profit attributable to shareholders	302,312,598	940,262,459
Weighted average number of outstanding shares during the year	<u>5193954785</u>	<u>5229942080</u>
Earnings per share for the year	<u>0.06</u>	<u>0.18</u>

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

21- 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.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

22- 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.

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

Company	Affiliation	Nature of Transaction	31 December 2025 EGP	31 December 2024 EGP
Universal for packaging Company	Subsidiary	Other revenue	1,669,577	1,026,591
Pioneers Securities Company	Related party	Finance expense	11,039,701	12,749,196
Aspire Capital Holding Company for Financial Investments	Related party	Registrations and other fees	236,211	1,440,803
Electro Cable Egypt Company	Subsidiary	Other revenue	33,000,000	-
Arab Dairy Products Company	Subsidiary	Other revenue	-	6,335,215

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

Company	Affiliation	Item	31 December 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	25,778,034	28,568,368
Cairo For Housing & Real Estate Development Company	Related party	Other debit balance Brokerage companies' liabilities	193,312	-
Pioneers Securities Company	Related party		33,761,782	32,417,166

23- Capital Commitments

None.

24- Professional Fees

In accordance with the instructions of the Financial Regulatory Authority under Decision No. 26 of 2026, the annual audit fees of the external auditor amounted to 198,000 EGP.

25- Significant Events

A. 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 22 May 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%, on 28 August 2025, the Central Bank of Egypt's Monetary Policy Committee decided to further cut the credit and discount rate by 200 basis points, reaching 22.50%, on 2 October 2025, the Central Bank of Egypt's Monetary Policy Committee decided to further cut the credit and discount rate by 100 basis points, reaching 21.50%, on 25 December 2025, the Central Bank of Egypt's Monetary Policy Committee decided to further cut the credit and discount rate by 100 basis points, reaching 20.50%, the company is currently studying the impact of these changes on its future financial statements.

26- Subsequent Events

- A. On 12 February 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit rate, the overnight lending rate, and the rate of the Central Bank's main operation by 100 basis points to 19.00%, 20.00%, and 19.50%, respectively. The Committee also decided to cut the credit and discount rate by 100 basis points to reach 19.50%. This decision reflects the Committee's assessment of the latest inflation developments and its outlook since the previous meeting.
- B. After the date of the financial statements, the region witnessed an escalation in geopolitical tensions between the United States of America and Iran, along with resulting military and political developments that may have implications for the global and regional economy. These developments could potentially lead to disruptions in global supply chains, particularly regarding increased shipping, insurance, and transportation costs, in addition to possible fluctuations in energy and basic commodity prices.

These events may also place pressure on foreign exchange markets, including potential volatility in the exchange rate of the U.S. dollar against other currencies, including the Egyptian pound, which may affect import costs and the prices of certain inputs used in the company's operations.

The company's management is continuously monitoring these developments to assess any potential financial impacts on the company's operations and financial position. As of the date of approval of the financial statements, management has not been able to determine the precise financial impact of these events on future financial statements.