

EFG Holding Company
(Egyptian Joint Stock Company)

Separate financial statements
for the year ended December 31, 2025
&
Auditor's Report

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Hazem Hassan

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Auditor's Report

To the shareholders of EFG Holding Company

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of EFG Holding Company (Egyptian Joint Stock Company) which comprise the separate statement of financial position as at December 31, 2025 and the separate statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the separate Financial Statements

These separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; management 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 the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.



Hazem Hassan

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

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

Opinion

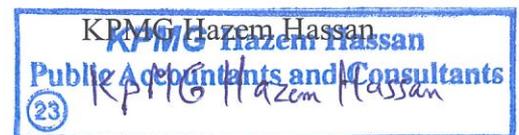
In our opinion, the separate financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of EFG Holding Company as of December 31, 2025 and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company and the financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

Cairo, March 18 , 2026



EFG Holding company
(Egyptian Joint Stock Company)
Translation of financial statements originally issued in Arabic
Separate statement of financial position

	Note no.	31/12/2025	31/12/2024
<i>(in EGP Thousands)</i>			
Assets			
Non - current assets			
Investments at fair value through OCI	(13)	143 658	1 324 946
Loans to subsidiaries	(11,30)	7 529 874	1 680 000
Investment property	(14)	82 463	87 960
Investments in subsidiaries	(15)	10 599 959	6 779 031
Fixed assets	(16)	300 753	239 596
Intangible assets	(17)	26 046	9 266
Total non - current assets		<u>18 682 753</u>	<u>10 120 799</u>
Current assets			
Cash and cash equivalents	(3)	882 796	1 725 533
Investments at fair value through profit and loss	(4)	2 827 124	6 883 540
Investments at fair value through OCI	(13)	1 110 574	-
Due from subsidiaries & related parties	(5)	2 670 189	5 848 065
Other debit balances	(6)	187 650	286 994
Current portion of loans to subsidiaries	(11,30)	1 294 442	420 000
Total current assets		<u>8 972 775</u>	<u>15 164 132</u>
Total assets		<u>27 655 528</u>	<u>25 284 931</u>
Equity			
Issued & paid - in capital	(18)	7 179 465	7 298 030
Legal reserve		993 689	993 689
Other reserves		1 906 242	1 868 552
Treasury shares	(18-1)	-	(399 975)
Equity settled share- based payment	(18-21)	121 558	364 672
Retained earnings		1 151 123	618 557
Total equity		<u>11 352 077</u>	<u>10 743 525</u>
Liabilities			
Non - current liabilities			
Deferred tax liabilities	(23)	581 918	1 571 301
Loans from subsidiaries	(12-30)	884 040	300 000
Finance lease liabilities	(25)	1 894 775	-
Total non - current liabilities		<u>3 360 733</u>	<u>1 871 301</u>
Current liabilities			
Current portion of loans from subsidiaries	(12-30)	345 220	-
Banks' overdraft	(8)	6 086 136	6 520 169
Due to subsidiaries & related parties	(7)	4 045 554	3 839 175
Creditors and other credit balances	(9)	1 665 474	1 718 752
Claims provision	(10)	589 804	592 009
Current portion of finance lease liabilities	(25)	210 530	-
Total current liabilities		<u>12 942 718</u>	<u>12 670 105</u>
Total liabilities		<u>16 303 451</u>	<u>14 541 406</u>
Total equity and liabilities		<u>27 655 528</u>	<u>25 284 931</u>

The accompanying notes and accounting policies from page (6) to page (47) are an integral part of these financial statements and are to be read therewith.


Mona Zulficar
Chairperson


Karim Awad
Group Chief Executive Officer

Auditor's Report attached

A3
A.1

EFG Holding Company
(Egyptian Joint Stock Company)
Translation of financial statements originally issued in Arabic
Separate income statement

<i>(in EGP Thousands)</i>	Note no.	For the year ended 31/12/2025	For the year ended 31/12/2024
Revenues			
Dividends income	(20)	3 818 965	27 112
Custody activity income		94 400	93 216
Treasury bills and bonds interest	(13)	209 327	207 200
Interest income	(29)	479 469	417 574
Gain from sale of fixed asset		4 413	103
Other income	(26-30)	233 440	163 836
Gain on sale / redemptions of financial investments	(27)	240 932	24 131
Reversal of impairment on assets	(3)	-	264
Total revenues		<u>5 080 946</u>	<u>933 436</u>
Expenses			
Finance cost	(30)	(1 967 456)	(1 342 538)
General administrative expenses	(21)	(2 279 881)	(2 119 319)
Foreign currencies exchange differences		(215 298)	370 270
Net changes in the fair value of investments at fair value through profit and loss	(4)	(466 924)	2 938 526
Fixed assets depreciation	(16)	(36 349)	(27 948)
Investment property depreciation	(14)	(5 497)	(5 497)
Intangible assets amortization	(17)	(4 195)	(4 373)
Impairment Loss of Assets	(3)	(24)	-
Provisions	(10)	-	(329 526)
Bad debts		(240 000)	-
Total expenses		<u>(5 215 624)</u>	<u>(520 405)</u>
Profit before tax		(134 678)	413 031
Current income tax		(44 101)	(43 120)
Deferred tax	(23)	987 056	(715 646)
Profit (Loss) for the year		<u>808 277</u>	<u>(345 735)</u>
Earnings Per Share (EGP)	(28)	<u>0.56</u>	<u>(0.24)</u>

The accompanying notes and accounting policies from page (6) to page (47) are an integral part of these financial statements and are to be read therewith.

EFG Holding Company
(Egyptian Joint Stock Company)
Translation of financial statements originally issued in Arabic
Separate statement of comprehensive income

<i>(in EGP Thousands)</i>	For the year ended 31/12/2025	For the year ended 31/12/2024
Profit (loss) for the year	808 277	(345 735)
Other comprehensive income:		
Investments at fair value through OCI - net change in fair value	(10 341)	269 352
Tax related to comprehensive income items	2 327	(60 604)
Other comprehensive income	<u>(8 014)</u>	<u>208 748</u>
Total comprehensive income for the year	<u><u>800 263</u></u>	<u><u>(136 987)</u></u>

The accompanying notes and accounting policies from page (6) to page (47) are an integral part of these financial statements and are to be read therewith.

EFG Holding Company

(Egyptian Joint Stock Company)

Translation of financial statements originally issued in Arabic

Separate statement of changes in equity

	Attributable to owners of the Company									Total equity
	Issued & paid-in capital	Legal reserve	Other reserves				Treasury Shares	Equity settled share-based payment	Retained Earnings	
			General reserve	Share premium	Fair value- Investments at fair value through OCI	Revaluation surplus of fixed assets transferred to investment property				
<i>(in EGP Thousands)</i>										
Balance as at 31 December, 2023	7 298 030	972 345	158	1 668 624	(152 579)	14 387	-	419 947	985 308	11 206 220
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	-	(345 735)	(345 735)
Other comprehensive income items	-	-	-	-	208 748	-	-	-	328	209 076
Total comprehensive income	-	-	-	-	208 748	-	-	-	(345 407)	(136 659)
Transactions with owners of the Company										
Equity settled share- based payment	-	-	-	-	-	-	-	73 939	-	73 939
Transferred to legal reserve	-	-	-	129 214	-	-	-	(129 214)	-	-
Dividends	-	21 344	-	-	-	-	-	-	(21 344)	-
Change revaluation surplus of investment property	-	-	-	-	-	-	(399 975)	-	-	(399 975)
Balance as at 31 December, 2024	7 298 030	993 689	158	1 797 838	56 169	14 387	(399 975)	364 672	618 557	10 743 525
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	-	808 277	808 277
Other comprehensive income items	-	-	-	-	(8 014)	-	-	-	96 869	88 855
Total comprehensive income	-	-	-	-	(8 014)	-	-	-	905 146	897 132
Transactions with owners of the Company										
Equity settled share- based payment	-	-	-	-	-	-	-	(243 114)	-	(243 114)
Transferred to share premium reserve	-	-	-	327 114	-	-	-	-	-	327 114
Writing off treasury shares	(118 565)	-	-	(281 410)	-	-	399 975	-	-	-
Transferred to legal reserve	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(372 580)	(372 580)
Balance as at 31 December, 2025	7 179 465	993 689	158	1 843 542	48 155	14 387	-	121 558	1 151 123	11 352 077

The accompanying notes and accounting policies from page (6) to page (47) are an integral part of these financial statements and are to be read therewith.

EFG Holding Company
(Previously EFG Hermes Holding Company)
(Egyptian Joint Stock Company)
Separate statement of cash flows

	Note no.	For the year ended 31/12/2025	For the year ended 31/12/2024
<i>(in EGP Thousands)</i>			
Cash flows from operating activities			
Profit before tax		(134 678)	413 031
Adjustments for :			
Gain from sale of fixed assets		(4 413)	(103)
Fixed assets depreciation	(16)	36 349	27 948
Investment property depreciation	(14)	5 497	5 497
Intangible assets amortization	(17)	4 195	4 373
Reversal of impairment on assets		-	(264)
Impairment loss on assets		24	-
Provisions formed		-	329 526
Provisions used	(10)	(2 205)	(1 460)
Net changes in the fair value of investments at fair value through profit and loss		466 924	(2 938 526)
Gains on sale / redemptions of financial investement		(240 932)	(24 131)
Treasury bills and bonds interests		(209 327)	(207 200)
Interest income		(479 469)	(417 574)
Finance cost		1 967 456	1 342 538
Foreign currencies exchange differences		215 298	(370 270)
Equity settled share- based payment		27 532	29 427
		<u>1 652 251</u>	<u>(1 807 188)</u>
Change in			
Investments at fair value through profit and loss		3 589 492	-
Due from subsidiaries and related parties		2 850 943	(212 764)
Other debit balances		62 803	(59 518)
Due to subsidiaries and related parties		289 565	699 234
Creditors and other credit balance		(20 694)	821 613
Income tax paid		(44 101)	(75 244)
Net cash used in operating activities		<u>8 380 259</u>	<u>(633 867)</u>
Cash flows from investment activities			
Payments to purchase of fixed assets	(16)	(97 679)	(41 783)
Proceeds from sale of fixed assets	(16)	4 586	149
Payments to purchase intangible assets	(17)	(20 975)	(2 846)
Proceeds from interest income		688 788	769 222
Payments for loans to subsidiaries		(13 176 137)	(4 461 320)
Proceeds from loans to subsidiaries		6 423 099	2 386 084
Proceeds from loans from subsidiaries		4 776 603	1 875 000
Payments for loans from subsidiaries		(3 810 032)	(1 575 000)
Payments to purchase Investments at fair value through OCI		-	(789 449)
Proceeds from sale of Investments at fair value through OCI		159 835	1 634 037
Payments to purchase investments in subsidiaries		(3 848 582)	-
Net cash provided from investment activities		<u>(8 900 494)</u>	<u>(205 906)</u>
Cash flows from financing activities			
Dividends payout		-	(142 451)
Payments for Purchasing of Treasury Shares		-	(399 975)
Payments for finance expense		(1 953 737)	(1 335 275)
Proceeds from finance lease liabilities		2 105 305	-
Payments for finance lease liabilities		-	(63 823)
Net cash used in financing activities		<u>151 568</u>	<u>(1 941 524)</u>
Net change in cash and cash equivalents during the period		(368 667)	(2 781 297)
Cash and cash equivalents at the beginning of the period	(22)	<u>(4 834 495)</u>	<u>(2 013 185)</u>
Cash and cash equivalents at the end of the period	(22)	<u>(5 203 162)</u>	<u>(4 794 482)</u>

Non-cash transactions:

An amount of EGP Thousands 409 384 has been eliminated from both proceeds from sale of investments in subsidiaries and due to subsidiaries and related parties.

An amount of EGP Thousands 140 944 has been eliminated from both payments to purchase investments in subsidiaries and due to subsidiaries and related parties.

An amount of EGP Thousands 335 322 has been eliminated from both dividends payout and due to subsidiaries and related parties.

An amount of EGP Thousands 37 258 has been eliminated from both dividends payout and creditors and other credit balances.

The accompanying notes and accounting policies from page (6) to page (47) are an integral part of these financial statements and are to be read therewith.

EFG Holding Company

(Egyptian Joint Stock Company)

Translation of financial statements originally issued in Arabic

For the year ended December 31, 2025

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

1- Description of business

1-1 Legal status

EFG Holding S.A.E “The Company” is an Egyptian Joint Stock Company subject to the provisions of the Capital Market Law No.95 of 1992 and its executive regulations. The Company’s registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo Alexandria Desert Road, 6 October, Egypt.

The name of the company have been changed to EFG Holding based of the General Assembly’s approved dated May 24, 2023 and was reflected in the commercial register on June 14, 2023.

1-2 Purpose of the company

- EFG Holding is a premiere financial services corporation that offers diverse investment banking services including securities brokerage, investment banking, asset management and private equity, in addition to its non-banking financial products, including leasing, micro-finance, factoring, securitization, collection and Sukuk.
- The purpose of the company includes participation in the establishment of companies that issue securities or in increasing their share capital, custody activities and margin trading.

2- Basis of preparation

2-1 Statement of compliance

- These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- The financial statements were authorized for issue in accordance with a resolution of the board of directors on 17 March 2026.

2-2 Functional and presentation currency

These financial statements are presented in Egyptian Pounds (EGP), which is the Company’s functional currency and all the financial data presented are in Egyptian Pounds (EGP).

2-3 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

- Estimates and assumptions about them are reviewed on regular basis.
- The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

2-4 Consolidated financial statements

The Company has subsidiaries and according to the Egyptian Accounting Standard No. 42 "consolidated financial statements" and the article No. 188 of the executive regulation of law No. 159-1981, the Company is required to prepare consolidated financial statements which present fairly the financial position, the result of operations and cash flows for the group as a whole.

3- Cash and cash equivalents

	31/12/2025	31/12/2024
Cash on hand	723	430
Banks - current accounts	763 001	1 177 701
Banks - time deposits	119 250	547 556
Total	882 974	1 725 687
Deduct: Impairment loss	(178)	(154)
Balance	882 796	1 725 533

4- Investments at fair value through profit and loss

	31/12/2025	31/12/2024
Mutual fund certificates	2 823 693	6 880 021
Equity securities	3 431	3 519
Balance	2 827 124	6 883 540

5- Due from subsidiaries & related parties

	31/12/2025	31/12/2024
EFG- Hermes Advisory Inc.	1 878 446	3 562 918
Fleming CIIC Holding	22 769	29 902
EFG- Hermes IB Limited	--	463 590
EFG- Hermes IFA Financial Brokerage	5 282	16 450
EFG- Hermes KSA	--	4 663
EFG Hermes Fund Management	69 779	121 254
EFG- Hermes Holding – Lebanon	--	6 563
EFG- Hermes USA	--	180
EFG – Hermes Brokerage Holding Ltd	--	533 942
EFG- Hermes Brokerage – UAE LLC.	44 473	29 473
OLT Investment International S.A.B	--	5 358
EFG Hermes FI Limited	--	119 763
Beaufort Asset Management Company	--	9 071
EFG International Treasury Management limited (Previously EFG Hermes PE Holding LLC)	167 087	154 659
EFG Finance Holding	--	820 261
Hermes portfolio & fund management	2 668	7 306
VA LTIP SPV 2 Limited (Previously EFG IB Investco Limited)	--	1 991
VA LTIP Holdco 2 Limited (Previously EFG IB Holdco Limited)	--	1 883
EFG- Hermes Global CB Holding Limited	3 369	1 913
EFG Hermes for Sukuk	448	167
EFG Mena Securities Ltd.	655	689
EFG Hermes PE Holdco limited	--	38 179
EFG Hermes PE Holding limited	401 775	--
EFG-Hermes International Securities Brokerage	134 864	--
EFG-Hermes Digital Solution	20 684	--
Total	<u>2 752 299</u>	<u>5 930 175</u>
Impairment *	(82 110)	(82 110)
Balance	<u>2 670 189</u>	<u>5 848 065</u>

* The impairment amount deducted represents impairment in Fleming CIIC Holding and EFG Hermes Fund Management.

6- Other debit balances

	31/12/2025	31/12/2024
Accrued revenues	52 412	29 042
Taxes withheld by others	8 840	6 599
Deposits with others	11 484	1 484
Prepaid expenses	27 978	25 938
Employees advances	12 419	6 997
Down payments to suppliers	26 454	195 409
Sundry debtors	48 063	21 525
	<hr/>	<hr/>
Balance	187 650	286 994
	<hr/> <hr/>	<hr/> <hr/>

7- Due to subsidiaries & related parties

	31/12/2025	31/12/2024
Arab Visual Company	1 251	1 251
Hermes Corporate Finance Co.	8 016	8 316
EFG- Hermes Fixed Income	5 245	5 544
EFG Hermes securitization	2 347	2 640
EFG- Hermes Syria LTD	7 912	7 912
EFG- Hermes – Lebanon – S.A.L.	--	281 754
EFG-Hermes International Securities Brokerage	--	24 475
EFG - Hermes Promoting & Underwriting	398 382	431 019
EFG - Hermes Int. Fin Corp	2 080	791 407
EFG- Hermes Private Equity – BVI	--	3 178
EFG securitization	5 318	5 618
Bayonne Enterprises Ltd.	1 168 344	2 063 797
Hermes securities brokerage	454 798	168 027
EFG Hermes SP Limited	--	34 974
EFG Hermes IB Holding Limited	--	6 369
EFG Hermes for digital solutions	--	2 894
EFG Hermes IB Limited	1 932 824	--
EFG- Hermes USA	4 499	--
EFG- Hermes Finance	46 312	--
EFG Hermes PE Holdco limited	8 226	--
	<hr/>	<hr/>
	4 045 554	3 839 175
	<hr/> <hr/>	<hr/> <hr/>

8- Bank overdraft

Banks overdraft includes the credit facilities granted from one of the banks which represents the following:

- A pledged Treasury bills contract has been signed to obtain a credit facility. The balance of facility as of 31 December, 2025 is EGP Thousands 1 066 264.

9- Creditors and other credit balances

	31/12/2025	31/12/2024
Social Insurance Authority	1 326	1 141
Accrued expenses	1 096 038	1 231 237
Clients' coupons - custody activity	257 604	203 474
Unearned revenues	12 211	94 298
Medical Takaful Insurance Tax	12 633	10 559
Sundry credit balances	192 895	151 966
Tax Authority	55 509	26 077
Dividends Payable	37 258	--
	<hr/>	<hr/>
Balance	1 665 474	1 718 752
	<hr/> <hr/>	<hr/> <hr/>

10- Claims provision

	31/12/2025	31/12/2024
Balance at the beginning of the period / year	592 009	263 943
Amounts formed during the period / year	--	329 526
Amounts used during the period / year	(2 205)	(1 460)
	<hr/>	<hr/>
Balance at the end of the period / year	589 804	592 009
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11- Loans to subsidiaries

Company's name	Currency	Loan Value	Loan date	Maturity date	Balance in 31/12/2025	Balance in 31/12/2024
EFG Corp Solutions	EGP	550 million	22/7/2024	21/7/2029	--	400 000
EFG Corp Solutions	EGP	300 million	31/12/2024	30/12/2029	--	300 000
TANMEYA for micro finance	EGP	200 million	7/8/2024	6/8/2029	--	200 000
TANMEYA for micro finance	EGP	400 million	28/9/2025	27/9/2030	400 000	--
EFG Finance Holding	EGP	500 million	26/8/2024	25/8/2029	45 000	50 000
EFG Finance Holding	EGP	600 million	18/11/2024	17/11/2029	--	600 000
U Consumer Finance	EGP	250 million	18/9/2024	17/8/2029	--	250 000
U Consumer Finance	EGP	100 million	16/10/2024	15/10/2029	--	100 000
U Consumer Finance	EGP	150 million	27/10/2024	26/10/2029	--	150 000
U Consumer Finance	EGP	200 million	18/3/2025	17/3/2030	--	--
EFG Finance Holding	EGP	300 million	14/5/2025	13/5/2030	--	--
EFG Finance Holding	EGP	600 million	27/5/2025	26/5/2030	--	--
EFG Finance Holding	EGP	100 million	21/9/2025	20/9/2030	--	--
EFG Corp Solutions	USD	3.6 million	13/5/2025	12/5/2030	--	--
EFG Corp Solutions*	USD	1 million	14/5/2025	13/5/2030	--	--
EFG Corp Solutions	USD	9 million	29/9/2025	28/9/2030	--	--
EFG Corp Solutions	USD	2.3 million	30/12/2025	29/12/2030	109 710	--
EFG Corp Solutions	USD	20 million	30/6/2025	29/6/2030	--	--
EFG Corp Solutions	USD	6 million	28/8/2025	27/8/2030	--	--
EFG International Treasury Management LTD	USD	75 million	1/10/2025	30/9/2030	3 577 500	--
Bayonne Enterprises Limited	USD	73.3 million	1/12/2025	30/11/2030	3 499 606	--
EFG Finance B.V	USD	25 million	29/12/2025	13/1/2026	1 192 500	--
U Consumer Finance	EGP	50 million	12/11/2024	11/11/2029	--	50 000
Total					8 824 316	2 100 000
Current portion of loans to subsidiaries					1 294 442	420 000
Non-current portion of loans to subsidiaries					7 529 874	1 680 000
					8 824 316	2 100 000

* The full amount granted on 14 May 2025 to EFG Corp Solutions with an amount of USD 1 Mn has been fully settled on 11 July 2025.

12- Loans from subsidiaries

Company's name	Currency	Loan Value	Loan date	Maturity date	Balance in 31/12/2025	Balance in 31/12/2024
Hermes securities brokerage	EGP	250 million	13/3/2024	12/3/2029	250 000	250 000
Hermes securities brokerage	EGP	50 million	16/4/2024	15/4/2029	50 000	50 000
Hermes securities brokerage	EGP	250 million	13/4/2025	12/4/2030	250 000	--
Hermes securities brokerage	EGP	580 million	25/9/2025	24/9/2030	230 000	--
Hermes securities brokerage	EGP	70 million	1/10/2025	30/9/2030	12 000	--
Hermes securities brokerage	EGP	100 million	29/10/2025	28/10/2030	100 000	--
Hermes securities brokerage	EGP	156 million	26/11/2025	25/11/2030	156 000	--
Hermes securities brokerage	USD	1.5 million	12/3/2025	11/3/2030	71 550	--
EFG International Treasury Management Limited	USD	20 million	30/6/2025	31/12/2026	109 710	--
Total					<u>1 229 260</u>	<u>300 000</u>
Current portion of loans from subsidiaries					345 220	--
Non-current portion of loans from subsidiaries					<u>884 040</u>	<u>300 000</u>
					<u>1 229 260</u>	<u>300 000</u>

13- Investments at fair value through OCI

	31/12/2025	31/12/2024
Non- current investments		
Equity securities	20 532	20 532
Mutual fund certificates	101 783	268 524
Debt instruments – bond *	21 343	1 035 890
	<u>143 658</u>	<u>1 324 946</u>
Current investments		
Debt instruments – bonds *	1 110 574	--
Balance	<u>1 254 232</u>	<u>1 324 946</u>
	=====	=====

Investments at fair value through OCI are represented in the following:

Quoted investments	1 131 918	1 207 326
Non- quoted investments	122 314	117 620
	<u>1 254 232</u>	<u>1 324 946</u>
	=====	=====

* Note no (8).

14- Investment property

	Buildings
Cost	
Total cost as at 1/1/2024	137 437
Total cost as at 31/12/2024	137 437
Total cost as at 31/12/2025	137 437
Accumulated depreciation	
Accumulated depreciation as at 1/1/2024	43 980
Depreciation for the period	5 497
Accumulated depreciation as at 31/12/2024	49 477
Depreciation for the period	5 497
Accumulated depreciation as at 31/12/2025	54 974
Net carrying amount	
Net carrying amount as at 31/12/2024	87 960
Net carrying amount as at 31/12/2025	82 463

* Note no. (24)

- Investment property represents the area owned by EFG Holding Company in Nile city building. The fair value of the investment amounted to EGP Thousands 796 080 as of 31 December, 2025.

15- Investments in subsidiaries

Company's name	Nationality	Share percentage. %	Currency of payment	Carrying amount	
				31/12/2025	31/12/2024
EFG- Hermes International Securities Brokerage	Egyptian	99.87	EGP	75 094	69 146
Hermes Securities Brokerage (15-1)	Egyptian	97.58	EGP	254 544	250 642
Hermes Corporate Finance Co.	Egyptian	99.47	EGP	5 976	5 976
EFG - Hermes Promoting & Underwriting	Egyptian	99.88	EGP	78 220	73 343
EFG- Hermes Fixed Income (15-6)	Egyptian	99	EGP	9 900	9 900
EFG Hermes for digital solutions	Egyptian	96.3	EGP	1 249	1 249
EFG- Hermes Holding Lebanon – S.A.L.(15-8)	Lebanon	99	USD	--	154
EFG- Hermes – Lebanon – S.A.L. (15-8)	Lebanon	99	USD	--	27 565
EFG- Hermes Advisory Inc. (15-4)	BVI	100	USD	--	--
Etkan for Inquiry and Collection and Business processes. (15-4), (15-5)	Egyptian	0.002	EGP	--	--
EFG - Hermes Int. Fin Corp (15-4)	Cayman Islands	100	USD	--	--
Bayonne Enterprises Ltd. (15-4)	BVI	100	EGP	--	--
EFG Hermes securitization	Egyptian	99.999	EGP	5 000	5 000
EFG-Direct Investment Fund	Egyptian	64	EGP	640	640
EFG- Hermes IB Limited	Cayman Islands	100	USD	921 560	921 560
EFG – Hermes Brokerage Holding Ltd (15-3) , (15-7) (15-9)	Emirates	100	USD	1 551 886	542 164
EFG – Hermes USA	American	100	USD	2 640	2 640
EFG Finance Holding S.A.E (15-5)	Egyptian	99.82	EGP	1 374 666	724 894
EFG International Treasury Management Ltd (Previously EFG-Hermes PE Holding)	Emirates	100	USD	786 796	629 656
EFG- Hermes Global CB Holding Limited	Cayman Islands	100	USD	575	575
OLT Investment International S.A.B (15-7)	Bahrain	99.9	BHD	--	63 720
EFG Hermes for Sukuk	Egyptian	90	EGP	9 000	9 000
EFG Hermes Fund Management (15-6)	Egyptian	88.512	EGP	35 589	35 589
Hermes portfolio fund management	Egyptian	78.81	EGP	23 004	20 792
Fleming CIIC Holding (15-6)	Egyptian	100	EGP	100 000	100 000
Bank NXT	Egyptian	51	EGP	4 693 929	2 551 049
EFG Hermes IB Holding Limited (15-2)	Emirates	100	EGP	778 398	765 325
EFG Hermes UAE LLC. (15-1)	Emirates	100	EGP	--	77 159
Total				10 708 666	6 887 738
Impairment (15-6)				(108 707)	(108 707)
Balance				10 599 959	6 779 031

- (15-1) During 2024, ownership of EFG Hermes UAE LLC. Company was transferred from Hermes Securities Brokerage to EFG Holding Company, then transferred during 2025 to EFG Hermes Brokerage Holding Limited for the purpose of restructuring the subsidiaries.
- (15-2) During 2024, ownership of EFG- Hermes – UAE Limited Company was transferred from EFG Holding company to EFG Hermes IB Holding Limited, for the purpose of restructuring the subsidiaries.
- (15-3) During the year, ownership of both EFG- Hermes – KSA and EFG- Hermes Regional Investments Ltd was transferred from EFG Holding company to EFG – Hermes Brokerage Holding Ltd, for the purpose of restructuring the subsidiaries.
- (15-4) The company owns investments in subsidiaries with amounts less than one EGP thousand as follows
- EFG- Hermes Advisory Inc. with amount by EGP 6.
 - Etkan for Inquiry and Collection and Business processes with amount by EGP 100.
 - EFG - Hermes Int. Fin Corp with amount by EGP 16.
 - Bayonne Enterprises Ltd. with amount by EGP 6.
- (15-5) The company owns 99.82% of EFG Finance Holding S.A.E Co., which owns 95.2% in Etkan for Inquiry and Collection and Business processes Co. hence, it has full control of the operational and financial policies and EFG Finance Holding S.A.E Co. is considered a subsidiary.
- Investments in subsidiaries are represented in non - quoted investments.
- (15-6) Impairment items represent in EFG Hermes Fund Management, Fleming CIIC Holding and EFG-Hermes Fixed Income.
- (15-7) During the period, the ownership of OLT Investment International S.A.B was transferred from EFG Holding company to EFG – Hermes Brokerage Holding Ltd.
- (15-8) During the period, the company liquidated both EFG- Hermes Holding Lebanon – S.A.L. and EFG- Hermes – Lebanon – S.A.L.
- (15-9) During 2025, the capital of EFG Hermes Brokerage Holding Ltd. was increased.

16- Fixed assets

	Land*	Buildings*	Office furniture & equipment	Computer Equipment	Vehicles & transportation means	Fixtures	Total
Cost							
Balance as at 1/1/2024	18 597	244 160	44 821	132 531	17 713	7 561	465 383
Additions during the period	--	--	3 395	16 571	20 425	1 392	41 783
Disposals during the period	--	--	(194)	(1 051)	--	--	(1 245)
Total cost as at 31/12/2024	18 597	244 160	48 022	148 051	38 138	8 953	505 921
Additions during the period	--	--	8 326	77 859	--	11 494	97 679
Disposals during the period	--	--	(194)	(502)	(3 699)	(60)	(4 455)
Total cost as at 31/12/2025	18 597	244 160	56 154	225 408	34 439	20 387	599 145
Accumulated depreciation							
Accumulated depreciation							
as at 1/1/2024	--	88 644	33 522	96 699	14 044	6 667	239 576
Depreciation during the period	--	7 862	4 166	13 370	2 141	409	27 948
Accumulated depreciation							
for disposal	--	--	(194)	(1 005)	--	--	(1 199)
Accumulated depreciation	--	96 506	37 494	109 064	16 185	7 076	266 325
Depreciation during the period	--	7 861	4 824	17 024	5 579	1 061	36 349
Accumulated depreciation for disposal	--	--	(194)	(329)	(3 699)	(60)	(4 282)
Accumulated depreciation	--	104 367	42 124	125 759	18 065	8 077	298 392
Net carrying amount							
Net carrying amount							
as at 31/12/2024	18 597	147 654	10 528	38 987	21 953	1 877	239 596
Net carrying amount	18 597	139 793	14 030	99 649	16 374	12 310	300 753

* Note no. (24)

17- Intangible assets

	Software license
Cost	
Balance as at 1/1/2024	49 529
Additions during the year	2 846
	<hr/>
Total cost as at 31/12/2024	52 375
Additions during the year	20 975
	<hr/>
Balance as at 31/12/2025	73 350
	<hr/>
Accumulated amortization	
Accumulated amortization as at 1/1/2024	38 736
Amortization during the period	4 373
	<hr/>
Accumulated amortization as at 31/12/2024	43 109
Amortization during the period	4 195
	<hr/>
Accumulated amortization as at 31/12/2025	47 304
	<hr/>
Net carrying amount	
Net carrying amount as at 31/12/2024	9 266
	<hr/> <hr/>
Net carrying amount as at 31/12/2025	26 046
	<hr/> <hr/>

18- Share capital

- The company's authorized capital amounts EGP 6 billion and issued capital amounts EGP Thousands 3 843 091 distributed on 768 618 223 shares of par value EGP 5 per share which is fully paid.
- The company's General Assembly approved in its session held on May 20, 2021 to increase the company's issued capital from EGP Thousands 3 843 091 to EGP Thousands 4 611 709 distributed on 922 341 868 shares with an increase amounting to EGP Thousands 768 618 by issuing 153 723 645 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company's retained earnings presented in December 31, 2020 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- On September 28, 2021, the Company's General Assembly approved the increase in issued capital from EGP Thousands 4 611 709 to EGP 4 865 353 Thousands representing an increase of EGP Thousands 253 644 distributed on 50 728 803 shares having a par value of EGP 5 per share, The issuance of the capital increase shares were financed from the share premium reserve for the purpose of the Remuneration & Incentive Program of the Employees, Managers & Executive Board Members of the Company and its subsidiaries. The commercial register was updated and the issued shares were allocated under the Remuneration & Incentive Program of the Employees of the Company, and the Beneficiary of the program will be entitled to attend the Ordinary and Extraordinary General Shareholders of the Company and to vote on its resolutions upon the transfer of ownership of the Granted Shares to the Beneficiary.
- The company's General Assembly approved in its session held on May 19, 2022 to increase the company's issued capital from EGP Thousands 4 865 353 to EGP Thousands 5 838 424 distributed on 1 167 684 806 shares with an increase amounting to EGP Thousands 973 071 by issuing 194 614 135 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company's retained earnings presented in December 31, 2021 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- The company's General Assembly approved in its session held on May 24, 2023 to increase the company's authorized capital from EGP 6 billion to EGP 30 billion and increase the company's issued capital from EGP Thousands 5 838 424 to EGP Thousands 7 298 030 distributed on 1 459 606 008 shares with an increase amounting to EGP Thousands 1 459 606 distributed on 291 921 202 shares with par value EGP 5 through the issuance of one free share for every four shares. This increase is transferred from the company's retained earnings presented in December 31, 2022 financial statements. The required procedures had been taken to register the increase in the Commercial Register.

- The company's Extraordinary General Assembly approved in its session held on September 20, 2025 to decrease the company's issued capital from EGP Thousands 7 298 030 to EGP Thousands 7 179 465 distributed on 1 435 893 008 shares with a decrease amounting to EGP Thousands 118 565 through writing off 23,713,000 treasury shares with par value EGP 5 per share, which had been purchased for more than one year, while charging the price difference between the acquisition cost of the treasury shares and their par value, amounting to EGP Thousands 281,410 to the Share Premium account. All written-off shares were originally issued for cash consideration. The required procedures were completed, and the reduction was recorded in the company's Commercial Register.

18-1 Treasury Shares

- The company's board of directors approved in its session held on May 22, 2024, to purchase a number of 25 million shares of the company's shares and the company has purchased a number of 23 713 000 shares from Egyptian stock exchange market at cost of EGP Thousands 399 975.
- The company's board of directors approved in its session held on September 20, 2025 to write off the 23 713 000 treasury shares with par value EGP 5 per share, which had been purchased for more than one year.

19- Contingent liabilities & commitments

The Company guarantees its subsidiaries – EFG-Hermes International Securities Brokerage, Hermes Securities Brokerage and EFG- Hermes Jordan– against the credit facilities granted from banks and EFG- Hermes Brokerage – UAE against the Letters of Guarantee granted from banks amounting to AED Thousands 143 670 (equivalent to EGP Thousands 1 865 900).

20- Dividend income

	For the year ended 31/12/2025	For the year ended 31/12/2024
Income from investments at fair value through OCI	24 131	18 517
Income from investments at fair value through profit and loss	25 766	18
Income from investments in subsidiaries	3 769 068	8 577
Total	<u>3 818 965</u>	<u>27 112</u>

21- General administrative expenses

	For the year ended 31/12/2025	For the year ended 31/12/2024
Wages , salaries and similar items*	1 633 033	1 588 186
Consultancy	61 866	52 966
Travel , accommodation and transportation	38 096	25 257
Leased line and communication	51 418	50 119
Rent and utilities expenses	31 921	24 712
Other expenses	463 547	378 079
Total	<u>2 279 881</u> =====	<u>2 119 319</u> =====

*Share-based payments.

The Company introduced an Employees Share Ownership plan (ESOP) in accordance with the shareholder's approval at the extraordinary general assembly meeting by issuing Free shares representing 5.5% of the issued capital of the Company shall be granted to employees, managers and executive board members of the Company and its subsidiaries.

The duration of this program is five years starting as of 1 January 2021 till 31 December 2025, the vesting period is 3-4 years starting from 1 January 2021 till 31 December 2024. The beneficiary entitled to shares granted to 4 equal installments.

The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement with a corresponding increase in equity.

Equity instruments during the period/year represent the following:

	For the year ended 31/12/2025 Number of shares	For the year ended 31/12/2024 Number of shares
Shares granted at the beginning of the period /year	48 018 166	68 057 297
Shares granted during the year	11 060 729	--
Shares forfeited to employees of subsidiary companies	--	(3 024 810)
Shares exercised during the period/year	(43 072 839)	(17 014 321)
Total at the end of the period /year	<u>16 006 056</u> =====	<u>48 018 166</u> =====

22- Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents are represented in the following:

	For the year ended 31/12/2025	For the year ended 31/12/2024
Cash and cash equivalents as presented in the statement of financial position	882 974	1 725 687
Banks overdraft	(6 086 136)	(6 520 169)
Effect of exchange rate changes	--	(40 013)
Cash and cash equivalents (adjusted)	<u>(5 203 162)</u>	<u>(4 834 495)</u>

23- Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	31/12/2025	31/12/2024
	Liability (Asset)	Liability (Asset)
(A) Deferred tax		
Fixed assets' (depreciation)	11 523	5 470
Investment property (depreciation)	13 915	12 678
Intangible assets (amortization)	9 903	10 174
Investment property (revaluation reserve)	(1 867)	(1 867)
Foreign currencies exchange differences	(48 269)	83 312
Investments at fair value	582 732	1 445 226
Net deferred tax liabilities	<u>567 937</u>	<u>1 554 993</u>
(B) Deferred tax recognized directly in equity		
	31/12/2025	31/12/2024
Investments at fair value through OCI *	13 981	16 308
Balance	<u>581 918</u>	<u>1 571 301</u>

* Directly deducted from changes in investments at fair value through OCI item presented in the statement of changes in equity.

24- Reconciliation of effective tax rate

	31/12/2025	31/12/2024
Profit before tax	(134 679)	413 031
Add / (deduct):		
Depreciation and amortization	(7 546)	119
Capital gain (losses)	(4 413)	(103)
Effect of provisions	(104 278)	329 526
Equity settled share- based payment	--	(9 519)
Cost of financing and investment opposite to exempted revenues	36 911	251 778
Foreign currencies exchange differences	585 568	(160 110)
Tax exemptions	(3 769 068)	(8 577)
Medical Takaful Insurance Tax	10 747	10 559
Boards of directors presence payment	58 023	61 425
Other additions	4 313 315	110 272
Other deductibles	(2 752 228)	(3 224 923)
Net tax base	<u>(1 767 648)</u>	<u>(2 226 522)</u>
Tax due	--	--
Tax on separate taxable income	44 101	43 120
Current income tax	<u>44 101</u>	<u>43 120</u>
Effective tax rate	<u>33%</u>	<u>10.4%</u>

25- Finance Lease Liability

	31/12/2025	31/12/2024
Current portion of lease liability	210 530	--
Non-current portion of lease liability	1 894 775	--
Balance	<u>2 105 305</u>	<u>--</u>

EFG Holding Company has entered into a sale and leaseback agreement for the entire land and buildings located in the Smart Village (Note 16), as well as the full floor areas of the ninth, tenth and eleventh floors above the mezzanine, ground floor and basements in the north tower, including their respective shares in the land and common areas of the Nile City building (Note 14).

26- Other income

Other income item presented in the income statement includes the value of rental for some affiliated companies, (Note 29) also includes the value of rental spaces owned by the Company in Nile City building.

27- Gain on sale / redemptions of investments

	For the year ended 31/12/2025	For the year ended 31/12/2024
Investments at fair value through OCI	145	1 703
Investments in subsidiaries	240 787	22 428
Total	<u>240 932</u>	<u>24 131</u>

28- Earnings per share

	For the year ended 31/12/2025	For the year ended 31/12/2024
(Loss) Profit for the Year	808 277	(345 735)
Weighted average number of shares	1 435 893	1 445 158
Earnings per share (EGP)	<u>0.56</u>	<u>(0.24)</u>

29- Tax status

- As to Income Tax, for the years from the start of operations until 2019, the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. And as to years 2020/2022 have been inspected and appealed and as to years 2023/2024 have not been inspected yet.
- As to Salaries Tax, the parent company's books had been examined till 2022 and all the disputed points have been settled with the Internal committee and as to years 2023/December 2025, the company paid tax monthly and have not been inspected yet.
- As to Stamp Tax, the parent company's books had been examined from year 1998 till 2022 and all the disputed points have been settled with the competent Tax Inspectorate and as to years 2023/2025 have not been inspected yet.
- As to Property Tax, for Nile City building, the company paid tax till December 31, 2025 and as for Smart Village building, the company paid tax till December 31, 2025.

30- Related party transactions

The related parties transactions are represented in the following:

- Other income item an amount of EGP Thousands 67 772 which represents the value of rental spaces for some affiliated companies.
- Interest income item presented in the income statement includes an amount of EGP Thousands 47 637 represent the interest on subordinated loan to EFG Corp – Solutions and an amount of EGP Thousands 47 763 to TANMEYA for micro finance and an amount of EGP Thousands 107 627 to U Consumer, an amount of EGP Thousands 120 311 to EFG Finance Holding and an amount of EGP Thousands 13 579 representing interest on loan from Bayonne Enterprises Ltd and an amount of EGP Thousands 41 381 to EFG International Treasury Management and an amount of EGP Thousands 772 143 to EFG Finance .
- Finance cost item presented in the income statement includes an amount of EGP Thousands 98 871 representing interest on loan from Hermes securities brokerage and an amount of EGP Thousands 15 982 representing interest on loan from EFG International Treasury Management and an amount of EGP Thousands 24 898 representing interest on loan from EFG Corp – Solutions.
- The company grants supporting loans to some companies for the purpose of providing financial leverage (Note no. 11).

31- Measurement of fair value

- Countless group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
 - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

- Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates.
- The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position:

31 December 2025

<u>Financial assets</u>	Note	Level 1	Level 2	Level 3	Total
	no				
Mutual fund certificates	(4,13)	--	--	2 925 476	2 925 476
Equity securities	(4,13)	1 026	--	22 937	23 963
Debt instruments	(13)	1 131 917	--	--	1 131 917
Treasury Shares	(13)	--	--	--	--
		<u>1 132 943</u>	<u>--</u>	<u>2 948 413</u>	<u>4 081 356</u>

31 December 2024

<u>Financial assets</u>	Note	Level 1	Level 2	Level 3	Total
	no				
Mutual fund certificates	(4,13)	171 436	--	6 977 108	7 148 544
Equity securities	(4,13)	1 114	--	22 946	24 060
Debt instruments	(13)	1 035 890	--	--	1 035 890
		<u>1 208 440</u>	<u>--</u>	<u>7 000 054</u>	<u>8 208 494</u>

32- Classification of financial assets and financial liabilities

31 December 2025

<u>Financial assets</u>	Note	Amortized Cost	FVTPL	FVTOCI
	no			
Equity securities	(4,13)	--	2 823 693	101 783
Mutual fund certificates	(4,13)	--	3 431	20 532
Treasury Bills	(13)	--	--	--
Debt instruments	(13)	--	--	1 131 917
Cash and cash equivalents	(3)	882 796	--	--
Due from subsidiaries and related parties	(5)	2 670 189	--	--
Other debit balances	(6)	187 675	--	--
Loans to subsidiaries	(11)	8 824 316	--	--
		<u>12 564 976</u>	<u>2 827 124</u>	<u>1 254 232</u>
<u>Financial Liabilities</u>				
Banks overdraft	(8)	6 086 136	--	--
Due to subsidiaries and related parties	(7)	4 045 554	--	--
Creditors and other credit balances	(9)	1 665 474	--	--
Loans from subsidiaries	(12)	1 229 260	--	--
		<u>13 026 424</u>	<u>--</u>	<u>--</u>

31 December 2024

<u>Financial assets</u>	Note	Amortized Cost	FVTPL	FVTOCI
	no			
Mutual fund certificates	(4,13)	--	6 880 021	268 524
Equity securities	(4,13)	--	3 519	20 541
Debt instruments	(13)	--	--	1 035 890
Cash and cash equivalents	(3)	1 725 533	--	--
Due from subsidiaries and related parties	(5)	5 848 065	--	--
Other debit balances	(6)	286 994	--	--
Loans to subsidiaries	(11)	2 100 000	--	--
		<u>9 960 592</u>	<u>6 883 540</u>	<u>1 324 955</u>
<u>Financial Liabilities</u>				
Banks overdraft	(8)	6 520 169	--	--
Due to subsidiaries and related parties	(7)	3 839 175	--	--
Creditors and other credit balances	(9)	1 718 753	--	--
Loans from subsidiaries	(12)	300 000	--	--
		<u>12 378 097</u>	<u>--</u>	<u>--</u>

33- Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks.

33/1 Market risk

A. Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As at the financial position date the Company has assets and liabilities in foreign currencies equivalent to EGP 14 157 134 Thousands and EGP 5 130 791 Thousands respectively. The Company's net exposures in foreign currencies as at the financial position date are as follows:

	Surplus (Deficit)
	EGP Thousands
USD	8 689 363
EURO	349 518
AED	(6 945)
GBP	(6 314)
CHF	623
SAR	98

The company has used the prevailing exchange rates to revalue assets and liabilities at financial position date as disclosed in note (34-1-1) "foreign currencies transactions".

B. Interest rate risk

The cash flows of the Company affected by the changes in market rates of interest. To mitigate interest rate risk, the company maintains banks deposits for short-term periods renewed monthly, and are negotiated in the re-pricing date comparing to interest rates announced by the central bank or LIBOR.

C. Price risk

The Company is exposed to market price risk for equity instruments, According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk:

- Performing the necessary studies before investment decision to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the Company's investments and their development.

33/2 Credit risk

Financial institutions that the Company deals with are only those enjoying high credit quality. The Company has policies that limit the amount of credit exposure to any one financial institution.

33/3 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

33/4 Capital risk

The goal of the Company's management of capital management is to maintain the Company's ability to continue to achieve returns for shareholders and benefits for other parties that use financial statements. The management company also aims to provide and maintain the best capital structure which would lead to lower capital costs.

33/5 Financial instruments' fair value

The financial instruments' fair value does not substantially deviated from its book value at the financial position date.

33/6 Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value according to the valuation basis applied, in accounting policies to derivative financial instrument.

34- Subsequent events

In late Feb 2026, the US and Israeli hostilities against Iran escalated materially. Public market and specialist reports indicate that commercial shipping through the Strait of Hormuz – a chokepoint that normally carries around one-fifth of global oil and a significant share of Liquefied Natural Gas flows – has been severely disrupted, with tanker traffic largely paused and war-risk insurance premiums elevated. Spot crude benchmarks exhibited sharp volatility during March 2026, with intraday Brent prices briefly approaching \$100–\$119/bbl, while major carriers re-routed or suspended certain Middle East services as security conditions deteriorated.

These developments arose after 31 December 2025 and therefore represent a non-adjusting subsequent event under EAS 7 (Events after the Reporting Period). The Group has not adjusted the amounts recognized in these 2025 financial statements. Management is monitoring second-order effects on clients and portfolios – including market valuations – and has activated the assessment of enhanced monitoring of credit risk (ECL overlays) and fair-value sensitivities for 2026 internal reporting cycles.

While the situation remains fluid and may affect the Group's financial performance and risk profile during 2026, management has not identified a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern. The Group will continue to reassess macroeconomic assumptions including market liquidity) and update internal overlays as appropriate.

Given the evolving circumstances and depending on how quickly this on conflict can be resolved, the financial effect of these events cannot be reliably quantified at this time.

35- Significant accounting policies applied

35-1 Basis of preparation

35-1-1 Translation of the foreign currencies' transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

35-2 Property, plant, and equipment

35-2-1 Recognition and measurement

Items of property, plant, and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant, and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

35-2-2 Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

35-2-3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Assets	Estimated useful life
- Buildings	33.3 years
- Furniture, office and electrical appliances	5 years
- Computer equipment	5 years
- Vehicles & transportation means	5 years
- Fixtures	5 years

Improvements are depreciated in leased locations over the contract life or the useful life whichever is less.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

35-2-4 Re-classification to investment property

When the use of a property changes from owner-occupied to investment property.

35-2-5 Intangible assets

Intangible assets are recorded at historical cost less accumulated amortization and any impairment losses (note 33-5), intangible assets are amortized using the straight-line method and are recognized in profit or loss over their estimated useful lives.

35-3 Investments

35-3-1 Investments in subsidiaries

Investments in subsidiaries and associates are valued at cost, the book value is amended by any impairment concerning the value of these investments (note 33-5). The impairment value is to be charged to the income statement for every investment individually.

35-3-2 Investment property

Investment property is measured at cost on initial recognition.

Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight-line basis over its useful life.

The estimated useful life of investment property is 33.3 years.

The profits or losses resulting from the disposal of the Investment property (calculated as the difference between the net proceeds from the disposal of the property and the net book value of it) in the profits or losses.

35-4 Financial instruments

35-4-1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

35-4-2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

35-4-3 Financial assets – Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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

35-4-4 Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

35-4-5 Financial assets – Subsequent measurement and gains and losses

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

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

35-4-6 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

35-4-7 Derecognition

Financial assets

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

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

35-4-8 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

35-4-9 Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, For other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

35-5 Impairment

35-5-1 Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI;
- contract assets.

The Company also recognises loss allowances for ECLs on loans receivables.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless it can be rebutted.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

35-5-2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

35-5-3 Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

35-5-4 Presentation of allowance for ECL in the statement of financial position

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

35-5-5 Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

35-5-6 Non-financial assets

- At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
- An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.
- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

35-6 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition and the balances included cash on hand, current accounts, time deposits with banks & treasury bills.

35-7 Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

35-8 Provisions

Provisions are recognized when the Company has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

35-9 Legal reserve

The Company's statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume

35-10 Share capital

35-10-1 Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 income tax.

35-10-2 Re-purchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

35-11 Revenues

35-11-1 Gains (losses) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

35-11-2 Dividend income

Dividend income is recognized when declared.

35-11-3 Custody fees

Custody fees are recognized when provide service and issue invoice.

35-11-4 Interest income

Interest income is recognized on time proportion basis to take into account effective yield on the asset.

35-12 Expenses

35-12-1 Borrowing costs

Borrowing costs are recognized as expenses in the income statement when incurred on an effective interest basis.

35-12-2 Employees' pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

35-12-3 Income tax

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

35-13 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

35-14 Profit sharing to employees

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

35-15 Employees benefits

35-15-1 Share based payments

Equity settled transactions

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized

for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

35-16 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in EAS 49.

35-16-1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by

impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments;

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

35-16-2 As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies EAS 11 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other revenue’.