

**National Printing S.A.E**

Consolidated interim financial statements.

For the period ended June 30, 2025  
Together with limited review report



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*Limited review report*  
*Originally issued in Arabic*

**Limited review report for the consolidated interim financial statements**

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

**Introduction**

We have reviewed the accompanying consolidated interim financial statements of National Printing "S.A.E" which comprise the consolidated interim statement of financial position as of June 30, 2025, and the related consolidated interim statements of profits or losses, comprehensive income, changes in equity and cash flows for the six months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly in all material respects, the consolidated financial position of National Printing "S.A.E" as of June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the six months period then ended, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, August 21, 2025



**National Printing Company**  
**"S.A.E."**  
**Consolidated interim statement of financial position**  
**As of June 30, 2025**

	<u>Note</u> <u>No.</u>	<u>June 30, 2025</u> <u>EGP</u>	<u>December 31, 2024</u> <u>EGP</u>
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment (Net)	(6)	2 179 189 843	2 038 595 734
Projects under construction	(7)	292 338 503	217 168 215
Investment property (at fair value)	(26)	291 396 988	291 396 988
Deferred tax asset	(21)	—	2 615 122
<b>Total non-current assets</b>		<b>2 762 925 334</b>	<b>2 549 776 059</b>
<b><u>Current assets</u></b>			
Inventories (net)	(9)	1 664 330 247	1 493 110 333
Letter of credit		3 833 775	638 884
Trade and notes receivables (net)	(10)	1 576 134 917	1 560 130 810
Due from related parties	(29)	197 509 935	170 867 996
Other debit balances (net)	(11)	661 546 980	621 231 962
Cash on cash equivalents (net)	(12)	547 528 275	551 872 672
<b>Total current assets</b>		<b>4 650 884 129</b>	<b>4 397 852 657</b>
Non-current assets held for sale	(27)	1 142 251	1 142 251
Financial investments available-for-sale	(31)	—	1 100 000
<b>Total assets</b>		<b>7 414 951 714</b>	<b>6 949 870 967</b>
<b><u>Equity and liabilities</u></b>			
<b><u>Equity</u></b>			
Issued and paid-up capital	(19)	211 710 380	211 710 380
Legal reserve		12 284 987	2 028 865
Consolidation reserve	(20)	646 013	646 013
Retained earnings		1 073 992 962	790 816 129
Asset revaluation surplus at fair value	(26)	503 296 807	503 296 807
Net profit for the period \ year		200 045 227	403 345 748
<b>Equity attributable to owners' of the holding company</b>		<b>2 001 976 376</b>	<b>1 911 843 942</b>
Non-controlling interest	(22)	476 855 988	549 098 538
<b>Total Equity</b>		<b>2 478 832 364</b>	<b>2 460 942 480</b>
<b><u>Non-current liabilities</u></b>			
Deferred tax liability	(21)	210 408 344	229 792 963
Borrowings non-current portion	(15)	230 509 997	235 410 173
<b>Total non-current liabilities</b>		<b>440 918 341</b>	<b>465 203 136</b>
<b><u>Current liabilities</u></b>			
Provisions	(13)	90 852 802	84 175 284
Credit facility	(14)	2 608 838 296	2 236 048 324
Borrowings - current portion	(15)	121 691 532	117 827 295
Accounts and notes payable	(16)	1 091 284 995	1 050 385 306
Due to related parties	(29)	5 208 138	55 686
Dividends payable	(18)	190 949 199	17 202 372
Other credit balances	(17)	345 224 364	426 987 166
Current income tax	(21)	41 151 683	91 043 918
<b>Total current liabilities</b>		<b>4 495 201 009</b>	<b>4 023 725 351</b>
<b>Total Equity and liabilities</b>		<b>7 414 951 714</b>	<b>6 949 870 967</b>

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

Financial Manager  
Afineq Abaza

Managing Director  
Mr / Sherif El Moalem

Chief executive director  
Eng / Ibrahim El Moalem

Auditors' report attached.

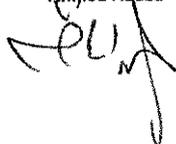
**National Printing Company**  
**"S.A.E."**  
**Consolidated interim statement of Profit or Loss**  
**For the period ended June 30, 2025**

	<u>Note</u>	<u>The three months ended on</u>		<u>The six months ended on</u>	
		<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Revenue (net)	(23)	1 818 914 028	1 641 550 692	3 548 159 699	3 100 507 557
<b>Less:</b>					
Cost of sales		(1 323 308 466)	(1 160 572 962)	(2 564 161 924)	(2 207 152 345)
<b>Gross profit</b>		<b>495 605 562</b>	<b>480 977 730</b>	<b>983 997 775</b>	<b>893 355 212</b>
Other operating revenue	(24)	12 332 519	43 636 760	24 617 751	60 507 002
<b>Less:</b>					
Selling and distribution expenses		(79 606 872)	(68 146 142)	(155 140 181)	(124 648 088)
General and administrative expenses		(71 454 415)	(88 630 621)	(150 529 331)	(142 068 495)
Custom penalties and other related charges		(93 880)	(282 196)	(98 091)	(459 945)
Medical contribution		(5 575 730)	(6 416 955)	(10 683 341)	(9 777 068)
Provision formed	(13)	(3 729 299)	(4 232 937)	(6 746 603)	(6 199 808)
Share-based compensation expense (incentive for the MD)	(32)	(16 589 591)	--	(26 614 450)	--
Provisions no longer required	(13)	69 085	--	69 085	--
Expected credit loss in cash and treasury bills	(12)	(164 789)	954 425	(164 789)	(170 023)
Reversal expected credit loss in cash and treasury bills	(12)	(28 253)	--	--	--
Reversal of expected credit loss in account and notes receivables	(10)	(79 830)	3 217 442	290 327	4 845 629
Reversal expected credit loss in other debit balances	(11)	623	--	209 660	--
Expected credit loss in other debit balances	(11)	--	(21 137)	--	(776 515)
Board of director's salaries and bonuses	(25)	(4 450 000)	(5 075 000)	(8 900 000)	(9 050 000)
<b>Operating gain</b>		<b>326 235 130</b>	<b>355 981 369</b>	<b>650 307 812</b>	<b>665 557 901</b>
<b>Add / (less):</b>					
Finance costs		(194 295 815)	(188 109 595)	(381 536 541)	(307 462 297)
Credit interest		18 595 074	25 868 751	40 645 643	43 953 874
Capital gain	(6)	3 212 320	24 980 566	4 787 920	25 556 382
Foreign currency exchange differences		2 362 628	21 848 896	5 082 809	80 160 826
Gain from sale of investment available for sale	(31)	900 000	--	900 000	--
Other income		2 285 328	1 897 511	3 941 985	4 422 057
<b>Net profit for the period before tax</b>		<b>159 294 665</b>	<b>242 467 498</b>	<b>324 129 628</b>	<b>512 188 743</b>
Income tax	(21)	(31 461 941)	(60 111 861)	(67 635 137)	(113 372 871)
Deferred tax	(21)	20 512 640	(13 197 558)	16 769 496	(20 876 899)
<b>Net profit for the period after tax</b>		<b>148 345 364</b>	<b>169 158 079</b>	<b>273 263 987</b>	<b>377 938 973</b>
<b>Attributed to:</b>					
Owners of the company		109 931 876	102 045 528	200 045 227	242 829 601
Non controlling interest		38 413 488	67 112 551	73 218 760	135 109 372
<b>Net profit for the period</b>		<b>148 345 364</b>	<b>169 158 079</b>	<b>273 263 987</b>	<b>377 938 973</b>
<b>Earning per share of the Period (EGP / share)</b>	(30)	<b>0.52</b>	<b>0.48</b>	<b>0.94</b>	<b>1.15</b>

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

Financial Manager

Ahmed Abaza



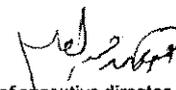
Managing Director

Mr / Sherif El Moalem



Chief executive director

Eng / Ibrahim El Moalem



## National Printing Company

"S.A.E."

## Consolidated interim statement of comprehensive income

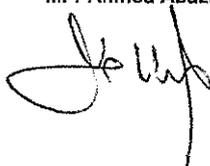
For the period ended June 30, 2025

	The three months ended on		The six months ended on	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	EGP	EGP	EGP	EGP
Net profit for the period after tax	148 345 364	169 158 079	273 263 987	377 938 973
<b>Other comprehensive income</b>				
Debit currency valuation differences resulting from the impact of the application of Annex (H) To Egyptian Accounting Standard No. (13) amended 2024	--	--	--	(29 804 306)
<b>Total comprehensive income</b>	<b>148 345 364</b>	<b>169 158 079</b>	<b>273 263 987</b>	<b>348 134 667</b>
<b>Distributed as follows:</b>				
Owners of the company	109 931 876	102 045 528	200 045 227	227 623 035
Non controlling interest	38 413 488	67 112 551	73 218 760	120 511 632
	<b>148 345 364</b>	<b>169 158 079</b>	<b>273 263 987</b>	<b>348 134 667</b>
Earning per share from net profit (EGP/share)	0.52	0.48	0.94	1.08

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

Financial Manager

Mr / Ahmed Abaza



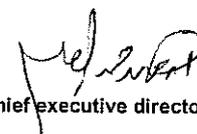
Managing Director

Mr / Sherif El Moalem



Chief executive director

E / Ibrahim El Moalem



National Printing Company

"S.A.E."

Consolidated interim statement of changes in equity

For the period ended June 30, 2025

	Issued and paid-up capital		Legal Reserve		Consolidation reserve		Retained earnings		Assets revaluations surplus (fair value)		Net profit for the year		Total Parent equity		Total non-controlling interest		Total		
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP
Balance as of December 31, 2023	211 710 380	--	1 968 770	--	646 013	--	494 640 919	--	531 408 450	--	450 100 248	--	1 690 474 780	--	519 609 063	--	2 210 083 843	--	--
Transferred to retained earnings	--	--	--	--	--	--	450 100 248	--	--	--	(450 100 248)	--	--	--	--	--	--	--	--
Transferred to legal reserve	--	--	60 095	--	--	--	(60 095)	--	--	--	--	--	--	--	--	--	--	--	--
Dividend distributions to shareholders and employees	--	--	--	--	--	--	(116 591 738)	--	--	--	--	--	(116 591 738)	--	(190 930 217)	--	(307 521 955)	--	--
<b>Other comprehensive income</b>																			
Net profit for the period after tax	--	--	--	--	--	--	--	--	--	--	242 829 601	--	242 829 601	--	135 109 372	--	377 938 974	--	--
Debit currency valuation differences resulting from the impact of the application of Annex (H) To Egyptian Accounting Standard No. (13) amended 2024	--	--	--	--	--	--	(15 206 566)	--	--	--	--	--	(15 206 566)	--	(14 597 740)	--	(29 804 306)	--	--
Balance as of June 30, 2024	211 710 380	--	2 028 865	--	646 013	--	812 882 768	--	531 408 450	--	242 829 601	--	1 801 506 077	--	449 190 478	--	2 250 696 556	--	--
Balance as of December 31, 2024	211 710 380	--	2 028 865	--	646 013	--	790 816 129	--	503 296 807	--	403 345 748	--	1 911 843 942	--	549 098 538	--	2 460 942 480	--	--
Transferred to legal reserve	--	--	10 256 122	--	--	--	(10 256 122)	--	--	--	--	--	--	--	--	--	--	--	--
Transferred to retained earnings	--	--	--	--	--	--	403 345 748	--	--	--	(403 345 748)	--	--	--	--	--	--	--	--
Dividend distributions to shareholders and employees	--	--	--	--	--	--	(109 912 793)	--	--	--	--	--	(109 912 793)	--	(145 461 310)	--	(255 374 103)	--	--
<b>Other comprehensive income sections</b>																			
Net profit for the period after tax	--	--	--	--	--	--	--	--	--	--	200 045 227	--	200 045 227	--	73 218 760	--	273 263 987	--	--
Balance as of June 30, 2025	211 710 380	--	12 284 987	--	646 013	--	1073 992 962	--	503 296 807	--	200 045 227	--	2 001 976 376	--	476 855 988	--	2 478 832 364	--	--

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

Managing Director

Mr / Sherif El Moalem



Chief executive director

Eng / Ibrahim El Moalem



Financial Manager

Ahmed Abaza



**National Printing Company**  
**"S.A.E."**  
**Consolidated interim statement of cash flows**  
**For the period ended June 30, 2025**

	<u>Note</u> <u>No.</u>	<u>June 30, 2025</u> <u>EGP</u>	<u>June 30, 2024</u> <u>EGP</u>
<b><u>Cash flows from operating activities</u></b>			
Net profit for the period before tax		324 129 628	512 188 743
<b><u>Settlement</u></b>			
Depreciation of property, plant and equipment	(6)	76 943 277	61 416 867
Provisions formed	(13)	6 746 603	6 199 808
Expected credit loss in other debit balances	(11)	--	776 515
Expected credit loss in cash and treasury bills	(12)	164 789	170 023
Provisions no longer required	(13)	( 69 085)	--
Reversal of expected credit losses in trade receivables	(10)	( 290 327)	(4 845 629)
Reversal Expected credit losses in debit balances	(11)	( 209 660)	--
Credit interest		(40 645 643)	(43 953 874)
Finance costs		381 536 541	307 462 297
Gain from sale of investment available for sale		( 900 000)	--
Capital gain		(4 787 920)	(25 556 382)
		<b>742 618 203</b>	<b>813 858 368</b>
(Increase) in inventories and letter of credit		(174 414 805)	(290 862 063)
(Increase) in accounts and notes receivables		( 15 713 780)	(362 118 722)
(Increase) in debtors other debit balances		( 40 105 358)	(237 053 348)
(Increase) in due from related parties		( 26 641 939)	(15 992 407)
Increase in accounts and notes payable		40 899 689	74 258 401
(Decrease) \ increase in other credit balances		( 87 997 473)	12 303 660
Increase \ (decrease) in due to related parties		7 152 452	( 481 322)
<b>Cash flows generated from \ (used in) operating activities</b>		<b>445 796 989</b>	<b>(6 087 433)</b>
Tax paid		(117 527 372)	(140 455 235)
Interest paid		(375 301 871)	(307 462 297)
<b>Net cash flows (used in) operating activities</b>		<b>( 47 032 254)</b>	<b>( 454 004 965)</b>
<b><u>Cash flows from investing activities</u></b>			
Proceeds from credit interest		40 645 643	43 953 874
(Payments) for Purchase of fixed asset *		( 97 104 964)	(64 282 526)
Proceeds from sale of property, plant and equipment		5 233 600	1 878 953
(Payments) for projects under construction *		( 196 048 390)	(143 110 732)
<b>Net cash flows (used in) investing activities</b>		<b>( 247 274 111)</b>	<b>( 161 560 431)</b>
<b><u>Cash flows from financing activities</u></b>			
Net proceeds from loans and credit facilities		371 754 033	923 786 788
Dividends paid		( 81 627 276)	( 284 607 505)
<b>Net cash flows generated from financing activities</b>		<b>290 126 757</b>	<b>639 179 283</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>( 4 179 608)</b>	<b>23 613 887</b>
Cash and cash equivalents at the beginning of the period		551 872 672	489 210 293
Debit currency valuation differences resulting from the impact of the application of Annex (H) To Egyptian Accounting Standard No. (13) amended 2024		--	(29 804 306)
Reversal of expected credit loss on cash		( 164 789)	( 170 023)
<b>Cash and cash equivalents at the end of the period</b>	(12)	<b>547 528 275</b>	<b>482 849 851</b>

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

\* The effect of non-cash transactions represented in the value of projects under construction transferred to fixed assets amounted to EGP 120 878 102 , have been eliminated, in order to reach the amounts paid in cash in the purchase of fixed assets.

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

Financial Manager

Ahmed Abaza

Managing Director

Mr / Sherif El Moalem

Chief executive director

Eng / Ibrahim El Moalem

**National Printing Company**  
**"S.A.E."**  
**Notes to the consolidated interim financial statements**  
**For the period ended June 30, 2025**

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

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

**2- Company purpose**

The Company's purpose is to work in the field and establish presses for cultural, artistic, and industrial printing, artistic binding, and packaging (carton printing), photocomposition, offset printing, and combining handouts.

Work in manufacturing packaging supplies in general.

The company's period is 25 years from the date of registration on the commercial register.

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<u>Subsidiary companies (Direct ownership)</u>	<u>Direct ownership interest</u>	<u>Direct ownership interest</u>
El-Shorouk Modern Printing and Packaging Company "El-Shorouk"	97.72%	97.72%

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<u>Subsidiary company (indirect ownership)</u>	<u>Direct ownership interest</u>	<u>Direct ownership interest</u>
Windosr company for Trading and Paper Manufacturing	99%	99%
Uniboard company for Manufacturing Paper and Cardboard	52.212%	52.212%
El Baddar company for Packages	99.97%	99.97%

The consolidated interim financial statements for the period ended as of June 30, 2025 were approved by the Board of Directors on August 21, 2025.

**3- Basis Of preparation of the consolidated financial statements**

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards "EAS" as issued by the Minister of Investment's Decree No. 110 of 2015 mended by decision No. 69 for the year 2019, and the applicable Egyptian laws and regulations. The Egyptian Accounting Standards require referral to the International Financial Reporting Standards "IFRS", where no specific Egyptian Accounting Standard or legal requirements exists to address certain types of events and transactions and their treatment.

**4- Critical Accounting Assumptions and Key Sources of Estimation**

The preparation of the financial statements in accordance with the Egyptian Accounting Standards requires management to make judgments, estimates and assumptions to determine the carrying amounts of assets, liabilities which cannot be clearly measured from other sources.

The estimates and associated assumptions are based on management historical experience as well as other relevant factors. Actual results may differ from these estimates, Therefore the estimates used to determine these assumptions are reviewed on an ongoing basis.

Adjustments resulting from a revision to accounting estimates are recognized in the period in which the estimates are revised, If the revision affects only that period, such adjustments are recognized during the period in which the change occurs and in future periods if the change affects both the current and future periods.

### **Significant Estimates in Applying Accounting Policies**

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

#### **Sources of uncertainty estimates**

##### **Useful life for tangible assets**

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

##### **Inventory write down**

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

##### **Expected Credit Losses & Impairment Of Debtors And Other Debit Balances.**

Impairment is recognized for doubtful accounts for the purpose of recording potential losses due to possible customer insolvency.

Expected credit loss (ECL) is a probable estimate of credit losses. Customer balances are presented after deducting expected credit losses. The company applies the simplified approach of Egyptian Accounting Standard No. 47 "Financial Instruments" to measure expected credit losses, which uses an expected loss allowance in relation to customer balances. To measure expected credit losses, customer receivable balances are grouped based on the characteristics of common credit risks and the periods in which those balances are due. Historical loss rates are adjusted to reflect current and future information on macroeconomic activity factors that affect customers' ability to settle those debit balances. The company may use some other factors when calculating expected credit losses to be the most closely related factors and accordingly adjusts historical loss rates based on changes. These factors are expected, also considering the unjustified cost and effort. Credit losses are re-estimated on the date of preparing the financial statements and expected credit losses are recognized or derecognized according to the results of the re-estimation.

##### **Impairment in the value of investments in subsidiary companies**

Impairment is recognized in the value of investments in subsidiary to reflect the recoverable value of the investment.

##### **Provisions**

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

##### **Deferred tax**

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

## **5- Accounting Policies**

The accounting policies listed below applied consistently during the presentation of the separate financial statements:

### **A- Basis of consolidation**

The consolidated financial statements of the Group include the financial statements of the Parent Company and the companies that are controlled by the Parent Company (its subsidiaries). Control is presumed to exist when the Parent Company has power over the investee, is exposed to, or has rights in variable returns as a result of its involvement with the investee and has the ability to use its power to affect its returns. The Parent Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When a Parent Company's share is less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it a practical ability to direct the related activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over that investee, including:

- Voting rights held by the Parent Company compared to the size and allocation of voting rights held by other parties.
- Potential voting rights held by the Parent Company, compared to those held by other parties.
- Rights arising from other contractual arrangements; and
- Any other facts and circumstances that indicate that the Parent Company has, or does not have, the current ability to direct the relevant activities at decision-making times, including voting patterns at previous shareholders' previous meetings.

The consolidated statement of profit or loss and other Comprehensive Income for the year include the income and expenses of the subsidiary from the date on which the Parent Company obtains control until the date on which the Parent Company loses control over the subsidiary.

Where necessary, adjustments are made to the financial statements of a Group entity to bring its accounting policies in line with those used by other members of the Group.

All assets, liabilities, equity, income, expenses and cash flows relating to intra-group transactions are eliminated on consolidation of the financial statements.

Non-controlling interests rights in the net assets of consolidated subsidiaries (excluding goodwill) are presented separately from the parent company's shareholders' equity. Non-controlling interests consist of the value of those interests at the date of initial consolidation plus the non-controlling interests' share of changes in equity since the date of consolidation. The company attributes profit or loss and each component of other comprehensive income to the owners of the company and the non-controlling interests. Total comprehensive income is also attributed to the owners of the company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### **B- Business consolidation**

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

- Identifying an acquirer,
- Measuring the cost of the business combination; and
- Allocating, at the acquisition date, the cost of the combination to the assets acquired and liabilities and contingent liabilities assumed. The cost of business combination is measured as the aggregate of the fair values (at the date of exchange) of the consideration paid by the acquiring entity, which consists of assets delivered by it, liabilities incurred, equity instruments issued by that entity in order to control the acquired entity, as well as any direct costs associated with the process of business combination.

The acquirer entity recognizes the specific assets and liabilities of the acquired entity, as well as its potential liabilities that meet the recognition conditions in the light of Egyptian accounting standard No. 29 "business combination " at fair value at the acquisition date, except for non-current assets (or groups being disposed of) classified as held for sale in accordance with Egyptian accounting standard No. 32 non-current assets held for sale and non-continuing operations, which are recognized and measured at fair value less the costs required for sale.

Goodwill that arises upon acquisition is recognized as an asset and is first measured at cost, which represents the increase in the cost of assembling the business over the net fair value of the assets, specific liabilities and contingent liabilities recognized.

If, after revaluation, it turns out that the share of the acquiree in the fair value of the assets, specific liabilities and contingent liabilities recognized by the acquiree exceeds the cost of assembling the business, then such an increase is recognized directly as profit or loss.

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

In such cases as referred to in the previous paragraph, the carrying amount of the net assets and liabilities of the acquired companies is determined on the basis of the fair value at the date of the group's first control over the acquired entity, taking into account the changes in the equity items of that entity that occurred during the period from the date of the first control until the date of the increase in the control ratio.

The first measurement of the rights of owners of non-controlling interests in the acquired enterprise is carried out because of the ratio of those shareholders to the fair value of Assets, Liabilities and recognized contingent liabilities.

When the business combination contract provides for the adjustment of the cost of aggregation by adjustments pending future events, the company, as the acquirer, shall include the amount of the adjustment within the cost of the business aggregation at the acquisition date if the adjustment is confirmed and can be measured objectively.

When a business combination contract allows adjustments to be made to the cost of the aggregation process based on one or more future events, the company usually estimates the value of any adjustment at the date of initial accounting for the business aggregation, even if there is some kind of uncertainty. However, if future events do not occur or if such estimates need to be revised, then the cost of acquisition will be adjusted accordingly.

However, when the contract business combination provides for such a settlement, it is not included in the cost of business combination at the date of initial accounting for the assembly process if it is not confirmed or can be measured objectively. When this adjustment later becomes certain and can be measured in an objective way, then the additional value is processed as an adjustment to the cost of business combination.

#### **C- Financial Investments Available for sale**

The first financial investments available for sale upon acquisition are recognized at fair value plus the cost of the transaction, which includes fees and commissions paid to agents, consultants, brokers, traders, taxes imposed by regulators and stock exchanges, taxes and transfer fees.

The subsequent measurement of such investments is carried out at the date of the financial statements at fair value, provided that the gains or losses resulting from the change in fair value are included directly in equity until the investments are excluded from the company's books, and then the consolidated gains or losses previously recognized in equity are excluded and immediately recognized in the profit or loss list.

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

If there is objective evidence that the value of financial investments available for sale has diminished at the date of the financial statements, the consolidated losses previously recognized in equity are excluded and immediately recognized in the profit or loss list, even if those investments have not been excluded from the books.

#### **D- Investments in subsidiary**

A subsidiary is an entity on which the group has a substantial influence through participation in the financial and operational decisions of that entity, but it does not amount to joint control or control.

The results of the business, assets and liabilities of subsidiaries are included in the company's financial statements using the equity method, except for investments in subsidiaries that are still being established at the date of the financial statements, where they are measured at cost.

As for investments that are classified for the purpose of sale and that are accounted for in accordance with Egyptian Standard No. 32 "non-current assets held for the purpose of sale and non-continuing operations", they are measured at book value or fair value less the costs required for sale, whichever is less.

According to the equity method, investments in subsidiaries in the consolidated financial position are shown at the adjusted cost per share of the group from changes after the acquisition date in the net assets of the sister companies, after deducting any impairment that may occur on the value of each investment. The group's share of the changes in the equity of the sister companies after the acquisition and the maintenance of the equity of those companies are directly addressed within the group's equity.

If the entity's share in the losses of a subsidiary company exceeds or equals its share in that company, the entity ceases to recognize its share in additional losses. Losses exceeding the book value of the group's share in any sister company are not recognized except to the extent of the legal or contractual obligation of the group to the sister company or the amounts that the group may have paid on behalf of that company.

On the date of acquisition, the difference between the acquisition cost and the group's share of the fair value of the net assets of the sister company is accounted for in accordance with the Egyptian accounting standard No. 29 for business consolidation, and accordingly:

- 1- Any increase in the cost of acquisition over the group's share in the fair value of the net assets, specific liabilities and potential liabilities of the subsidiary company at the date of acquisition is recognized as goodwill. The goodwill resulting from the acquisition of the sister company is included in the carrying amount of the investment and the decay of that goodwill is estimated as part of the value of the investment.
- 2- Any increase in the group's share in the net fair value of the assets, specific liabilities and potential liabilities of the sister company is excluded from the carrying amount of the investment for the acquisition cost at the acquisition date, provided that it is recognized as income when determining the group's share of the profits or losses of the sister company for the period during which the investment was acquired.

If the group deals with one of the sister companies, the profits and losses resulting from such transactions are excluded to the extent of the group's share of this sister company. Losses may be evidence of a decrease in the value of the transferred assets, in which case the appropriate provision is formed to counter this impairment.

#### **E- Impairment of financial assets**

At the end of each reporting period, the Group determines whether there are indicators of impairment in all its financial assets, other than those measured at fair value through profit or loss.

Financial assets are impaired where there is an objective evidence that, because of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The impairment loss of each financial asset carried at amortized cost, represents the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate of that financial asset.

The carrying amount of all financial assets is directly reduced by the impairment losses, except for the impairment in trade receivables, where the carrying amount is reduced using an allowance account. When a receivable's balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of Available for Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after an impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

As for equity instruments classified as available-for-sale investments for which impairment losses were previously recognized in the statement of profits or losses, is not subsequently reversed through profit or loss. Any subsequent appreciation in the value of such investments is recognized directly through equity.

#### **F- Impairment of non - financial assets**

At the end of each fiscal year, the company reviews the carrying amounts of its non – financial assets except for inventory to determine whether there are any indications that those assets have probability of occurrence of an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When logical and consistent bases are used to allocate assets to cash-generating units, the company's general assets are also allocated to those units. If this cannot be achieved, the general assets are allocated to the smallest group of cash-generating units that the company can identify using logical and consistent bases. As for intangible and tangible assets that either have no defined useful life or are not yet available for use, an annual impairment test is conducted, or whenever there is an indication that these assets may be impaired. The recoverable amount of an asset or a cash-generating unit is the higher of the fair value less costs to sell or value in use. The value in use is calculated by discounting the estimated future cash flow expected from the use of the asset or cash-generating unit using a pre-tax discount rate to arrive at the present value of those cash flows. This rate reflects current market assessments of the time value of money and the risks specific to the assets that have not been adjusted into the estimated future cash flows. If the estimated recoverable amount of an asset or cash-generating unit is less than it's carrying amount, the carrying amount of an asset or cash-generating unit is reduced to reflect the recoverable amount. Impairment losses are recognized immediately in the profit or loss statement.

If, in a subsequent period, the impairment loss recognized in previous periods is reversed, the carrying amount of the asset or cash-generating unit is increased to reflect the newly estimated recoverable amount, provided that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. The reversal of impairment losses is recognized immediately in the profit or loss statement.

#### **G- Property, plant and equipment and depreciation**

Property, plant and equipment presented in the financial position statement, are measured at historical cost, less accumulated depreciation and impairment losses, except for land, which is stated at cost less impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred. Gains and losses arising on disposals are determined as the difference between net sales proceeds and carrying amount of an asset and is recognized in the statement of profit or loss.

Projects under construction for production, or administrative purposes are carried at cost less any impairment losses, if any, in addition to the professional fees.

Depreciation of such assets commences when these assets are ready for their intended use, following the same depreciation basis used for other property, plant and equipment items.

Depreciation is recognized as an expense in the statement of profit or loss so as to write-off the cost of assets, less salvage value (other than land and projects under construction) over their estimated useful lives and following the straight-line method. At each reporting period useful lives, salvage values and depreciation method are being reviewed, provided that effect of changes is accounted for prospectively.

Depreciation of property, plant and equipment other than projects under construction and land is using the straight-line method over the expected useful lives of such assets as follows:

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

**Accounting Treatment of the Hermes Loan:** The Company entered into agreements to sell fixed assets it owns and that are ready for use in their current condition to EFG Hermes Leasing, and subsequently re-leased the same assets from the same buyer under a finance lease contract. It is noted that the Company had been using these assets in its regular operations without interruption prior to entering into these agreements. These sale and leaseback arrangements essentially represent a financing arrangement secured by the sold assets. Since the sale and leaseback transactions of fixed assets in this case represent a "financing arrangement secured by the sold assets" rather than an actual sale, the lessee Company should not derecognize the sold fixed assets from its books. Instead, it should continue to present the sold and re-leased fixed assets in its financial statements without any change in their carrying amounts, and continue to depreciate them based on their remaining useful lives as of the date of the sale and leaseback, even if those remaining useful lives exceed the term of the finance lease contract. This is because ownership of the leased assets will automatically revert to the selling lessee companies at the end of the lease term, free of charge and without prior notice to the buyer-lessor, provided that the lessee continues to make lease payments on time.

**The fair value:**

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

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

## **H- Recognition and measurement of revenue**

### **Revenue result from selling goods**

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

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

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

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

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

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

#### **Performance obligation recognized over time:**

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

- 1-The customer receives the benefits resulting from the Company's performance and consumes them at the same time it is being executed; or
- 2- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- 3- The company's performance does not result in the creation of an asset with no alternative use, and the company has the right to collect consideration for the completed performance until the date of completion.

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

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

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

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

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

#### **Performance obligation recognized at a point in time:**

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

- 1-If the entity has a present right to consideration.
- 2-If the entity has the legal right to the asset.
- 3-If the entity transferred the physical possession of the asset.
- 4-If the customer obtained the significant risks and benefits related to the asset.
- 5-The customer acceptance of the asset.

**I- Government grants**

Government grants are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company, with no future related costs. Such grants are recognized as other income in the statement of profit or loss based on the accrual basis during the same period when the grant is received and based on approvals of official parties.

**J- Credit interest**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate application over the period to maturity.

**K- Other revenues**

Other operating income is recognized based on the accrual basis.

**L- Translation of foreign currencies**

The Egyptian Pound has been designated as the functional currency, as it is the primary currency in which most of the company's cash inflows and outflows are conducted. Transactions in currencies other than the Egyptian Pound are recorded at the effective exchange rates on the date of the revaluation. At the date of preparing the financial statements, monetary assets and liabilities in foreign currencies are revaluated into Egyptian Pounds using the effective exchange rates at that date. Foreign exchange gains and losses resulting from this revaluation are recognized in the profit or loss statement for the financial period in which they arise. Non-monetary items in other currencies which are measured initially at historical cost aren't revaluated subsequently.

**M- Tax**

**Current income Tax**

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

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

**Deferred Tax**

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

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

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

#### **N- Inventory**

Inventories are carried out at the lower of cost or net realizable value at each financial position date

The costs of inventories are determined as follows:

##### **Raw materials (main, auxiliary and spare parts)**

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

##### **Work in process**

Cost incurred for each process based on production orders, including fixed and variable overhead costs incurred at each production process.

##### **Finished goods**

The cost is calculated for each production stage of operation orders, including direct and indirect costs.

#### **O- Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using estimated cash flows to settle the present obligation, the carrying amount of the provision represents the present value of those cash flows. If the cash flow is discounted, the carrying amount of the provision increases in each period to reflect the time value of money. This increase in the provision is recognized as a finance cost in the profit or loss statement.

#### **P- Short-term employee benefits**

Employees paid wages, salaries and paid sick leaves and bounces and other non-monetary benefits are recognized based on accrual basis in the financial period during which those services were performed.

#### **Q- Dividends distribution**

Dividends declared to the shareholders, Board of Directors and employees are recognized as a liability in the separate financial statements in the period in which these dividends have been approved by the Group's shareholders.

##### **Employee shares of profit**

In accordance with the Company's article of association, the Company pays 10% of its dividends distribution approved by the shareholders general assembly meeting to its employees, after deducting legal reserves, which should not exceed their total annual wages. Employees' profit sharing is recognized as profits distribution in the statement of changes in shareholders' equity and as a liability during the period in which the shareholders approve such distributions. Since the legal obligation to distribute dividends to the Company's employees is a full discreet right of the shareholders' general assembly, the Company does not recognise any liability for the employees' share in undistributed profits.

#### **R- Borrowing and credit facilities**

Borrowings and credit facilities obtained by the Group are initially recognized at the fair of the consideration received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the tenor of borrowings using the effective interest method.

#### **S- Right of use arising from leased assets**

The right to use and the lease liability are recognized at the commencement date of the lease. The lessee measures the right of use at cost, which is the present value of the unpaid lease payments on that date. The lease payments are discounted using the implicit interest rate in the lease. The subsequent measurement of the lease related to the leased asset (right of use) is applied the cost model, less any accumulated depreciation and any accumulated impairment losses. The depreciation requirements set out in Egyptian Accounting Standard No. (10) "Fixed assets and their depreciation" are applied in the depreciation of the right of use asset.

If the lease transfers ownership of the leased asset to the lessee at the end of the lease term, or if the cost of the right of use reflects that the lessee will exercise the purchase option, the lessee shall depreciate the right of use from the commencement date of the lease to the end of the useful life of the leased asset. Otherwise, the lessee shall depreciate the right of use from the commencement date of the lease to the end of the useful life of the right of use or the end of the lease term, whichever is shorter. Rights of use arising from the lease of assets other than construction in progress and land are depreciated using the straight-line method over the expected useful life of the assets as follows:

<b>Assets class</b>	<b>Useful life</b>
Buildings and structures	40 - 50 years
Machinery and equipment	3 - 20 years
Vehicles	4 - 5 years

#### **T- Borrowing costs**

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

When borrowing is generally undertaken and the borrowed funds are used in the acquisition of a qualifying asset to bear the borrowing cost, the amount of the finance cost that can be capitalized is determined using a capitalization rate on the expenditure for that asset. This rate is calculated on the basis of the weighted average cost of borrowing the facility for the existing loans during the period, after excluding the loans that were concluded specifically for the purpose of acquiring a stand-alone asset eligible to bear the cost of finance. The value of the finance cost capitalized during a period shall not exceed the value of the finance cost incurred during that period.

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

#### **U- Financial instruments**

##### **Initial recognition**

Accounts receivable, debtors and other debit balances are recognized on the date as they arise. Financial assets and liabilities are recognized when the entity is involved in the contractual terms of the instrument.

Financial assets and liabilities classified as fair value through profit or loss are measured initially at fair value plus transaction costs attributable to the acquisition or issuance of the instrument. Accounts receivable, debtors and other debit balances that do not involve a significant finance element are measured initially at transaction costs.

## **Classification and subsequent measurement**

### **Financial assets**

On initial recognition, financial assets are classified either by: amortized cost, fair value through other comprehensive income (e.g. investments in bonds) or fair value through profit or loss (e.g. investments in securities). Classification of financial assets cannot be changed unless the company's business model had been changed, in this case all affected financial assets should be reclassified at the beginning of the first reported period right after the change in business model.

Financial assets are measured at amortized cost when they satisfy the following conditions, unless they are not classified as at fair value through profit or loss:

- The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments are measured at fair value through profit or loss when they satisfy the following conditions, unless they are not classified as at fair value through profit or loss:

- The objective of the entity's business model that aim to collect the contractual cash flows and sell financial assets;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of investments in securities not held for trading, the entity might permanently decide to disclose the subsequent changes in fair value within other comprehensive income. The decision is taken for each investment separately.

All financial assets that are not classified as at amortized cost or at fair value through other comprehensive income as stated above, are classified as at fair value through profit or loss, this also include derivatives. On initial recognition, the entity might permanently decide that the financial asset that do not satisfy the conditions required to be classified as at amortized cost or fair value through other comprehensive income to be classified as at fair value through profit or loss if this classification could substantially end or reduce the accounting inconsistency that could be arise if it was not classified otherwise.

### **Financial assets – business model evaluation**

The entity evaluates the purpose from a business model that aim to hold a portfolio of financial assets, this helps to achieve a better way of business management and information delivery to management. Provided information include:

- Announced policies and objectives and how to activate these policies practically. This involves management strategy for revenue derived from the contractual returns, including a pre-determined interest rate, and synchronization of financial assets term with the term of any related financial liabilities or the expected cash outflow or cash flow derived from disposal of assets;
- Evaluate the performance of the portfolio and report this to the entity's management;
- Risks that have effects of the performance of the business model and how these risks are managed;
- Compensations for commercial managers for example, unless the compensation is calculated on the basis of fair value of managed assets or the collected contractual cash flows; and
- Frequency, size and timing of financial assets disposals on the past, the reasons behind these sales and forecasted sales in the future.

Transferring financial assets to third parties through transactions that are satisfy derecognition criteria are not considered as sales for this purpose, and the entity has to continue recognize these assets.

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

### **Financial assets – evaluation of whether contractual cash flows represent solely principal payments and interest**

For the purposes of this evaluation, principal is known as the fair value of the financial asset on initial recognition. Interest is the financial consideration of time value for money and credit risks related to the principal due within a pre-determined period of time, in addition to other basic risks and lending costs (e.g. liquidity risks and administration costs) and profit margin.

When evaluating whether the contractual cash flows are solely involving the principal and interest payments, the entity considers the contractual terms of the instrument. This involves evaluating whether contractual terms include conditions that might change timing or value of contractual cash flows in case of the conditions are not satisfied. When performing this evaluation, the entity considers the following:

- Probable events that could change value or timing of the contractual cash flows;
- Conditions that could change contractual interest rate, including variable rate conditions;
- Advance payment and financing period terms; and
- Conditions that restrict the group's ability to collect contractual cash flows (e.g. no-return conditions).

Advance payment conditions are compatible with principal payments and interest only if advance payment value represents material unpaid principal payments and interest due on principal, which might include additional reasonable compensation to end the contract early. In addition, as for the financial assets acquired with discount or premium on nominal value, the condition that allow or require the advance payment to be in a value that represent contractual nominal value in addition to contractual interest due, which could include an additional reasonable compensation for early settlement, treated as compatible with this principle if the fair value for advance payment is not material on initial recognition.

### **Financial assets – subsequent measurement and profit or loss**

#### **Financial assets at fair value through profit or loss**

These assets are measured subsequently at fair value. Profit or loss, including interest income and dividends are recognized through profit or loss.

#### **Financial assets at amortized cost**

These assets are measured at amortized cost using effective interest rate method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange profit or loss and impairment are recognized through profit or loss. Derecognition profits or losses are recognized through profit or loss.

#### **Investments in debt at fair value through other comprehensive income**

These assets are measured at fair value. Interest income is calculated using effective interest rate method, foreign exchange profit or loss and impairment are recognized through profit or loss. Other profit or loss elements are recognized through other comprehensive income. On derecognition, accumulated profit or losses are recycled from other comprehensive income to profit or loss.

#### **Investments in equity at fair value through other comprehensive income**

These assets are measured at fair value. Dividends are recognized through profit or loss unless it was clearly represent part of investment cost. Other profit or losses are recognized in other comprehensive income and never recycled to profit or loss.

### **Financial liabilities – classification, subsequent measurement and profit or loss**

Financial liabilities are classified as at amortized cost or at fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it was classified as held for trading, a derivative or was classified at this basis on initial recognition.

#### **Financial liabilities**

Financial liabilities are measured at fair value through profit or loss, profit or loss including interest expenses are recognized through profit or loss. Other financial liabilities are measured subsequently at amortized cost using effective interest rate method. Interest expenses and foreign exchange profit or losses are recognized through profit or loss. any profit or loss from derecognition are recognized through profit or loss.

## **Derecognition**

### **Financial assets**

An entity derecognizes a financial asset only when the contractual right to cash flows for the financial asset is getting expired, or when the group transfers the contractual rights to cash flows through a transaction that actually transfers all risks and rewards of the financial asset, or through a transaction in which the entity does not transfer or keep risks and rewards of the financial asset, but it does not keep control on the financial asset.

Transferred assets are not derecognized if the entity has agreed transactions to transfer assets recognized through statement of financial position but it keeps all or most of the risks and rewards from the transferred assets.

### **Financial liabilities**

An entity derecognizes a financial liability when the related contractual liabilities have been settled, cancelled or expired. An entity derecognizes a financial liability also when its terms have been amended and the cash outflow from the amended liability is materially different, in this case a new financial liability is recognized based on the amended terms of fair value.

When a financial liability is derecognized, the difference between written off net book value and settlement paid, including any transferred non-cash assets or contingent liabilities, is recognized through profit or loss.

### **Clearing**

Financial assets and financial liabilities are cleared, net amount is presented in the statement of financial position, only when the entity has an enforceable right to clear these amounts and the entity wants whether to settle the transactions based on the net amount or synchronize the collection of assets and settlement of liabilities.

### **Impairment of assets**

#### **Non-derivative financial assets**

##### **Financial instruments and contracts' assets**

The entity recognizes a provision for expected credit losses from:

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

The entity measures expected credit losses provisions from rental income receivable which is disclosed within accounts receivable, debtors and other debit balances.

The entity measures expected credit losses provision for instrument's lifetime, with exception to the following items where the losses provision is measured based on equivalent 12-month expected credit losses:

- Debt instruments that involve low credit risk as of the reporting date; and
- Other debt instruments and bank balances in which the related credit risks have been not materially increased since initial recognition (e.g. default risks that fall over the expected life time of the financial instrument).

The entity measures losses provision for accounts receivable and debtors including rentals income receivable and contracts assets based on the lifetime expected credit losses for the instrument.

When determining whether the credit risks of a financial instrument have been increased significantly since initial recognition and when estimating expected credit losses, an entity considers reasonable and supportive information that is relevant and available without cost or extensive effort and that also involve analysis and quantitative and qualitative information based on previous experience and credit rating that is based on forward-looking information.

A financial asset will be considered in a default position when:

- It is not probable that customers and debtors fulfill their credit obligations to the entity without the need to take actions like restrict the warranty deposit (if any); or
- The financial asset is due within a period over 180 days.

Expected credit losses over the instrument's lifetime represent the losses that are resulted from all probable default events that are expected to occur over the financial instrument's lifetime. Expected credit losses over 12-months represent the proportion of credit losses that are resulted from default events that are probable to occur within 12-month period after reporting date (or within a shorter period if the instrument's expected lifetime is less than 12 months).

The maximum period that should be considered when estimating expected credit losses represents the maximum contracted period in which the entity is exposed to credit risks.

#### **Measuring expected credit losses**

Expected credit losses represent the weighted estimate of credit losses. Credit losses are measured at present value of all cash defaults (i.e. the difference between cash inflows due to the entity according to the entity and cash inflows that the entity expects to obtain). Expected credit losses are reduced using the effective interest rate of the financial asset.

#### **Financial assets exposed to credit reduction**

The entity determines, at reporting date, whether the financial assets recorded at amortized cost and debt instruments measured at fair value through other comprehensive income have been exposed to credit reduction. A financial asset is exposed to credit reduction when one or more events occur that have negative impact on future cash flows of the financial asset.

The objective evidence that a financial asset is exposed to credit reduction include the following:

- A severe financial crisis for the debtor;
- Breach of the contract, such as defaulting on payment;
- Loan or custody rescheduling based on conditions that would not be accepted by the entity in another circumstances; or
- It is probable that the debtor is exposed to bankruptcy or another rescheduling plans.

#### **Presentation of expected credit losses in the statement of financial position**

A provision for losses is formed for the financial assets measured at amortized cost and deducted from total book value of the assets. Regarding debt instruments measured at fair value through other comprehensive income, a provision for losses is charged on profit or loss and recognized in other comprehensive income.

#### **Write-off**

Total net book value of the financial asset is written-off when the entity has no reasonable expectations that the full or part of the financial asset's value is recoverable.

The entity expects that a significant proportion of written-off amounts are irrecoverable. However, written-off financial assets might still subject to executive activities in order to comply with the entity's procedures to recover the amounts due.

#### **Non-financial assets**

At reporting date, the entity reviews non-financial assets' net book value to check whether they are exposed to any indications for impairment. In such indications exist, the recoverable amount of the asset is estimated.

For the purposes of impairment study, assets are aggregated in the smallest group of assets that generate cash inflows resulted from continues use of it, the group of assets should be widely independent from cash inflows generated by assets or other cash generating units.

The recoverable value of an asset or a cash generating unit represents value in use or fair value less selling costs, whichever greater. When evaluating value in use, estimated future cash flows are reduced to the value in use using a pre-tax discount rate that reflects current market valuation for time value of money and risks related to the asset or the cash generating unit.

Impairment losses are recognized when the book value of the asset or related cash generating unit is greater than its recoverable value. Impairment losses are recognized through profit or loss. Impairment losses are allocated, in the first place, to reduce the book value of any goodwill related to the cash generating unit, then to reduce other cash generating unit's assets on a pro-rata basis.

Impairment losses are reversed to the extent that the asset's book value does not exceed the book value that was to be determined, after depreciation or amortization, as if the impairment losses had not been recognized in the first place.

#### **Effective interest rate method**

Effective interest rate method is a method to calculate the amortized cost of the debt instrument and used for distributing interest income over a pre-determined period. Effective interest rate is the rate that used to discount expected future cash inflows (including all paid charges or points received, which form an integral part of effective interest rate, and transaction costs or any other premium or discounts) over the expected lifetime of the instrument, or over a shorter period if appropriate, so that specifically reach the net book value of the asset since initial recognition.

Income from debt instruments that subsequently measured at amortized cost are recognized in profit or loss using effective interest rate approach, and are presented within finance income.

#### **V- Accounts and notes receivable**

Accounts and notes receivables are stated at their nominal value less the impairment provision to cover the decline in the value of customer balances. An impairment provision is created to cover the decline in the value of customer balances when there is objective evidence that the company will not be able to collect the amounts due according to the original terms of the contract with the customer. The provision represents the difference between the carrying amount and the recoverable value expressed in expected cash flows.

#### **W- cash and cash equivalent**

Cash and cash equivalent includes cash on hand, current accounts in banks and time deposits not exceeding three months, convertible to determined amounts of cash.

#### **X- Trade payables**

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

#### **Y- Legal reserve**

In accordance with the Companies Law no. 159 of 1981 and The Company's article of incorporation, 5% of the annual net income is transferred to the legal reserve, until the balance of reserve reaches 50% of issued capital. This reserve is not subjected to dividends' distribution rather it is used by a decision of the general assembly meeting based on the proposal of board of directors in the interest of the Company.

For preparing the consolidated financial statements, the reserves formed by subsidiaries after the acquisition date are included in the retained earnings of the group instead of being shown as a separate section of equity. Hence, the statutory reserve that appears in the consolidated financial statements concerns only the parent company.

#### **Z- Cash flow statement**

Cash flows statement has been prepared using the indirect method. For the purpose of preparing the statement of cash flows, cash and cash equivalents include cash balances in current bank accounts and bank deposits with maturities not exceeding three months.

#### **AA- Earnings per share**

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

#### **BB- Sources of fair value estimation**

The application of the accounting policies stated in Note (5) requires management to use estimates and assumptions to determine the carrying amounts of assets and liabilities that cannot be clearly measured through other sources.

The fair value of financial instruments traded in an active market is based on quoted market prices at the date of the financial statements. Meanwhile, the fair value of financial instruments not traded in an active market is determined by using valuation techniques that rely on market conditions at the date of preparing the financial statements.

#### **CC- Investment property**

Initial recognition of investments property is based on the purchase cost and any direct expenses related to it. Investment properties are subsequently measured at cost model or the fair value model in accordance with the amendments to the Egyptian accounting standards issued on March 6, 2023.

After initial recognition, the entity that chooses the fair value model must measure all its property investments at fair value.

The company chose the fair value model in the subsequent measurement of real property investments, in accordance with the decision of the Board of Directors of EL Baddar Packaging Company held on September 24, 2023.

If the book asset of a property investment increases because of its evaluation at fair value, the increase must be recorded in comprehensive income and collected within equity under the title "investment property revaluation surplus at fair value." However, the increase must be proven in profit or loss to the extent that it reflects a decrease in the evaluation. The same investment, previously recorded in profit or loss, and this surplus is treated in the same manner as stated in the revaluation model within Egyptian Accounting Standard No. (10) "Fixed Assets and their Depreciation."

If the carrying amount of an investment decreases because of evaluating it at fair value, the decrease must be recorded in profit or loss. However, the decrease must be recognized in other comprehensive income to the extent that there is no credit balance in the revaluation surplus related to that investment. The decrease recorded in other comprehensive income reduces the amount accumulated in equity. Under the title of property investment revaluation surplus at fair value.

If the market value of these real estate investments decreases below their net book value, a provision for impairment losses is created and charged to the comprehensive income statement, and the real estate investments appear in the financial position after deducting the accumulated impairment losses, if any.

#### **DD- Lease contract**

##### **1. Definition of Lease**

The Company assesses whether an arrangement constitutes or contains a lease in accordance with Egyptian Accounting Standard (EAS) No. (49). An arrangement is considered a lease or contains a lease if it conveys the right to control the use of a specified asset for a period of time in exchange for consideration.

At the inception or reassessment of an arrangement that includes lease components, the Company allocates the consideration in the contract to each lease and non-lease component based on their relative standalone prices.

##### **2. As a Lessee**

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's borrowing rate at the lease commencement date.

The right-of-use asset is measured at an amount equal to the lease liability, adjusted for any prepaid lease payments or accrued lease payments. This method has been applied to all lease contracts.

The Company has chosen to use the exemption permitted for not recognizing right-of-use assets and lease liabilities for leases with a term of less than 12 months and for leases of low-value assets. Lease payments related to these contracts are recognized as an expense.

Lease liabilities are remeasured when there is a change in future lease payments.

### 3. Lease Contracts Where the Company is a Lessee (Operating Lease)

At the initial date of the lease, a "right-of-use" asset and a lease liability are recognized.

#### The initial measurement of the "Right of use" asset:

The cost of a "right of use" asset consists of:

(A) The first measurement amount of the lease obligation, at the present value of unpaid lease payments on that date. Lease payments are deducted using the interest rate implicit in the lease agreement if that rate can be easily determined. If it is not possible to determine that rate, the lessee must use the interest rate on the additional borrowing of the lessee.

(B) Any lease payments made on or before the commencement date of the lease less any lease incentives received,

(C) Any initial direct costs incurred by the lessee,

(D) An estimate of the costs that the lessee will incur in dismantling and removing the underlying asset, returning the site in which the asset is located to the original state or returning the asset to the required condition in accordance with the terms and conditions of the lease contract, unless those costs will be incurred to produce the inventory. The lessee incurs obligations for those costs, either at the start date of the lease contract or because of using the underlying asset during a specific period.

#### Subsequent measurement of the "Right of use" asset:

After the start date of the lease contract, the "right of use" asset is measured. A cost model is applied where the "right of use" asset is measured at cost:

(A) minus any accumulated depreciation and any accumulated impairment losses,

(B) As amended by any re-measurement of the lease obligation.

#### The first measure of a lease obligation

At the starting date of the lease, the lease obligation is measured at the present value of unpaid lease payments on that date. Lease payments are deducted using the interest rate implicit in the lease agreement if that rate can be easily determined. If this rate cannot be determined easily, the lessee must use the incremental borrowing rate of the company as lessee.

#### Subsequent measurement of the lease obligation

After the start date of the lease agreement, the following shall be done:

(A) An increase in the carrying amount of the obligation to reflect the interest on the lease obligation.

(B) Reducing the carrying amount of the obligation to reflect lease payments,

(C) Re-measure the carrying amount of the obligation to reflect any revaluation or amendments to the lease contract or to reflect fixed lease payments in their modified substance.

The right of use asset and leasehold obligations are presented in the financial position separately from other assets and liabilities.

Leasing contracts involve the lessee maintaining and insuring the leased asset. The lease agreement does not include any arrangements for transferring ownership at the end of the lease period.

#### Sale and leaseback transactions

If the leased seller (transfers an asset to another entity) the leased purchaser and leases back this asset from the leased purchaser, then both the leased seller and the leased purchaser must account for the transfer contract and the lease contract according to the following:

#### Evaluate whether the asset transfer is a sale

The company applies the necessary requirements to determine when the performance obligation in Egyptian Accounting Standard (No. 48) is fulfilled.

Revenue from contracts with customers to determine whether the transfer of the asset is accounted for as a sale of that asset.

#### **Asset transfer represents a sale**

If the transfer of the asset by the leased seller fulfils the requirements mentioned in Egyptian Accounting Standard (48) Revenue from customer contracts to be accounted for as a sale of the asset:

The leaseholder must measure the "usufruct" asset resulting from the leaseback by the portion of the previous book value of the asset related to the usufruct that is retained by the leaseholder seller. Accordingly, the lessee seller must recognize only the amount of any profit or loss related to the transferred rights of the purchasing lessor.

The lessor buyer must account for the purchase of the asset by applying the standards applicable to it, and accounting for the lease contract by applying the lessor accounting requirements in this standard.

If the fair value of the consideration to sell the asset is not equal to the fair value of the asset, or if the lease payments are not in accordance with market prices, the entity must make the following adjustments to measure the sale proceeds at fair value:

- A- Any deficiency in market conditions must be accounted for as an advance of rental payments.
- b- Any increase in market conditions must be accounted for as additional financing provided by the leased buyer to the leased seller.
- c- An entity should measure any adjustment that may be required on the basis of what can be readily identified for the following:
- d- The difference between the fair value of the consideration to sell and the fair value of the asset.
- e- The difference between the present value of the contractual payments of the lease and the present value of the lease payments at market rates.

#### **Lease contracts in which the company is a lessee**

At the beginning of the lease contract, the original "usufruct" and the commitment of the lease contract shall be recognized. However, the company may not apply this, whether for short-term leases or lease contracts in which the underlying asset of the contract has a low value, and in this case the lease payments associated with these are recognized. Rents as an expense either on a straight-line basis over the term of the lease or another regular basis. Another regular basis would be applied if that basis was more representative of the pattern of benefit as a lessee

#### **EE- Share-Based Compensation**

The cost of cash-settled awards granted to employees is measured by reference to the fair value of the liability at each reporting date until settlement. This cost is recognized as employee benefits expense in the income statement, with a corresponding liability recognized in the statement of financial position.

The cost of both equity-settled and cash-settled awards is recognized over the vesting period, which is the period over which the employees render the required service for the award. Any non-market performance conditions must be satisfied.

For cash-settled awards, any changes in the fair value of the liability between the vesting date and the settlement date are also recognized in the income statement under employee benefits expense.

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

**6. Fixed Assets (Net)**

for the period ended June 30, 2025

Cost	Land* EGP	Buildings, constructions, and leasedhold improvements EGP	Machinery & equipment EGP	Vehicles EGP	Tools EGP	Furniture, computers & office equipment EGP	Artistic ownership EGP	Leasehold improvements EGP	Total EGP
Cost as of December 31, 2023	435 681 033	438 751 423	1383 089 041	46 335 482	81 629 075	53 656 899	56 200	--	2 439 206 153
Additions during the year	872 790	10 272 370	214 457 046	18 073 263	59 650 023	7 143 711	--	2 000 000	311 438 203
Transferred from projects under construction	--	7 040 100	23 653 583	--	1 012 777	572 055	--	--	32 278 515
Debit currency valuation differences resulting from the impact of the application of Annex (F) to Egyptian Accounting Standard No. (13) amended 2024 **	--	--	28 459 988	--	--	--	--	--	28 459 988
Disposals during the year ***	--	--	(16 145 133)	( 823 500)	(13 073 360)	(5 545 313)	--	--	(35 587 306)
Cost as of December 31, 2024	436 563 823	466 063 893	1 633 514 925	63 565 245	128 218 515	55 797 352	56 200	2 000 000	2 775 795 553
Additions during the period	--	8 563 224	28 203 525	15 763 096	41 552 178	3 002 941	--	--	97 104 964
Transferred from projects under construction	--	5 150 000	114 408 654	--	1 319 448	--	--	--	120 678 102
Disposals during the period	--	--	( 531 895)	(1 314 413)	--	--	--	--	(1 846 308)
Cost as of June 30, 2025	436 563 823	469 797 117	1 715 594 809	78 033 928	171 090 141	58 800 293	56 200	2 000 000	2 991 936 311
Accumulated Depreciation:									
Accumulated Depreciation as of December 31, 2023	--	63 822 095	455 216 711	32 562 481	52 197 127	21 971 009	--	--	625 769 423
Depreciation of the year	--	12 070 623	85 511 762	6 348 402	20 615 511	4 829 866	--	--	129 376 164
Accumulated depreciation for disposals	--	--	(15 608 062)	( 823 500)	(13 073 360)	(5 545 313)	--	--	(35 050 235)
Accumulated Depreciation as of December 31, 2024	--	75 892 718	525 120 411	38 087 383	59 739 278	21 255 582	--	--	720 095 352
Depreciation of the period	--	6 081 034	48 139 992	4 690 423	13 681 352	3 015 280	--	135 196	76 943 277
Accumulated depreciation for disposals	--	--	( 258 782)	(1 141 846)	--	--	--	--	(1 400 628)
Accumulated Depreciation as of June 30, 2025	--	81 973 752	574 001 621	41 635 960	73 420 630	24 270 842	--	--	735 638 001
Impairment balance as of December 31, 2024	--	3 157 592	13 950 875	--	--	--	--	--	17 108 467
Impairment balance as of June 30, 2025	--	3 157 592	13 950 875	--	--	--	--	--	17 108 467
Net book value as of June 30, 2025	436 563 823	384 665 773	1 187 643 313	36 197 968	97 659 511	34 529 451	56 200	1 864 804	2 179 188 843
Net book value as of December 31, 2024	436 563 823	377 013 583	1 094 443 239	25 497 882	68 478 237	34 541 730	56 200	2 000 000	2 038 595 734

\* In accordance with the decision of the Board of Directors of El Shorouk Modern Printing Company dated December 24, 2023, the company's management has adopted the fair value model for the valuation of land only. Refer to Note (26) for further details

\*\* The amount is the value of the debit currency differences that arose as a result of obtaining a foreign currency loan to finance the acquisition of assets amounted to EGP 9 864 304 related to El-Shorouk Modern Printing and Packaging Company and amount of EGP 18 595 684 related to El Baddar company for Packages

\*\*\* During the previous year, the company disposed of two printing machines (6-color and 8-color), which had been fully depreciated but remained operational. The sale was executed for an amount of EUR 450,000 through a memorandum of understanding with one of the suppliers. As a result, the company realized capital gains amounting to EGP 24 214 500.

\*\*\*\* Depreciation for the period allocated as following :

	For the financial period ended June 30, 2025	For the financial period ended June 30, 2024
EGP		
Cost Of Sale	70 151 531	56 802 231
General And Administrative	6 690 483	4 443 551
Selling And Marketing	101 263	171 085
	<u>76 943 277</u>	<u>61 416 867</u>

National Printing Company "S.A.E"

Notes to the consolidated interim financial statements

For the period ended June 30, 2025

7- Projects under construction

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Advances payment to purchase fixed asset (Tools & Machinery – Vehicle)	180 202 888	166 359 429
Projects under construction - constructions and machines	49 482 018	35 946 607
Land in Gesr El Suez	2 400 000	2 400 000
Other	60 253 597	12 462 179
	<u>292 338 503</u>	<u>217 168 215</u>

The movement of projects under construction during the period is represented in the following:

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Opening balance	217 168 215	33 916 541
Additions during the period \ year	196 048 390	215 750 189
Transferred to fixed assets	(120 878 102)	(32 498 515)
Ending balance	<u>292 338 503</u>	<u>217 168 215</u>

8- Other long term investments

<u>Description</u>	<u>Number of shares Owned</u>	<u>Nominal Value</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
			<u>EGP</u>	<u>EGP</u>
Dar Mayo National Publishing Company	2000	10 EGP	20 000	20 000
Less: Impairment in investment			(20 000)	(20 000)
			<u>--</u>	<u>--</u>

9- Inventories (net)

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Raw material	1 065 263 163	1 000 510 999
Supporting materials	68 805 265	64 353 453
Spare parts	227 702 117	234 391 782
Finished goods and work in process	300 509 947	190 586 065
Packaging materials	9 637 060	10 124 349
Goods in transit	2 909 406	3 640 396
	<u>1 674 826 958</u>	<u>1 503 607 044</u>
Less: Write-down of inventories	(10 496 711)	(10 496 711)
	<u>1 664 330 247</u>	<u>1 493 110 333</u>

**Below is a description of inventory write -down movement**

<u>Description</u>	<u>Balance</u>	<u>Impairment</u>	<u>Impairment</u>	<u>Balance</u>
	<u>31/12/2024</u>	<u>during the</u>	<u>reversed during</u>	<u>30/6/2025</u>
	<u>EGP</u>	<u>period</u>	<u>the period</u>	<u>EGP</u>
Write-down of inventories	10 496 711	--	--	10 496 711
	<u>10 496 711</u>	<u>--</u>	<u>--</u>	<u>10 496 711</u>

**10-Trade and notes receivables(net)**

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Local accounts receivable	1 076 091 325	1 196 197 323
Local accounts receivables - related parties	146 166 969	99 389 743
Foreign accounts receivable	236 166 603	57 081 764
Notes receivable	174 842 030	264 884 317
	<u>1 633 266 927</u>	<u>1 617 553 147</u>
Less: Expected credit loss in Trade and notes receivables	<u>(57 132 010)</u>	<u>(57 422 337)</u>
	<u>1 576 134 917</u>	<u>1 560 130 810</u>

**Below is a description of Expected credit loss movement**

<u>Description</u>	<u>Balance</u>	<u>Reversal during</u>	<u>Balance as of</u>
	<u>December 31, 2024</u>	<u>the period</u>	<u>June 30, 2025</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Expected credit loss	57 422 337	(290 327)	57 132 010
	<u>57 422 337</u>	<u>(290 327)</u>	<u>57 132 010</u>

**11-Other debit balances**

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Advances payments to suppliers	107 377 750	91 925 083
Tax Authority – Withholding tax	67 359 866	62 222 916
Tax Authority – Advances under income tax payable	32 082 697	62 785 846
Tax Authority – Value added tax	107 390 006	100 110 127
Insurance with others**	24 478 792	27 100 677
Employee custodies	14 314 423	11 415 941
Advances payments under dividend payable*	28 730 500	56 008 971
Export subsidies	190 141 212	163 237 022
Customs custody	29 142 654	12 575 146
Prepaid expenses	26 228 384	9 485 640
Letter of guarantee	7 998 500	7 435 000
Letter of credit	689 636	3 223 806
Other debit balances	30 308 173	18 611 060
	<u>666 242 593</u>	<u>626 137 235</u>
Less: Expected credit loss in other debit balances	<u>(4 695 613)</u>	<u>(4 905 273)</u>
	<u>661 546 980</u>	<u>621 231 962</u>

\* The balance represented in the dividends paid in advance to the employees subjected to be presented in the dividends plan proposed from the board of directors to be approved from the Ordinary General Assembly meeting.

\*\* The balance of insurance with others includes an amount of EGP 8 541 655 paid to the Egyptian General Petroleum Corporation as a security deposit for gas consumption, in accordance with the gas supply agreement between one of the group companies and GASCO. It also includes an amount of EGP 2 740 500 paid to Behera Electricity Company as a security deposit for electricity consumption.

**Below is a description of Expected credit loss movement**

<u>Description</u>	<u>Balance</u> <u>December 31, 2024</u> <u>EGP</u>	<u>Formed during</u> <u>the period</u> <u>EGP</u>	<u>Reversal during</u> <u>the period</u> <u>EGP</u>	<u>Balance as of</u> <u>June 30, 2025</u> <u>EGP</u>
Expected credit loss	4 905 273	--	(209 660)	4 695 613
	<u>4 905 273</u>	<u>--</u>	<u>(209 660)</u>	<u>4 695 613</u>

**12-Cash and cash equivalents.**

<u>Description</u>	<u>June 30, 2025</u> <u>EGP</u>	<u>December 31, 2024</u> <u>EGP</u>
Cash on hand	15 439 115	11 818 679
Cash at bank – Current account	532 473 670	528 557 836
Checks under collection	--	11 715 878
	<u>547 912 785</u>	<u>552 092 393</u>
Less: Expected credit loss in cash	(384 510)	(219 721)
	<u>547 528 275</u>	<u>551 872 672</u>

**Below is a description of Expected credit loss movement**

<u>Description</u>	<u>Balance</u> <u>December 31, 2024</u> <u>EGP</u>	<u>Formed during</u> <u>the period</u> <u>EGP</u>	<u>Reversal</u> <u>during the</u> <u>period</u> <u>EGP</u>	<u>Balance as of</u> <u>June 30, 2025</u> <u>EGP</u>
Expected credit loss	219 721	164 789	--	384 510
	<u>219 721</u>	<u>164 789</u>	<u>--</u>	<u>384 510</u>

**13-Provisions**

<u>Description</u>	<u>Balance</u> <u>December 31, 2024</u> <u>EGP</u>	<u>Formed</u> <u>during the</u> <u>period</u> <u>EGP</u>	<u>Provisions</u> <u>Used during</u> <u>the period</u> <u>EGP</u>	<u>Provisions</u> <u>no longer</u> <u>required</u> <u>EGP</u>	<u>Balance as of</u> <u>June 30, 2025</u> <u>EGP</u>
Provision for claims*	84 175 284	6 746 603	--	(69 085)	90 852 802
	<u>84 175 284</u>	<u>6 746 603</u>	<u>--</u>	<u>(69 085)</u>	<u>90 852 802</u>

\* These provisions represent the amount that has been recognized as the best available estimates against the required amount to settle the current obligation in the date of the Financial Position, These provisions relate to expected claims from some parties and authorities in connection with the company's activities.

**14-Credit facility**

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Export Development Bank of Egypt	53 176 109	17 703 180
Abu Dhabi Islamic Bank	510 448 867	507 946 679
Kuwait Finance House Bank (previously Ahli United Bank)	622 323 016	574 828 943
ABC Bank (previously BLOM)	99 229 980	31 353 001
National Bank of Egypt	207 791 880	131 706 597
Arab African International Bank	69 975 827	4 089
Arab bank	94 525 594	42 477 817
QNB ALAHLI Bank	421 942 248	395 187 836
Abu Dhabi Commercial Bank	36 025 296	88 207 153
Credit Agricole Egypt Bank	99 952 588	63 291 418
Banque Misr	206 677 090	261 832 944
Emirates NBD	70 143 439	121 508 667
HSBC Bank	97 704 632	--
Alexandria bank	18 921 730	--
	<u>2 608 838 296</u>	<u>2 236 048 324</u>

**First: Al Shorouk Modern Printing and Packaging Company****14-1 Export Development Bank of Egypt**

According to the multi-purpose facility agreement with the Export Development Bank of Egypt S.A.E., the company obtained a credit facility of EGP 96 million (EGP ninety-six million) at the interest rate specified in the agreement. The contract period starts on July 23, 2024, and ends on July 31, 2025. The purpose of this facility is to open local and/or foreign letters of credit, finance commercial activities, finance contracts and/or purchase orders, issue letters of guarantee, and finance export activities. It is automatically renewed annually unless the bank notifies the company otherwise.

**14-2 Arab Bank**

According to the multi-purpose facility agreement with Arab Bank, the company obtained a credit facility of EGP 100 million (EGP one hundred million) at the interest rate specified in the agreement. The purpose of this facility is to finance working capital, refinance letters of credit, import machinery and spare parts, finance letters of guarantee, and operating expenses.

**14-3 QNB Al Ahli**

According to the facility agreement with QNB Al Ahli dated November 3, 2024, the company obtained a credit facility of EGP 150 million (EGP one hundred and fifty million) at the interest rate specified in the agreement. The purpose is to finance salaries, wages, customs duties, purchases of raw material through 100% refinancing of letters of credit, collection documents, and foreign transfers related to imports, as well as customs duties and 100% of local purchases. It also finances the uncovered portion of letters of credit. The facility period starts on November 3, 2024, and ends on August 31, 2025, and is automatically renewed at the bank's discretion.

**14-4 Abu Dhabi Islamic Bank**

Under the speculative agreement with Abu Dhabi Islamic Bank dated September 21, 2020, the company obtained a credit facility of EGP 120million (EGP one hundred and twenty million) at the interest rate specified in the agreement. An amendment to the speculative agreement was signed on December 20, 2023, increasing the facility to EGP 300 million (EGP three hundred million). The purpose is to finance the company activity, including letters of credit for importing raw materials and/or spare parts. The contract is valid for one year from the signing date and is automatically renewed for similar periods unless either party expresses a desire not to renew.

#### **14-5 ABC Bank (previously BLOM Bank)**

According to the facility agreement with ABC Bank (previously BLOM Bank), the company obtained a credit facility of EGP 100 million (EGP one hundred million) and/or its equivalent in foreign currencies at the interest rate specified in the agreement. The facility starts on September 2, 2024, and ends on August 31, 2025. The purpose is to finance the company's current activities.

#### **14-6 National Bank of Egypt**

According to the facility agreement with the National Bank of Egypt dated September 10, 2024, the company obtained a credit facility of EGP 180 million for one year, ending on September 9, 2025. The purpose is to finance the company's working capital, import raw materials and production supplies, and liabilities arising from credit limits. The facility is renewable upon the bank's approval and terms unless the bank notifies the company otherwise.

#### **14-7 Crédit Agricole Egypt**

According to the credit facility agreement with Crédit Agricole Egypt dated April 10, 2023, the company obtained a credit facility of EGP 103 million (EGP one hundred three million) at the interest rate specified in the agreement. The purpose is to refinance letters of credit without collateral. The contract duration is unspecified, but the bank may renew the facility automatically for any period unless it expresses a desire not to renew.

#### **14-8 Ahli United Bank**

According to the renewed credit facility agreement with Ahli United Bank (Egypt), the facility was amended to EGP 250 million (EGP two hundred fifty million) at the interest rate specified in the agreement. The purpose is to finance the company's operations.

#### **14-9 Banque Misr**

According to the credit facility agreement with Banque Misr dated March 26, 2024, the company obtained a credit facility of EGP 150 million at the interest rate specified in the agreement. The purpose is to finance the import of raw materials, production supplies, and spare parts, and to refinance letters of credit and/or collection documents. The bank may renew or extend the multi-purpose financing at its sole discretion without needing the second party's approval.

#### **Second: El Motehada Company for Paper and Carton Manufacturing (Subsidiary)**

##### **14-2-1 Arab African International Bank Facility**

According to the annex to the credit facility agreement with Arab African International Bank dated March 2024, the credit limit was increased to EGP 250 million. The purpose is to finance working capital.

##### **14-2-2 Abu Dhabi Islamic Bank**

According to the annex to the speculative agreement dated December 20, 2023, the credit limit was increased to EGP 270 million to finance the general activity of the company. The facility is automatically renewed annually unless the bank notifies the company otherwise. As per the annex dated May 28, 2025, the credit limit was reduced to EGP 250 million with the same purpose and renewal terms.

##### **14-2-3 Kuwait Finance House Bank (previously Ahli United Bank)**

The company signed a framework agreement for international commodity Murabaha with the bank for EGP 400 million to finance commercial activities and refinance import operations at the interest rate specified in the agreement. The facility is automatically renewed annually unless the bank notifies the company otherwise.

##### **14-2-4 National Bank of Egypt**

According to the credit facility agreement with the National Bank of Egypt dated December 18, 2023, the company obtained a credit facility of EGP 200 million related to the program provided by the European Investment Bank at the interest rate specified in the agreement. It is divided into:

First limit: EGP 160 million for financing part of the working capital and opening letters of credit

Second limit: EGP 40 million for financing working capital.

The facility is automatically renewed annually unless the bank notifies the company otherwise.

#### **14-2-5 QNB Al Ahli**

According to the credit facility agreement with QNB Al Ahli, the company obtained a credit facility of EGP 200 million at the interest rate specified in the agreement, divided into:

First limit: EGP 120 million starting on September 5, 2023, and ending on June 30, 2024.

Second limit: EGP 80 million starting on March 13, 2024, and ending on March 31, 2025.

The purpose is to finance working capital. The facility is automatically renewed annually unless the bank notifies the company otherwise.

#### **14-2-6 Abu Dhabi Commercial Bank**

According to the credit facility agreement with Abu Dhabi Commercial Bank dated September 3, 2023, the company obtained a credit facility of EGP 120million at the interest rate specified in the agreement. The purpose is to finance part of the raw material and spare parts import requirements.

#### **14-2-7 Banque Misr**

According to the credit facility agreement with Banque Misr, the company obtained a credit facility of EGP 400 million at the interest rate specified in the agreement to refinance letters of credit or collection documents. The facility is automatically renewed annually unless the bank notifies the company otherwise. As per the annex to the agreement, the credit limit was reduced to EGP 300 million to refinance letters of credit, collection documents, import operations, or direct purchases from the local market. The facility is automatically renewed annually unless the bank notifies the company otherwise.

#### **14-2-8 Emirates NBD**

According to the credit facility agreement with Emirates NBD dated December 4, 2023, the company obtained a credit facility of EGP 150 million at the interest rate specified in the agreement. The purpose is to partially finance import requirements for raw materials and spare parts, as well as finance raw materials, taxes, customs duties, customs clearance services, social insurance, salaries, and utility payments. The facility is automatically renewed annually unless the bank notifies the company otherwise.

#### **14-2-9 HSBC Bank**

According to the credit facility agreement with HSBC Bank dated April 17, 2025, the company obtained a credit facility of EGP 300 million at the interest rate specified in the agreement. The purpose of the facility is to finance customs duties, services, and taxes.

#### **Third: Al-Baddar Packaging Company (Subsidiary)**

##### **14-3-1 QNB Al Ahli**

According to the credit facility agreement with QNB Al Ahli Bank dated September 4, 2023, the company obtained a credit facility of EGP 95 million to finance purchases and operating expenses at the interest rate specified in the agreement. The facility is divided into two contracts: first one amounted to EGP 80 million and another amounted to EGP 15 million, and is automatically renewed annually unless the bank notifies the company otherwise.

According to the contract annex dated April 14, 2025, the company obtained an additional credit facility of EGP 25 million to finance tax payments, also at the interest rate specified in the agreement and subject to automatic annual renewal unless the bank notifies the company otherwise.

##### **14-3-2 Abu Dhabi Islamic Bank**

According to the credit facility agreement with Abu Dhabi Islamic Bank dated December 17, 2023, the company obtained a credit facility of EGP 150 million to finance the general activity operation of the company, at the interest rate specified in the agreement. The facility is automatically renewed annually unless the bank notifies the company otherwise.

According to the contract annex dated May 28, 2025, the credit limit was increased to EGP 200 million for the same purpose and under the same renewal terms.

##### **14-3-3 Bank of Alexandria**

According to the credit facility agreement with Bank of Alexandria dated April 27, 2025, the company obtained a credit facility of EGP 100 million to finance the import of raw materials and spare parts, open local and/or foreign letters of credit, and finance contracts and/or purchase orders.

**Fourth: Windsor Company (Subsidiary)**

**14-4-1 Abu Dhabi Islamic Bank**

According to the credit facility agreement with Abu Dhabi Islamic Bank dated March 13, 2022, the company obtained a credit facility of EGP 10 million to finance the general activity operation of the company, at the interest rate specified in the agreement. The contract period starts from the signing date and ends on January 31, 2023, and is automatically extended for similar periods unless either party expresses in writing its desire not to renew.

**15-Loans**

**1-According to company**

	<b><u>June 30, 2025</u></b>	<b><u>December 31, 2024</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
El-Shorouk Modern Printing and Packaging Company	193 113 783	221 894 249
El Motehada Company for Paper and Carton Manufacturing	30 142 532	40 427 165
El Baddar company for Packages	128 945 214	90 916 054
	<b>352 201 529</b>	<b>353 237 468</b>

Loans are classified according to due date as following:

**2-According to due date**

	<b><u>June 30, 2025</u></b>	<b><u>December 31, 2024</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current portion	121 691 532	117 827 295
Non-current portion	230 509 997	235 410 173
	<b>352 201 529</b>	<b>353 237 468</b>

The loans are represented in the following:

## A- El-Shorouk Modern Printing and Packaging Company

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
<b>1- QNB Al Ahli Bank Loan</b>	27 239 833	40 859 749

On December 7, 2020, the company entered into an agreement with QNB Al Ahli Bank to obtain a loan of EGP 90 000 000 (EGP ninety million), intended for the purchase of machinery, equipment, and spare parts to increase the production capacity of the company's industrial operations.

On December 16, 2021, the company amended the loan agreement with QNB Al Ahli to increase the loan amount to EGP 105 000 000 (one hundred and five million Egyptian pounds only), divided into four sub-loans.

The contract term is five years, starting from the signing date, and ending on May 7, 2026, which is the date by which the loan, along with all accrued interest, commissions, and any other expenses, must be fully repaid.

The drawdown and grace period begins on the contract date and ends on May 31, 2022.

### Repayment Terms:

The company is committed to repay the loan to the bank in 16 equal installments (four annual installments), based on the amount drawn at the end of the drawdown period. The first installment is due three months after the end of the drawdown period, with subsequent installments due every three months, ending with the sixteenth and final installment on May 7, 2026.

These installments do not include interest and commissions.

### Interest and Commissions:

A reduced interest rate applies, calculated on a declining balance basis under the Central Bank of Egypt's initiative, as per the agreement. Interest is calculated daily, based on a 360-day year.

The company is required to issue insurance policies on all assets financed through this loan, along with several commitments, including:

No dividend distributions until all annual obligations are settled.

No sale, mortgage, or transfer of any assets related to this loan.

Compliance with certain financial ratios.

### Commitments:

The company must provide the bank with a fire and theft insurance policy from an insurer acceptable to the bank, no later than one month after the installation of the financed machinery and equipment. The insured value must cover 110% of the loan amount.

## **2- QNB Al Ahli Loan**

On March 16, 2020, the company entered into a credit facility agreement in the form of a medium-term loan with the bank amounted to Euro 2 million, to be used to finance the purchase of machinery and equipment to serve the company's activities. On May 12, 2020, the company has signed an annex to the contract that led the company to withdraw the loan on EGP amounted to EGP 34 million.

However, it is agreed that the amount used from the loan subject of this contract at any time shall exceed the total amount of two million euros or its equivalent in foreign currencies. The duration of the contract is five years, starting from the date of signing this contract and ending on March 16, 2025, which is the date on which this loan and the subsequent returns, commissions, and any other expenses must be paid in full.

The scheduled withdrawal and grace period is one year, starting from the date of the contract and ending on March 16, 2021

-- 911 714

**Payment terms:** The company is committed to paying the bank's order the value of the loan in a number of (16) quarterly installments of equal value, with the first installment due three months after the end of the withdrawal period on March 16, 2021. The second installment is due three months after that, and so on, in succession, every three months until maturity. The sixteenth and final installment is on March 16, 2025, with the value of each installment amounting to 910 788 Egyptian pounds (only nine hundred and ten thousand, seven hundred and eighty-eight Egyptian pounds).

The value of the above installments does not include the value of returns and commissions.

**Returns and commissions:** A reduced return is calculated on the loan and on its debit balance under this contract according to the initiative of the Central Bank, which is estimated at a diminishing return according to the contract with the company.

**Covenants:** Providing the bank with an insurance policy against the risk of fire and burglary through an insurance company acceptable to the bank, within a maximum period of one month for the installation of the machines and equipment whose purchase is financed from the value of this loan, so that their value covers 110% of the loan value,

**Financial Covenants:** The financial leverage shall not exceed a ratio of 2:1 throughout the duration of the facility and until the completion of repayment, and the debt service ratio shall not be less than 1.5:1 throughout the duration of the aforementioned facility. The company is committed not to distribute dividend coupons to shareholders unless it has fulfilled all its annual debts and fulfilled all its pledges.

### 3-EFG Hermes loan

98 585 019

110 304 916

The company obtained a loan from Hermes Company at an interest rate according to the contract with the company, to be repaid over seven years and in 14 semi-annual installments.

This loan was obtained in solidarity between El Baddar Packaging Company and Al-Shorouk Modern Printing Company, jointly representing the lessor regarding the collection of the full amounts due.

**Accounting treatment:** As the company entered into contracts to sell fixed assets owned by them and ready for use as they were, to EFG Hermes for Financing Solutions, then it re-leased the assets from the same company from which the lessor was purchased under a financial lease contract, knowing that it had been using those assets in its usual activities without interruption before concluding. Those contracts. These sale and leaseback agreements essentially represent a loan secured by the assets sold. As long as the sale and leaseback transactions of fixed assets represent, in our case, a "financing arrangement guaranteed by the assets sold" and not an actual sale, the leasing company must not exclude the sold fixed assets from its books, but rather continue to display the sold and leased fixed assets in its financial statements without any change in Their book values are to continue to be depreciated on the basis of the remaining hypothetical lives of those assets at the date of sale and leaseback, even if those remaining hypothetical lives are longer than the term of the financial leasing contract, given that ownership of the leased assets will transfer at the end of the financial leasing contract free of charge to the selling companies leasing it automatically and without notification. Advance payment to the lessor buyer, provided that the lessee regularly pays the rental installments on time.

**Default penalty:** A late fine of 2% annually is collected on the value of each unpaid rental payment or part thereof from the due date until the date of actual payment.

#### 4- Credit Agricole Bank Loan

21 271 106

22 452 919

The Company (the "Lessee") entered into a financing agreement with the Egyptian Real Estate Finance Company (the "Lessor") and Credit Agricole Bank (Egypt) on September 4, 2024, to finance the purchase of leased assets, which are then leased back to the Lessee for an amount of EGP 22 639 628 (EGP twenty-two million, six hundred and thirty-nine thousand, six hundred and twenty-eight), with a variable return in accordance with the contract concluded with the Company, in addition to the overnight lending rate announced by the Central Bank of Egypt. The contract term begins on September 4, 2024, and ends on September 4, 2029. Repayment is to be made over five years, with 58 monthly installments.

**Accounting Treatment:** The company entered into a contract to sell fixed assets owned by the company and ready for use in their original condition to the Egyptian Mortgage Finance Company. The company then leased the same assets back from the same company from which the lessor purchased them under a finance lease agreement, noting that the company had been using these assets in its normal operations without interruption prior to concluding these contracts. These sale and leaseback agreements essentially represent a loan secured by the sold assets. Since the fixed asset sale and leaseback transactions in this case represent a "financing arrangement secured by the sold assets" rather than an actual sale, the lessee company must not derecognize the sold fixed assets from its books.

Instead, it must continue to present the sold and leased fixed assets in its financial statements without any change to their book value. It must continue to depreciate them based on the remaining estimated useful lives of those assets at the date of the sale and leaseback, even if those estimated useful lives exceed the term of the finance lease. This is because ownership of the leased assets will automatically revert to the selling lessee company at the end of the finance lease contract, free of charge, and without prior notice to the lessor-buyer, provided the lessee regularly pays the rental installments on time.

**Commitments:** Insurance of the leased assets for an amount covering 110% of the leased asset value, in favor of the bank as the primary beneficiary. It must not grant any third party, whether personal or in rem, rights over the leased assets or issue any power of attorney to third parties related to them.

**Late Payment Penalty:** A late payment penalty of 1% of the value of the overdue amounts, in addition to the interest rate applicable under this contract, will be collected from the due date until full payment, in addition to the value of the financing installment due.

#### 5- Credit Agricole Bank Loan

12 109 443

13 014 753

The Company (the "Lessee") entered into a financing agreement with the Egyptian Real Estate Finance Company (the "Lessor") and Credit Agricole Bank (Egypt) to finance the purchase of leased assets, which are then leased back to the Lessee for an amount of EGP 14 589 246 (EGP fourteen million, five hundred and eighty-nine thousand, two hundred and forty-six), with a variable return in accordance with the contract concluded with the Company, in addition to the overnight lending rate announced by the Central Bank of Egypt. The contract term begins on November 21, 2023, and ends on November 21, 2028. Repayment is to be made over five years, with 58 monthly installments.

**Accounting Treatment:** The company entered into a contract to sell fixed assets owned by the company and ready for use in their original condition to the Egyptian Real Estate Finance Company. The company then leased the same assets back from the same company from which the lessor purchased them under a finance lease contract, noting that the company had been using these assets in its normal operations without interruption prior to concluding these contracts. These sale and leaseback agreements essentially represent a loan secured by the assets sold. Since the fixed asset sale and leaseback transactions in this case represent a "financing arrangement secured by the sold assets" rather than an actual sale, the lessee company must not derecognize the sold fixed assets from its books. Instead, it must continue to present the sold and leased fixed assets in its financial statements without any change to their book value. It must continue to depreciate them based on the remaining estimated useful lives of those assets at the date of the sale and leaseback, even if those estimated useful lives exceed the term of the finance lease. This is because ownership of the leased assets will automatically revert to the selling lessee company at the end of the finance lease contract, free of charge, and without prior notice to the lessor-buyer, provided the lessee regularly pays the rental installments on time.

**Commitments:** Insurance of the leased assets for an amount covering 110% of the leased asset value, in favor of the bank as the primary beneficiary. It must not grant any third party, whether personal or in rem, rights over the leased assets or issue any power of attorney to third parties related to them.

**Late Payment Penalty:** A late payment penalty of 1% of the value of the overdue amounts, in addition to the interest rate applicable under this contract, will be collected from the due date until full payment, in addition to the value of the financing installment due.

#### 6- Export Development Bank Loan

33 908 382

34 350 198

On March 16, 2024, the company entered into a credit facility agreement in the form of a medium-term loan with the Export Development Bank for an amount of EGP 37 million. The loan will be used to finance the purchase of machinery and equipment for the company's business, representing 80% of the value of the machinery and equipment being financed.

It is agreed that the loan used under this agreement will not exceed, at any time, a total amount of two million euros or its equivalent in foreign currencies. The term of the agreement is four and a half years, commencing from the date of signing this agreement and ending on March 16, 2029, by which date this loan, along with its associated returns, commissions, and any other expenses, must be fully paid.

The withdrawal and grace period is six months, commencing from the date of contract activation and ending on March 16, 2025. During this period, the other party is obligated to pay the agreed-upon return on a monthly basis.

**Repayment Term:** The company is committed to paying the loan amount to the bank in (16) equal quarterly installments, with the first installment due after the end of the withdrawal period on March 16, 2025. The second installment is due three months thereafter, and so on, every three months until the sixteenth and final installment is due on March 16, 2029. The value of each installment is EGP 2 343 750 (two million, three hundred forty-three thousand, seven hundred and fifty Egyptian pounds only). The above installment value does not include the value of returns and commissions.

**Returns and Commissions:** A debit interest rate of 2% above the corridor lending rate applied by the Central Bank is applied, with the company (the second party) being exempted from the highest debit balance commission.

**Covenant:** Providing the bank with a fire and burglary insurance policy from an insurance company acceptable to the bank within two months of the supply and installation of the machinery and equipment financed from the loan amount. The policy covers 110% of the loan amount and is renewable annually.

**Financial Covenant:** Leverage throughout the facility term and until full repayment shall not exceed a ratio of 2:1, excluding cash, taking into account shareholders' current balances. The debt service ratio shall not be less than 1.1:1, and the turnover ratio shall not be less than 1x throughout the facility term.

**Late Payment Penalty:** A late payment interest of 1% per annum shall be collected above the interest rate applicable to the amounts due from the due date until the actual repayment date.

<b>Total</b>	193 113 783	221 894 249
<b>Less: current portion</b>	(66 958 611)	(63 267 051)
<b>Non-current portion</b>	<u>126 155 172</u>	<u>158 627 198</u>

**B- El Motehada Company for Paper and Carton Manufacturing**

<u>Bank</u>	<u>Value</u>	<u>Payment terms</u>	<u>Installments</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
				<u>EGP</u>	<u>EGP</u>
ADIB Bank	loan amounted to EGP 56 million	A one-year permission period is granted, and repayment is made in four quarterly installments.	Quarterly	30 142 532	40 427 165
<b>Total Loans</b>				<u>30 142 532</u>	<u>40 427 165</u>
<b>Divided into</b>				<u>June 30, 2025</u>	<u>December 31, 2024</u>
				<u>EGP</u>	<u>EGP</u>
Current portion				20 569 266	20 569 266
Non-current portion				9 573 266	19 857 899
<b>Total</b>				<u>30 142 532</u>	<u>40 427 165</u>

### 1-ADIB Bank Loan

On March 6, 2022, the company signed a loan contract (framework agreement for financing leasing a property) with Abu Dhabi Islamic Bank for a total amount of 65 million Egyptian pounds.

<u>Contract Type</u>	<u>Payment term</u>	<u>Installment</u>	<u>Contract value</u> <u>EGP</u>
Financing by leasing the property for an amount of EGP 56 million.	A one-year permission period is granted, and repayment is made in four quarterly installments.	Quarterly	56 000 000

### Main Guarantees :

- An insurance policy in favor of the bank as the first beneficiary of the borrowing amounts.
- Power of attorney with a commercial mortgage to finance the lease of the property in the amount of EGP 56 million.

### C- El Baddar company for Packages

<u>Description</u>	<u>June 30, 2025</u> <u>EGP</u>	<u>December 31, 2024</u> <u>EGP</u>
<b>1-Abu Dhabi Islamic bank</b> According to the concluded contract, the bank agreed to grant the company a medium-term loan in the amount of 60 000 000 EGP, for the purpose of using it to finance company's operations. The contract term is three years, starting from the date of signing the contract and ending on April 30, 2026, provided that the loan is repaid in 36 quarterly installments..	16 650 139	28 305 236
<b>2-Abu Dhabi Islamic bank</b> According to the agreement signed with Abu Dhabi Islamic Bank, the bank agreed to grant the company Lease contract described as a liability amounting to EGP 66,250,000. The purpose of the contract is to enable the company to benefit from machinery and equipment related to the company's operations. The contract term is five years starting from the signing date, and the loan is to be repaid in 16 quarterly installments	57 127 500	--
<b>Total</b>	<b>73 777 539</b>	<b>28 305 236</b>
Current portion	16 650 139	19 980 166
Non-Current portion	57 127 500	8 325 070
<b>Total</b>	<b>73 777 639</b>	<b>28 305 236</b>

### 1- EFG Hermes loan

The company obtained three loans from EFG Hermes Company with variable interest according to the announced loan rate(Corridor), to be repaid over seven years and the number of installments is 14 semi-annual installments.

This loan was obtained in solidarity between Al-Badar Packaging Company and Al-Shorouk Modern Printing Company, standing in solidarity with the lessor regarding the full amount due.

### Accounting treatment

As the company entered into contracts to sell fixed assets owned by them and ready for use as they were, to EFG Hermes for Financing Solutions, then it re-leased the same assets from the same company, the lessor buyer, under a financial lease contract, knowing that it had been using those assets in its usual activities without interruption before concluding. Those contracts. These sale and leaseback agreements essentially represent a loan secured by the assets sold. As long as the transactions of sale and leaseback of fixed assets are in that case, they represent a "financing arrangement guaranteed by the sold assets" and not an actual sale. Therefore, the leasing company must not exclude the sold fixed assets from its books, but rather continue to display the sold and leased fixed assets in its financial statements without any change. in their book values, provided that they continue to be depreciated on the basis of the remaining hypothetical lives of those assets at the date of sale and leaseback, even if those remaining hypothetical lives are longer than the term of the financial leasing contract, given that the ownership of the leased assets will transfer at the end of the financial leasing contract free of charge to the selling companies leasing it automatically and without Prior notification to the lessor buyer, provided that the lessee regularly pays the rental installments on time.

### Default penalty

A late fine of 2% annually is collected on the value of each unpaid rental payment or part thereof from the due date until the date of actual payment.

<u>Loan amount</u>	<u>Contract no.(987)</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>
Current portion	17 513 516	17 513 516
Non-current portion	37 654 059	37 654 059
	<u>55 167 575</u>	<u>55 167 575</u>

During the previous year ended December 31, 2024, National Printing Company made early repayment of the full value of Loan No. (988) and Loan No. (985).

### Total loans:

<u>Bank</u>	<u>Current portion</u>	<u>Non-current portion</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
ADIB	16 650 139	57 127 500	73 777 639
Loans – non-current portion (EFG Hermes)	17 513 516	37 654 059	55 167 575
	<u>34 163 655</u>	<u>94 781 559</u>	<u>128 945 214</u>

### 16-Accounts and notes payable

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Accounts payables - Local	521 801 009	874 272 955
Accounts payables – Foreign	181 523 406	11 127 956
Notes payable	387 960 580	164 984 395
	<u>1 091 284 995</u>	<u>1 050 385 306</u>

**17-Other credit balances**

<u>Description</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Advance payments from customers	50 911 729	107 222 186
Tax authority – value added tax	22 013 315	18 141 655
Tax authority – property tax	223 838	223 838
Social insurance authority	4 113 106	1 905 345
Tax authority – payroll tax	6 709 255	14 965 029
Accrued interest	17 262 240	17 847 990
Accrued expenses*	191 553 532	197 788 202
Fixed asset creditors	15 055 808	11 670 928
Tax authority – Withholding tax	10 284 527	23 988 010
Medical contribution	7 423 854	14 546 351
Deposits from others	4 914 780	448 610
Deferred revenue	1 657 724	1 657 724
Insurance on factory building	885 791	908 902
Other credit balances	12 214 865	15 672 396
	<u>345 224 364</u>	<u>426 987 166</u>

\* The balance includes an amount of EGP 99 719 847 represented in share-based compensation expense for the 'Long time incentive Plan - LTIP' to the managing director, compared to EGP 73 105 397 as of December 31, 2024 (Note No. 32).

**18-Dividends payable**

According to the decisions of the Ordinary General Assembly meetings of the subsidiaries during year 2024, the dividends distribution due to the non-controlling interests, employees, and the Board of Directors as of June 30, 2025, amounted to EGP 190 949 199.

**19-Capital**

- The company's authorized capital amounted to EGP 2 500 0000 million, and the issued and paid-up capital amounted to EGP 250 000, distributed among 25 000 shares, with a par value of EGP 10 per share. On December 14, 2011 the extraordinary general assembly decided to increase the issued capital from EGP 209 233 750 to EGP 235 233 750, this increase was paid fully. And it was reflected in the commercial registry on January 17, 2012. Which makes the company's issued and paid-up capital amount to EGP 235 233 750, distributed among 23 523 375 shares, with a par value of EGP 10 per share.
- On April 4, 2022 the ordinary general assembly decided to sell 799 400 shares owned by National printing company "S.A.E." to Modern Shorouk for Printing and Packaging "El Shorouk" for EGP 150 per share.
- On April 24, 2022, the Board of Director decided to purchases 23 523 375 share from the company shares by amount of EGP 54.995 for each share by a percentage of 10% from the total shares as a treasury shares.  
On August 7, 2022, ownership of the shares was transferred with the subsequent disposal of these shares will take place within one year from the date of purchase. Ownership of these shares was transferred to the company on August 7, 2022.

- According to decision of the Extraordinary General Assembly dated August 27, 2023 of the Company, that approved the decision of the Board of Directors held on August 20, 2023 to reduce the company's issued and fully paid-up capital from 235 233 750 EGP to 211 710 380 EGP, a reduction of EGP 23 523 370 EGP by executing 2 352 337 treasury shares with a nominal value of 10 pounds per share, representing approximately 10% of the total number of company shares.

On November 23, 2023, registration was made in the commercial registry of National Printing Company, where it was approved to reduce the capital by an amount of 23 523 370 EGP through the cancellation of 2 352 337 treasury shares with a nominal value of 10 pounds per share, representing approximately 10% of the total number of company shares. Thus The number of company shares will be 21 171 038 shares, and the value of the issued and paid-up capital will be 211 710 380 EGP.

- On June 6, 2024, the Extraordinary General Assembly approved the stock split of the nominal value of the share from EGP 10 per share to EGP 1 per share. As a result, the company's issued capital became EGP 380 710 211, distributed among 380 710 211 shares, with a nominal value of EGP 1 per share. The company's Articles of Association were amended to reflect these changes on August 11, 2024, and the amendment was registered in the commercial registry on August 12, 2024.

## 20-Consolidation reserve

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Balance on January 1	646 013	646 013
Movement during the period/ year*	--	--
<b>Balance on ending period/ year</b>	<b>646 013</b>	<b>646 013</b>

\* During the year 2019, El-Shorouk Company acquired an additional share of 14% of the capital of the Windsor Paper Trading and Manufacturing Company "Windsor" in accordance with the transfer of rights between the company and other Windsor shareholders, which resulted in an increase in the company's share in the capital of Windsor (a subsidiary of the group) without changing the principle of the group's control over it, the loss resulting from the acquisition of this additional share amounted to 4 412 712 EGP, which was included in the reserve for joint control transactions in equity.

\* During the first quarter of 2022, National printing company acquired an additional share of 0.07% of El-Shorouk Company's capital.

## 21-Income tax

### A-Income tax on Profit & loss statement

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Deferred income tax	16 769 496	(20 876 899)
Current income tax	(67 635 137)	(113 372 871)
	<b>(50 865 641)</b>	<b>(134 249 770)</b>

### B-Income tax on financial position statement

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Current income tax during the period	41 151 683	91 043 918
	<b>41 151 683</b>	<b>91 043 918</b>

### Deferred tax assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Deferred tax asset resulting from Fixed assets	--	2 615 122
	--	<b>2 615 122</b>

**Deferred tax liability**

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Deferred tax liability - property, plants and equipment's	210 408 344	229 792 963
	<u>210 408 344</u>	<u>229 792 963</u>

**22-Non-controlling interest**

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>EGP</u>	<u>EGP</u>
Modern El Shorouk company for packaging and printing	46 186 488	44 731 956
El Motehada Company for Paper and Carton Manufacturing	429 838 442	503 573 321
Windsor company for trading and paper manufacturing	756 985	728 291
El Baddar company for Packages	74 073	64 970
	<u>476 855 988</u>	<u>549 098 538</u>

**23-Sales revenue****Company sales analysis as follows:**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Printing sales	1 150 410 035	900 999 575
Paper and cartoon sales	1 551 187 735	1 556 116 357
Windsor sales	55 532 880	46 648 173
Packages sales	791 029 049	596 743 452
<u>Totals</u>	<u>3 548 159 699</u>	<u>3 100 507 557</u>

**24-Other revenue**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Export subsidies	24 617 751	60 507 002
	<u>24 617 751</u>	<u>60 507 002</u>

**25-Salaries and bonuses for board of directors**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Salaries and bonuses for board of directors	8 900 000	9 050 000
	<u>8 900 000</u>	<u>9 050 000</u>

## 26-Asset Revaluation surplus (Fair value)

<u>Description</u>	<u>Parents company</u>	<u>Non-controlling</u>	<u>June 30, 2025</u>
	<u>share</u>	<u>interest share</u>	
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Fixed asset revaluation surplus (lands) by fair value*	253 004 789	5 903 100	258 907 889
Investment in properties revaluation surplus**	250 292 018	5 839 806	256 131 824
	<u>503 296 807</u>	<u>11 742 906</u>	<u>515 039 713</u>

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

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

The use of the fair value model to evaluate investment properties resulted in a revaluation surplus of investment properties amounted to EGP 256 131 823 EGP (which is the result of the difference between the fair value according to the expert's evaluation of 291 396 988 and the book value of the asset, which amounted to EGP 14 155 563 and after deducting deferred tax amounted 21 109 602 EGP). (Note No. 35)

## 27-Non-Current assets held for sale

The net book value of assets held for assets held for sale amounted to EGP 1 142 251 during the financial period ending on June 30, 2025, represented in the cost of the machinery and equipment of the old factory. The cost and accumulated depreciation for these assets amounted to EGP 10 540 500 and 8 728 289 EGP, respectively. According to the decision of the Board of Directors of El Baddar Packaging Company on September 24, 2023, the exploitation of these lands and buildings was approved, and part of the assets, represented by lands and buildings, were transferred to real estate investment. Clarification No. (26).

28-Statement of activities of the holding company and its subsidiaries

<u>Items</u>	<u>Uniboard</u>		<u>Windsor</u>		<u>Ei Shorouk</u>		<u>National separate</u>		<u>Ei Baddar</u>		<u>Total</u>		<u>Eliminations</u>		<u>Consolidation</u>		
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	
Revenue	1 859 142 004	98 620 267	1 236 788 526	48 008 288	906 092 262	4 148 651 347	3 548 159 699										
Cost of sales	(1 421 524 429)	(66 653 268)	(897 580 673)	--	(747 670 724)	(3 133 429 094)	(2 564 161 924)										
<b>Gross profit</b>	<b>437 617 575</b>	<b>31 966 999</b>	<b>339 207 853</b>	<b>48 008 288</b>	<b>158 421 538</b>	<b>1 015 222 253</b>	<b>983 997 775</b>										
Selling, General and administrative expenses	(126 036 016)	(5 230 760)	(119 651 675)	(10 097 914)	(55 342 733)	(316 359 098)	(310 474 717)										
Other Revenue / Expenses	(124 003 728)	(1 717 514)	(55 056 367)	--	(43 359 403)	(224 137 012)	(349 393 430)										
Income tax	(45 535 705)	(5 887 187)	14 410 089	--	(13 852 838)	(50 865 641)	(50 865 641)										
<b>Net profit for the period</b>	<b>142 042 126</b>	<b>19 131 538</b>	<b>178 909 900</b>	<b>37 910 374</b>	<b>45 866 564</b>	<b>423 860 502</b>	<b>273 263 987</b>										

<u>Items</u>	<u>Uniboard</u>		<u>Windsor</u>		<u>Al Shrouk</u>		<u>National separate</u>		<u>Al Bdar</u>		<u>Total</u>		<u>Eliminations</u>		<u>Consolidation</u>		
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	
Total assets	3 414 440 585	116 035 015	3 250 392 949	486 929 265	1 546 251 484	8 814 049 298	7 414 951 714										
Total liability	2 379 111 567	40 336 499	1 943 808 522	197 820 254	1 043 213 896	5 604 290 738	4 936 119 350										

National Printing Company "S.A.E"  
Notes to the consolidated interim financial statements  
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**29- Due to/from related parties**

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

Company name	Nature	Balance							
		Salaries and Bonuses		Sales		Account and notes receivables		Current account (Net)	
		EGP	EGP	EGP	EGP	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Dar El Shorouk company	Related party	--	2 507 185	6 655 595	4 195 057	--	--	--	--
National Printing International Holding S.A.L (Euromina company)	Related party	--	--	--	--	115 539 304	99 893 568	99 893 568	99 893 568
Citadel Capital for International Investments LTD	Related party	--	--	--	--	77 138 411	66 866 758	66 866 758	66 866 758
Grand view company	Related party	--	--	--	--	3 609 040	3 609 040	3 609 040	3 609 040
Al Shorouk Media Production Company	Related party	--	--	--	--	498 630	498 630	498 630	498 630
Papiros Company	Related party	--	196 228 916	137 234 561	92 917 872	--	--	--	--
Al Shrouk Paper	Related party	--	--	66 604	--	724 550	--	--	--
Egyptian Company for Arabic and International Publishing	Related party	--	--	2 210 209	2 276 814	--	--	--	--
Other parties - (Current account)	Board of Directors Membes	8 900 000	--	--	--	(5 208 138)	(55 686)	(55 686)	(55 686)
		<b>8 900 000</b>	<b>198 736 101</b>	<b>146 166 969</b>	<b>99 389 743</b>	<b>192 301 797</b>	<b>170 812 310</b>	<b>170 812 310</b>	<b>170 812 310</b>
<b>Due from related party</b>						<b>197 509 935</b>	<b>170 867 996</b>	<b>170 867 996</b>	<b>170 867 996</b>
<b>Due to related party</b>						<b>(5 208 138)</b>	<b>(55 686)</b>	<b>(55 686)</b>	<b>(55 686)</b>

National Printing Company "S.A.E"  
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For the period ended June 30, 2025

### 30- Earning per share

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Net profit after income tax	200 045 227	242 829 601
Divided by:		
Weighted average of outstanding stocks *	211 710 380	211 710 380
<b>Earning per share ( EGP/share)</b>	<b>0.94</b>	<b>1.15</b>

In application of the Decisions of the Prime Minister's No. 1711 of 2024, which includes accounting treatment to deal with the effects of moving foreign exchange rates, the share per share of the net total comprehensive income becomes as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Total comprehensive income of the year	200 045 227	227 623 035
Divided by:		
Weighted average of outstanding stocks *	211 710 380	211 710 380
<b>Earning per share ( EGP/share)</b>	<b>0.94</b>	<b>1.08</b>

\* On June 6, 2024, the Extraordinary General Assembly approved the stock split of the nominal value of the share from EGP 10 per share to EGP 1 per share. As a result, the company's issued capital became EGP 211 710 380 distributed over 211 710 380 shares, with a nominal value of EGP 1 per share. The Articles of Association were amended to reflect these changes on August 11, 2024, and the amendment was recorded in the commercial registry on August 12, 2024.

### 31- Available for sale financial investment

An agreement was reached to sell the shares of Dar Al Shorouk Limited BVI – a company governed by the laws of the British Virgin Islands, registration number 1051362 – which represented in 15 977 500 shares, representing 7.34%, owned by the company, to Mr. Sherif El-Moallem (Managing Director). The sale is conditional upon the approval of the Ordinary General Assembly of Al Shorouk Modern Printing Company. Which has approved this sales process on its meeting held on December 18, 2024. In May 2025, the transfer of ownership of the shares to the Managing Director was completed. During the period ended June 30, 2025, the sale of these financial investments resulted in capital gains amounting to EGP 900 000.

### 32- Share based payment

On December 24, 2023, the Extraordinary General Assembly of the company approved the Board of Directors' held on December 14, 2023, regarding the implementation of a cash-based incentive plan for the Managing Director, referred to as the 'Long-Term Incentive Plan,' for a period of three years. According to this plan, the Managing Director is entitled to receive a cash incentive equivalent to the market value of 5 156 850 shares of the company over three years, according to the following terms:

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

The nominal value of the share after the splitting is EGP one. Implementation of this plan is conditional upon the company being listed and traded on the Egyptian Stock Exchange.

The distribution of the value of the long-term cash incentive plan was later revised as follows:

- A cash incentive equivalent to 50 000 shares, due on February 28, 2025.
- A cash incentive equivalent to 1 668 950 shares, due on June 30, 2025.
- A cash incentive equivalent to 1 718 950 shares, due on February 28, 2026.
- A cash incentive equivalent to 1 718 950 shares, due on February 28, 2027.

Based on the above, the management of the company conducted a study on the present value that should be recognized for applying this plan and it is stated as follows:

<u>Amounts to be recognized over the duration of the plan</u>	<u>December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2026</u>	<u>December 31, 2027</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
February 2025	1 252 584	201 919	--	--
June 2025	32 552 884	16 098 558	--	--
February 2026	23 295 529	23 231 880	3 755 290	--
February 2027	16 004 400	15 960 671	15 960 671	2 579 944
<b>Total</b>	<b>73 105 397</b>	<b>55 493 028</b>	<b>19 715 961</b>	<b>2 579 944</b>

The fair value of the granted rewards was determined by reference to the market value of the company's ordinary shares at each vesting date.

During the current period, the weighted average fair value of the share was re-estimated and is presented as follows:

<u>Amounts to be recognized over the duration of the plan</u>	<u>December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2026</u>	<u>December 31, 2027</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
February 2025	865 695	501 441	--	--
June 2025	28 893 306	16 736 013	--	--
February 2026	21 907 540	21 847 684	3 531 543	--
February 2027	15 056 427	15 015 289	15 015 289	2 427 129
<b>Total</b>	<b>66 722 968</b>	<b>54 100 427</b>	<b>18 546 832</b>	<b>2 427 129</b>

Generally, the reward are settled through equity. However, under limited circumstances, the rewards may be settled in cash. The Company recognized the following share-based payments compensation expenses in the statement of profit or loss as employee benefits expenses for the financial period ended June 30, 2025.

<u>Description</u>	<u>30 June 2025</u>
	<u>EGP</u>
	<u>Cash payment</u>
Shared based payments compensation expense	26 614 450

According to the BOD meeting held on March 25, 2025, it decided that cost of applying the long term incentive plan "LTIP" of the managing director should be borne by the subsidiaries. On June 13, 2025 the Extra Ordinary General Assembly Meeting has approved such decision.

### **33-Tax position**

#### **(33/1) Modern El Shorouk for printing & packaging**

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

#### **Firstly: Corporate income tax**

##### **From starting activity till year 2020**

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

##### **Years from 2021 till year 2024**

The tax returns have been submitted for years 2021 and 2024 on the legal dates and payment of all tax due in the report and has not been inspected since that date.

#### **Payroll tax**

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

The years from 2023 till date, The company is committed to submit the quarterly and annually reconciliations on the legal dates and has not been notified of the inspection to date.

#### **Value added tax**

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

For the years from 2021 up to date, the returns were submitted within the legal dates, and the inspection still in process.

#### **Withholding tax**

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

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

#### **Stamp tax**

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

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

#### **Property tax**

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

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

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

#### **(33/2) El Motehada for Manufacturing Paper and Carton**

##### **Corporate income tax**

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

##### **Years from 2009 till 2010**

The tax inspection results were estimated and notified with form 19 dated April 12, 2025 and it was appealed and the Internal Committee's decision was issued on 8/12/2018 by returning the company file to the tax authority to reinspect. The inspection was finished and the final inspection report is in under approval.

##### **Years from 2011 till 2012**

The company submitted their tax return at the legal dates and wasn't included in the inspection sample. Therefore, the tax returns was approved.

Years from 2013 till 2021

The company submitted their tax return at the legal dates and is currently being inspected for those years. As we are in the stage of approving the inspection report.

Years from 2022 up to date

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

**Stamp tax**

Years from inception dates till 2021

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

Years from 2022 till 2024

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

**Payroll tax**

Years 2009/2010 till 2021

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

Years 2022 till 2024

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

**Value added tax**

Years 2016 till 2022

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

Years 2023 up to date

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

**Withholding tax**

The company submitted the form no. 41 till June 30, 2025 and is the company books were inspected till 2020 and all tax inspection differences were paid.

**(33/3) WINDSOR**

**Value Added Tax (VAT)**

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

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

**Corporate Income Tax**

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

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

**Payroll Tax**

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

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

**Stamp Tax**

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

**(33/4) – Al-Baddar Packaging Company**

**Corporate Income Tax**

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

**For the years from inception date to 2019:**

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

**Year from 2020 to 2024:**

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

**Payroll Tax**

**From inception date to 2022:**

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

**Years 2023 and 2024:**

The company books have not been inspected.

**Stamp Tax**

**Years from inception date to 2022:**

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

**Years 2023 and 2024:**

The company books have not been inspected.

**Value Added Tax (formerly Sales Tax)**

**Years from inception date to 2020**

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

**Years from 2021 up to date:**

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

**Withholding Tax**

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

**(33/5) – National Printing**

**a) Corporate income tax**

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

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

The company is committed to submitting tax returns on the legal dates for the years from 2011 to 2024, and to date The company books were not inspected.

**b) Stamp tax**

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

c) **Payroll tax**

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

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

d) **Value added tax**

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

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

The company's books have not yet been inspected.

e) **Property tax**

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

**34-Financial risk management**

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

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

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

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

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

**Capital risk management.**

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

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

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

**Credit risk**

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

#### Accounts receivables & other debit balances

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

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

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

#### Liquidity risk

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

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

#### Market risk

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

#### Foreign currency risk

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

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

	<u>June 30, 2025</u>	
	<u>Assets</u>	<u>Liabilities</u>
	<u>EGP</u>	<u>EGP</u>
USD	378 581 116	197 003 793
EURO	235 510 431	121 732 937
GBP	3 244 344	--
CHF	1 240 889	380 186
SAR	483 033	--
AED	10 261 325	--
LD	2 215	--
<b>Total</b>	<b>629 323 363</b>	<b>319 116 898</b>

### Foreign currency risk sensitivity analysis

The following table shows the company's sensitivity to a 10% increase or decrease in the Egyptian pound against foreign currency exchange rates. 10% is the sensitivity rate used in preparing internal reports on foreign currency risk and presenting them to responsible managers, and it represents management's assessment of the reasonably expected change in foreign currency exchange rates. The sensitivity analysis includes only the outstanding balances of items of a monetary nature in foreign currencies and is based on adjusting the translation of the balances of those items at the end of the period by a change of 60% in the exchange rates of those currencies.

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

The positive number in the table below indicates an increase in profit or equity when the strength of the Egyptian pound increases by 10% against the foreign currency in question. If the Egyptian pound weakens by 60% against the relevant foreign currency, this will lead to an opposite effect of the same value on profit or equity, and the values below will become negative.

#### June 30, 2025

	<u>Assets</u>	<u>Liabilities</u>
	<u>EGP</u>	<u>EGP</u>
USD	37 858 112	19 700 379
EURO	23 551 043	12 173 294
GBP	324 434	--
CHF	124 090	38 017
SAR	48 303	--
AED	1 026 133	--
LD	222	--
<b>Total</b>	<u><u>62 932 336</u></u>	<u><u>21 911 690</u></u>

### Interest rate risk

This risk is the change in market interest rates which adversely affects business results and values of financial assets and liabilities. The Company monitors interest rate changes on an ongoing basis. In the event of a significant increase in interest rates, the Company relies on its own sources of financing to avoid fluctuations in interest rates and their impact on the fair value of financial assets and liabilities.

### Interest rate sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A '100 basis point' (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

### Fair value estimate

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

Level one	The quoted prices of financial instruments at fair value in active markets.
Level two	Prices quoted in an active market for financial instruments, or prices determined by the investment funds, managers or other valuation methods in which all significant inputs are based on observables or comparable market information, either directly or indirectly.
Level three	Valuation methods in which significant inputs are not based on observables or comparable market information

### 35- Significant Events Occurring during and in the subsequent the Period

- The Extraordinary General Assembly, held on June 16, 2025, approved a share swap transaction. National Printing Company will acquire the shares owned by Dar Al Shorouk Publishing Company "S.A.E" in Modern Al-Shorouk Printing and Packaging Company "S.A.E", amounting to 216,852 shares, representing 1.655% of its shares based on the on the report of the independent financial advisor dated April 9, 2025. On the other hand, National Printing Company will issue capital increase shares, which will be allocated to Dar Al Shorouk Publishing Company "S.A.E". The Assembly's decision included the waiver by the remaining shareholders of their right to subscribe to this increase. The swap transaction will be executed within a maximum of four months after the company's share offering on the Egyptian Stock Exchange.

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

Between 1990 and 1991, El Baddar Packaging Company purchased two plots of land totaling approximately 8,750 square meters in Houd Simaan El-Wasatani through preliminary contracts from the original owner, based on registered contracts and a final court ruling issued in 1989 in favor of the original owner. The ruling granted the owner the right to receive and utilize 42 feddans of vacant land in Houd Simaan El-Wasatani. These plots were recorded in Al-Bidar's books under investment property.

The company was later notified of a claim by the General Authority for Agrarian Reform (affiliated with the Ministry of Agriculture), demanding payment for usufruct rights, alleging ownership of the land purchased by El Baddar. This claim is based on a ruling by the Supreme Administrative Court in favor of the Authority, which included the recovery of certain lands, including Plot No. 33 in Houd Simaan El-Wasatani—part of the land purchased by El Baddar. The company was not notified of this lawsuit or any appeals filed by the Ministry of Agriculture and was not involved in the proceedings.

It was also found that in 1981, the Authority issued a temporary release decision for Plot No. 33, covering 65 feddans, and handed the land over to the original owner. In 1988, the South Cairo Court issued a final ruling confirming the owner's right to dispose of the land and prohibiting interference by the Ministry of Agriculture. This ruling was the basis for the previous owners' purchase of the land.

Due to the conflict between these two final rulings and to protect its assets, the company submitted a request to regularize the land's legal status. The company negotiated with the Authority to reduce the usufruct fee, but a committee issued a decision estimating the fee from 2006 at EGP 3,500 per square meter, which contradicts Article 375 of the Civil Code (stipulating a five-year statute of limitations) and Prime Ministerial Decree No. 3083 of 2022, which sets the annual usufruct fee at 5% of the land's ownership value.

According to the company's legal advisor, the land is under actual and stable possession and full control of El Baddar Packaging. If not for the Authority's usufruct claim, the company would have finalized the regularization and acquired full ownership, securing its legal rights to use and dispose of the land. The legal advisor also confirmed that, under the Civil Code, the usufruct fee is only due for the last five years, and should not exceed 5% of the land's ownership value, in line with the Prime Minister's decree.

- On February 20, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to maintain the overnight deposit and lending rates and the main operation rate at 27.25%, 28.25%, and 27.75%, respectively. It also decided to keep the credit and discount rate at 27.75%."
- On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to reduce the overnight deposit and lending rates and the main operation rate by 225 basis points to 25.00%, 26.00%, and 25.50%, respectively. The credit and discount rate was also reduced by 225 basis points to 25.50%."
- On Thursday, May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to reduce the overnight deposit and lending rates and the main operation rate by 100 basis points to 24.00%, 25.00%, and 24.50%, respectively. The credit and discount rate was also reduced by 100 basis points to 24.50%."
- The Monetary Policy Committee of the Central Bank of Egypt, in its meeting held on Thursday, July 10, 2025, decided to maintain the overnight deposit rate, the overnight lending rate, and the main operation rate at 24.00%, 25.00%, and 24.50%, respectively. The credit and discount rate was also kept unchanged at 24.50%.

#### **Listing and Issuance of Shares by National Printing Company**

The Extraordinary General Assembly of the National Printing Company S.A.E., held on December 24, 2023, approved the listing of the company's total capital shares on the main market of the Egyptian Exchange. It also approved the offering of a maximum of 10% of the company's current shares for a public offering and/or a private secondary offering on the Egyptian Exchange. The Securities Listing Committee, in its meeting held on February 15, 2024, decided to approve the temporary listing of the shares of the National Printing Company, with an issued capital of 211 710 380 Egyptian pounds, distributed over 21 171 038 shares with a nominal value of EGP 10 per share.

On June 6, 2024, the Extraordinary General Assembly approved the split of the nominal value of the share from EGP 10 to EGP 1 per share. As a result, the company's issued capital remained EGP 211 710 380, now distributed over 211 710 380 shares with a nominal value of EGP 1 per share.

On July 23, 2025, the Financial Regulatory Authority issued a decision approving the company's public and private offering prospectus, in addition to a non-objection to registering the company in the register prepared for registering companies and offer their securities on the Egyptian Stock Exchange.

The offering will be structured as follows:

- First Tranche (Private offering): by a maximum 10 585 520 shares, representing 50% of the total offered shares and 5% of the company's total share capital, allocated to qualified investors.
- Second Tranche (Public Offering): by maximum to 10 585 520 shares, representing 50% of the total offered shares and 5% of the company's total share capital, allocated to the general public, including both retail and institutional investors not pre-identified.

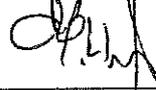
On August 5, 2025, trading of the company's shares commenced on the main market of the Egyptian Exchange.

#### **36- Financial year**

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

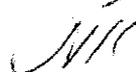
**Financial Manager**

**Ahmed Abaza**



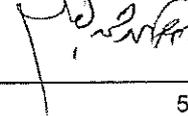
**Managing Director**

**Mr / Sherif El Moallem**



**Chief executive director**

**Eng / Ibrahim El Moallem**



National Printing Company "S.A.E."

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Notes to the consolidated interim financial statements  
For the period ended June 30, 2025