

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

**AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Financial statements - For the year ended 31 December 2025

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Auditor's report

To the Shareholders of Middle East Glass Manufacturing Company (S.A.E.)

Report on the financial statements

We have audited the accompanying financial statements of Middle East Glass Manufacturing Company (S.A.E.) (the "Company") which comprise the statement of financial position as of 31 December 2025 and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Auditor's report (continued)

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Middle East Glass Manufacturing Company (S.A.E.) as of 31 December 2025, and its financial performance and its cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note (2-i) in the notes to the financial statements, which indicates that all subsidiaries have been merged into the parent company, Middle East Glass Manufacturing Company (the "merger company") in accordance with the extraordinary general assembly meeting dated 19 October 2025. Accordingly, the comparative figures presented as of 31 December 2024, represent only the separate financial statements of the parent company, as the merge became effective after that date. Meanwhile, the current year's financial statements reflect the full impact of the merge in accordance with Egyptian Accounting Standards and in light of the relevant Egyptian laws and regulations. Consequently the comparative figures presented as of 31 December 2024 is not comparable with the current year figures presented for the year ended 31 December 2025.

Report on other legal and regulatory requirements

The Company maintains proper financial records, which includes all that is required by the law and the Company's statutes, and the accompanying financial statements are in agreement therewith. Also the Company applies a costing system that meets its designated purpose, and the inventory counts were taken by the company's management in accordance with proper principles.

The financial information included in the Board of Directors' report that is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with the Company's accounting records, within the limits that such information recorded therein.


Hisham Mohamed Hamed
R.A.A. 39411
F.R.A. 422
10 March 2026
Cairo



MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Statement of financial position - As of 31 December 2025

(All amounts in Egyptian Pounds)	Note	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	13	2,628,955,335	747,267,881
Prepayments of property, plant and equipment		9,823,036	646,204
Intangible assets	14	13,792,227	5,737,780
Investment in subsidiaries	15	-	632,632,817
Deferred tax assets	16	75,440,861	56,528,207
Total non-current assets		2,728,011,459	1,442,812,889
Current assets			
Inventory	17	909,056,266	168,210,879
Trade and notes receivables	18	1,475,338,778	193,283,849
Contract assets	4	344,287,410	39,336,403
Debtors and other receivables	19	789,564,219	154,588,429
Due from related parties	29(a)	7,189,210	1,040,427,605
Cash and cash equivalents	20	341,888,475	106,840,226
Total current assets		3,867,324,358	1,702,687,391
Total assets		6,595,335,817	3,145,500,280
Liabilities			
Current liabilities			
Provisions	21	137,992,777	38,665,951
Trade and notes payables	22	686,214,657	203,037,780
Creditors and other payables	23	579,147,341	120,169,314
Due to related parties	29(b)	-	724,187,511
Income tax liability	24	141,475,971	12,871,030
Bank borrowings	25	2,263,228,311	430,628,106
Interest Payable		46,475,970	16,580,425
Total current liabilities		3,854,535,027	1,546,140,117
Non-current liabilities			
Bank borrowings	25	794,500,101	398,201,265
Retirement benefits obligations	26	20,799,236	12,099,108
Long term notes payable		-	19,083,687
Total non-current liabilities		815,299,337	429,384,060
Total liabilities		4,669,834,364	1,975,524,177
Equity			
Issued and paid-up capital	27(a)	62,627,993	62,627,993
Legal reserve	27(b)	31,313,996	31,313,996
Share premium reserve	27(a)	-	629,609,334
Other reserves	27(b)	755,221,243	13,129,007
Retained earnings	27(c)	1,076,338,221	433,295,773
Total equity		1,925,501,453	1,169,976,103
Total equity and liabilities		6,595,335,817	3,145,500,280

- The accompanying notes from (1) to (34) are integral part of these financial statements.
- Auditor's report attached.


 Mohamed Khalifa
 Chief Financial Officer


 Peter Carpenter
 Director


 Abdul Galil Beshar
 Chairman

10 March 2026

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Statement of profit and loss - As of 31 December 2025

(All amounts in Egyptian Pounds)	Notes	2025	2024
Revenue from contracts with customers	4	5,855,076,864	1,828,808,204
Cost of sales	5	(3,461,098,081)	(1,218,928,413)
Gross profit		2,393,978,783	609,879,791
Selling and marketing expenses	5	(219,820,015)	(39,556,614)
General and administrative expenses	5	(299,092,572)	(203,736,412)
Other operating expense	6	(195,527,380)	(29,184,127)
Other operating income	7	163,321,068	108,900,846
Profit from operations		1,842,859,884	446,303,484
Finance costs	8	(519,478,362)	(133,247,804)
Foreign exchange Gain (loss)		132,583,341	(103,945,935)
Finance income	9	21,890,926	16,206,651
Net finance costs		(365,004,095)	(220,987,088)
Profit before tax		1,477,855,789	225,316,396
Income tax expense	10	(370,203,572)	(54,858,326)
Profit for the year		1,107,652,217	170,458,070
Basic and diluted earnings per share attributable to the shareholders of the Company			
Basic and diluted earnings per share	11	16.76	2.35

- The accompanying notes from (1) to (34) are integral part of these financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Statement of Comprehensive income - As of 31 December 2025

(All amounts in Egyptian Pounds)	2025	2024
Profit for the year	1,107,652,217	170,458,070
Other comprehensive income	-	-
Total comprehensive income for the year	1,107,652,217	170,458,070

- The accompanying notes from (1) to (34) are integral part of these financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Statement of changes in equity - For the year ended 31 December 2025

(All amount in Egyptian Pounds)

	Issued and paid-up capital	Share premium reserve	Other reserves	Legal reserve	Retained earnings	Total
Balance at 1 January 2024 (Before adjustment)	62,627,993	629,609,334	13,129,007	31,313,996	437,334,394	1,174,014,724
Effect of applying EAS 13 (Note 2-iii-c)	-	-	-	-	(197,047,766)	(197,047,766)
Deferred tax of applying EAS 13 (Note 2-iii-c)	-	-	-	-	44,335,747	44,335,747
Balance at 1 January 2024 (After adjustment)	62,627,993	629,609,334	13,129,007	31,313,996	284,622,375	1,021,302,705
Total other comprehensive income for the Year	-	-	-	-	170,458,070	170,458,070
Profit share distribution to employees	-	-	-	-	(21,784,672)	(21,784,672)
Balance at 1 January 2025	62,627,993	629,609,334	13,129,007	31,313,996	433,295,773	1,169,976,103
Dividends distribution to Shareholders	-	-	-	-	(407,081,955)	(407,081,955)
Profit share distribution to Employees	-	-	-	-	(23,200,057)	(23,200,057)
Merger Effect (Note 27-c-1)	-	(629,609,334)	742,092,236	(31,313,996)	(3,013,761)	78,155,145
Total Merger Effect (Note 27-c-1)	-	(629,609,334)	742,092,236	(31,313,996)	(433,295,773)	(352,126,867)
Balance at 1 January 2025 (After Merger)	62,627,993	-	755,221,243	-	-	817,849,236
Total other comprehensive income for the Year	-	-	-	-	1,107,652,217	1,107,652,217
Transfer to legal reserve	-	-	-	31,313,996	(31,313,996)	-
Balance at 31 December 2025	62,627,993	-	755,221,243	31,313,996	1,076,338,221	1,925,501,453

- The accompanying notes from (1) to (34) are integral part of these financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Statement of Cash flow - As of 31 December 2025

(All amount in Egyptian Pounds)	Note	2025	2024
Cash flows from operating activities			
Profit before tax		1,477,855,789	225,316,396
Adjusted by:			
Interest expense	8	499,277,256	129,098,787
Interest income	9	(21,890,926)	(16,206,651)
Depreciation and amortization	5	392,928,016	86,449,872
Gain on sale of property, plant and equipment	7	(1,276,501)	(188,733)
Provisions formed		39,231,738	12,632,487
Provisions no longer required	7	(859,337)	-
Retirement benefits obligations	26	10,134,344	4,901,510
Foreign exchange (gain) loss		(132,583,341)	103,945,935
Operating profit before changes in working capital		2,262,817,038	545,949,603
Changes in working capital			
Inventory		(134,427,000)	(28,021,343)
Trade and notes receivable		(445,547,295)	(69,018,682)
Contract assets		62,908,094	18,945,513
Debtors and other receivables		(120,453,609)	(101,247,272)
Due from related parties		(2,529,815)	(5,150,473)
Trade and notes payable		(50,130,148)	26,332,332
Creditors and other payables		(74,215,567)	554,586
Due to related parties		-	266,669,179
Provisions used	21	(4,919,044)	(6,392,968)
Cash flows generated from operations		1,493,502,654	648,620,475
Payment of employees' retirement benefits	26	(3,564,621)	(2,510,641)
Interest paid		(516,816,346)	(129,934,046)
Income tax paid	24	(263,275,331)	-
Net cash flows generated from operating activities		709,846,356	516,175,788
Cash flows from investing activities			
Purchase of property, plant and equipment		(756,050,916)	(87,447,301)
Purchase of intangible assets		(103,824)	(3,494,600)
Advance payments for property, plant and equipment		(9,435,258)	(646,204)
Payment for purchase of financial assets at amortized cost		-	(83,309,340)
Proceeds from sale of property, plant and equipment		7,751,185	3,217,457
Proceeds from matured financial assets at amortized cost		-	166,985,180
Interest received		21,890,926	19,209,408
Net cash flows (Used in) generated from investing activities		(735,947,887)	14,514,600
Cash flows from financing activities			
Short term credit facilities – net movement		706,349,837	63,659,817
Repayments of bank borrowings		(820,416,656)	(187,019,087)
Loan repayment on behalf of intercompany		-	(456,673,182)
Dividends paid to Shareholders		(407,081,955)	-
Net cash flows (used in) financing activities		(521,148,774)	(580,032,452)
Net decrease in cash		(547,250,305)	(49,342,064)
Cash at beginning of the year		106,840,226	156,182,290
Cash at beginning of the year (Merged Entities)		782,298,554	-
Cash at end of the year		341,888,475	106,840,226

- The accompanying notes from (1) to (34) are integral part of these financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

1. General information

Middle East Glass Manufacturing Company (S.A.E.) (the "Company") was established in 1979 as an Egyptian joint stock Company under the provisions of Law No. 43 of 1974 as amended by Law No. 230 of 1989 as amended by Law No. 8 of 1997 and is registered in the commercial register under number 193770 Cairo. The address of the Company's registered office is Nasr City, 6 Mokhayam El-Daem Street 6th District, Industrial Zone, Cairo – Arab Republic of Egypt.

The Company's term is 25 years, starting from 20 January 2004 till 19 January 2029.

The Company is listed on the Egyptian Stock Exchange (EGX).

The Company's main activity is the production of all types of glass containers. The company may engage in the sale and export of its products in glass containers and carry out all direct industrial or commercial supplemental activities that are licensed for this activity. The company may have Authority or participate in any way with entities that carry out similar activities or cooperate with them in their purpose in Egypt or abroad. It may also be followed by approval from General Authority of Investment.

The parent of the Company is MENA Glass Holdings Limited with 93.01% ownership (31 December 2024: 93.01%).

On 27 July 2025, the Company received the report of the committee established by virtue of the Minister of Investment and International Cooperation no. 95 for the year 2018 regarding the verification of the validity of the initial valuation of the assets and liabilities for the purpose of merging the Merged Companies and the Merging Company at net book value based on the companies' financial statements of 31 December 2024 and which was unanimously approved by the Board of Directors.

The Group merged the subsidiaries listed below (the merged companies) into its parent company, Middle East Glass Manufacturing Company (S.A.E.) (the merging company), based on the approval of the Extraordinary General Assembly held on October 19, 2025, and based on the resolution No. 737 of 2025 of the Chairman of the General Authority For Investment and Free Zones (Economic Performance Department), issued on July 27, 2025. The merged companies were delisted from the commercial register on December 30, 2025. The merger was accounted for at the book value of the net equity of the merged and merging companies, as per the financial statements as of December 31, 2024.

On 23 December 2025, General Authority For Investment and Free Zones approved merging the subsidiaries into its parent company at net book value based on the companies' financial statements of 31 December 2024 with paid up capital for the merged company with total amount of EGP 62,627,993. (Note 27-c-A).

These financial statements were approved for issuance by the Board of Directors of the Company on 10th March 2026.

Percentage of ownership in subsidiaries as of 31 December 2024 (Before the Merger)

The Company has the following investment in subsidiaries as of 31 December 2024 unless otherwise was noted, and the percentage of the Company's share in the subsidiaries is direct ownership of the ordinary shares of the paid-up capital. All these investments are now eliminated After the merger in financial year 2025.

<u>Subsidiaries</u>	<u>Location</u>	<u>Functional currency</u>	<u>Ownership interest held by the company 2024</u>	<u>Activity</u>
Middle East Glass Containers Sadat	Egypt	Egyptian Pounc	99.99992%	Manufacturing Glass Containers
MEG Misr for Glass MEG (S.A.E.)	Egypt	Egyptian Pounc	99.99993%	Sale and distribution of glass
Misr for Glass Manufacturing S.A.E.	Egypt	Egyptian Pounc	Owned 99.9997% by MEG Misr for Glass MEG (S.A.E)	Manufacturing all kinds of Glass Containers and the acquisition of other entities that operate in the same field

Operating Environment of the company

Note No. 33 on financial risks shows the sensitivity of profits or losses and other components of equity to changes in interest rates and foreign currencies in light of the instruments held by the company at the end of the financial Year. The foreign exchange rate of USD against EGP has changed from 50.84 as at 31 December 2024 to 47.67 as at 31 December 2025.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

2. Basis of preparation

i. Statement of Compliance

These financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.

As presented in Notes 27-c-1, the Group finalized the merger of all its subsidiaries into its parent company, Middle East Glass Manufacturing Company (S.A.E.) (the "Merger Company"). The merged entities were officially delisted from the commercial register on 30 December 2025. The merger was accounted for at the book value of the net equity of the merged and merging companies, as per the financial statements as of December 31, 2024.

Following the merger, the comparative figures presented as of 31 December 2024 represent the standalone financial statements of the parent entity only, as the merger became effective after that date. Accordingly, the current-year financial statements reflect the full impact of the merger in line with applicable accounting standards and regulatory requirements.

ii. Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the employees' end of service benefit which is recognized at the present value of the defined benefit obligation using the Projected Unit Credit Method.

iii. Effect of applying Egyptian Accounting Standard No. (13)

On March 3, 2024, the Prime Minister issued a decree No. 636, amending the Egyptian Accounting Standard No.13 (EAS 13) "the effects of changes in foreign currency exchange rates", paragraph 57A, effective from 1 January 2024.

The Company applied the amendment in paragraph EAS13.57A and made an assessment to determine whether there is lack of exchangeability of foreign currencies against the Egyptian Pound. Below is a summary of the outcome of that assessment.

A) Lack of Exchangeability assessment

The Company assessed that there is no lack of exchangeability for monetary assets denominated in foreign currencies as at 1 January 2024, the date of application of the revised EAS 13. This assessment was made on the premise that assets denominated in foreign currencies may be exchanged at the bank at any point of time without any difficulty.

The Company's management is confident that their forecasted cash flows will prevent a negative foreign currency position. The management believe that the Company's assets will sufficiently cover liabilities in foreign currency from export operations and the foreign currency generated from these activities. Furthermore, the Company has not to date experienced any default incidents related to foreign currency liabilities when they came due.

The Company also assessed that the lack of exchangeability for financial liabilities denominated in foreign currencies, and believes that the Company's expected future cash inflows in foreign currency would be sufficient to settle the Company's liabilities denominated in foreign currencies, however as at 1 January 2024, total liabilities denominated in foreign currencies exceeded the available monetary assets in foreign currencies, and according to the revised standard EAS 13 "Effects of changes in foreign exchange rates" these assets and liabilities were revalued at 1 January 2024 using the first rate that was available to the Company (USD 1=EGP 47.22) and (EUR 1=EGP 50.97) to source foreign currency subsequent to the application date of the revised standard during March 2024, as summarized below.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

2. Basis of preparation (continued)

iii. Effect of applying Egyptian Accounting Standard No. (13) (continued)

B) Currency Position

Below is summary of monetary assets and liabilities denominated in USD and EUR outstanding from 1 January 2024 till 31 March 2024:

Statement of financial positions line item	Outstanding balances from 1 January 2024 USD	Outstanding balances from 1 January 2024 EUR
Total assets in foreign currency		
Cash and cash equivalents	3,762,000	-
Account receivables	6,908	-
Total	3,768,908	-
Total liabilities in foreign currency		
Loans	(15,664,880)	-
Trade payables	(136,293)	(33,247)
Total	(15,801,173)	(33,247)
Net liabilities position	(12,032,265)	(33,247)

C) Monetary effect of applying EAS 13 Revised

The following table represent the effect of EAS 13 revised on opening retained earnings:

Description	Foreign currency	Balance in foreign currency	Difference of using the estimated exchange rate on profit / (loss) EGP	Deferred income tax on profit / (loss) EGP	Net effect on retained earnings Increase / (decrease) EGP
Net liabilities	USD	(12,032,265)	(196,486,890)	44,209,550	(152,277,340)
	EUR	(33,247)	(560,876)	126,197	(434,679)
Net			(197,047,766)	44,335,747	(152,712,019)

iv. Going Concern

These financial statements have been prepared on the going concern basis.

v. Classification of assets and liabilities

The Company presents its assets and liabilities in the statement of financial position based on current / non-current classification. An asset is classified as current when it is:

- * Expected to be realised or intended to be sold or used in the normal course of operations;
- * Held primarily for trading.
- * Expected to be realised within 12 months after the end of the reporting period, or
- * Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- * It is expected to be settled in normal course of operation;
- * Held primarily for trading.
- * Expected to be realised within 12 months after the end of the reporting period, or
- * The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

2. Basis of preparation (continued)

v. Classification of assets and liabilities (continued)

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

The preparation of these financial statements in conformity with EAS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Note (32) describes the significant accounting estimations and assumptions of these financial statements, as well as significant judgments used by the Company's management when applying the company's accounting policies.

EAS requires the reference to the International Financial Reporting Standards (IFRS) when there is no equivalent EAS, or legal requirements that explain the treatment of specific balances and transactions.

3. Segment information

The Company's activities are organised into one segment which is wholly related to the manufacturing and sale of glass containers. This is in accordance with the presentations to the Board of Directors. Therefore, entity wide information required under EAS 41 "operating segments" are already included in the financial statements. No other information required to be disclosed.

4. Revenue from contracts with customers

	2025	2024
Local sales	2,910,711,808	1,328,067,618
Export sales	2,944,365,056	500,740,586
Total	5,855,076,864	1,828,808,204

Timing of revenue recognition is as follows:
(In Egyptian Pounds)

	2025	2024
At a point in time	881,207,048	245,325,068
Over time	4,973,869,816	1,583,483,136
Total revenue from contracts with customers	5,855,076,864	1,828,808,204

Total amount invoiced and delivered to customers for all types of revenue during the year amounted to EGP 5,917,984,958 (31 December 2024: EGP 1,847,753,717)

Assets and liabilities arising from contracts with customers

The company recognised the following assets and liabilities arising from contracts with customers:
In Egyptian Pounds

	2025	2024
Current contract assets from contracts with customers*	344,287,410	39,336,403
Total current contract assets	344,287,410	39,336,403
Current assets recognised for costs incurred to obtain or fulfil a contract		
Contract liabilities – advances from customers**	109,091,445	13,901,510
Total current contract liabilities	109,091,445	13,901,510

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

4. Revenue from contracts with customers (continued)

The movement of contract assets balance from contracts with customers during the year represented in the following: -

<i>In Egyptian Pounds</i>	2025	2024
Contract assets on adoption of EAS 48 as of 1 January	39,336,403	58,281,916
Contract assets on adoption of EAS 48 as of 1 January (Merged Entities)	367,859,101	-
Add: Contract assets recognized during the year according to EAS 48 (Overtime)	4,973,869,816	1,583,483,136
Less: Contract assets delivered during the year according to EAS 48 (Overtime)	(5,036,777,910)	(1,602,428,649)
Contract assets as of 31 December	344,287,410	39,336,403

The movement of contract liabilities balance – advances from customers during the year represented in the following:

	2025	2024
Contract liabilities on adoption of EAS 48 as of 1 January	13,901,510	14,487,259
Contract liabilities on adoption of EAS 48 as of 1 January (merged Entities)	79,937,560	-
Deduct: Revenue recognised during the year in relation to opening balance of contract liabilities	(93,839,070)	(14,487,259)
Add: Advance from customers during the year	109,091,445	13,901,510
Contract liabilities as of 31 December	109,091,445	13,901,510

- A. The increase in Contracts' Assets is mainly due to the increase in finished goods customized for certain customers not invoiced or delivered to those customers at the financial statement date.
- B. The increase in Contracts' liabilities is mainly due to the increase in advance payments made by customers by the end of the year.

The company applies the EAS 47 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days outstanding as unbilled. The contract assets relate to unbilled work in progress and have substantially similar risk characteristics as the trade receivables for the same types of contracts. However, the longer the contract asset is outstanding the higher is the increased risk that it will not be collected.

The expected loss rates are based on the past data collected over a period of [36] months (31 December 2024: 36 months) prior to the end of the reporting period and the corresponding historical losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the gross domestic product of the Egypt to be the most relevant indicators, and accordingly adjusts the historical loss rates based on expected changes in these variables.

All the outstanding contract assets are less than 89 days. The impairment loss identified on these contract assets was immaterial.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

5. Expenses by function

	2025	2024
Cost of Sales	3,461,098,081	1,218,928,413
Selling and marketing expenses	219,820,015	39,556,614
General and administrative expenses	299,092,572	203,736,412
	3,980,010,668	1,462,221,439
Expenses by nature		
Raw material and consumables used in production	1,229,652,213	287,246,370
Goods purchased for sale	-	506,609,306
Change in inventory	(969,336)	13,446,186
Salaries and fringe benefits	598,555,016	262,067,891
Exports expenses	470,495,591	32,336,566
Utilities Cost	865,563,711	177,218,625
Depreciation and amortization	392,928,016	86,449,872
Maintenance expenses	172,179,903	40,123,816
Miscellaneous expenses	251,605,554	56,722,807
	3,980,010,668	1,462,221,439

6. Other operating expense

	2025	2024
Other provision (Note 21)	36,310,988	12,620,544
Social health contribution	18,400,096	5,344,698
Non- recurring production losses	23,274,026	5,167,292
Other expenses	32,145,641	4,800,790
Foreign currency exchange loss from operations - net	39,930,376	-
Consultancy fees	4,349,137	610,000
Export incentive stamp tax	2,011,884	260,216
Government Labour Office	-	219,667
Tax differences	36,184,482	148,977
Expected credit loss allowance (Note 18)	2,920,750	11,943
	195,527,380	29,184,127

7. Other operating income

	2025	2024
Export Incentives	103,831,122	53,613,993
Foreign currency exchange gain from operation - net	-	23,547,240
Scrap sales	39,049,628	20,331,822
Other income	18,304,480	11,219,058
Gain on sale of property, plant and equipment	1,276,501	188,733
Provisions no longer required	859,337	-
	163,321,068	108,900,846

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

8. Finance costs

	2025	2024
Interest expense	499,277,256	128,496,860
Bank charges	15,591,983	2,643,650
IFC transaction cost	4,609,123	1,505,367
Discount on export incentives receivables*	-	601,927
	519,478,362	133,247,804

* This amount represents the loss resulted from settling long term export incentive receivables under the early settlement initiative announced by the Minister of Finance. Under this initiative, the company received a lump-sum payment net of average discount NIL of the original amount due under the scheme.

9. Finance income

	2025	2024
Interest income	21,890,926	16,206,651
	21,890,926	16,206,651

10. Income tax expense

	2025	2024
Current income tax (Note 24)	(185,067,983)	(38,545,463)
Deferred income tax (Note 16)	(185,135,589)	(16,312,863)
	(370,203,572)	(54,858,326)

	2025	2024
Net profit before tax	1,477,855,789	225,316,396
Income tax according to the local tax rate 22.5%	332,517,553	50,696,189
Adjustments		
Net Tax effect of non-deductible expenses/ non-taxable income	37,686,019	4,162,137
Income tax	370,203,572	54,858,326
Effective tax rate	25%	24%

11. Earnings per share

	2025	2024
Net profit for the year	1,107,652,217	170,458,070
Less: employees profit share	(58,120,254)	(23,200,057)
Net profit available to the shareholders	1,049,531,963	147,258,013
Weighted average number of issued and paid shares	62,627,993	62,627,993
Basic and diluted earnings per share	16.76	2.35
Basic and diluted earnings per share before the effect of applying EAS 13	16.76	(0.09)

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

12. Earnings before interest, taxes, depreciation and amortization ("EBITDA")

Adjusted EBITDA is not a defined performance measure under EAS. The Company definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

The information disclosed in the table below represents the earnings before interest, taxes, depreciation & amortization according to the internal reports prepared by the company's management, and for the year ended 31 December 2025 was as follows:

	2025
Net profit after tax	1,107,652,217
Net interest expense/ income	477,386,330
Tax expense	370,203,572
Depreciation & amortization	392,928,016
Exceptional items, net	120,319,738
Non-cash income	(1,276,500)
Net unrealised gains from foreign currency rate differences	(132,583,340)
Adjusted EBITDA	2,334,630,033

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

13. Property, plant and equipment

	Land	Buildings	Machinery, equipment & moulds	Vehicles and transportation	Furniture & office equipment	Computers & Computer systems	Water Wells	Projects under construction	Total
31 December 2024									
Cost									
Balance at beginning of the year	115,856,878	67,226,923	929,373,219	20,338,037	3,640,292	14,723,152	-	25,117,138	1,176,275,639
Additions	-	4,491,988	75,505,386	-	2,111,617	1,824,467	-	11,418,930	95,352,388
Disposals	-	-	(2,565,478)	-	(26,333)	(16,170)	-	(3,019,954)	(5,627,935)
Transferred from projects under construction	-	3,175,415	7,577,213	-	557,739	623,918	-	(11,934,285)	-
Balance at the end of the year	115,856,878	74,894,326	1,009,890,340	20,338,037	6,283,315	17,155,367	-	21,581,829	1,266,000,092
Accumulated depreciation									
Balance at beginning of the year	-	(40,027,030)	(372,998,372)	(9,308,838)	(2,248,659)	(11,976,073)	-	-	(436,558,972)
Depreciation expense	-	(3,253,832)	(76,781,477)	(2,644,175)	(622,470)	(1,470,496)	-	-	(84,772,450)
Disposals depreciation	-	-	2,565,476	-	25,987	7,748	-	-	2,599,211
Balance at the end of the year	-	(43,280,862)	(447,214,373)	(11,953,013)	(2,845,142)	(13,438,821)	-	-	(518,732,211)
Net book value at the end of the year	115,856,878	31,613,464	562,675,967	8,385,024	3,438,173	3,716,546	-	21,581,829	747,267,881
31 December 2025									
Cost									
Balance at beginning of the year	115,856,878	74,894,326	1,009,890,340	20,338,037	6,283,315	17,155,367	-	21,581,829	1,266,000,092
Merged Entities Cost at beginning of the year	16,273,773	174,497,610	2,306,348,766	28,604,008	11,098,011	18,805,785	170,946	74,343,256	2,630,142,155
Adjusted beginning of the year (after Merger)	132,130,651	249,391,936	3,316,239,106	48,942,045	17,381,326	35,961,152	170,946	95,925,085	3,896,142,247
Additions	2,067,386	9,927,380	392,657,094	9,014,744	5,647,557	7,942,823	-	464,795,877	892,052,861
Disposals	-	-	(207,083,716)	(443,718)	-	-	-	-	(207,527,434)
Transferred from projects under construction	-	19,548,922	460,765,479	980,000	362,380	39,461	-	(481,696,242)	-
Balance at the end of the year	134,198,037	278,868,238	3,962,577,963	58,493,071	23,391,263	43,943,436	170,946	79,024,720	4,580,667,674
Accumulated depreciation									
Balance at beginning of the year	-	(43,280,862)	(447,214,373)	(11,953,013)	(2,845,142)	(13,438,821)	-	-	(518,732,211)
Merged Entities Accumulated depreciation at beginning of the year	-	(61,309,403)	(1,147,596,254)	(19,826,651)	(7,850,716)	(11,128,451)	(170,946)	-	(1,247,882,421)
Adjusted beginning Accumulated depreciation of the year (after Merger)	-	(104,590,265)	(1,594,810,627)	(31,779,664)	(10,695,858)	(24,567,272)	(170,946)	-	(1,766,614,632)
Depreciation expense	-	(10,464,307)	(361,238,194)	(6,495,827)	(2,388,329)	(5,563,802)	-	-	(386,150,459)
Disposals depreciation	-	-	200,609,057	443,695	-	-	-	-	201,052,752
Balance at the end of the year	-	(115,054,572)	(1,755,439,764)	(37,831,796)	(13,084,187)	(30,131,074)	(170,946)	-	(1,951,712,339)
Net book value at the end of the year	134,198,037	163,813,666	2,207,138,199	20,661,275	10,307,076	13,812,362	-	79,024,720	2,628,955,335

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

13. Property, plant and equipment (continued)

The balance of projects under construction as of 31 December 2025 is represented as follows:

	2025	2024
New Project-10th Ramadan Land	23,738,367	11,802,491
Production machinery	7,613,601	9,644,859
Others	3,508,552	134,479
Building	273,212	-
Batch house	43,890,988	-
	79,024,720	21,581,829

Depreciation expense is allocated in the statement profit or loss as follows:

	2025	2024
Cost of goods sold	373,759,938	80,570,730
General and administrative expenses	7,278,902	3,505,663
Selling and marketing expenses	5,111,619	696,057
Total	386,150,459	84,772,450

- The Cost of fully depreciated assets and still in use amounted to EGP 418,935,547 as of 31 December 2025 (31 December 2024: EGP 105,249,749).

14. Intangible assets

	Computer software	
	2025	2024
31 December 2025		
Cost		
Balance on 1 January	12,600,847	9,106,247
Balance on 1 January From Merged Entities	28,673,614	-
Balance on 1 January Adjusted (After Merger)	41,274,461	9,106,247
Additions	103,824	3,494,600
Balance at the end of the year	41,378,285	12,600,847
Accumulated amortisation		
Balance on 1 January	(6,863,067)	(5,185,645)
Balance on 1 January from merged entities	(13,945,434)	-
Balance on 1 January Adjusted (After Merger)	(20,808,501)	(5,185,645)
Amortisation expense	(6,777,557)	(1,677,422)
Balance at the end of the year	(27,586,058)	(6,863,067)
Net book value	13,792,227	5,737,780

- The Cost of fully amortized intangible assets and still in use amounted to EGP 12,278,954 as of 31 December 2025 (31 December 2024: 4,726,294 EGP).

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

15. Investment in subsidiaries

On 29 January 2014, the Company acquired 100% of Middle East Glass Containers Sadat (previously Wadi Glass Containers) shares. The Company's headquarters is located at Plot Number 254,255,256 extension of Fifth Industrial Zone, Sadat City, Menofia. In 2020 the Company's name was changed to Middle East Glass in Sadat City. The Company's main activity is the manufacture and sale all kinds of glass containers.

On 10 November 2015, the Company established a new Company (MEG Misr for Glass MEG S.A.E.) with an ownership percentage of 99.97%, and the headquarters is located at 6 Mokhayam El-Daem Street, Ninth District, Nasr City, Cairo and the main activity is Sale and distribution of glass and the acquisition of other entities that operates in the same field. In January 2016, MEG Misr for Glass MEG (S.A.E.) acquired 100% of the issued capital of Misr for Glass Manufacturing (S.A.E.). The Company's principal activity is the manufacturing and sale of all kinds of glass. The Company's head quarter is located at Mostord, Qalubya, Egypt.

According to an Extraordinary General Assembly Meeting held on 9 December 2018, the Company approved as the major shareholder in MEG Misr for Glass MEG (S.A.E.) to increase the paid-up capital of MEG Misr for Glass MEG (S.A.E.) to be EGP 433,074,972 through using the amounts due from MEG Misr for Glass MEG (S.A.E.).

During 2025 all of these subsidiaries has been eliminated. Note (27-c-1)

	Ownership %	2025	2024
Middle East Glass Containers Sadat	0%	-	198,807,845
MEG Misr for Glass MEG (S.A.E.)	0%	-	433,824,972
		-	632,632,817

16. Deferred tax assets

Recognized deferred tax asset

	2025	2024
Property, plant and equipment	(169,585,111)	(38,988,955)
Retirement benefit obligation	4,679,828	2,722,259
Tax effect of unrealized foreign currency losses	240,346,144	92,794,903
	75,440,861	56,528,207

	Property, plant and equipment	Retirement benefit obligation	Tax Effect of unrealized foreign currency	Net
Balance at 1 January 2024	(27,558,574)	2,184,353	53,879,544	28,505,323
Tax charged on the statement of profit or loss (Note 10)	(11,430,381)	537,906	(5,420,388)	(16,312,863)
Effect on adoption of EAS 13	-	-	44,335,747	44,335,747
Balance at 31 December 2024 and 1 January 2025	(38,988,955)	2,722,259	92,794,903	56,528,207
Opening balance from merged entities	(97,018,335)	479,381	300,587,197	204,048,243
Balance at 31 December 2024 and 1 January 2025 (Adjusted)	(136,007,290)	3,201,640	393,382,100	260,576,450
Tax charged on the statement of profit or loss (Note 10)	(33,577,821)	1,478,188	(153,035,956)	(185,135,589)
Balance at 31 December 2025	(169,585,111)	4,679,828	240,346,144	75,440,861

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

17. Inventory

	2025	2024
Finished goods	180,761,041	9,129,277
Spare parts	267,156,326	40,183,817
Work in progress	31,777,475	13,004,003
Raw materials	225,773,822	65,159,785
Packing and wrapping materials	200,697,279	44,136,004
Fuel and oil	29,696,622	7,592,095
	935,862,565	179,204,981
Provision of obsolete and slow-moving inventories	(26,806,299)	(10,994,102)
	909,056,266	168,210,879

The movement of provision of obsolete and slow-moving inventories is as follows:

	2025	2024
Balance at 1 January	10,994,102	10,994,102
Opening Balance from merged entities	15,812,197	-
	26,806,299	10,994,102

The cost of inventories recognised as an expense during the year representing cost of sales amounted to EGP 1,228,682,877 at 31 December 2025 (31 December 2024: EGP 807,301,862).

The company applied EAS 48 starting from 1 January 2021. Accordingly, the company recognized cost of goods sold for the sales revenue against the manufactured finished goods which are customized for certain customers but wasn't invoiced or delivered to the customers with cost of EGP 165,894,183 at 31 December 2025. (31 December 2024: 18,941,103 EGP)

18. Trade and notes receivables

	2025	2024
Trade receivables	1,437,697,781	181,705,341
Notes receivable	61,664,157	12,046,848
	1,499,361,938	193,752,189
Expected credit loss allowance	(24,023,160)	(468,340)
	1,475,338,778	193,283,849

The movement in expected credit loss allowance of trade receivables is as follows:

	2025	2024
Balance at 1 January	468,340	456,397
Opening Balance from merged entities	21,493,407	-
Formed for the year (Note 6)	2,920,750	11,943
No Longer required (Note 7)	(859,337)	-
	24,023,160	468,340

Trade receivables at 31 December 2025 amounting to EGP 774,832,420 (31 December 2024: EGP 87,575,719) net of expected credit loss allowance are denominated in foreign currency.

The Company applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of customers over a period of 36 month before each balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

18. Trade and notes receivables (continued)

The credit loss allowance for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days that the receivable is past due.

<i>In % of gross value (in Egyptian Pounds)</i>	31 December 2025			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade and notes receivable				
- Current	0%	1,157,348,062	34,172	1,157,313,890
- less than 30 days overdue	0.04%	197,557,861	78,192	197,479,669
- 31 to 60 days overdue	0.3%	106,094,513	316,999	105,777,514
- 61 to 91 days overdue	1.36%	283,039	3,862	279,177
- 91 to 180 days overdue	11.66%	16,401,157	1,912,629	14,488,528
- In Default	100%	21,677,306	21,677,306	-
Total		1,499,361,938	24,023,160	1,475,338,778

<i>In % of gross value (in Egyptian Pounds)</i>	31 December 2024			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade and notes receivable				
- Current	0.02%	168,240,942	24,077	168,216,865
- less than 30 days overdue	0.09%	25,088,486	21,502	25,066,984
- 31 to 60 days overdue	0%	-	-	-
- 61 to 91 days overdue	0%	-	-	-
- 91 to 180 days overdue	0%	-	-	-
- In Default	100%	422,761	422,761	-
Total		193,752,189	468,340	193,283,849

For more details on the credit risks refer to (Note 33-1-b)

19. Debtors and other receivables

	2025	2024
Export Incentives	375,629,317	70,690,481
Other receivables	23,801,974	4,634,145
Advances to suppliers	74,694,371	30,008,842
Prepaid expenses	2,812,768	985,609
Refundable deposits	25,996,947	5,918,484
Tax authority – advance payment	15,752,076	11,847,856
Tax authority – Sales tax on Purchases	201,848,511	-
Employee imprest and loan	10,908,001	7,302,955
Employee profit share paid in advance	58,120,254	23,200,057
	789,564,219	154,588,429

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

20. Cash and cash equivalents

	2025	2024
Current account at banks *	289,950,121	104,778,164
Deposits at banks	47,670,000	-
Cash on hand	4,268,354	2,062,062
Total	341,888,475	106,840,226

- The average interest rate on USD time deposits was 4.73% (31 December 2024: 4.75%) and USD 1,000,000 (31 December 2024: NIL) for a maturity of less than 3 months (31 December 2024: less than 3 months).

* The current account at banks includes amount of EGP 642,281 (31 December 2024: EGP 651,302) which represents cash margin to cover letter of credits.

Cash flow information

i. Non-cash transaction

For the cash flow statement preparation purposes, the Company posted non-cash transaction which is not presented in the statement of cash flows. As follows:

	2025	2024
Settlement of Employees' declared profit share against advances to employees was included under other receivables	(49,250,718)	(21,784,672)
Addition of property, plant and equipment against prepayment of property, plant and equipment	136,001,771	7,905,087

ii. Net debt reconciliation

	2025	2024
Cash and bank balances	341,888,475	106,840,226
Short term credit facilities	(1,468,728,294)	(231,527,477)
Bank borrowings – current portion	(794,500,017)	(199,100,629)
Bank borrowings – non-current portion	(794,500,101)	(398,201,265)
Total	(2,715,839,937)	(721,989,145)

	Cash & cash equivalents	Financial assets at amortised cost	Short term credit facilities	Medium Term Loan	Total
Net debt as at 1 January 2024	156,182,290	86,678,597	(167,867,659)	(483,888,156)	(408,894,928)
Cash flows	(57,536,652)	(83,675,840)	(63,659,818)	187,019,087	(17,853,223)
Foreign exchange adjustment	-	-	-	(103,945,934)	(103,945,934)
Effect of EAS 13	-	-	-	(196,486,891)	(196,486,891)
Other Change					
Interest Accrued	-	8,012,063	-	-	8,012,063
Interest Received	8,194,588	(11,014,820)	-	-	(2,820,232)
Net debt as at 31 December 2024	106,840,226	-	(231,527,477)	(597,301,894)	(721,989,145)

	Cash & cash equivalents	Financial assets at amortised cost	Short term credit facilities	Medium Term Loan	Total
Net debt as at 1 January 2025	106,840,226	-	(231,527,477)	(597,301,894)	(721,989,145)
Opening Balance from Merged entities	782,298,552	-	(530,850,980)	(1,944,698,220)	(1,693,250,648)
Cash flow	(569,141,229)	-	(706,349,837)	820,416,656	(455,074,410)
Foreign exchange adjustment	-	-	-	132,583,341	132,583,341
Other Change					
Interest Received	21,890,926	-	-	-	21,890,926
Net debt as at 31 December 2025	341,888,475	-	(1,468,728,294)	(1,589,000,117)	(2,715,839,936)

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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21. Provisions

	2025	2024
Balance at beginning of the year	38,665,951	32,438,375
Opening Balance from Merged entities	67,934,882	-
Additions during the year	36,310,988	12,620,544
Utilised during the year	(4,919,044)	(6,392,968)
Balance at end of the year	137,992,777	38,665,951

A provision is made when (i) the company has a legal or current implicit obligation towards a third party resulting from a past event, (ii) an outflow of resources will probably be necessary to extinguish the obligation, and (iii) the amount of the obligation can be reliably estimated. Provisions primarily concern obligations associated with litigation and other risks identified with regard to company's operations. Provisions are reviewed by management annually and are adjusted to reflect the latest developments, discussions and agreements with those third parties.

All of the above provisions have been classified as current liabilities because the company does not have unconditional right to defer settlement beyond one year.

22. Trade and notes payables

	2025	2024
Trade payable	586,447,417	173,990,542
Notes payable	99,767,240	29,047,238
	686,214,657	203,037,780

- Trade payables are unsecured and are usually paid within an average of 79 days of recognition (31 December 2024: 97 days).

23. Creditors and other payables

	2025	2024
Accrued expenses	409,496,096	87,412,030
Contract liabilities	109,091,445	13,901,510
Due to tax authority	16,911,689	9,332,845
Other payables	33,232,259	7,854,449
Social insurance authority	7,154,284	857,373
Retention	3,261,568	811,107
	579,147,341	120,169,314

24. Income tax liability

	2025	2024
Balance at the beginning of the year	12,871,030	-
Opening Balance from Merged entities	269,160,142	-
Charged for the year	185,067,983	38,545,463
Settlement against withholding tax	(61,639,921)	(25,674,433)
Payments to tax authority	(263,275,331)	-
Tax differences	(707,932)	-
Balance at the end of the year	141,475,971	12,871,030

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

25. Bank borrowings and short-term credit facilities

	2025	2024
i. Borrowings - current portion		
Bank borrowings	794,500,017	199,100,629
Short term credit facilities	1,468,728,294	231,527,477
Total current portion	2,263,228,311	430,628,106
ii. Borrowings non-current portion		
Bank borrowings	794,500,101	398,201,265
Total non-current portion	794,500,101	398,201,265
Total	3,057,728,412	828,829,371

In November 2019, the Group companies signed medium term loan agreements with the International Finance Corporation ("IFC") and Commercial International Bank ("CIB") to refinance its existing medium-term debt and to provide funding for capital expenditure to increase production capacity, including furnace rebuilds, new production equipment, printing machines, resource efficiency improvements and streamlining of the cullet processing operation. The full amount of the facilities was disbursed in 2020 and resulted in settlement of all existing medium-term bank borrowings. The outstanding loan balance as of 31 December 2025 amounts to EGP 1,589,000,118.

The loans have a seven-year tenor with 18-month grace and carries interest at 6-month SOFR plus a margin.

The loans are secured with the following security package:

- First ranking real estate mortgage over the lands and buildings owned by the company with the carrying amounts in EGP 298 million (31 December 2024: EGP 147 million).
- A first ranking Commercial Establishment Mortgage over the tangible and intangible assets owned by the Company.
- Promissory Notes corresponding to the repayment dates and amounts.
- First ranking Share Pledge in favour of the Senior Secured Lenders or an agent acting on their behalf over the subsidiaries' shares owned by the Company.

- iii. Balance of Interest accrued on the company's borrowing at 31 December 2025 amounts to EGP 46,475,970 (31 December 2024: EGP 16,580,425).

26. Retirement benefits obligations

Defined benefit obligations

The Company operates a defined benefit plan for its employees of the Company who are entitled upon their retirement, partial disability or end of service to a gratuity based on a defined benefit plan. The entitlement is based on the length of service and final remuneration package of the employee upon retirement. The plan is not subject to any regulatory restriction and is an unfunded plan. The defined benefit obligation is calculated using the projected unit method takes into consideration the principal actuarial assumptions as follows:

	2025	2024
Discount rate	19.53%	20%
Average salary increase rate	10%	9%
Life table	49-52	49-52

The amounts recognized at the statement of financial position date are determined as follows:

	2025	2024
Present value of obligation	20,799,236	12,099,108
Liabilities as per the statement of financial position	20,799,236	12,099,108

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

26. Retirement benefits obligations (continued)

Movement in the liability recognized in the statement of financial position:

	2025	2024
Balance at beginning of the year	12,099,108	9,708,239
Opening Balance from Merged entities	2,130,405	-
Interest expense	2,362,956	1,941,648
Current service cost	7,104,480	2,491,639
Actuarial gains from changes in financial assumptions	666,908	468,223
Total amount recognised in profit or loss	12,264,749	4,901,510
Benefit payments during the year	(3,564,621)	(2,510,641)
Balance at end of the year	20,799,236	12,099,108

Sensitivity in Defined Benefit Obligation: -

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase / Decrease in obligation %			
31 December 2025					
Discount rate	+/- 1%	Decrease by	8%	Increase by	8%
Salary increase	+/- 1%	Increase by	8%	Decrease by	8%
Mortality age	+/- 1%	Increase by	7%	Decrease by	7%
31 December 2024					
Discount rate	+/- 1%	Decrease by	8%	Increase by	8%
Salary increase	+/- 1%	Increase by	8%	Decrease by	8%
Mortality age	+/- 1%	Increase by	9%	Decrease by	9%

The above sensitivity analyses are based on a change in discount rate while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the financial position statement. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior Year.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

27. Equity

27(a) Issued and paid-up capital

The total number of authorized ordinary shares is 150 Million shares (2024: 150 million shares) with a par value of 1 EGP per share (2024: 1 EGP per share). The issued and paid-up capital is 62,627,993 shares (2024: 62,627,993 shares) with a par value of 1 EGP per share (2024: 1 EGP per share). All issued shares are fully paid. The share entitles the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held on a show of hands every holder of ordinary shares presents at a meeting, in person or by proxy, is entitled to one vote.

According to the resolution of the Extra Ordinary General Assembly Meeting held on 7 November 2019, the shareholders decided to convert the shareholder loan amounting EGP 432,825,002 into share capital. The amount was initially reclassified within equity as "Payment under Capital Increase".

On 3 March 2022, an Extraordinary General Assembly Meeting of Shareholders approved an increase of the issued share capital from EGP 50,322,580 to EGP 62,627,993 with an amount of EGP 12,305,413 by issuing 12,305,413 new shares for subscription by the existing shareholders at a subscription price of EGP 38.67 per share amounting to a total amount of EGP 475,850,321. Accordingly, the amounts under "Payment under Capital Increase" were transferred to Share capital and Share Premium. In addition, the shareholder paid an additional amount of EGP 43,025,319 for the subscription of these new share shares. The difference between the nominal value and subscription price of the shares is recorded in as share premium reserves account. The increase was approved in the commercial register on 17 November 2022. In addition to the share premium reserve recognized previously to reach EGP 629,609,334.

During 2024, MENA Glass Holdings Limited (ultimate parent) acquired a total of 23,121,158 shares of MTM Packaging shareholding representing 36.92% in addition to 1,997,039 shares from other shareholders representing 3.19% of the company' shares. The ultimate parent shareholding increased from 52.90% to 93.01%.

Shareholders	31 December 2025		
	No. of Shares	Par Value of shares	Shareholding %
MENA Glass Holdings Limited	58,250,357	58,250,357	93.01%
IGC Holdings Limited	3,968,175	3,968,175	6.34%
Other shareholders	409,461	409,461	0.65%
	62,627,993	62,627,993	100%

Shareholders	31 December 2024		
	No. of Shares	Par Value of shares	Shareholding %
MENA Glass Holdings Limited	58,250,357	58,250,357	93.01%
IGC Holdings Limited	3,968,175	3,968,175	6.34%
Other shareholders	409,461	409,461	0.65%
	62,627,993	62,627,993	100%

27(b) Reserves

Other reserves

On 3 April 2014, the existing shareholders signed an agreement to increase the paid-up capital by approximately US \$28.7 million which was equivalent to LE 205 million at the agreement date. Subsequently on 10 May 2015, the existing shareholders subscribed in the capital increase with total value of LE 205 million equivalent to US \$26.5 million at the subscription date., the shareholders agreed to pay the remaining amount of the capital increase included in the above mentioned agreement amounting to US \$1.7 million (equivalent to LE 13,129,007) which has been treated as capital contribution under other reserves in the statement of shareholders' equity. This balance is unsecured, bears no interest and it is not intended to be recalled by the shareholder.

The group merged its subsidiaries into its parent company, Middle East Glass Manufacturing Company S.A.E. (the merging company), The net merger resulted in other reserves amounting to 755,221,243 (Note 27-C-1).

Legal reserve

In accordance with the Companies' Law No.159 for 1981, 5 % of the net profit for the year shall be transferred to the legal reserve account until it reaches 50% of paid-up capital. This reserve is not available for distribution to shareholders. After the merger, the company transferred an amount of 31,313,996 from this year's profits to the legal reserve.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

27. Equity (continued)

27(c) Retained earnings

	2025	2024
Balance at beginning of the year	433,295,773	437,334,394
Total Merger Effect	(433,295,773)	-
Net profit for the year	1,107,652,217	170,458,070
Profit share distribution to employees	-	(21,784,672)
Net effect of applying EAS 13	-	(152,712,019)
Transferred to legal reserve	(31,313,996)	-
Balance at end of the year	1,076,338,221	433,295,773

- The profit share distribution to the current employees was approved by the shareholders in the Annual General Meeting. The profit share distribution is in accordance with the Egyptian Company Law.

27 (c)-1 Merger Effect

The Group merged the subsidiaries listed below (the merged companies) into its parent company, Middle east glass manufacturing company S.A.E (the merging company), based on the approval of the Extraordinary General Assembly held on October 19, 2025, and the resolution No. 737 of 2025 of the Chairman of the General Authority For Investment and Free Zones (Economic Performance Department), issued on July 27, 2025. The merged companies were delisted from the commercial register on December 30, 2025. The merger was accounted for at the book value of the net equity of the merged and merging companies, as per the financial statements as of December 31, 2024. The management decided to make the merger effective from 1 January 2025.

According to the resolution of the General Authority For Investment and Free Zones (Economic Performance Department) No. 737 of 2025, the authorized capital of Middle East Glass for Manufacturing - after the merger is the same before the merging amounting EGP150 Million, and the issued capital before / after the merger amounted EGP 62,627,993 (only sixty two million and six hundred twenty seven and nine hundred ninety three). The number of capital shares is 62,627,993 shares with a nominal value of 1 Egyptian pounds per share.

On 23 December 2025, General Authority For Investment and Free Zones approved merging the subsidiaries into its parent company at net book value based on the companies' financial statements of 31 December 2024 with paid up capital for the merged company with total amount of EGP 62,627,993.

The related party transactions and balances have been eliminated with the merged companies and Middle east Glass for manufacturing S.A.E (merging).

The following table shows the net impact on equity according to the report of the Economic Performance Department (EPD), regarding the merger and specifying the net equity of both the merger and merged companies as of the merging date, December 31, 2024:

	EPD Adjustments EGP
Eliminated Investment Note (15)	(632,632,817)
MEG Share from Misr Glass Manufacturing net Equity (Merged 1)	2,234
MEG Share from Meg Misr Meg Net Equity (Merged 2)	752,913,043
MEG Share from Middle East Glass Container Sadat Net Equity (Merged 3)	(39,994,060)
Other Debit Balances adjustments*	(2,133,255)
Dividends to shareholders 2024 paid 2025	(407,081,955)
Profit Share to employees 2024 paid 2025	(23,200,057)
Total	(352,126,867)

* According to the Economic Performance Department's report, this amount was written off from the advances to the Tax Authority related to Middle east glass manufacturing company (S.A.E) (the merging company).

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

27. Equity (continued)

Below is the Adjusted opening Net Equity as per EPD

Company	Other Reserves EGP
Middle East for Glass Manufacturing S.A.E (Merger)	857,841,077
Misr For Glass manufacturing S.A.E (Merged 1)	4,209
MEG Misr for Glass MEG S.A.E (Merged 2)	505
MIDDLE EAST FOR GLASS CONTAINERS SADAT (Merged 3)	(39,996,555)
Total Net Equity as at 31 December 2024 after EPD Adjustment	817,849,236

Below Is the structure of Net equity after merger

Other Reserves	755,221,243
Capital	62,627,993
Total Net Equity after Merger	817,849,236

28. Commitments

a) Capital commitments

The Company has capital commitments as of 31 December 2025 of EGP 8,027,633 (2024: 8,206,295) in respect of the capital expenditure.

b) Operating lease commitments

The company leases warehouses under cancellable operating leases expiring where the company has a termination option to cancel the lease with short notice. The leases have varying terms, escalation clauses.

Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:

	2025	2024
Within one year	3,178,234	334,412

c) Contingencies

The company has contingent liabilities as of 31 December 2025 of EGP 8,669,915 (2024: EGP 8,206,295).

29. Related parties

The Company entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Company's board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management. Below is the statement that shows the nature and values of transaction with related parties during the year, and the balances due at the date of the financial statements.

The management decides the terms and conditions of the transactions and services provided by / to the related parties and any other expenses.

The following are the transactions with related parties:

(a) Due from related parties

Nature of relationship	Payment on behalf	2025	2024
Subsidiaries		-	1,035,768,209
Under common control	2,529,814	7,189,210	4,659,396
		7,189,210	1,040,427,605

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

29. Related parties (continued)

(b) Due to related parties

Nature of relationship	2025	2024
Subsidiaries	-	724,187,511
	-	724,187,511

Key management personnel received an amount of EGP 25,663,586 as salaries and benefits (31 December 2024: EGP 25,610,012).

30. Financial assets and liabilities

The company holds the following financial instruments:

Financial assets:

	Amortised cost	
	2025	2024
Trade and notes receivables	1,475,338,778	193,283,849
Contract assets	344,287,410	39,336,403
Debtors and other receivables*	436,336,239	88,546,065
Due from related parties	7,189,210	1,040,427,605
Cash and bank balances	341,888,475	106,840,226
	2,605,040,112	1,468,434,148

* Debtors and other receivables presented above excludes prepaid expenses, advances to suppliers, employee profit share paid in advance and tax receivable.

Financial liabilities:

	Amortised cost	
	2025	2024
Short term credit facilities	1,468,728,294	231,527,477
Bank borrowings	1,589,000,118	597,301,894
Interest payable	46,475,970	16,580,425
Trade and notes payable	686,214,657	222,121,467
Creditors and other payables**	445,989,923	96,077,586
Due to related parties	-	724,187,511
	4,236,408,962	1,887,796,360

** Creditors and other payables presented above excludes contract liabilities, social insurance authority and tax liabilities.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements summarised below. They were applied consistently over the presented financial Years:

a) Foreign currency transactions

1 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Egyptian Pounds, which is the functional and presentation currency of the Company.

2 Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the dates of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

b) Property, plant and equipment

The company applies the cost model at measurement of Property, plant and equipment. All Property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, when it's available to use.

Subsequent costs are included in the asset's carrying amount or recognised 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The straight-line method is used to distribute the depreciation of Property, plant and equipment and mold which is depreciated using the units of production method on a regular basis over the estimated useful life, except for lands where the estimated useful life is unlimited.

The following are the estimated useful lives for each type of a company of asset company:

Buildings	16 – 50 years
Machinery and equipment	5 - 10years
Moulds	Units of production method
Vehicles & transportation	4-5 years
Furniture and office equipment	4-10 years
Computers & Computer systems	3 - 5 years

The company reviews the residual value of Property, plant and equipment and estimated useful lives of Property, plant and equipment at the end of each financial year and adjusted when expectations differ from previous estimates.

The carrying amount of the Property, plant and equipment is reduced to the recoverable amount, if the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of Property, plant and equipment from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item, and the gain or loss resulting from the disposal of Property, plant and equipment is included in the statement of profit or loss.

Projects under construction are stated at cost less realised impairment losses. Cost includes all expenses associated with the acquisition of the asset and make it usable. When the assets are ready for its intended use, it is transferred from project under construction to the appropriate category under property, plant and equipment and depreciated in accordance with company policy.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies (continued)

c) Investments in subsidiaries

The subsidiaries are entities controlled by the Company, a subsidiary is consolidated when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investment in subsidiaries in the financial statements is stated at cost. The Cost method require recognition of investment at cost and recording of investment income to the extent of dividends distribution received from investee.

d) Intangible assets

i. Computer software

Separately acquired software licences are shown at cost less the accumulated amortization and the accumulated impairment losses. The costs represent the acquisition cost in obtaining this software. The Company charges the amortization amount of the software licences consistently over their estimated useful lives of five years using the straight-line method.

The costs of the acquisition of computer software licenses that are not considered an integral part of computers are recognized as intangible assets on the basis of costs related to prepare the asset for use in the purpose for which it was acquired.

ii. Technical assistance services

Amounts paid with respect to technical assistance services are recognised as intangible assets and amortized using the straight-line method over the estimated useful life and it's amortised over 10 years.

The know how provided by Techpack Solutions Company Limited (Korea) under a Technical Services Agreement concluded with the Company mainly comprises fees for technical assistance for the methods, techniques and processes to be applied by the Company in the normal course of business.

License costs are stated at cost less accumulated amortization.

e) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of sales and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are generating separately cash inflows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period by the Company. Impairment losses recognised in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Reversal of loss of impairment should not exceed the carrying amount that would have been determined (net of depreciation). Such reversal is recognised in the statement of profit or loss.

f) Inventory

Inventories are measured at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost comprises direct materials, direct labours and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, that are incurred by the Company in bringing the inventory to their present location and condition but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale. The amount of any write-down of inventory to net realisable value below its book value and all losses of inventories shall be recognised as an expense in the period when the write-down or loss occurs.

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31. Summary of significant accounting policies (continued)

g) Financial assets under EAS 47

i. Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- Those to be measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss statement.

Debt instruments – treasury bills

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. According to the company business model the company subsequently measures debt instruments at amortised cost for Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in interest income/(costs), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Debt instruments – trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Cash and cash equivalents

For the purpose of presentation in the cash flow, cash and cash equivalents includes cash at banks, cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and short term credit facilities that are repayable on demand which is characterized by fluctuating bank balance from a positive balance to a short term credit facilities balance, short term credit facilities are shown in current liabilities in the statement of financial position.

iii. Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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31. Summary of significant accounting policies (continued)

g) Financial assets under EAS 47 (continued)

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

A significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

h) Offsetting financial asset and liability

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company has an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default of the counterparty and should reflect the Company's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Company's cash flows.

i) Fair value measurement

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level of inputs that is significant to the fair value measurement as a whole:

- Level 1: Inputs of quoted (unadjusted) market prices in active markets for identical assets or liabilities; which the Company can have access to at the date of measurement.
- Level 2: Inputs others than quoted prices included within level1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs of the asset or the liability.

j) Interest expense

Interest expenses comprise interest expense on borrowings that are recognised in statement of profit or loss and other comprehensive income. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in statement of profit or loss and other comprehensive income using the effective interest method.

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31. Summary of significant accounting policies (continued)

k) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

l) Capital

Issued and paid up capital and share premium

Ordinary shares are classified within equity. Share premiums, if any, are added to legal reserve to the extent of half of the issued capital, and the remaining balance of the premium is transferred to a share premium reserve, after deducting the shares issue expenses (net of any tax benefit) from the amount of share premium.

Where the Company repurchases the Company's equity instruments (treasury shares), the consideration paid or received in exchange for those instruments, including any directly attributable incremental transaction costs (net of income tax) is deducted from the equity attributable to the owners of Middle East Glass as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Middle East Glass. Classify within the equity capital.

m) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

n) Taxation

The income tax expense represents the sum of the current income and deferred tax.

Current tax

The current income tax is based on the taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to the tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies (continued)

n) Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits only of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current income and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

o) Employee benefits

The Company operates various employees' benefits schemes, including both defined benefit and defined contribution pension plans.

(1) Pension obligations

The Company has two types of pension schemes.

Defined contribution plans

The unfunded defined contribution plan is a pension plans under which the Company pays fixed contributions to the General Authority for Social Insurance or to private insurance providers on mandatory basis. The Company has no further liabilities once its obligations are paid. The regular contributions are recognised as periodic cost for the year in which they are due and as such are included in staff costs.

Defined benefit plans

A defined benefit plan is a post-employment plan that is not a defined contribution plan.

The Company operates a defined benefit plan operates for the employees of the Company. The employees of the Company are entitled upon their retirement, partial disability or to an end of service a gratuity based on a defined benefit plan. The entitlement is based on the length of service and final remuneration package of the employee upon retirement. The plan is not subject to any regulatory restriction and is an unfunded plan.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies (continued)

o) Employee benefits (continued)

(1) Pension obligations (continued)

The net defined benefit obligation recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period. The annual defined benefits obligations are determined annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using discount rate at the end of the financial reporting period on market returns of government bonds that are denominated in the currency and the estimated period for the defined benefit obligations.

The Company recognises the current service cost of the defined benefit obligation in the statement of profit or loss, except where included in the cost of an asset that reflects the increase in the defined benefit obligations relating to services performed to the Company during the current year or when changes or curtailments are made to the plan.

The Company recognises the cost of past service as an expense when benefit changes or is curtailed, and when the Company recognises the restructuring costs, whichever is earlier in the statement of profit or loss.

Net interest is calculated on the net defined benefit obligation by multiplying the net defined benefit obligation by a discount rate as determined at the beginning of the annual financial period. These costs are included within finance cost in the statement of profit or loss.

Actuarial gains and losses, which are the changes in the present value of the defined benefit obligation that arises from experience adjustments and changes in actuarial assumptions, are recognised in other comprehensive income in the period in which they arise.

(2) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of EAS 28 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination costs and benefits obligation are initially measured.

The Company measures and recognises the subsequent changes in accordance to the nature of the benefits based on the number of employees expected to accept the offer of benefits. Where it is not expected to settle the benefits falling due before 12 months after the end of the reporting period, the benefits are discounted to their present value.

(3) Employees' share in legally defined profits

The Company recognises expected cash dividends for the employees' share in accordance with the companies' articles of association, to be included as part of dividends in equity, and as liabilities when the ordinary general assembly meeting of the shareholders of the Company approves the proposed dividends. The Company does not record any liabilities in the employees' share of undistributed dividends.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the financial statements.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies (continued)

q) Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Company determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the period because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Company recognises other borrowing costs as expenses in the period the Company incurs such costs.

r) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Company recognises the commitments required for restructuring and not related to the Company's effective activities within the costs of the provision of restructure.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss.

s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold within the Company's normal course of business. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties

The Company recognises revenue from contracts with customers based on a five-step model as set out in EAS No. (48):

Step (1) – Identify the contract(s) with a customer:

A contract is defined as an agreement between two or more parties that creates 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 good or service to the customer. The Company accounts for all distinct goods or services as a separate performance obligation.

Step (3) - Determine the transaction price:

The transaction price is the amount of consideration to which the Company 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 obligations in the contract:

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

Step (5) - Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies (continued)

s) Revenue recognition (continued)

Revenue recognized at a point in time

Revenue is income arising in the course of the Company's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognised net of returns.

Revenue recognized over time

For products manufactured and supplied that are typically customized, according to binding contractual arrangements, without any option for alternative use, where the Company has an enforceable right to payment for the performance completed to date, the revenue for the goods concerned are recognized over time using the output method together with presentation under contract assets.

Contract assets

A contract asset is initially recognised for revenue earned from manufacturing glass containers because the receipt of consideration is conditional on successful completion and delivery of the products. Upon delivery to the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (30-G-iii)

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer Refer to accounting policies of financial assets in section (30-G).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract

t) Government incentives

The government of Egypt operates an export incentive program managed by the Export Development Fund. The scheme was established under law 155 of 2002 to create incentives for Egyptian companies to grow exports. The Company operates in a qualifying sector and the incentive represents a percentage of the export value depending on a set of variables including the percentage of local components, location of the factory, export destination and amongst others.

The incentive on export sales is recognized when there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. The subsidy is recognised under other income in the statement of profit or loss on a gross basis.

Export incentives are recognized immediately as the company already recognize it since the government provide this subsidy to compensate the Company for export sales already incurred.

u) Dividends

Dividends declared and not paid are recognised as liabilities in the financial statements for the amount of any dividend declared, being appropriately authorised by the Company's General Assembly of Shareholders and no longer at the discretion of the Company, on or before the end of the reporting period.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Summary of significant accounting policies (continued)

v) Earnings per share

a. Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares less dividends paid to employees.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (Note 11).

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

w) Comparative figures

Where necessary, comparative figures are reclassified to conform to presentation in the current year.

32. Critical accounting estimates and judgments

(1) Critical accounting estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made in applying the Company's accounting policies were applied consistently across the annual periods. The significant judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements are outlined below.

a. Property, plant and equipment – useful life

Property, plant and equipment are a substantial portion of the total assets of the Company, depreciation expense that is related to this property, plant and equipment is a substantial portion of annual operating expenses.

The useful life of property, plant and equipment which were based on management estimation and assumptions has a significant impact on assets value. Each item of the property, plant and equipment has a useful life estimation based on the past experience of corresponding assets, expected period in which economic benefits will flow to the Company during the operation of the asset.

The useful life of property, plant and equipment estimates, and assumptions are reviewed periodically to assess if there is any adjustments or changes related to useful life or residual values if there are any adjustments will be implemented on future years.

b. Expected credit losses for financial assets

Loss provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The company uses a range of significant judgments in making these assumptions and selecting inputs in the impairment calculation, based on the company's history and current market conditions as well as future estimates at the end of each year. The expected loss rates are based on the historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the due amounts. The company has determined GDP and therefore adjusts historical loss rates based on expected changes in these factors.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

32. Critical accounting estimates and judgments (continued)

(1) Critical accounting estimates and assumptions (continued)

c. Recognition of current and deferred tax assets and liabilities and their measurement

Income taxes, whether current or deferred, are determined by each subsidiary of the company in accordance with the tax law requirements of each country in which the subsidiary of the company operates.

The company's profit is subject to income tax, which requires using of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the year, the company record current tax liability according to its' best estimate about the taxable treatment of that transactions and the possibility of incurring of additional tax charges that may result from the tax inspection. And when a difference arising between the final tax liability and what is being recorded, such difference is recorded as income tax expense and current tax liability in the current year and to be considered as change in accounting estimates.

For recognition of deferred tax assets, management uses assumptions about the availability of sufficient taxable profits allowing use of recognized tax assets in the future. Management also uses assumptions related to determination of the applicable tax rate at the financial statements date at which deferred tax assets and liabilities are expected to be settled in the future.

This process requires the use of multiple and complex estimates in estimating and determining the taxable pool and temporary deductible taxable differences resulting from the difference between the accounting basis and the tax basis for some assets and liabilities. In addition to estimating the extent to use deferred tax assets arising from carry forward tax losses, in the light of making estimates of future taxable profits and future plans for each of the activities of the subsidiaries of the company.

(2) Critical judgment in applying the accounting policies

Determining the lease term

Termination options are included in a number of property leases across the company. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of termination options held are exercisable only by the company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a termination option. Years after termination options are only included in the lease term if the lessee is reasonably certain not to be terminated.

Payments associated with short-term leases of warehouses and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

33. Financial risk management

(1) Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the central treasury department (company treasury) under policies approved by the Board of Directors.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standard policies and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Egyptian pounds	Cash flow forecasting. Sensitivity analysis	The company maintain short term foreign currency cash to finance foreign currency liquidity needs
Market risk – interest rate	Long-term borrowing at variable rates	Sensitivity analysis	Investment in short term treasury bills
Market risk – security prices	No investment in a quoted equity securities.	Not applicable	Not applicable
Credit risk	Cash and cash equivalents, trade receivables and held-to-collect investments	Aging analysis. Credit ratings	Diversification of bank deposits, credit limits and governmental treasury bills
Liquidity risk	Loans and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines

(A) Market risk

i. Foreign currency exchange rates risk

Foreign exchange rate risk is the risk of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. Foreign exchange risk arises from future commercial transactions or recognized assets and liabilities that are denominated in a currency other than the functional currency of the company.

The Company aims to reduce foreign currency exchange rate risk by maintaining sufficient foreign currency balances to meet foreign currency liquidity requirements. Furthermore, the Company manages its imports by a mix of dealing with local banks that use official rates and from its exports in foreign currency.

During the year, the following foreign-exchange related amounts were recognised in profit or loss:

Amounts recognised in profit or loss	2025	2024
Net foreign exchange Gain/(Loss)	92,652,965	(80,398,695)
	92,652,965	(80,398,695)

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Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

33. Financial risk management (continued)

(1) Financial risk factors (continued)

(A) Market risk (continued)

i. Foreign currency exchange rates risk (continued)

The following table shows the foreign currencies position denominated in Egyptian Pounds at the date of the statement of financial position as of 31 December:

	2025			2024
	Assets	Liabilities	Net	Net
US Dollars	1,050,455,731	(2,422,803,141)	(1,372,347,410)	(558,700,306)
Euros	46,089,148	(52,961,434)	(6,872,286)	(6,552,180)
GBP	308,138	(4,363,154)	(4,055,016)	66,608

The Company continuously monitors its exposure to foreign exchange rate risks by performing sensitivity analysis on the fluctuation of exchange rates for these foreign currency balances. The following analysis shows the effect on profit or loss of potential changes in foreign exchange rates against the functional currency of the Company while keeping all other variables constant:

	2025
US Dollars 20%	(274,469,482)
Euros 20%	(1,374,457)
GBP 20%	(811,003)
	2024
US Dollars 20%	(111,740,061)
Euros 20%	(1,310,436)
GBP 20%	13,322

ii. Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market.

The Company has no investments in quoted equity securities and is not exposed to the fair price risk due to changes in the prices.

iii. Cash flow and fair value exchange interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its variable interest-bearing assets and liabilities (Short term credit facilities, and bank borrowings). The risk is managed by the Company by maintaining an appropriate mix between borrowings and short-term credit facilities with floating rates.

Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is offset when possible by investment of excess of cash in short-term treasury bills or money market funds that are renewed at market rates at the time of renewal.

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

33. Financial risk management (continued)

(1) Financial risk factors (continued)

(A) Market risk (continued)

iii. Cash flow and fair value exchange interest rate risk (continued)

The sensitivity of the statement of comprehensive income / (loss) is the effect of the assumed changes in interest rates on the Company's profit for a year, based on bank borrowings as of 31 December.

	Increase / Decrease %	Effect on profit for the year EGP
31 December 2025	-/+ 1%	30,577,284
31 December 2024	-/+ 1%	8,288,294

(B) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, trade and notes receivable, related party receivables, contract assets and debtors and other receivables. Credit risk is managed as a whole, except for the credit risk related to a customers' account balance.

For new customers, credit risk is analysed before standard payment and delivery terms and conditions are agreed.

The company is exposed to credit risk on the following financial instruments:

Category	Class	2025	2024	Impairment model
	Treasury bills	-	-	General
	Trade and notes receivables	1,475,338,778	193,283,849	Simplified
Financial assets at amortised cost	Cash and cash equivalent	341,888,475	106,840,226	Simplified
	Due from related parties	7,189,210	1,040,427,605	General
	Contract assets	344,287,410	39,336,403	Simplified
	Debtors and other receivables*	436,336,239	88,546,065	General

* Debtors and other receivables presented above excludes prepaid expenses, advances to suppliers, employee profit share paid in advance and tax receivable.

The maximum exposure to credit risk at reporting date is the carrying amount of each receivable.

The board receives regular reporting from the credit department who manage the performance of the trade receivables, contract assets.

The credit department has set out policies and procedures for managing credit risk on the trade receivables, contract assets and:

- The Company structures the levels of credit risk it undertakes by placing limits on the amount of credit risk accepted in relation to a customer. Limits on the level of credit risk are approved regularly by management. Such limits are monitored on a revolving basis and are subject to an annual, or more frequent, review.
- The company has enforceable contractual agreements signed with its major customers include the product specifications such as the color, size, and shape, quantities, unit price and payment terms.
- On granting of credit, an assessment is performed of the credit worthiness of the debtor and the ability to pay.
- Where appropriate, guarantees and collateral is held against such receivables.
- After granting the credit, the credit department, on a monthly basis, reviews the aging analysis and follows up on all outstanding payments.

Credit limits are set for each customer based on internal and external credit limits in accordance with limits set by the board. The credit limits are regularly reviewed for each individual customer.

For banks and financial institutions, the Company is dealing with the banks with good reputation and subject to rules of the Central Bank of Egypt. For treasury bills the identified risk of default on these balances is considered to be low by the management.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

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33. Financial risk management (continued)

(1) Financial risk factors (continued)

(B) Credit risk (continued)

While debtors and other receivables and due from related parties are subject to impairment testing under EAS 47, the identified impairment loss was immaterial.

The company does not hold any collateral against financial assets.

The company applied the Prime Minister's Decree No. (4575) of 2023 that was issued amending some provisions of the Egyptian Accounting standards, by exempting debt instruments issued by the Egyptian government in local currency at banks operating in Egypt with a maturity of one month or less from recognizing and measuring the expected credit loss starting from the date of the financial position.

Management believes that customers' impairment provisions are adequate. Note 33-1-(b) related to the financial assets provides more information on credit risk.

Transactions with major customers:

As at 31 December 2025, the company faced a concentration of credit risk with Three customers (2024: three customers) accounting for 39% (2024: 54%) of the trade receivables at the financial statement date.

The Company does not face any significant concentration risks in relation to the other classes of financial assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery included, amongst others, the failure of a debtor to engage in a repayment plan with the company, and a failure to make contractual payment for a period of greater than 360 days past due.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, due to a shortage of funding. The Company's exposure to liquidity risk results primarily from the mismatching of the maturities of its assets and liabilities.

Management makes cash flow projections on periodic basis, and take the necessary actions to negotiate with suppliers, follow-up the collections from customers and manage inventory balances in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

The Company limits liquidity risk by maintaining sufficient bank facilities and reserves, by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Balances due to suppliers are normally settled with an average of 120 days from the date of purchase.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
31 December 2025				
Trade and notes payable	686,214,657	-	-	-
Creditors and other payables *	445,989,923	-	-	-
Short term credit facilities	1,468,728,294	-	-	-
Loans and borrowings	397,250,009	397,250,008	794,500,101	-
Future Interest	107,691,261	55,123,719	34,980,166	-
Total	3,105,874,144	452,373,727	829,480,267	-

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Notes to the financial statements - For the year ended 31 December 2025

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

33. Financial risk management (continued)

(1) Financial risk factors (continued)

(C) Liquidity risk (continued)

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
31 December 2024				
Trade and notes payable	203,037,780	-	19,695,218	-
Creditors and other payables *	96,077,586	-	-	-
Short term credit facilities	231,527,477	-	-	-
Loans and borrowings	99,550,314	99,550,314	199,100,629	199,100,637
Future Interest	25,944,506	21,227,324	28,303,103	9,434,373
Due to related parties	724,187,511	-	-	-
Total	1,380,325,174	120,777,638	247,098,950	208,535,010

Unused bank credit facilities at 31 December 2025 amounts to EGP 154,080,000 (2024: EGP 139,435,000).

* Creditors and other payables shown above excludes contract liabilities, social insurance authority and tax liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(2) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company aims to maintain an optimal capital structure and manage the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Company's debts.

The Company monitors capital structure based on its gearing ratio. Gearing is calculated as the ratio of net debt divided by total capital. Net debt comprises total borrowings and short-term credit facilities less Cash and cash equivalents and financial assets at amortised cost. Total capital comprises the shareholders equity plus net debt.

The gearing ratios at 31 December are as follows:

	2025	2024
Loans	1,589,000,118	597,301,894
Short term credit facilities	1,468,728,294	231,527,477
Less: Cash and bank balances	(341,888,475)	(106,840,226)
Net debt	2,715,839,937	721,989,145
Total equity	1,925,501,453	1,169,976,103
Total capital	4,641,341,390	1,891,965,248
Gearing ratio	58%	38%

The main reason for the increase in the gearing ratio on 31 December 2025 comparing to 31 December 2024 is due to the merger effect took place this year which made the current year balances much higher compared with prior year.

(3) Fair value measurement

As at 31 December 2025 and 2024, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, and are expected to be realized at their current carrying values within twelve months from the date of the statement of financial position.

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34. Significant events during and subsequent the Year

- Significant events during the year

- On 17 April 2025, The Monetary Policy Committee of the Central Bank of Egypt in its extraordinary meetings to decrease the overnight deposits and lending interest rates and the Central Bank main operation rate by 225 basis points reaching 25%, 26%, and 25.5%, respectively. The credit and discount rates were also decreased by 225 basis points, reaching 25.5%.
- On 22 May 2025, The Monetary Policy Committee of the Central Bank of Egypt in its extraordinary meetings to decrease the overnight deposits and lending interest rates and the Central Bank main operation rate by 100 basis points, bringing them to 24%, 25%, and 24.5%, respectively. The credit and discount rate were also reduced by 100 basis points to 24.5%. This decision reflects the latest economic developments and outlook since the previous meeting.
- On 13 June 2025, an armed conflict erupted in the Middle East, raising concerns about its potential impact on the Egyptian economy. Following intensive negotiations, the parties involved reached a ceasefire agreement on 24 June 2025. The Company is currently assessing this situation carefully to understand the overall impact on its performance and future strategies
- On 2 October 2025, The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) today decided to cut the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation by 100 basis points to 21.00 percent, 22.00 percent, and 21.50 percent, respectively. The Committee also decided to cut the discount rate to 21.50 percent. This decision reflects the Committee's updated assessment of inflation dynamics and outlook since the previous MPC meeting.
- On 19 October 2025, the Company's Extraordinary General Assembly meeting of shareholders approved the merger of the Merged Companies and the Merging Company at net book value based on the companies' financial statements of 31 December 2024. For all details related to merger refer to Note 27-C-A

- Significant events in the subsequent period

- On February 28, 2026, the United States and Israel entered into a direct military confrontation with Iran, which subsequently escalated into wider regional clashes involving several Gulf countries. These developments are anticipated to have material economic implications for global markets and, in particular, for the Middle East region. The Group's management is continuously monitoring the situation to evaluate any potential impacts on the Group's operations and financial performance.