

ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

For The Financial period ended June 30, 2025

Together With Limited Review Report

Contents	Page
<i>Limited review report</i>	1
<i>Consolidated statement of financial position</i>	2
<i>Consolidated statement of income</i>	3
<i>Consolidated statement of comprehensive income</i>	4
<i>Consolidated statement of changes in equity</i>	5
<i>Consolidated statement of cash flows</i>	6
<i>Notes to the consolidated financial statements</i>	7 -29



MOHAMED HILAL & WAHID ABDEL GHAFFAR

Degla view building -Ring road,
Katameya,Cairo, Egypt

C61, Plot# 11, 10th Sector,
Zahraa El Maadi, Cairo.

87 Ramsis Street, Cairo.
Egypt

T: +2 2725 10 04
T: +2 2725 10 08
T: +2 2725 10 09

T: +2 2310 10 31,32,33,34,35

T: +2 2574 48 10
T: +2 2577 07 85

info@bakertillyeg.com
www.bakertillyeg.com

Translation from Arabic

Limited Review Report

To The Members of Boards of Directors Of ORIENTAL WEAVERS COMPANY FOR CARPETS

Introductory

We have reviewed the accompanying consolidated financial position of Oriental Weavers Company for Carpets "S.A.E" at June 30, 2025 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six months then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

Scope of limited review

We conducted our review in accordance with the Egyptian Standard on Review Engagements (2410). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

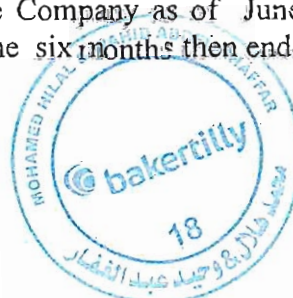
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view for the consolidated financial position of the Company as of June 30, 2025 and of its financial performance and its cash flows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

Cairo: August 12, 2025

Auditor

Amr Wahid Abdel Ghaffar

B.T. Mohamed Hilal & Wahid Abdel Ghaffar



ADVISORY • ASSURANCE • TAX

Mohamed Hilal & Wahid Abdel Ghaffar trading as Baker Tilly Hilal & Abdel Ghaffar is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Consolidated statement of financial position as of June 30, 2025

(All amounts are in Egyptian Pounds)

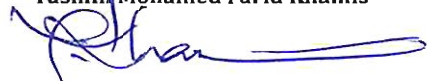
	Note №	30/6/2025	31/12/2024
<u>Non current assets</u>			
Fixed assets	(6)	8 194 989 144	8 898 631 092
Projects in progress	(7)	655 007 918	364 395 705
Right of use assets	(8)	568 716 669	540 749 442
Deferred tax assets	(23)	58 250 805	57 080 859
Investments at fair value through other comprehensive income	(9)	1 036 878 002	1 061 481 664
Total non current assets		10 513 842 538	10 922 338 762
<u>Current assets</u>			
Inventory	(10)	11 188 838 730	11 460 683 769
Trades and notes receivable	(11)	4 535 261 408	4 993 106 186
Debtors and other debit accounts	(12)	1 417 510 587	1 246 108 062
Assets held for sale	(16)	50 464 489	6 753 971
Treasury bills	(13)	1 325 970 066	1 784 491 840
Financial assets at amortized cost	(14)	664 770 365	397 440 655
Cash at banks and on hand	(15)	4 060 105 025	4 093 643 341
Total current assets		23 242 920 670	23 982 227 824
Total assets		33 756 763 208	34 904 566 586
<u>Equity</u>			
Issued and paid up capital	(18)	665 107 268	665 107 268
Reserves	(19)	2 213 294 355	2 068 060 678
Retained earnings		1 800 489 073	1 171 033 377
Net profit for the Period / year		1 043 891 736	2 192 283 305
Exchange differences arising on translation of financial statements		12 478 072 577	12 810 841 902
Total equity attributable to the parent company		18 200 855 009	18 907 326 530
Non controlling interest	(20)	2 011 101 400	2 134 004 061
Total equity		20 211 956 409	21 041 330 591
<u>Non current liabilities</u>			
Long term loans	(21)	155 054 433	129 447 949
Lease contracts liabilities	(22)	479 548 242	464 844 105
Total non current liabilities		634 602 675	594 292 054
<u>Current liabilities</u>			
Provisions	(24)	323 296 979	325 910 581
Banks-Credit accounts	(25)	7 104 302 687	6 949 328 786
Lease contracts liabilities - current portion	(22)	183 997 354	159 721 246
Long term liabilities - current portion	(21)	226 558 481	348 674 461
Trades and notes payable	(26)	2 964 223 468	3 430 377 678
Dividends payable		653 007 790	170 680 629
Creditors and other credit accounts	(27)	1 346 285 266	1 573 371 698
Tax payable		108 532 099	310 878 862
Total current liabilities		12 910 204 124	13 268 943 941
Total liabilities		13 544 806 799	13 863 235 995
Total equity and liabilities		33 756 763 208	34 904 566 586

The accompanying notes from №.(1) to №. (33) form an integral part of these consolidated financial statements.

Limited Review Report attached.

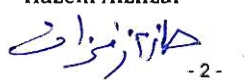
Chairman

Yasmin Mohamed Farid Khamis



CEO & MD

Hazem Alzifzaf



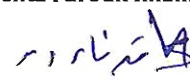
Group CFO

Hanee afia



CFO

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of income for the financial period ended June 30, 2025

(All amounts are in Egyptian Pounds)

	Note No	From 1/1/2025 To 30/6/2025	From 1/1/2024 To 30/6/2024	From 1/4/2025 To 30/6/2025	From 1/4/2024 To 30/6/2024
Net sales		12 565 352 630	10 779 527 658	6 167 512 621	5 741 476 264
Less:					
Cost of sales		11 055 033 173	9 113 954 364	5 443 057 938	5 037 382 076
Gross profit		1 510 319 457	1 665 573 294	724 454 683	704 094 188
Add / (less):					
Financial investments income		18 916 477	145 255 102	18 916 477	13 697 556
Capital gain		8 061 151	22 339 441	4 886 879	18 165 155
Other revenues		173 128 073	528 157 983	117 244 026	524 835 665
Treasury bills returns		250 572 720	273 272 535	111 722 052	139 446 965
Financial Assets at amortized cost - returns		69 558 785	31 869 565	44 574 746	15 164 604
Interest income		94 982 393	82 201 961	40 536 093	47 483 007
Distribution expenses		(141 115 243)	(127 388 181)	(68 131 442)	(60 255 751)
General and administrative expenses		(353 017 411)	(302 988 849)	(181 992 147)	(140 095 371)
Expected credit loss	(17)	(22 271 834)	(8 919 629)	(8 432 884)	550 837
Formed provisions and impairment	(24)	(23 547 970)	(46 297 546)	(35 879)	(16 278 674)
Finance expenses	(28)	(272 994 486)	(274 874 778)	(139 629 577)	(137 760 257)
Foreign exchange differences		(26 566 135)	(191 384 977)	(45 968 180)	(33 748 490)
Net profit for the period before income tax		1 286 025 977	1 796 815 921	618 144 847	1 075 299 434
(Less) \ Add:					
Current income tax		(176 492 829)	(331 286 707)	(55 292 730)	(162 430 762)
Deferred tax		7 269 087	6 662 672	3 031 467	1 736 430
Income tax for the period		(169 223 742)	(324 624 035)	(52 261 263)	(160 694 332)
Net profit for the period after income tax		1 116 802 235	1 472 191 886	565 883 584	914 605 102
Attributable to:					
The parent company		1 043 891 736	1 248 181 574	530 635 737	820 763 587
Non controlling interest		72 910 499	224 010 312	35 247 847	93 841 515
		1 116 802 235	1 472 191 886	565 883 584	914 605 102
Basic earnings per share in the separate financial statements	(29)	2.80	2.61	0.15	0.54

The accompanying notes from No.(1) to No. (33) form an integral part of these consolidated financial statements.

Chairman

CEO & MD

Group CFO


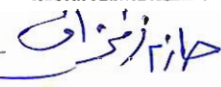
CFO

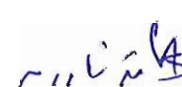
Yasmin Mohamed Farid Khamis

Hazem shawki Alzifaz

Haneefia

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial period ended June 30, 2025

(All amounts are in Egyptian Pounds)

	From 1/1/2025 To 30/6/2025	From 1/1/2024 To 30/6/2024	From 1/4/2025 To 30/6/2025	From 1/4/2024 To 30/6/2024
Net profit for the period	1 116 802 235	1 472 191 886	565 883 584	914 605 102
Other comprehensive income				
Changes in fair value of investments at FVTOCI	(5 530 527)	76 813 575	(4 406 283)	3 645 609
Translation exchange differences	(387 476 668)	4 631 110 750	(267 370 671)	79 194 662
Total other comprehensive income after tax	(393 007 195)	4 707 924 325	(271 776 954)	82 840 271
Total comprehensive income for the period	723 795 040	6 180 116 211	294 106 630	997 445 373
Attributable to:				
The parent company	705 591 885	5 519 080 130	283 919 900	924 193 614
Non controlling interest	18 203 155	661 036 081	10 186 730	73 251 759
	723 795 040	6 180 116 211	294 106 630	997 445 373

The accompanying notes from №. (1) to №. (33) form an integral part of these consolidated financial statements.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the financial period ended June 30, 2025

(All amounts are in Egyptian Pounds)

	Issued and paid up capital	Reserves	Retained earnings	Net profit	Translation differences	Equity holders of the parent	Non controlling interest	Total equity
Balance at 1/1/2024	665 107 268	1 794 626 861	704 841 104	1 740 203 598	7 904 577 917	12 809 356 748	1 361 533 283	14 170 890 031
Transferred to reserves	--	171 140 634	(171 140 634)	--	--	--	--	--
Transferred to retained earnings	--	--	1 569 062 964	(1 569 062 964)	--	--	--	--
Dividends	--	--	(1 102 870 691)	--	--	(1 102 870 691)	(84 364 104)	(1 187 234 795)
Total Comprehensive income for the period	--	76 705 375	--	1 248 181 574	4 194 193 181	5 519 080 130	661 036 081	6 180 116 211
Balance at 30/6/2024	665 107 268	2 042 472 870	999 892 743	1 419 322 208	12 098 771 098	17 225 566 187	1 938 205 260	19 163 771 447
Balance at 1/1/2025	665 107 268	2 068 060 678	1 171 033 377	2 192 283 305	12 810 841 902	18 907 326 530	2 134 004 061	21 041 330 591
Transferred to reserves	--	150 764 203	(150 764 203)	--	--	--	--	--
Transferred to retained earnings	--	--	2 192 283 305	(2 192 283 305)	--	--	--	--
Dividends	--	--	(1 412 063 406)	--	--	(1 412 063 406)	(141 105 816)	(1 553 169 222)
Total Comprehensive income for the period	--	(5 530 526)	--	1 043 891 736	(332 769 325)	705 591 885	18 201 155	723 795 040
Balance at 30/6/2025	665 107 268	2 213 294 355	1 800 489 073	1 043 891 736	12 478 072 577	18 200 855 009	2 011 101 400	20 211 956 409

The accompanying notes from №(1) to №(33) form an integral part of these consolidated financial statements.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Consolidated statement of cash flow for the financial period ended June 30, 2025

(All amounts are in Egyptian Pounds)

	Note No	30/6/2025	30/6/2024
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		1 286 025 977	1 796 815 921
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		576 012 208	550 968 395
Depreciation of right of use assets		81 580 451	64 363 317
Formed provisions and impairment		23 547 970	46 297 546
Expected credit loss		22 271 834	8 919 629
Interest income		(94 982 393)	(82 201 961)
Finance expenses		272 994 486	274 874 778
Treasury bills returns		(250 572 720)	(273 272 535)
Financial investments revenues		(18 916 477)	(145 255 102)
Capital (gain)		(8 061 151)	(22 339 441)
Operating profits before changes in working capital		<u>1 889 900 185</u>	<u>2 219 170 547</u>
<u>Change in :</u>			
Inventory		87 321 973	(513 782 517)
Trades and notes receivable and debit accounts		111 385 389	641 725 647
Trades and notes payable and credit accounts		(582 161 000)	(570 817 365)
Cash flows provided by operating activities		<u>1 506 446 547</u>	<u>1 776 296 312</u>
Proceeds from interest income		94 982 393	82 201 961
Finance expenses paid		(272 994 486)	(274 874 778)
Income tax paid		(378 839 592)	(238 924 608)
Net cash flows provided by operating activities		<u>949 594 862</u>	<u>1 344 698 887</u>
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(393 466 556)	(404 994 003)
Proceeds from financial investments		18 916 477	145 255 102
Proceeds from sale of fixed assets		20 210 748	61 500 717
(Payments) for purchase of treasury bills		(1 282 994 401)	(4 648 071 450)
Proceeds from treasury bills		1 931 131 937	4 768 611 779
Proceeds from financial assets at amortized cost		(280 229 451)	560 147 653
Net cash flows provided by investing activities		<u>13 568 754</u>	<u>482 449 798</u>
<u>Cash flows from financing activities</u>			
Proceeds from banks-credit accounts		284 519 006	442 220 625
Dividends paid and payments for non controlling interest		(1 070 842 061)	(1 041 434 802)
(Payment) for Lease contracts liabilities		(70 471 825)	(55 894 244)
Exchange differences arising from translation of financial statements		(33 133 077)	(653 453 534)
(Payment) for long term loans		(88 865 008)	(67 403 446)
Net cash flows (used in) financing activities		<u>(978 792 965)</u>	<u>(1 375 965 401)</u>
Net change in cash and cash equivalents during the period		<u>(15 629 349)</u>	<u>451 183 284</u>
Cash and cash equivalents at the beginning of the period		4 232 775 594	2 273 365 237
Translation exchange differences related to cash and cash equivalents		(78 859 214)	480 416 382
Cash and cash equivalents at end of the period represents in:		<u>4 138 287 031</u>	<u>3 204 964 903</u>
Cash and cash equivalents	(15)	4 063 555 225	2 798 038 822
Treasury bills	(13)	1 325 970 066	2 215 299 321
Treasury bills due more than three months		(1 251 238 260)	(1 808 373 240)
Cash and cash equivalents		<u>4 138 287 031</u>	<u>3 204 964 903</u>

The amounts of LE 282 130 564 of the working capital items, LE 208 929 644 of the investment activities, LE (44 787 692) of the financing activities has been eliminated against the amount of LE (446 272 579) of the translation differences.

The accompanying notes from No.(1) to No. (33) form an integral part of these consolidated financial statements.

1 - BACKGROUND INFORMATION

1-1 Oriental Weavers Carpets Company was established in November 16, 1981 as a Limited Liability Company according to Law No. 43 of 1974 which was replaced by Law No.32 of 1977. On November 2, 1991 the Legal status of the company was changed to be an Egyptian Joint Stock Company (S.A.E) under Law No. 230 of 1989 and Law No. 95 of 1992.

1-2 Commercial Register

Commercial Register No 44139 dated November 16, 1981.

1-3 Company's objective

- Production of machine – made carpets and semi hand-woven carpets (Hand-Tuft), marketing and selling them domestically, export and import the machinery and equipment and raw materials necessary for the production.
- Toll manufacturing for other parties and at other parties.
- Supplying, installing and maintaining of all types of woven carpets and carpets, and purchasing, importing and supplying all installation and maintenance supplies.
- Importing all types of carpets, woven and non-woven semi-finished materials from the country or abroad, complete their production, processing, and then re-market and sell them domestically and abroad.
- Manufacturing, selling and exporting all kinds of natural and industrial raw materials which are necessary for the manufacturing of carpets, whether in the form of yarn or in the form of materials needed to produce the yarn, as well as importing all the necessary needs to achieve this purpose.
- Importing all machine-made and hand-made rugs and the accessories complementary to its product mix from Egypt or from outside the country for the purpose of marketing and selling them domestically.

1-4 Company Life time is 25 years start from November 15, 2006 to November 14, 2031.

1-5 The Company is listed in Egyptian exchange.

1-6 Company's Headquarter

The Company located at Tenth of Ramadan city – Industrial zone – Sharkia.

2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2-1 Statement of compliance

- The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and in the light of Egyptian laws and regulations.
- The Egyptian Accounting Standards requires refer to the International Financial Reporting Standards when no Egyptian accounting standard or legal requirements illustrate how to treat specific balances or transaction.

2-2 Basis of measurement

- The consolidated financial statements have been prepared using historical cost, modified by the results of revaluation differences of financial assets and liabilities at fair value through profit and loss as shown in the accounting policies mentioned below.

3- USE OF JUDGMENTS AND ESTIMATES

- The preparation of consolidated financial statements according to the Egyptian Accounting Standard requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates. The note no. (5) From the notes of the financial statements indicates the items and the elements that have significant accounting estimates.
- Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3-1 Fair Value Measurement

- The fair value of the financial instruments is determined based on the quoted price for the financial instrument or similar instruments at the financial statement date. The financial assets value is determined based on current purchase price for these assets; while the financial liabilities value is determined based on current prices for which these liabilities settled.
- In the absence of an active market, the fair value is determined using various valuation techniques taking into consideration the transactions recent prices, current fair value for the other similar instruments substantially, discounted cash flows or any other valuation technique which resulting in reliable values.
- When using the discounted cash flow method as a valuation technique, the future cash flows are estimated based on management's best estimates. The discount rate used is determined in the light of the prevailing market price at the date of the financial statements of financial instruments are similar in nature and terms.

3 - SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

- Consolidated Financial Statements include companies in which Oriental Weavers Carpets Company participates in their capitals and has control thereon.
- Subsidiaries included in the consolidated financial statements are as follows: -

<u>Subsidiary name</u>	<u>Percentage of</u>	<u>Percentage of</u>
	<u>participations</u>	<u>participations</u>
	<u>30/6/2025</u>	<u>31/12/2024</u>
	<u>%</u>	<u>%</u>
Oriental Weavers Co. U.S.A.	82.68	82.68
Oriental Weavers International Co.	99.99	99.99
MAC Carpet Mills	58.29	58.29
Egyptian Fibers Co. EFCO	69.26	69.26
New Mac	57.12	57.12
Oriental Weavers Textile	71.44	71.44

4 - SIGNIFICANT ACCOUNTING POLICIES

5-1 Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

A- Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

B- Non-controlling interest

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

C- Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss, any interest retained in the former subsidiary is measured at fair value when control is lost.

D- Transactions eliminated in consolidation

- Consolidated current financial position are prepared by combining similar items of assets, liabilities, equity, revenues and expenses stated in the financial statements of the holding company and its subsidiaries.
- The carrying amount of the holding company's investment in each subsidiary and the holding company's portion in the equity of each subsidiary are eliminated.
- All inter-company balances, transactions, and material unrealized gains are eliminated.

5-2 Foreign currency Translation

a- Presentation and Transaction Currency

The Financial Statements are presented in Egyptian pound which represents the company presentation and transaction currency.

b- Transaction and Balances

Transactions denominated in foreign currencies are recorded at the prevailing exchange rates at the date of the transaction. At consolidated financial position date monetary assets and liabilities denominated in foreign currencies are revaluated at the exchange rates declared by the company's bank and its subsidiaries' bank at that date.

Assets and liabilities items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Non-monetary items that are measured at historical cost in a foreign currency shall be translated using the exchange rates at the date of transaction.

Generally, the exchange differences are recorded in the consolidated income statement for the period.

c- Translation of Financial Statements of Foreign Companies

Some of the subsidiaries maintain their books of accounts in foreign currency other than Egyptian Pounds. Monetary assets and liabilities of these companies are translated into Egyptian Pound at the Foreign exchange rate at the date of consolidated financial position. Shareholders' equity items are translated at the foreign exchange rate prevailing at the consolidation date. Consolidated income statement items are translated at the average foreign exchange rate of the reporting period.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

5-3 Fixed Assets and Depreciation

a- Recognition and Initial Measurement

Fixed assets are recognized initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses-if exist.

b- Subsequent Cost

The Company recognizes the carrying amount of Parts of some Items of Fixed assets may require replacement, the cost of replacing part of such an item is recognized when criteria are met and after de-recognition the carrying amount of those parts that are replaced and when replacement have probable future economic benefits and can be measured reliable, any other costs are recognize at income statement.

c- Depreciation

Depreciable value is determined based on fixed asset cost less its residual value. Residual value is representing the net value resulting from dispose-off the asset, if the asset were in its condition after its useful life.

Depreciation of assets is charged in the income statement on a straight-line basis over the estimated useful lives of each part of fixed assets. Land is not depreciated. The estimated useful lives are as follows:

<u>Description</u>	<u>Estimated useful life (Year)</u>
Buildings & Constructions	25-50
Machinery & Equipment	10
Vehicles	5-8
Tools & Supplies	5
Show-room Fixture	3
Furniture & office equipment	5-10
Computers & programs	3

Useful lives, depreciation method and residual value of assets are reviewed annually, and amendments are applied if there is a significant change in the earning of the economic benefits generated from these assets.

5-4 Projects in Progress

Projects in progress are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use.

Projects in progress are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

5-5 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

5-6 Financial instruments

5-6-1 Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI debt investment; FVOCI — equity 'investment; or FVTPL

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5-6-2 Financial assets — Business model assessment

- The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
- Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5-6-3 Financial assets — Assessment whether contractual cash flows are solely payments of principal and interest

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

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

Contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable- rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).
- A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

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

5-6-4 Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

5-6-5 Financial liabilities — Classification, subsequent measurement and gains and losses

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

5-6-6 Derecognition

Financial assets

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

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

Financial liabilities

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

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

5-6-7 Offsetting

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

5-7 Goodwill

Goodwill is measured as the excess of the consideration transferred and the amount of any non-controlling interest in the acquire and the acquisition date fair value of the acquirer's previously held equity interest in the acquire in a business combination achieved in stages over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is reviewed on regular basis; an impairment loss of goodwill is recognized if the carrying amount of the asset or its cash generating unit is exceeds its recoverable amount.

5-8 Inventory

Inventory is valued at the end of the year at which is lower of cost or net realizable value according to the following basis:

- Raw materials, Spare parts, packaging materials, are determined using the moving average method.
- Cost of work in process is determined at industrial cost which include materials used in its production and direct wages in addition to its related direct and indirect industrial expenses up to the production stage that have been reached.
- Cost of finished products at which is lower of cost or net realizable value includes all the direct and indirect industrial expenses.

5-9 Leases

The Egyptian Standard "Lease Contracts" No. (49) sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

An entity shall determine the lease term as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

As a lessee

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

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

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

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

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

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

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

Fixed payments, including in - substance fixed payments ;

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

Amounts expected to be payable under a residual value guarantee ;

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

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

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

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

5-10 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset shall be capitalized. Capitalization of interest and commission should be ceased when the assets are substantially ready for intended use.

Other borrowing costs shall recognize as an expense in the period in which it incurs them in the finance expenses account using the effective interest rate method.

Capitalization of borrowing costs should be suspended during extended periods in which it suspends active development of a qualifying asset. Capitalization of borrowing costs should be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

5-11 Debtors and other debit accounts

Debtors and other debit accounts are stated at amortization cost using the effective interest rate less impairment loss of any amounts expected to be uncollected, and are classified as current assets. Amounts that are expected to be collected after more than one year are classified as non-current assets.

5-12 Treasury Bills

Treasury Bills are recorded at face value, where the unearned revenue is recorded in the liabilities, accordingly the net treasury bills presented after deducting the unearned revenue.

5-13 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that an out flow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated, and if there is a significant effect of the monetary time value, the provisions are determined after deduction of future cash flow that are related to the obligation of payment by using the relevant deduction rate to take this effect into consideration. Provisions are reviewed at the financial position date and amended when necessary to reflect the best current estimate.

5-14 Revenue from contract with customers

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for such transfer .

The company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS (15) and is given below :

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 ;

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 allocates 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 - Recognize revenue when (or as) the entity satisfies a performance obligation .

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

The customer simultaneously receives and consumes the benefits provided by the entity's performance once the company has performed.

Company performance creates or improves a customer-controlled asset at the same time as the asset is being constructed or improved.

The performance of the company does not create an asset with an alternative use for the company, and that the company has an enforceable right to payment for performance completed to date.

For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied .

If the company fulfils the performance obligation by providing the services that have been promised, this creates an asset based on a contract in exchange for consideration gained from performance. In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, a contract obligation may arise.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees. The company reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent .

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that revenue and costs, where applicable, can be measured reliably.

5-15 Dividends and interest income

- Income from investments is recognized when the cash distribution declared by the Investee Company and received.
- Interest income is recognized in the income statement using the effective interest method. The effective interest method is used for discounting the expected future cash flows and allocating the related interest income over the maturity period. The effective interest is calculated taking in consideration the contractual arrangements.

5-16 Legal reserve

According to the company's statutes the Company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual net profit until it reaches 50% of the issued share capital.

5-17 Treasury shares

Treasury shares are stated at cost, and shall be deducted from equity. No gain or loss shall be recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Gain or loss on the dispose of the shares shall be recognized directly in equity.

5-18 Impairment

A- Financial assets

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. For trade receivables, the company applies the simplified approach permitted by EAS 47, which requires expected lifetime losses to be recognized over the expected life of a financial instrument.

According to the FRA decision No. 222 of 2023 the company has excluded governmental debt instruments in local currency, current account and term deposit in local currency at local Banks registered with the central Bank of Egypt and due within of one month from the date of the financial statement form the recognition and measurement of expected credit losses.

B- Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non- financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU s. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5-19 Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except for the extent that it relates to items outside profit or loss which is recorded whether in other comprehensive income or recorded directly in equity.

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

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amount used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against extent that it is no longer probable that the related tax benefit will realize.

5-20 Employees' pension

A- Social Insurance and pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law no. 79 of 1975 and its modifications. Limited Contributions are charged to income statement using the accrual basis of accounting.

B- Employees' profit share

The Company contributes an employees' profit share of 10% from net profit for the year after deducting the legal reserve and the accumulated losses, if any, not to exceed the total salaries for the year and the employees' profit share is recognized as liabilities when it is approved by the general assembly.

5-21 Contingent liabilities and commitments

Contingent liabilities and commitments shown out of the financial position as it is not represented actual assets or liabilities at the financial position date.

5-22 Related parties' transactions

Transactions with Related parties that are undertaken by the Company in the course of its ordinary transactions are recorded according to the conditions laid down by the company's management on the same bases of dealing with third party.

5-23 Cash flow statement

Consolidated Cash flow statement is prepared using the indirect method.

For purpose of preparing the consolidated statement of cash flows, Cash and cash equivalents include cash, time deposits for a period not more than three months and treasury bills for a period not more than three months.

5-24 Comparative Figures

Comparative figures are reclassified whenever necessary to confirm with the current classification in the current period.

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

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

Translation from Arabic

(All amounts in Egyptian Pounds unless otherwise stated)

6- Fixed assets

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
Cost as of 31/12/2023	1 136 110 746	4 704 128 758	16 703 674 376	480 526 472	266 635 507	203 724 163	243 308 441	457 873 448	24 195 981 911
Additions	--	138 443 615	459 897 015	8 060 291	46 012 464	62 358 713	35 310 734	50 996 405	801 079 237
Disposals	(18 923 622)	(8 729 689)	(896 672 108)	(6 208 177)	(195 282)	(2 085 819)	(20 271)	--	(932 834 968)
Reclassification of assets held for sale	--	--	(537 876 604)	--	--	--	--	--	(537 876 604)
Translation exchange differences	540 851 554	2 447 398 239	9 238 588 897	268 211 496	106 068 126	1 424 356	100 189 955	245 225 021	12 947 957 644
Cost as of 31/12/2024	1 658 038 678	7 281 240 923	24 967 611 576	750 590 082	418 520 815	265 421 413	378 788 859	754 094 874	36 474 307 220
Additions	--	13 631 532	57 205 406	10 505 478	19 859 961	1 947 205	3 187 642	4 660 571	110 997 795
Disposals	--	(2 302 923)	(208 646 580)	(5 124 035)	--	(35 052)	--	(303 926)	(216 412 516)
Reclassification of assets held for sale	(2 803 196)	(292 115 239)	55 524 278	--	--	--	--	--	(239 394 157)
Translation exchange differences	(33 230 959)	(155 699 686)	(539 389 509)	(16 718 913)	(6 868 122)	(101 224)	(6 511 342)	(16 304 592)	(774 824 347)
Cost as of 30/6/2025	1 622 004 523	6 844 754 607	24 332 305 171	739 252 612	431 512 654	267 232 342	375 465 159	742 146 927	35 354 673 995
Accumulated depreciation and impairment as of 31/12/2023	--	2 568 565 295	13 866 123 543	434 091 438	205 173 568	134 650 522	188 016 164	425 344 774	17 821 965 304
Depreciation of year	--	265 793 539	776 480 039	19 555 669	23 351 335	33 505 060	15 061 501	26 158 430	1 159 905 573
Disposals of accumulated depreciation	--	(4 437 277)	(760 119 101)	(4 934 102)	(195 282)	(2 078 610)	(20 087)	--	(771 784 459)
Reclassification of assets held for sale	--	--	(531 122 633)	--	--	--	--	--	(531 122 633)
Translation exchange differences	--	1 394 602 900	7 845 088 586	241 386 407	90 375 653	1 428 594	86 771 300	237 058 903	9 896 712 343
Accumulated depreciation and impairment as of 31/12/2024	--	4 224 524 457	21 196 450 434	690 099 412	318 705 274	167 505 566	289 828 878	688 562 107	27 575 676 128
Depreciation of period	--	118 834 007	391 292 833	9 825 871	13 360 292	20 666 353	8 041 054	13 991 798	576 012 208
Disposals of accumulated depreciation	--	(799 167)	(183 981 193)	(5 124 033)	--	(20 455)	--	--	(189 924 848)
Reclassification of assets held for sale	--	(248 761 819)	53 243 051	--	--	--	--	--	(195 518 768)
Translation exchange differences	--	(91 750 272)	(472 539 067)	(15 415 432)	(5 941 735)	(90 120)	(5 636 420)	(15 186 823)	(606 559 869)
Accumulated depreciation and impairment as of 30/6/2025	--	4 002 047 206	20 984 466 058	679 385 818	326 123 831	188 061 344	292 233 512	687 367 082	27 159 684 851
Net book value as of 30/6/2025	1 622 004 523	2 842 707 401	3 347 839 113	59 866 794	105 388 823	79 170 998	83 231 647	54 779 845	8 194 989 144
Net book value as of 31/12/2024	1 658 038 678	3 056 716 466	3 771 161 142	60 490 670	99 815 541	97 915 847	88 959 981	65 532 767	8 898 631 092

7- PROJECTS IN PROGRESS

	<u>30/6/2025</u>	<u>31/12/2024</u>
Buildings under Construction	175 601 806	168 447 257
Machinery & Equipment under installation	283 075 683	109 883 582
Computer systems	15 027 638	14 865 904
Letters of credit for purchasing fixed assets	4 131 472	--
Advance payment for purchasing of Fixed assets	177 171 319	71 198 962
	<u>655 007 918</u>	<u>364 395 705</u>

8- RIGHT USE OF ASSETS

	<u>Oriental weavers</u>		
	<u>Showroom rent</u>	<u>USA - rental</u>	<u>Total</u>
Cost at 1/1/2025	709 642 856	453 147 516	1 162 790 372
Additions during the period	57 164 945	55 131 930	112 296 875
Disposals during the period	(21 917 350)	--	(21 917 350)
Translation differences	--	(11 061 888)	(11 061 888)
Cost at 30/6/2025	<u>744 890 451</u>	<u>497 217 558</u>	<u>1 242 108 009</u>
Accumulated depreciation at 1/1/2025	255 177 708	366 863 222	622 040 930
Depreciation of period	53 363 537	28 216 914	81 580 451
Disposals of accumulated depreciation	(21 274 459)	--	(21 274 459)
Translation differences	--	(8 955 582)	(8 955 582)
Accumulated depreciation at 30/6/2025	<u>287 266 786</u>	<u>386 124 554</u>	<u>673 391 340</u>
Net book value at 30/6/2025	<u>457 623 665</u>	<u>111 093 004</u>	<u>568 716 669</u>
Net book value at 31/12/2024	<u>454 465 148</u>	<u>86 284 294</u>	<u>540 749 442</u>

9- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>30/6/2025</u>	<u>31/12/2024</u>
Egyptian Propylene & Polypropylene Company "E.P.P"	980 953 424	1 005 498 889
Alahli Bank of Kuwait- Egypt	51 172 252	51 172 252
Oriental for Industrial Projects	2 422 800	2 422 800
Prudential company – U.S. A	2 325 774	2 383 970
Cambridge Weavers (under liquidation)	3 750	3 750
Trading for Development Export	1	1
10 th of Ramadan for Spinning Industries (under liquidation) *	--	1
Egyptian for Trade and Marketing	1	1
	<u>1 036 878 002</u>	<u>1 061 481 664</u>

* On June 18, 2025 the 10th of Ramadan for Spinning Industries company has been liquidated and removed from the commercial register.

10- INVENTORY

	<u>30/6/2025</u>	<u>31/12/2024</u>
Raw materials	4 722 878 061	5 049 917 889
Spare parts & materials	993 693 039	972 058 964
Work in process	442 534 483	421 352 899
Finished products	4 943 600 944	4 942 987 349
Letter of credit for purchasing of raw materials	173 841 194	162 556 603
	<u>11 276 547 721</u>	<u>11 548 873 704</u>
Less: Impairment in inventory	(87 708 991)	(88 189 935)
	<u>11 188 838 730</u>	<u>11 460 683 769</u>

11- TRADES & NOTES RECEIVABLE

	<u>30/6/2025</u>	<u>31/12/2024</u>
Trades receivables	4 056 005 286	5 009 504 342
Notes receivables	1 027 872 856	521 770 094
	<u>5 083 878 142</u>	<u>5 531 274 436</u>
(Less): Expected credit loss – Note No (17)	(548 616 734)	(538 168 250)
	<u>4 535 261 408</u>	<u>4 993 106 186</u>

- Trades & Notes Receivable include amount of LE due 3 201 305 from related parties at June 30, 2025 results from sales of carpets.

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	<u>30/6/2025</u>	<u>31/12/2024</u>
Prepaid expenses	96 179 146	65 181 996
Tax authority – debit accounts	879 430 374	804 126 394
Deposits with others	76 311 467	77 602 162
Accrued revenues	29 426 336	14 333 907
Letter of guarantee covers	13 530 924	25 700 993
Petty cash & advance to employees	38 046 246	28 569 988
Suppliers – advance payment	214 317 051	197 469 909
Other debit accounts	75 654 884	39 567 082
	<u>1 422 896 428</u>	<u>1 252 552 431</u>
(Less): Expected credit loss – Note No (17)	(5 385 841)	(6 444 369)
	<u>1 417 510 587</u>	<u>1 246 108 062</u>

13- TREASURY BILLS

	<u>30/6/2025</u>	<u>31/12/2024</u>
Treasury bills (mature in 90 days)	79 075 000	146 050 000
Treasury bills (mature in more than 90 days)	1 367 700 000	1 880 000 000
	<u>1 446 775 000</u>	<u>2 026 050 000</u>
(Less): Unrealized returns	(120 804 934)	(241 558 160)
	<u>1 325 970 066</u>	<u>1 784 491 840</u>

14- FINANCIAL ASSETS AT AMORTIZED COST

	<u>30/6/2025</u>	<u>31/12/2024</u>
Treasury bonds - Eurobond	846 774 610	423 138 153
(Less): discount	(174 481 112)	(21 206 542)
	<u>672 293 498</u>	<u>401 931 611</u>
(Less): Expected credit loss – Note No (17)	(7 523 133)	(4 490 956)
	<u>664 770 365</u>	<u>397 440 655</u>

15- CASH AND CASH EQUIVALENTS

	<u>30/6/2025</u>	<u>31/12/2024</u>
Banks – Time deposits	1 287 562 501	1 121 361 076
Banks – Current accounts	2 768 783 387	2 971 364 851
Cash on hand	7 246 911	4 398 477
Cash at banks and on hand	4 063 592 799	4 097 124 404
(Less): Expected credit loss – Note No (17)	(3 487 774)	(3 481 063)
	<u>4 060 105 025</u>	<u>4 093 643 341</u>

Cash and cash equivalents for cash flows statement purposes

Cash in banks and the fund before the expected credit loss	4 063 592 799	4 097 124 404
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(37 574)
Cash and cash equivalents	4 063 555 225	4 097 086 830
Add:		
Treasury bills with maturity of 90 days	74 731 806	135 688 764
Cash and cash equivalents for cash flows statement Purposes	4 138 287 031	4 232 775 594

16- Assets held for sale

	<u>30/6/2025</u>	<u>31/12/2024</u>
Fixed assets - Oriental Weavers Co. U.S.A.	50 464 489	6 753 971
	<u>50 464 489</u>	<u>6 753 971</u>

17- Expected credit loss

	<u>Trade</u>	<u>Debtors &</u>	<u>Financial</u>	<u>Cash &</u>	
	<u>receivables</u>	<u>other debit</u>	<u>Assets at</u>	<u>cash</u>	
		<u>balances</u>	<u>Amortized</u>	<u>equivalent</u>	<u>Total</u>
			<u>Cost</u>		
balance at 1/1/2025	538 168 250	6 444 369	4 490 956	3 481 063	552 584 638
Charge to statement of income	19 845 795	(849 060)	3 197 726	77 373	22 271 834
Translation differences	(9 397 311)	(209 468)	(165 549)	(70 662)	(9 842 990)
Provision balance at 30/6/2025	548 616 734	5 385 841	7 523 133	3 487 774	565 013 482

18- Issued and paid-up capital

18-1 The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).

18-2 The Issued and paid-up capital is determined to be LE 665 107 268 (only six hundred sixty-five million and one hundred seven thousand and two hundred sixty-eight Egyptian pounds) distributed over 665 107 268 shares at a value of LE 1 each.

18-3 The company's shares are centrally kept at Misr for Central Clearing, Depository and Registry Co. and those shares are traded in Egyptian exchange.

19- Reserves

	<u>30/6/2025</u>	<u>31/12/2024</u>
Legal reserve	1 489 636 233	1 363 947 293
General reserve	74 488 537	74 488 537
Special reserve	59 973 828	59 973 828
Net assets revaluation reserve	65 767 458	65 767 458
Capital reserve	271 604 168	246 528 905
Unrealized gain from financial investments at FVTOCI	251 824 131	257 354 657
	<u>2 213 294 355</u>	<u>2 068 060 678</u>

20- Non-Controlling interest

	<u>Non-controlling interest in Equity</u>	<u>Non- controlling interest in comprehensive income</u>	<u>Balance as of 30/6/2025</u>	<u>Balance as of 31/12/2024</u>
Oriental Weavers international Co (O.W.I)	537 820	12 803	550 623	619 317
MAC Carpet Mills	639 291 182	(21 442 339)	617 848 843	681 854 666
Egyptian Fibres Co. EFCO	257 024 298	58 550 016	315 574 314	342 530 169
New MAC	7 670 015	(336 401)	7 333 614	10 503 032
Oriental Weavers Textile	864 048 382	(4 998 628)	859 049 754	874 167 344
Oriental Weavers Co. U.S.A.	224 326 548	(13 582 296)	210 744 252	224 329 533
	<u>1 992 898 245</u>	<u>18 203 155</u>	<u>2 011 101 400</u>	<u>2 134 004 061</u>

(All amounts in Egyptian Pounds unless otherwise stated)

21 - Long term loans

BANK	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 30/6/2025	Balance as of 30/6/2025 current portion due in one period	long term Installments	Balance as of 31/12/2024 current portion due in one period	long term Installments	Terms of Payment
Emirates NBD Egypt bank	USD	8 000 000	33 109 533	33 109 533	--	101 813 800	--	The principal of the loan shall be settled over 12 quarterly installments starting after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.
Qatar National Bank Al Ahli	EURO	3 000 000	90 474 267	22 618 567	67 855 700	6 819 946	47 739 625	The principal of the loan shall be settled over 8 equal half annually installments starting after the end of the grace period that ends no later than 6 months from the date of the first withdrawal.
Alex bank	EURO	1 800 000	33 957 400	33 957 400	--	30 901 048	15 450 499	The principal of the loan shall be settled over 9 equal half annually installments starting from 17/2/2022 till 17/2/2026, the interest and commission shall be computed and paid upon its due date.
Alex bank	EURO	5 500 000	97 081 592	48 540 796	48 540 796	44 171 866	66 257 825	The principal of the loan shall be settled over 9 equal half annually installments starting starting after the end of the grace period, the interest and commission shall be computed and paid upon its due date.
Emirates NBD Egypt bank	USD	7 000 000	26 681 381	26 681 381	--	82 047 012	--	The principal of the loan shall be settled over 12 quarterly installments starting after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.
Aljafari wafa bank	EURO	5 000 000	20 261 016	20 261 016	--	51 510 399	--	The principal of the loan shall be settled over 8 equal half annually installments starting from 30/6/2022 till 30/12/2025, the interest and commission shall be computed and paid upon its due date.
E bank	USD	2 170 000	80 047 725	41 389 788	38 657 937	31 410 390	--	The principal of the loan shall be settled over 12 quarterly installments, the interest and commission shall be computed and paid upon its due date.
			381 612 914	226 558 481	155 054 433	348 674 461	129 447 949	

22- LEASE CONTRACTS LIABILITY

	<u>Due within one</u> <u>year</u>	<u>Due more</u> <u>than one year</u>	<u>Balance at</u> <u>30/6/2025</u>
Oriental Weavers Co. U.S.A.	54 271 449	60 559 731	114 831 180
Showroom	129 725 905	418 988 511	548 714 416
	<u>183 997 354</u>	<u>479 548 242</u>	<u>663 545 596</u>

23- DEFERRED TAX LIABILITIES

-Deferred tax Assets and liabilities

	<u>30/6/2025</u>		<u>31/12/2024</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Fixed assets	--	(202 551 915)	--	(211 422 454)
Temporary tax differences – O.W. (USA)	307 752 311	--	315 452 904	--
Fair value reserve of investment at FVOCI	--	(46 949 591)	--	(46 949 591)
Total deferred tax assets / (liabilities)	<u>307 752 311</u>	<u>(249 501 506)</u>	<u>315 452 904</u>	<u>(258 372 045)</u>
Net deferred tax (liabilities)	<u>58 250 805</u>	<u>--</u>	<u>57 080 859</u>	<u>--</u>

-The movement of deferred tax liabilities is shown below:

	<u>30/6/2025</u>		<u>31/12/2024</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Beginning balance	315 452 904	(258 372 045)	80 192 650	(229 548 092)
Fair value reserve of investment at FVOCI	--	--	--	(3 787 997)
Charged to the statement of income	--	7 269 087	163 074 759	648 853
Translation Difference	(7 700 593)	1 601 452	72 185 495	(25 684 809)
Ending balance	<u>307 752 311</u>	<u>(249 501 506)</u>	<u>315 452 904</u>	<u>(258 372 045)</u>

24- Provisions

	<u>Balance as of</u> <u>1/1/2025</u>	<u>Formed</u> <u>during</u> <u>the period</u>	<u>Used</u> <u>During</u> <u>the period</u>	<u>Translation</u> <u>differences</u>	<u>Balance as of</u> <u>30/6/2025</u>
Provisions for claims	325 910 581	23 547 970	(23 488 966)	(2 672 606)	323 296 979
	<u>325 910 581</u>	<u>23 547 970</u>	<u>(23 488 966)</u>	<u>(2 672 606)</u>	<u>323 296 979</u>

The provision for claims represents an expected claims from certain entities related to the Company's activities. Details about the provisions have not been disclosed in accordance with the Egyptian Accounting Standards, as the management believes that disclosure of some or all of the information can affect seriously the position of the entity in the dispute with other parties on the subject matter of the provision. Provisions are reviewed at the end of each reporting period and adjusted according to the latest updates, negotiation and agreements with those entities.

25- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 7 104 302 687 as of June 30, 2025 represents short term facilities granted by banks. certain facilities are secured by notes receivables deposited at these banks for collection.

26- TRADES & NOTES PAYABLE

	<u>30/6/2025</u>	<u>31/12/2024</u>
Trades payable	1 865 459 308	2 900 934 818
Notes Payable	1 098 764 160	529 442 860
	<u>2 964 223 468</u>	<u>3 430 377 678</u>

– Trades & Notes Payable include amount of LE 502 552 due to related parties at June 30, 2025, results from carpet's sales to these parties.

27- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>30/6/2025</u>	<u>31/12/2024</u>
Accrued expenses	263 636 476	537 117 386
Tax authority	43 941 234	46 396 168
Social insurance authority	41 061 388	31 492 864
Trade receivable – advance payment	637 913 393	558 780 063
Creditors – purchases of fixed assets	1 065 507	285 883
Credit balances - related parties	6 132 191	6 419 964
Deposits from others	307 487 506	335 026 643
Other credit accounts	45 047 571	57 852 727
	<u>1 346 285 266</u>	<u>1 573 371 698</u>

28- FINANCE EXPENSES

	<u>30/6/2025</u>	<u>30/6/2024</u>
Bank interest	242 805 525	255 611 169
Interest of lease contracts liabilities	30 188 961	19 263 609
	<u>272 994 486</u>	<u>274 874 778</u>

29- Basic earnings per share in the separate financial statements

The basic earnings per share are determined as follows: -

	<u>30/6/2025</u>	<u>30/6/2024</u>
Net profit for the period	1 864 193 557	1 732 895 762
Average of shares number available during the period	665 107 268	665 107 268
	<u>2.8</u>	<u>2.61</u>

30- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of June 30, 2025 amounted to L.E 155 925 393 the contingent liabilities from letter of credit in that date amounted to L.E 1 267 473 778.

31- CAPITAL COMMITMENTS

The capital commitments as of June 30, 2025 amounted to L.E 64 306 013 represents the value of new extension related to showrooms and completion of construction in progress.

32- TAX POSITION

32-1 Oriental Weavers Carpet

Corporate Tax

- The company has been inspected till December 31, 2019.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax

- The company was inspected and the tax has been settled till December 31, 2022.
- The company submits its tax return on the legal dates.

Sales Tax

- The company was inspected and the tax has been settled till December 31, 2022.
- The company submits the monthly tax return on the legal dates.

Stamp Duty Tax

- The company was inspected and the tax has been settled till December 31, 2022.
- The company submits the tax return on the legal dates.

Real estate Tax

- The tax has been assessed and paid till December 31, 2024.

32-2 Oriental Weavers International

Corporate Tax

- The company is established in accordance with the Investment Guarantee and Incentives Law No. 8 of 1997 "Private free zone". According to the Company's tax card, it is exempted from taxes throughout the company life time.

Salaries & Wages Tax

- The company has been inspected till December 31, 2022 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

32-3 Oriental Weavers Textile

Corporate Tax

- The company is established in accordance with the Investment Guarantee and Incentives Law No. 8 of 1997 "Private free zone". According to the Company's tax card, it is exempted from taxes throughout the company life time.
- The company submits its tax return on the legal dates.

Salaries & Wages Tax

- The company has been inspected till December 31, 2020.
- The company submits its tax return on the legal dates.

Stamp Duty Tax

- The company has been inspected till December 31, 2020.
- The company submits its tax return on the legal dates.

Real estate Tax

- The estimated value of the real estate tax was appealed under No. 647 of 2015.
- The appeal was accepted and a decision was issued not to subject the company entirely to real estate tax.

32-4 Mac Carpet

Corporate tax

- Corporate tax was inspected and assessed from the beginning of the activity up till 2020.
- Year 2021/2022, the company has not been inspected yet.
- The company submits its tax return on the legal dates.

Salaries & Wages Tax

- The company was inspected for the period from the beginning of its activity up till December 31, 2019 and the assessed tax difference was paid.
- The years 2020: 2023 have not been inspected.

Value Add Tax

- The company was inspected up till December 31, 2020 and the assessed tax difference was paid.
- The years 2021: 2023 have not been inspected.
- The company submits the monthly tax return on due dates.

Stamp Duty Tax

- The company was inspected up to till December 31, 2018 and the assessed tax difference was paid.
- The years 2019: 2023 have not been inspected.

Withholding tax

- The company was inspected up to 2022 and the assessed tax difference was paid.
- The years 2023 have not been inspected.

32-5 New Mac Company

Corporate tax

- The company is established in accordance with the Investment Guarantee and Incentives Law No. 8 of 1997 "Private free zone". According to the Company's tax card, it is exempted from taxes throughout the company life time.

Salaries & Wages Tax

- The company has been inspected till December 31, 2022 and the assessed tax were paid.
- The years 2023: 2024 have not been inspected.

Withholding tax

- The company has been inspected till December 31, 2016 and the assessed tax were paid.
- Year 2017/2022, the company has not been inspected yet.
- The years 2023: 2024 have not been inspected.

32-6 Egyptian Fibers Company – EFCO

Corporate Tax

- The company has been inspected for the years from 1987 till 2019 and the assessed tax were paid.
- The years 2020:2022 has been inspected and the tax is under settlement.
- The company submits its annual tax return regularly on legal dates.

Salaries & Wages Tax

- The company has been inspected till December 31, 2022 and the assessed tax were paid.
- The company submits its tax return regularly on legal dates.

Value Add Tax

- The company has been inspected till December 31, 2023 and the assessed tax were paid.
- The company submits its monthly tax return regularly on legal dates.

Stamp Duty Tax

- The company was inspected up to till December 31, 2023 and the assessed tax difference was paid.

Real estate Tax

- The Company has notified by Form (3) and it was appealed and the tax settled until 2021.
- The payment has been made to the Commercial Department in Cairo and the company's exhibition in the 10th of Ramadan City until the year 2024.

33- FINANCIAL INSTRUMENTS AND RISK MANAGMENT

A- Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers and all kind of receivables.

The company's management has established a credit policy under which each customer is analysed individually for creditworthiness and these limits are reviewed on an on-going basis.

The maximum exposure to credit risk at the date of the consolidated financial statements as follows:

	Note		
	No	<u>2025/06/30</u>	<u>2024/12/31</u>
Trades and notes receivable	(11)	4 535 261 408	4 993 106 186
Debtors and other debit accounts	(12)	1 417 510 587	1 246 108 062
		<u>5 952 771 995</u>	<u>6 239 214 248</u>

B- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company confirmed it is acquired enough amount of cash to meet operating expenses. In addition, the company to preserve the credit facility granted to it by banks.

C- Market risk

The risk of market price changes that arise from changes in exchange rates and interest rates of securities that may affect the Group's income or the cost of retaining financial instruments - if any.

Exchange rate risk

This risk is in the fluctuations in the value of financial instruments as a result of fluctuations in foreign currency exchange rates and that of financial assets and liabilities denominated in foreign currencies resident.

This risk is considered acceptable because of the assets in foreign currency correspond to the company's obligations in foreign currencies.

Interest rate risk

Interest rate risk is the risk resulting from changes in interest rate on the banks facility granted to the company. The Company obtains the best available conditions in the banking market for the credit facilities and reviews the prevailing interest rate in the banking market on an on-going-basis which minimizes the risk of changes in interest rates.

D - Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders and other beneficiaries who are using the financial statements through the optimal use of equity. Management seeks the best alternatives to maintain a better capital structure for the group through either dividend payment to shareholders, capital reduction, issuance of new shares, and or debt settlement.