

ORIENTAL WEAVERS CARPETS COMPANY
(An Egyptian Joint Stock Company)
Consolidated Financial Statements
For The Financial year ended December 31, 2025
Together With Auditor's report

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Translation from Arabic

AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
ORIENTAL WEAVERS CARPETS COMPANY

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Oriental Weavers Carpets Company (S.A.E) which comprise of the consolidated statement of financial position as of December 31, 2025 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Auditing Standards and in the light of prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

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

Cairo : February 26, 2026

Amr Wahid
Auditor

Amr Wahid Abdel Ghaffar



Bakertilly Mohamed Hilal & Wahid Abdel Ghaffar
Public Accountants & Consultants

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Consolidated statement of financial position as of December 31, 2025

(All amounts are in Egyptian Pounds)

	Note No	31/12/2025	31/12/2024
Non current assets			
Fixed assets	(6)	8 145 992 227	8 898 631 092
Projects in progress	(7)	432 892 831	364 395 705
Right of use assets	(8)	518 695 424	540 749 442
Deferred tax assets	(24)	8 110 231	57 080 859
Investments at fair value through other comprehensive income	(9)	1 010 593 966	1 061 481 664
Total non current assets		10 116 284 679	10 922 338 762
Current assets			
Inventory	(10)	10 152 672 252	11 460 683 769
Trades and notes receivable	(11)	4 534 598 797	4 993 106 186
Debtors and other debit accounts	(12)	1 371 760 380	1 246 108 062
Assets held for sale	(17)	69 259 868	6 753 971
Treasury bills	(13)	805 438 717	1 784 491 840
Financial assets at amortized cost	(14)	492 146 156	397 440 655
Financial assets at fair value through profit or loss	(15)	903 865 786	--
Cash at banks and on hand	(16)	4 632 540 191	4 093 643 341
Total current assets		22 962 282 147	23 982 227 824
Total assets		33 078 566 826	34 904 566 586
Equity			
Issued and paid up capital	(19)	665 107 268	665 107 268
Reserves	(20)	1 534 111 447	1 522 976 435
Retained earnings		2 482 016 283	1 716 117 620
Net profit for the Period / year		2 189 343 558	2 192 283 305
Exchange differences arising on translation of financial statements		11 995 255 064	12 810 841 902
Total equity attributable to the parent company		18 865 833 620	18 907 326 530
Non controlling interest	(21)	1 966 368 620	2 134 004 061
Total equity		20 832 202 240	21 041 330 591
Non current liabilities			
Long term loans	(22)	109 644 343	129 447 949
lease contracts liabilities	(23)	443 662 340	464 844 105
Total non current liabilities		553 306 683	594 292 054
Current liabilities			
Provisions	(25)	241 136 369	325 910 581
Banks-Credit accounts	(26)	6 613 356 814	6 949 328 786
Lease contracts liabilities - current portion	(23)	182 414 674	159 721 246
Long term liabilities - current portion	(22)	120 075 884	348 674 461
Trades and notes payable	(27)	2 792 638 925	3 430 377 678
Dividends payable		171 431 033	170 680 629
Creditors and other credit accounts	(28)	1 336 918 898	1 573 371 698
Tax payable		235 085 306	310 878 862
Total current liabilities		11 693 057 903	13 268 943 941
Total liabilities		12 246 364 586	13 863 235 995
Total equity and liabilities		33 078 566 826	34 904 566 586

The accompanying notes from No.(1) to No. (34) form an integral part of these consolidated financial statements. Limited Review Report attached.

Chairman

Yasmin Mohamed Farid Khamis



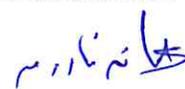
CEO & MD

Hazem shawky Alzifzaf



CFO

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of income for the financial year ended December 31, 2025

(All amounts are in Egyptian Pounds)

	№	31/12/2025	31/12/2024
Net sales		26 622 797 999	24 288 877 875
Less:			
Cost of sales		23 272 535 382	21 185 701 953
Gross profit		3 350 262 617	3 103 175 922
Add / (less):			
Financial investments income		18 508 874	177 096 014
Capital gain		14 593 979	42 177 712
Other revenues		454 183 569	594 252 959
Treasury bills returns		430 930 850	579 166 115
Financial Assests at amortized cost - returns		131 952 040	50 722 790
Gain on financial assets at fair value		918 596	--
Interest income		253 316 404	216 179 494
Distribution expenses		(299 019 544)	(254 754 592)
General and administrative expenses		(752 483 532)	(630 066 477)
Expected credit loss	(18)	(253 260 437)	(24 331 700)
Formed provisions and impairment	(25)	(150 112 954)	(145 206 693)
Provision no longer		25 647 760	--
Finance expenses	(29)	(535 526 807)	(552 552 323)
Foreign exchange differences		(51 440 512)	(351 533 473)
Net profit for the period before income tax		2 638 470 903	2 804 325 748
(Less)\ Add:			
Current income tax		(343 889 121)	(426 367 543)
Deferred tax		(31 181 909)	163 723 612
Income tax for the period		(375 071 030)	(262 643 931)
Net profit for the period after income tax		2 263 399 873	2 541 681 817
Attributable to:			
The parent company		2 189 343 558	2 192 283 305
Non controlling interest		74 056 315	349 398 512
		2 263 399 873	2 541 681 817
Basic earnings per share in the separate financial statements	(30)	3.02	2.72

The accompanying notes from №.(1) to №. (34) form an integral part of these consolidated financial statements.

Chairman

Yasmin Mohamed Farid Khamis



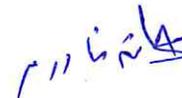
CEO & MD

Hazem shawky Alzifzaf



CFO

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial year ended December 31, 2025

(All amounts are in Egyptian Pounds)

	<u>31/12/2025</u>	<u>31/12/2024</u>
Net profit for the period	2 263 399 873	2 541 681 817
Other comprehensive income		
Changes in fair value of investments at FVTOCI	14 952 508	106 197 058
Transferred to retained earnings from the fair value reserve of investments through other comprehensive income.	(1 265 985)	--
Translation exchange differences	(934 214 023)	5 413 584 477
Deferred tax related to other comprehensive income items	(3 328 523)	(3 787 997)
Total other comprehensive income after tax	(923 856 023)	5 515 993 538
Total comprehensive income for the period	<u>1 339 543 850</u>	<u>8 057 675 355</u>
<u>Attributable to:</u>		
The parent company	1 369 304 511	7 200 840 473
Non controlling interest	(29 760 661)	856 834 882
	<u>1 339 543 850</u>	<u>8 057 675 355</u>

The accompanying notes from No. (1) to No. (34) form an integral part of these consolidated financial statements.

Translation from Arabic

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the financial year ended December 31, 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	1 413 576 942	1 085 891 023	1 740 203 594	7 904 577 917	12 809 356 744	1 361 533 283	14 170 890 027
Transferred to reserves	--	7 106 306	(7 106 306)	--	--	--	--	--
Transferred to retained earnings	--	--	1 740 203 594	(1 740 203 594)	--	--	--	--
Dividends	--	--	(1 102 870 691)	--	--	(1 102 870 691)	(84 364 104)	(1 187 234 795)
Total Comprehensive income for the period	--	102 293 187	--	2 192 283 305	4 906 263 985	7 200 840 477	856 834 882	8 057 675 359
Balance at 31/12/2024	665 107 268	1 522 976 435	1 716 117 620	2 192 283 305	12 810 841 902	18 907 326 530	2 134 004 061	21 041 330 591
Balance at 1/1/2025	665 107 268	1 522 976 435	1 716 117 620	2 192 283 305	12 810 841 902	18 907 326 530	2 134 004 061	21 041 330 591
Transferred to reserves	--	15 587 221	(15 587 221)	--	--	--	--	--
Transferred to retained earning	--	--	2 192 283 305	(2 192 283 305)	--	--	--	--
Paid by non-controlling interests to increase the capital of subsidiaries	--	--	--	--	--	--	1 959 885	1 959 885
Transferred to retained earnings from the fair value reserve of investments through other comprehensive income.	--	--	1 265 984	--	--	1 265 984	--	1 265 984
Dividends	--	--	(1 412 063 405)	--	--	(1 412 063 405)	(139 834 665)	(1 551 898 070)
Total Comprehensive income for the period	--	(4 452 209)	--	2 189 343 558	(815 586 838)	1 369 304 511	(29 760 661)	1 339 543 850
Balance at 31/12/2025	665 107 268	1 534 111 447	2 482 016 283	2 189 343 558	11 995 255 064	18 865 833 620	1 966 368 620	20 832 202 240

The accompanying notes from N^o.(1) to N^o. (34) 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 year ended December 31, 2025

(All amounts are in Egyptian Pounds)

	Note	31/12/2025	31/12/2024
	No		
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		2 638 470 903	2 804 325 748
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		1 117 728 751	1 159 905 573
Depreciation of right of use assets		159 152 334	135 886 499
Formed provisions and impairment		150 112 954	145 206 693
Provision no longer		(25 647 760)	--
Expected credit loss		253 260 437	24 331 700
Interest income		(253 316 404)	(216 179 494)
Finance expenses		535 526 807	552 552 323
Treasury bills returns		(430 930 850)	(579 166 115)
Financial investments revenues		(18 508 874)	(177 096 014)
Capital (gain)		(14 593 979)	(42 177 712)
Operating profits before changes in working capital		4 111 254 319	3 807 589 201
<u>Change in :</u>			
Inventory		837 490 316	(1 587 995 320)
Trades and notes receivable and debit accounts		(322 210 382)	531 137 283
Trades and notes payable and credit accounts		(733 475 436)	(210 104 009)
Cash flows provided by operating activities		3 893 058 817	2 540 627 155
Proceeds from interest income		253 316 404	216 179 494
Finance expenses paid		(535 526 807)	(552 552 323)
Income tax paid		(419 682 681)	(294 144 968)
Net cash flows provided by operating activities		3 191 165 733	1 910 109 358
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(974 456 834)	(786 456 390)
(Payments)for purchasing financial investments		--	--
Proceeds from financial investments		18 508 874	177 096 014
(Payments) for purchasing investments at fair value through profit or loss		23 666 676	203 228 221
Proceeds from sale of fixed assets		(903 865 786)	--
(Payments) for purchase of treasury bills		(1 569 427 386)	(3 400 940 400)
Proceeds from treasury bills		3 051 710 806	3 986 944 473
Proceeds from financial assets at amortized cost		(115 083 895)	585 917 957
Net cash flows provided by investing activities		(468 947 545)	765 789 875
<u>Cash flows from financing activities</u>			
Proceeds from banks-credit accounts		(26 802 525)	1 010 700 401
Dividends paid and payments for non controlling interest		(1 551 147 666)	(1 073 370 212)
		1 959 885	--
(Payment) for Lease contracts liabilities		(135 342 858)	(112 105 018)
Exchange differences arising from translation of financial statements		30 624 681	(903 662 644)
(Payment) for long term loans		(228 909 261)	(197 547 166)
Net cash flows (used in) financing activities		(1 909 617 744)	(1 275 984 639)
Net change in cash and cash equivalents during the period		812 600 444	1 399 914 594
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		(201 101 511)	559 495 763
Cash and cash equivalents at end of the period represents in:		4 844 274 527	4 232 775 594
Cash and cash equivalents	(16)	4 636 286 316	4 097 086 830
Treasury bills	(13)	805 438 717	1 784 491 840
Treasury bills due more than three months		(597 450 506)	(1 648 803 076)
Cash and cash equivalents		4 844 274 527	4 232 775 594

During the consolidation process, an amount of EGP 719 413 649 was eliminated from working capital items, together with EGP 544 918 401 from investing activities and EGP (273 570 513) from financing activities, against EGP (990 761 537) representing translation differences.

The accompanying notes from N^o.(1) to N^o. (34) 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 aboard.
- 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.

Based on the resolution of the Extraordinary General Assembly dated August 13, 2025, approval was granted to add the following objective:

- Production of mechanical carpets and semi-handwoven carpets (hand-tufted) carpets, as well as all types of woven and non-woven textiles and furnishings, carpets and maquettes of all kinds, carpet covers of all types, ready-made garments, and all kinds of yarns and threads produced from natural, synthetic, or blended materials required for spinning and weaving. This also includes all types of machinery and equipment necessary for the spinning and weaving industry, dyeing, printing, finishing, and all complementary, packaging, and wrapping processes. The company may also market all its own products or those of others throughout the Republic, export them, and import the machinery, equipment, and raw materials.
- Operating for others and through others.
- Production, manufacturing, import, export, purchase, sale, and installation of all types of movable furniture, furnishings, and household supplies of all kinds (such as dining rooms, living rooms, salons, seating sets, corner sets, bedrooms, and children's bedrooms, etc.), as well as manufacturing for others or through others for all or part of the above-mentioned activities. Performing manufacturing or production operations for others or through others.
- The company may have an interest in or participate in any manner with entities engaged in activities similar, complementary, or related to its activities, or may acquire such entities, in accordance with the provisions of this contract and with the approval of the General Authority for Investment and Free Zones.

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.

4- 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 participations</u>	<u>Percentage of participations</u>
	<u>31/12/2025</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

5- 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 amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual 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 acquiree 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 from 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 year ended December 31, 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	--	23 303 694	773 991 510	21 896 497	57 005 314	15 081 731	12 172 521	25 653 114	929 104 381
Disposals	--	(6 684 415)	(525 393 241)	(8 022 871)	(636 290)	(2 185 530)	(4 799 416)	(584 834)	(548 306 597)
Reclassification of assets held for sale	--	(307 704 707)	--	--	--	--	--	--	(307 704 707)
Translation exchange differences	(84 736 672)	(397 023 550)	(1 402 601 364)	(42 632 084)	(17 513 241)	(258 115)	(16 603 476)	(41 575 593)	(2 002 944 095)
Cost as of 31/12/2025	1 573 302 006	6 593 131 945	23 813 608 481	721 831 624	457 376 598	278 059 499	369 558 488	737 587 561	34 544 456 202
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	--	242 046 293	740 331 087	20 105 747	27 628 243	41 226 753	15 024 951	31 365 677	1 117 728 751
Disposals of accumulated depreciation	--	(3 800 670)	(490 915 785)	(7 350 857)	(278 035)	(1 454 572)	(957 704)	(114 707)	(504 872 330)
Reclassification of assets held for sale	--	(238 444 839)	--	--	--	--	--	--	(238 444 839)
Translation exchange differences	--	(235 894 578)	(1 207 942 197)	(39 308 297)	(15 151 019)	(229 801)	(14 372 484)	(38 725 359)	(1 551 623 735)
Accumulated depreciation and impairment as of 31/12/2025	--	3 988 430 663	20 237 923 539	663 546 005	330 904 463	207 047 946	289 523 641	681 087 718	26 398 463 975
Net book value as of 31/12/2025	1 573 302 006	2 604 701 282	3 575 684 942	58 285 619	126 472 135	71 011 553	80 034 847	56 499 843	8 145 992 227
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>31/12/2025</u>	<u>31/12/2024</u>
Buildings under Construction	165 201 178	168 447 257
Machinery & Equipment under installation	148 182 379	109 883 582
Computer systems	37 373 006	14 865 904
Advance payment for purchasing of Fixed assets	82 136 268	71 198 962
	<u>432 892 831</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	91 194 439	52 010 851	143 205 290
Disposals during the period	(35 913 998)	--	(35 913 998)
Translation differences	--	(28 207 057)	(28 207 057)
Cost at 31/12/2025	<u>764 923 297</u>	<u>476 951 310</u>	<u>1 241 874 607</u>
Accumulated depreciation at 1/1/2025	255 177 708	366 863 222	622 040 930
Depreciation of period	108 675 977	50 476 357	159 152 334
Disposals of accumulated depreciation	(35 177 959)	--	(35 177 959)
Translation differences	--	(22 836 122)	(22 836 122)
Accumulated depreciation at 31/12/2025	<u>328 675 726</u>	<u>394 503 457</u>	<u>723 179 183</u>
Net book value at 31/12/2025	<u>436 247 571</u>	<u>82 447 853</u>	<u>518 695 424</u>
Net book value at 31/12/2024	<u>454 465 148</u>	<u>86 284 924</u>	<u>540 749 442</u>

9- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>31/12/205</u>	<u>31/12/2024</u>
Egyptian Propylene & Polypropylene Company "E.P.P"	956 913 701	1 005 498 889
Alahli Bank of Kuwait- Egypt	50 464 513	51 172 252
Oriental for Industrial Projects	3 212 000	2 422 800
Prudential company – U.S. A	--	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>1 010 593 966</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>31/12/2025</u>	<u>31/12/2024</u>
Raw materials	4 074 285 966	5 049 917 889
Spare parts & materials	937 020 641	972 058 964
Work in process	461 381 465	421 352 899
Finished products	4 762 187 827	4 942 987 349
Letter of credit for purchasing of raw materials	100 207 054	162 556 603
	<u>10 335 082 953</u>	<u>11 548 873 704</u>
Less: Impairment in inventory	(182 410 701)	(88 189 935)
	<u>10 152 672 252</u>	<u>11 460 683 769</u>

11- TRADES & NOTES RECEIVABLE

	<u>31/12/2025</u>	<u>31/12/2024</u>
Trades receivables	4 472 803 981	5 009 504 342
Notes receivables	781 115 329	521 770 094
	<u>5 253 919 310</u>	<u>5 531 274 436</u>
(Less): Expected credit loss – Note No (18)	(719 320 513)	(538 168 250)
	<u>4 534 598 797</u>	<u>4 993 106 186</u>

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Prepaid expenses	79 062 448	65 181 996
Tax authority – debit accounts	991 189 360	804 126 394
Deposits with others	78 693 584	77 602 162
Accrued revenues	28 725 814	14 333 907
Letter of guarantee covers	30 348 226	25 700 993
Petty cash & advance to employees	21 884 988	28 569 988
Suppliers – advance payment	99 376 822	197 469 909
Other debit accounts	47 748 134	39 567 082
	<u>1 377 029 376</u>	<u>1 252 552 431</u>
(Less): Expected credit loss – Note No (18)	(5 268 996)	(6 444 369)
	<u>1 371 760 380</u>	<u>1 246 108 062</u>

13- TREASURY BILLS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Treasury bills (mature in 90 days)	228 500 000	146 050 000
Treasury bills (mature in more than 90 days)	639 200 000	1 880 000 000
	<u>867 700 000</u>	<u>2 026 050 000</u>
(Less): Unrealized returns	(62 261 283)	(241 558 160)
	<u>805 438 717</u>	<u>1 784 491 840</u>

14- FINANCIAL ASSETS AT AMORTIZED COST

	<u>31/12/2025</u>	<u>31/12/2024</u>
A- Treasury bonds – Eurobond	--	423 138 153
(Less): discount	--	(21 206 542)
	--	<u>401 931 611</u>
(Less): Expected credit loss – Note No (17)	--	(4 490 956)
	--	<u>397 440 655</u>
B- Financial assets managed by third parties	492 146 156	--
	<u>492 146 156</u>	<u>397 440 655</u>

15- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Treasury bonds – Eurobond	903 865 786	--
	<u>903 865 786</u>	<u>--</u>

16- CASH AND CASH EQUIVALENTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Banks – Time deposits	2 832 556 290	1 121 361 076
Banks – Current accounts	1 798 010 742	2 971 364 851
Cash on hand	5 756 858	4 398 477
Cash at banks and on hand	<u>4 636 323 890</u>	<u>4 097 124 404</u>
(Less): Expected credit loss – Note No (18)	(3 783 699)	(3 481 063)
	<u>4 632 540 191</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	4 636 323 890	4 097 124 404
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(37 574)
	<u>4 636 286 316</u>	<u>4 097 086 830</u>
Cash and cash equivalents		
Add:		
Treasury bills with maturity of 90 days	207 988 211	135 688 764
Cash and cash equivalents for cash flows statement Purposes	<u>4 844 274 527</u>	<u>4 232 775 594</u>

17- Assets held for sale

	<u>31/12/2025</u>	<u>31/12/2024</u>
Fixed assets - Oriental Weavers Co. U.S.A.	69 259 868	6 753 971
	<u>69 259 868</u>	<u>6 753 971</u>

18- Expected credit loss

	<u>Trade</u>	<u>Debtors &</u>	<u>Financial</u>	<u>Cash & cash</u>	<u>Total</u>
	<u>receivables</u>	<u>other debit</u>	<u>Assets at</u>	<u>equivalent</u>	
		<u>balances</u>	<u>Amortized</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	258 187 371	(1 064 573)	(4 361 080)	498 719	253 260 437
Utilized during the period	(51 092 858)	--	--	--	(51 092 858)
Translation differences	(25 942 250)	(110 800)	(129 876)	(196 083)	(26 379 009)
Provision balance at 31/12/2025	<u>719 320 513</u>	<u>5 268 996</u>	<u>--</u>	<u>3 783 699</u>	<u>728 373 208</u>

19- Issued and paid-up capital

19-1 The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).

19-2 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.

19-3 The company's shares are centrally kept at Misr for Central Clearing, Depository and Registry Co. and those shares are traded in Egyptian exchange.

20- Reserves

	<u>31/12/2025</u>	<u>31/12/2024</u>
Legal reserve	957 499 475	957 499 475
General reserve	74 488 537	74 488 537
Special reserve	59 973 828	59 973 828
Capital reserve	123 479 701	107 892 480
Net assets revaluation reserve	65 767 458	65 767 458
Unrealized gain from financial investments at FVTOCI	252 902 448	257 354 657
	<u>1 534 111 447</u>	<u>1 522 976 435</u>

21- Non-Controlling interest

	<u>Non-controlling interest in Equity</u>	<u>Non- controlling interest in comprehensive income</u>	<u>Balance as of 31/12/2025</u>	<u>Balance as of 31/12/2024</u>
Oriental Weavers international Co (O.W.I)	537 821	36 692	574 513	619 317
MAC Carpet Mills	639 291 182	(134 480 387)	504 810 795	681 854 666
Egyptian Fibres Co. EFCO	258 984 236	98 062 976	357 047 212	342 530 169
New MAC	8 938 182	(1 425 586)	7 512 596	10 503 032
Oriental Weavers Textile	864 048 382	23 646 339	887 694 721	874 167 344
Oriental Weavers Co. U.S.A.	224 329 478	(15 600 695)	208 728 783	224 329 533
	<u>1 996 129 281</u>	<u>(29 760 661)</u>	<u>1 966 368 620</u>	<u>2 134 004 061</u>

(All amounts in Egyptian Pounds unless otherwise stated)

22- Long term loans

BANK	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 31/12/2025	Balance as of 31/12/2025 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	--	--	--	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	77 265 595	55 190 972	22 074 623	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	39 727 122	23 374 913	16 352 209	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	77 828 284	31 078 458	46 749 826	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	--	--	--	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.
Attijari wafa bank	EURO	5 000 000	--	--	--	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	34 899 226	--	34 899 226	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.
			<u>229 720 227</u>	<u>109 644 343</u>	<u>120 075 884</u>	<u>348 674 461</u>	<u>129 447 949</u>	

23- LEASE CONTRACTS LIABILITY

	<u>Due within one year</u>	<u>Due more than one year</u>	<u>Balance at 31/12/2025</u>
Oriental Weavers Co. U.S.A.	46 921 874	39 590 325	86 512 199
Showroom	135 492 800	404 072 015	539 564 815
	<u>182 414 674</u>	<u>443 662 340</u>	<u>626 077 014</u>

24- - DEFERRED TAX LIABILITIES

-Deferred tax Assets and liabilities

	<u>31/12/2025</u>		<u>31/12/2024</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Fixed assets	--	(214 491 624)	--	(211 422 454)
Temporary tax differences – O.W. (USA)	269 567 312	--	315 452 904	--
Fair value reserve of investment at FVOCI	--	(46 965 457)	--	(46 949 591)
Total deferred tax assets / (liabilities)	<u>269 567 312</u>	<u>(261 457 081)</u>	<u>315 452 904</u>	<u>(258 372 045)</u>
Net deferred tax (liabilities)	<u>8 110 231</u>	<u>--</u>	<u>57 080 859</u>	<u>--</u>

- The movement of deferred tax liabilities is shown below:

	<u>31/12/2025</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	--	(3 328 523)	--	(3 787 997)
Charged to the statement of income	(27 182 510)	(3 999 399)	163 074 759	648 853
Translation Difference	(18 703 082)	4 242 886	72 185 495	(25 684 809)
Ending balance	<u>269 567 312</u>	<u>(261 457 081)</u>	<u>315 452 904</u>	<u>(258 372 045)</u>

25- Provisions

	<u>Balance as of 1/1/2025</u>	<u>Formed during the period</u>	<u>Used During the period</u>	<u>Provision no longer</u>	<u>Translation Differences</u>	<u>Balance as of 31/12/2025</u>
Provisions for claims	325 910 581	29 509 686	(82 410 942)	(25 647 760)	(6 225 196)	241 136 369
	<u>325 910 581</u>	<u>29 509 686</u>	<u>(82 410 942)</u>	<u>(25 647 760)</u>	<u>(6 225 196)</u>	<u>241 136 369</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.

26- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 6 613 356 814 as of December 31, 2025 represents short term facilities granted by banks. certain facilities are secured by notes receivables deposited at these banks for collection.

27- TRADES & NOTES PAYABLE

	<u>31/12/2025</u>	<u>31/12/2024</u>
Trades payable	1 951 073 293	2 900 934 818
Notes Payable	841 565 632	529 442 860
	<u>2 792 638 925</u>	<u>3 430 377 678</u>

–Trades & Notes Payable include amount of LE 483 062 due to related parties at December 31, 2025, results from carpet’s sales to these parties.

28- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Accrued expenses	327 152 592	537 117 386
Tax authority	54 132 390	46 396 168
Social insurance authority	25 475 271	31 492 864
Trade receivable – advance payment	604 130 952	558 780 063
Creditors – purchases of fixed assets	14 253 579	285 883
Credit balances - related parties	5 594 373	6 419 964
Deposits from others	205 647 486	335 026 643
Other credit accounts	100 532 255	57 852 727
	<u>1 336 918 898</u>	<u>1 573 371 698</u>

29- FINANCE EXPENSES

	<u>31/12/2025</u>	<u>31/12/2024</u>
Bank interest	472 721 255	512 612 563
Interest of lease contracts liabilities	62 805 552	39 939 760
	<u>535 526 807</u>	<u>552 552 323</u>

30- Basic earnings per share in the separate financial statements

The basic earnings per share are determined as follows: -

	<u>31/12/2025</u>	<u>31/12/2024</u>
Net profit for the year	2 125 780 942	1 931 732 736
Less:		
Proposed employees share in distributions	110 851 211	118 241 292
Proposed Board members remuneration	3 200 000	3 200 000
	<u>2 011 729 731</u>	<u>1 810 291 444</u>
Average of shares number available during the year	665 107 268	665 107 268
	<u>3,02</u>	<u>2,72</u>

31- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of December 31, 2025 amounted to L.E 150 291 353 he contingent liabilities from letter of credit in that date amounted to L.E 842 549 304

32- CAPITAL COMMITMENTS

The capital commitments as of December 31, 2025 amounted to L.E 118 841 232 represents the value of new extension related to showrooms and completion of construction in progress.

33- TAX POSITION

33-1 Oriental Weavers Carpet

Corporate Tax

- The company has been inspected till December 31, 2019.
- The years 2020 to 2022 are currently under review.
- 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, 2025.

33-2 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.

33-3 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, 2023.
- 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.

33-4 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.

33-5 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.

33-6 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.

34- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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:

	<u>Note</u>	<u>2025/12/31</u>	<u>2024/12/31</u>
Trades and notes receivable	(11)	4 534 598 797	4 993 106 186
Debtors and other debit accounts	(12)	1 371 760 380	1 246 108 062
		5 906 359 177	6 239 214 248

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.