

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

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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

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

Report on the Separate financial statements

We have audited the accompanying Separate financial statements of Oriental Weavers Carpets Company (S.A.E) which comprise of the Separate statement of financial position as of December 31, 2025 and the Separate 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 Separate financial statements

Management is responsible for the preparation and fair presentation of these Separate 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 Separate 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 Separate 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 Separate financial statements are free from material misstatement.

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

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

Opinion

In our opinion the Separate financial statements referred to above present fairly, in all material respects, the Separate financial position of Oriental Weavers Carpets Company (S.A.E) as of December 31, 2025 and of its Separate 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.

Report on the legal requirements and other regulations

The company keeps proper records which include all that is required by law and the statutes of the Company, and the accompanying Separate financial statements are in agreement therewith. The Company also maintains costing records that meet the purposes thereof and the inventory counts were performed by the Company's management in accordance with methods in practice.

The financial information contained in the report of Board of Directors prepared in conformity with Law № 159 of 1981 and its executive regulations is in agreement with the company's accounting records within the limits that such information is recorded therein.

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)
Separate statement of financial position as of December 31, 2025

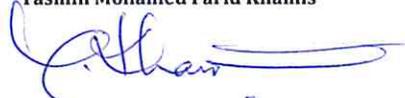
(All amounts are in Egyptian Pounds)

	Note No	31/12/2025	31/12/2024
Non current assets			
Fixed assets	(5)	1 056 000 422	1 009 434 477
Projects in progress	(8)	58 137 538	73 160 799
Right of use assets	(9)	381 317 950	382 853 115
Investments in subsidiaries	(6)	1 348 416 085	1 348 416 085
Investments at fair value through other comprehensive income	(7)	50 464 515	51 172 255
Total non current assets		2 894 336 510	2 865 036 731
Current assets			
Inventory	(10)	2 038 832 704	2 015 423 951
Trades and notes receivable	(11)	1 589 727 461	1 454 453 109
Debtors and other debit accounts	(12)	698 158 146	605 798 519
Treasury bills	(13)	597 450 506	1 648 803 076
Cash at banks and on hand	(14)	1 447 502 837	340 316 989
Total current assets		6 371 671 654	6 064 795 644
Total assets		9 266 008 164	8 929 832 375
Equity			
Issued and paid up capital	(16)	665 107 268	665 107 268
Reserves	(17)	1 170 616 951	1 155 578 228
Retained earnings		2 232 816 063	1 502 283 469
Net profit for the year		2 125 780 942	1 931 732 736
Total equity		6 194 321 224	5 254 701 701
Non current liabilities			
lease contracts liabilities	(19)	343 768 497	343 136 269
Deferred tax liabilities	(20)	108 219 905	99 589 170
Total non current liabilities		451 988 402	442 725 439
Current liabilities			
Provisions	(21)	168 844 157	143 468 224
Banks-Credit accounts	(22)	433 875 064	291 494 867
Lease contracts liabilities - current portion	(19)	123 853 145	106 899 544
Trades and notes payable	(23)	1 394 592 115	2 110 054 745
Long term liabilities - current portion	(18)	--	133 557 411
Dividends payable		14 066 778	3 551 794
Creditors and other credit accounts	(24)	392 517 522	344 036 951
Tax payable		91 949 757	99 341 699
Total current liabilities		2 619 698 538	3 232 405 235
Total liabilities		3 071 686 940	3 675 130 674
Total equity and liabilities		9 266 008 164	8 929 832 375

The accompanying notes from N^o.(1) to N^o. (34) form an integral part of these separate financial statements.
Auditor's Report attached.

Chairman

Yasmin Mohamed Farid Khamis



CEO

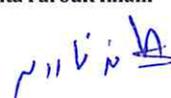
Hazem shawky Al-Zafzaf

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CFO

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of income for the financial year ended December 31, 2025

(All amounts are in Egyptian Pounds)

	Note	31/12/2025	31/12/2024
	No		
Net sales	(25)	9 203 966 230	8 426 272 901
Less:			
Cost of sales		8 515 813 011	7 695 125 972
Gross profit		688 153 219	731 146 929
Add / (less):			
Financial investments income	(26)	1 721 562 474	1 580 754 091
Capital gain		17 798 722	15 587 221
Other revenues		74 528 691	167 833 187
Treasury bills returns		391 545 046	548 880 547
Interest income		57 786 225	75 984 578
Distribution expenses		(236 699 919)	(198 003 565)
General and administrative expenses	(27)	(263 053 464)	(214 811 373)
Expected credit loss	(15)	(1 789 307)	(4 958 905)
Reversal and impairment loss		(58 499 272)	(78 783 123)
Finance expenses	(28)	(96 857 714)	(98 611 910)
Foreign exchange differences		30 615 913	(383 300 637)
Net profit for the year before income tax		2 325 090 614	2 141 717 040
(Less)\ Add:			
Current income tax for the period	(29)	(190 519 695)	(208 590 655)
Deferred tax	(20)	(8 789 977)	(1 393 649)
Income tax for the year		(199 309 672)	(209 984 304)
Net profit for the year after income tax		2 125 780 942	1 931 732 736
Basic earnings per share	(30)	3.02	2.72

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

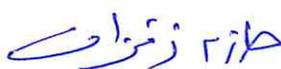
Chairman

Yasmin Mohamed Farid Khamis



CEO

Hazem shawky Al-Zafaf



CFO

Shehta Farouk Imam



Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate 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 year	2 125 780 942	1 931 732 736
Other comprehensive income		
Changes in fair value of investments at FVTOCI	(707 740)	17 968 395
Deferred tax related to other comprehensive income items	159 242	(4 042 888)
Total other comprehensive income after tax	<u>(548 498)</u>	<u>13 925 507</u>
Total comprehensive income for the year	<u><u>2 125 232 444</u></u>	<u><u>1 945 658 243</u></u>

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate statement of changes in equity for the financial year ended December 31, 2025

(All amounts are in Egyptian Pounds)

	<u>Issued and paid up capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Net profit</u>	<u>Total equity</u>
Balance at 1/1/2024	665 107 268	1 134 546 415	1 283 864 893	1 145 108 967	4 228 627 543
Transferred to capital reserve	--	7 106 306	--	(7 106 306)	--
Dividends	--	--	--	(919 584 085)	(919 584 085)
Transferred to retained earning	--	--	218 418 576	(218 418 576)	--
Total Comprehensive income for the year	--	13 925 507	--	1 931 732 736	1 945 658 243
Balance at 31/12/2024	665 107 268	1 155 578 228	1 502 283 469	1 931 732 736	5 254 701 701
Balance at 1/1/2025	665 107 268	1 155 578 228	1 502 283 469	1 931 732 736	5 254 701 701
Transferred to capital reserve	--	15 587 221	--	(15 587 221)	--
Dividends	--	--	--	(1 185 612 921)	(1 185 612 921)
Transferred to retained earning	--	--	730 532 594	(730 532 594)	--
Total Comprehensive income for the year	--	(548 498)	--	2 125 780 942	2 125 232 444
Balance at 31/12/2025	665 107 268	1 170 616 951	2 232 816 063	2 125 780 942	6 194 321 224

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of cash flow for the financial year ended December 31, 2025

(All amounts are in Egyptian Pounds)

	Note No	31/12/2025	31/12/2024
Cash flows from operating activities			
Net profit for the period before income tax		2 325 090 614	2 141 717 040
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		158 027 209	141 790 444
Depreciation of right of use assets		91 497 189	83 346 918
Expected credit loss		1 789 307	4 958 905
Finance expenses		96 857 714	98 611 910
Interest income		(57 786 225)	(75 984 578)
Formed provisions and impairment		58 499 272	78 783 123
Financial investments revenues		(1 721 562 474)	(1 580 754 091)
Treasury bills returns		(391 545 046)	(548 880 547)
Capital (gain)		(17 798 722)	(15 587 221)
Operating profits before changes in working capital		543 068 838	328 001 903
Change in :			
Inventory		(51 908 025)	(742 769 876)
Trades and notes receivable		(136 912 911)	(350 926 404)
Debtors and other debit accounts		(179 503 859)	(324 167 294)
Trades and notes payable		(715 462 630)	(32 910 209)
Creditors and other credit accounts		43 856 504	(12 538 547)
Cash flows (used in) operating activities		(496 862 083)	(1 135 310 427)
Finance expenses paid		(96 857 714)	(98 611 910)
Patment from interest income		57 786 225	75 984 578
Income tax paid		(110 640 514)	(135 373 278)
Net cash flows (used in) operating activities		(646 574 086)	(1 293 311 037)
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(200 308 695)	(135 803 805)
(Payments) to treasury bills due more than three months		(1 569 427 386)	(3 400 940 400)
Proceeds from sale of fixed assets		28 537 524	19 544 464
Proceeds from treasury bills due more than three months		3 012 325 002	3 956 658 905
Proceeds from investments income		1 721 562 474	1 580 754 091
Net cash flows provided by investing activities		2 992 688 919	2 020 213 255
Cash flows from financing activities			
proceeds (Payments) to banks-credit accounts		142 380 197	(155 705 693)
Payments of lease contracts liabilities		(72 376 195)	(63 798 305)
(Payments) from long term loans		(133 557 411)	(58 729 107)
Dividends paid		(1 175 097 937)	(925 556 207)
Net cash flows (used in) financing activities		(1 238 651 346)	(1 203 789 312)
Net change in cash and cash equivalents during the period		1 107 463 487	(476 887 094)
Cash and cash equivalents at the beginning of the period		340 638 083	817 525 177
Cash and cash equivalents at end of the period represents in:	(14)	1 448 101 570	340 638 083
Cash and cash equivalents	(14)	1 448 101 570	340 638 083
Treasury bills	(13)	597 450 506	1 648 803 076
Treasury bills due more than three months	(13)	(597 450 506)	(1 648 803 076)
Cash and cash equivalents		1 448 101 570	340 638 083

An amount of EGP 87,271,123 represents withholding taxes that have been offset against debtors, other debit accounts, and income tax liabilities.

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Statement of profit appropriation (proposed) for the financial year ended December 31, 2025

(All amounts are in USD)

	<u>2025</u>	<u>2024</u>
Net profit for the year	2 125 780 942	1 931 732 736
Capital gain transferred to capital reserve	(17 798 722)	(15 587 221)
Net profit available for Distribution	<u>2 107 982 220</u>	<u>1 916 145 515</u>
Retained earnings from the previous year	2 232 816 063	1 502 283 469
	<u><u>4 340 798 283</u></u>	<u><u>3 418 428 984</u></u>
 <u>Distributed as follows :-</u>		
Shareholders' dividends	997 660 902	1 064 171 629
Employees' share	110 851 211	118 241 292
Board of directors remuneration	3 200 000	3 200 000
Retained earnings carried forward	3 229 086 170	2 232 816 063
	<u><u>4 340 798 283</u></u>	<u><u>3 418 428 984</u></u>

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

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.

1-7 The Financial Statements are approved for issue by the Board of Directors on February 26, 2026.

2 - BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

2-1 Statement of compliance

- The Separate 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 Separate 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 Separate 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. (4) 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 - **SIGNIFICANT ACCOUNTING POLICIES**

4-1 **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 Separate 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 Separate income statement for the period.

4-2 **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.

4-3 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.

4-4 Investments in subsidiaries

Subsidiaries are companies that the company has the control over it, the control is achieved if the company has all the following:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiaries is accounted using the cost method where the investment in subsidiaries is recognized at acquisition cost less impairment losses. Impairment is determined for each investment separately and is recognized in the income statement.

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, if no impairment loss had been recognized.

4-5 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.

4-6 Financial instruments

4-6-1 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.

4-6-2 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.

4-6-3 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 par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

4-6-4 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.

4-6-5 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.

4-6-6 Derecognition

Financial assets

The Company derecognized 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.

4-6-7 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.

4-7 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.

4-8 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:

- (A) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (B) 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.

4-9 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.

4-10 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.

4-11 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.

4-12 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.

4-13 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:

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

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

(C) 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.

4-14 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.

4-15 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.

4-16 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.

4-17 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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

- Impairment losses are recognized 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 amortization, if no impairment loss had been recognized.

4-18 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 Separate 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 Separate 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.

4-19 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.

4-20 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.

4-21 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.

4-22 Cash flow statement

Separate Cash flow statement is prepared using the indirect method.

For purpose of preparing the Separate 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.

4-23 Comparative Figures

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

(All amounts in Egyptian Pounds unless otherwise stated)

5- **Fixed assets***

	<u>Land</u>	<u>Buildings & Constructions</u>	<u>Machinery & equipment</u>	<u>Vehicles</u>	<u>Tools & Supplies</u>	<u>Showrooms Fixture</u>	<u>Furniture & office equipment</u>	<u>Computers</u>	<u>Total</u>
Cost as of 31/12/2023	137 538 790	427 210 500	849 714 413	31 007 088	51 842 680	182 403 285	74 933 921	56 519 618	1 811 170 295
Additions	--	--	52 084 080	3 339 144	12 100 590	46 061 320	19 640 750	4 791 265	138 017 149
Disposals	--	(3 030 560)	(15 755 642)	(2 342 511)	(195 282)	(2 085 819)	(20 271)	--	(23 430 085)
Cost as of 31/12/2024	137 538 790	424 179 940	886 042 851	32 003 721	63 747 988	226 378 786	94 554 400	61 310 883	1 925 757 359
Additions	--	--	150 349 660	6 955 721	26 054 141	14 723 444	6 744 759	10 504 235	215 331 960
Disposals	--	(5 501 441)	(28 058 374)	(2 799 900)	(590 964)	(1 862 366)	--	--	(38 813 045)
Cost as of 31/12/2025	137 538 790	418 678 499	1 008 334 137	36 159 542	89 211 165	239 239 864	101 299 159	71 815 118	2 102 276 274
Accumulated depreciation and impairment as of 31/12/2023	--	165 587 367	365 281 362	27 085 498	33 815 302	116 462 006	42 476 625	43 297 120	794 005 280
Depreciation of year **	--	15 218 779	76 468 724	1 013 867	6 368 446	30 432 059	5 183 090	7 105 479	141 790 444
Disposals of accumulated depreciation	--	(903 065)	(13 933 295)	(2 342 503)	(195 282)	(2 078 610)	(20 087)	--	(19 472 842)
Accumulated depreciation and impairment as of 31/12/2024	--	179 903 081	427 816 791	25 756 862	39 988 466	144 815 455	47 639 628	50 402 599	916 322 882
Depreciation of year **	--	15 079 563	82 257 432	1 849 211	9 006 873	34 702 573	6 679 390	8 452 167	158 027 209
Disposals of accumulated depreciation	--	(1 294 564)	(22 301 687)	(2 799 895)	(232 500)	(1 445 593)	--	--	(28 074 239)
Accumulated depreciation and impairment as of 31/12/2025	--	193 688 080	487 772 536	24 806 178	48 762 839	178 072 435	54 319 018	58 854 766	1 046 275 852
Net book value as of 31/12/2025	137 538 790	224 990 419	520 561 601	11 353 364	40 448 326	61 167 429	46 980 141	12 960 352	1 056 000 422
Net book value as of 31/12/2024	137 538 790	244 276 859	458 226 060	6 246 859	23 759 522	81 563 331	46 914 772	10 908 284	1 009 434 477

* There are no restrictions on title as of December 31,2025

** the Depreciation of the year is allocated as follows:

	<u>31/12/2025</u>
Industrial expenses	94 511 654
Distribution expenses	57 496 432
General and administrative expenses	6 019 123
	158 027 209

(All amounts in Egyptian Pounds unless otherwise stated)

6- Investments in subsidiaries

	Country of Origin	Ownership %	Acquisition Cost	Accumulated Impairment	31/12/2025	31/12/2024
Oriental Weavers - USA	USA	82.68	127 127 706	(4 305 383)	122 822 323	122 822 323
Oriental Weavers International	Egypt	99.01	728 049 443	(51 258 912)	676 790 531	676 790 531
Oriental Weavers Textile*	Egypt	37.13	39 605 000	--	39 605 000	39 605 000
Egyptian Fibers Co. EFCO	Egypt	67.87	109 175 358	--	109 175 358	109 175 358
Mac Carpet Mills	Egypt	58.29	750 697 752	(350 674 879)	400 022 873	400 022 873
			1 754 655 259	(406 239 174)	1 348 416 085	1 348 416 085

* In addition to the direct investment in Oriental Weavers Textile the company has owned also 34.31% indirectly through some of its subsidiaries.

7- Investments at fair value through other comprehensive income

	31/12/2025	31/12/2024
Alahli Bank of Kuwait- Egypt	50 464 513	51 172 252
Trading for Development Export	1	1
Egyptian for Trade and Marketing	1	1
10th of Ramadan for Spinning Industries (under liquidation) *	--	1
	50 464 515	51 172 255

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

8-PROJECTS IN PROGRESS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Machinery & Equipment under installation	--	21 586 230
Buildings under Construction	43 082 217	47 903 237
Computer systems	10 654 930	2 841 895
Advance payment	4 400 391	829 437
	<u>58 137 538</u>	<u>73 160 799</u>

9-RIGHT USE OF ASSETS

	<u>Showroom rent</u>	<u>Total</u>
Cost at 1/1/2025	596 869 338	596 869 338
Additions	89 962 024	89 962 024
Disposals	(34 202 543)	(34 202 543)
Cost at 31/12/2025	<u>652 628 819</u>	<u>652 628 819</u>
Accumulated depreciation at 1/1/2025	214 016 223	214 016 223
Depreciation of period	91 497 189	91 497 189
Disposals of accumulated depreciation	(34 202 543)	(34 202 543)
Accumulated depreciation at 31/12/2025	<u>271 310 869</u>	<u>271 310 869</u>
Net book value at 31/12/2025	<u>381 317 950</u>	<u>381 317 950</u>
Net book value at 31/12/2024	<u>382 853 115</u>	<u>382 853 115</u>

10- INVENTORY

	<u>31/12/2025</u>	<u>31/12/2024</u>
Raw materials	563 906 824	581 399 173
Spare parts & materials	129 397 856	110 114 686
Work in process	53 752 598	53 633 708
Finished products	1 364 792 979	1 303 470 317
Letter of credit for purchasing of raw materials	5 264 842	16 589 190
	<u>2 117 115 099</u>	<u>2 065 207 074</u>
(Less): Impairment in inventory	(78 282 395)	(49 783 123)
	<u>2 038 832 704</u>	<u>2 015 423 951</u>

11- TRADES & NOTES RECEIVABLE

	<u>31/12/2025</u>	<u>31/12/2024</u>
Trades receivables – Export	922 705 629	783 315 737
Trades receivables – Local	402 281 194	239 247 290
	<u>1 324 986 823</u>	<u>1 022 563 027</u>
Notes receivables	327 635 907	493 146 792
	<u>1 652 622 730</u>	<u>1 515 709 819</u>
(Less): Expected credit loss – Note No (15)	(62 895 269)	(61 256 710)
	<u>1 589 727 461</u>	<u>1 454 453 109</u>

Trades & Notes Receivable include amount of LE 285 574 101 due from related parties at December 31, 2025 results from sales of carpets

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
letter of guarantee covers	240 151	200 000
Tax authority – withholding	88 042 108	87 271 123
Tax authority – VAT	548 830 726	441 249 800
Petty cash & advance to employees	10 507 506	12 869 933
Suppliers – advance payment	1 516 458	13 517 777
Prepaid expenses	14 372 911	23 562 075
Deposits with others	10 035 446	9 939 551
Accrued revenue	1 195 397	--
Other debit accounts	23 745 465	17 643 173
	<u>698 486 168</u>	<u>606 253 432</u>
(Less): Expected credit loss – Note No (15)	(328 022)	(454 913)
	<u>698 158 146</u>	<u>605 798 519</u>

13- TREASURY BILLS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Treasury bills (mature in more than 90 days)	639 200 000	1 880 000 000
Less:		
Unearned returns	(41 749 494)	(231 196 924)
	<u>597 450 506</u>	<u>1 648 803 076</u>

14- CASH AND CASH EQUIVALENTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Banks – Deposit	800 000 000	--
Banks – Current accounts	646 303 744	338 661 852
Cash on hand	1 797 826	1 976 231
Cash at banks and on hand	1 448 101 570	340 638 083
Less:		
(Less): Expected credit loss – Note No (15)	(598 733)	(321 094)
	<u>1 447 502 837</u>	<u>340 316 989</u>

Cash and cash equivalents for cash flows statement purposes

	<u>31/12/2025</u>	<u>31/12/2024</u>
Cash in banks and the fund before the expected credit loss	1 448 101 570	340 638 083
Treasury bills	597 450 506	1 648 803 076
Treasury bills with maturity of more than 90 days	(597 450 506)	(1 648 803 076)
Cash and cash equivalents for cash flows statement Purposes	1 448 101 570	340 638 083

15- Expected credit loss

	<u>Trade & Notes</u>	<u>Debtors & other</u>	<u>Cash & cash</u>	
	<u>receivables</u>	<u>debit balances</u>	<u>equivalent</u>	<u>Total</u>
Balance as at 1/1/2025	61 256 710	454 913	321 094	62 032 717
Charge to statement of income	1 638 559	(126 891)	277 639	1 789 307
Provision balance at 31/12/2025	62 895 269	328 022	598 733	63 822 024

16- Issued and paid-up capital

16-1 The company's authorized capital is determined to be L.E 1 000 000 000 (one billion Egyptian pounds).

16-2 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.

16-3 The company's shares are centrally kept at Misr for Central Clearing, Depository and Registry Co. and those shares are traded in Egyptian exchange.

17- Reserves

	<u>31/12/2025</u>	<u>31/12/2024</u>
Legal reserve	957 499 475	957 499 475
Special reserve	59 973 828	59 973 828
Capital reserve	123 479 701	107 892 480
Unrealized gain from financial investments at FVTOCI	29 663 947	30 212 445
	1 170 616 951	1 155 578 228

18- Medium TERM LOANS

	<u>31/12/2025</u>	<u>31/12/2024</u>
<u>Attijariwafa internal bank</u>		
Medium term loan of Euro 5 million to finance the purchase of machinery and equipment. The principal of the loan shall be settled over 8 equal half annually starting from 30/6/2022 till 30/12/2025.	--	51 510 399
<u>Emirates NBD Egypt bank</u>		
Medium term loan of USD 7 million to finance the purchase of machinery and equipment. The loan shall be settled over 12 quarterly installments The principal of the loan shall be settled after the end of the grace period that ends no later than 12 months from the date of the first withdrawal.	--	82 047 012
	--	133 557 411
<u>Less:</u>		
Current portion due in one year	--	(133 557 411)
	--	--

19- LEASE CONTRACTS LIABILITY

	<u>Due within</u> <u>one year</u>	<u>Due more</u> <u>than one year</u>	<u>Balance at</u> <u>31/12/2025</u>
Showroom rental	123 853 145	343 768 497	467 621 642
	<u>123 853 145</u>	<u>343 768 497</u>	<u>467 621 642</u>

20- DEFERRED TAX LIABILITIES**-Recognized 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	--	(99 607 534)	--	(90 817 557)
Fair value reserve of investment at FVOCI	--	(8 612 371)	--	(8 771 613)
Total deferred tax / (liabilities)	--	(108 219 905)	--	(99 589 170)
Net deferred tax (liabilities)	--	(108 219 905)	--	(99 589 170)

-The movement of deferred tax liabilities is shown below:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>(Liabilities)</u>	<u>(Liabilities)</u>
Beginning balance	(99 589 170)	(94 152 633)
Fixed assets	(8 789 977)	(1 393 649)
Fair value reserve of investment at FVOCI	159 242	(4 042 888)
Ending balance	(108 219 905)	(99 589 170)

-Unrecognized Deferred tax Assets and Liabilities

The company has deferred tax assets that have not been recognized because there is not probable that benefits will be used in the future.

	<u>31/12/2025</u>		<u>31/12/2024</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Impairment in subsidiaries	91 403 814	--	91 403 814	--
Impairment in financial investments	47 699	--	122 709	--
Expected credit losses	14 359 955	--	13 957 361	--
	<u>105 811 468</u>	<u>--</u>	<u>105 483 884</u>	<u>--</u>

21- Provisions

	<u>Balance as of</u> <u>1/1/2025</u>	<u>Formed</u> <u>During</u> <u>the period</u>	<u>Used During</u> <u>the period</u>	<u>Balance as of</u> <u>31/12/2025</u>
Provisions for claims	143 468 224	30 000 000	(4 624 067)	168 844 157
	<u>143 468 224</u>	<u>30 000 000</u>	<u>(4 624 067)</u>	<u>168 844 157</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.

(All amounts in Egyptian Pounds unless otherwise stated)

22- BANKS – CREDIT ACCOUNTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Bank of Alexandria	163 932 417	14 588 605
QNB ALHLI	--	59 101 817
Export Development Bank	3 891 186	34 098 046
Arab Bank	34 522 475	68 843 292
Attijariwafa Bank	231 528 986	95 584 103
Emirates NBD Egypt bank	--	19 279 004
	<u>433 875 064</u>	<u>291 494 867</u>

23- TRADES & NOTES PAYABLE

	<u>31/12/2025</u>	<u>31/12/2024</u>
Trades payable – local	853 094 016	1 374 651 770
Trades payable – abroad	92 054 380	225 886 961
	<u>945 148 396</u>	<u>1 600 538 731</u>
Notes Payable	449 443 719	509 516 014
	<u>1 394 592 115</u>	<u>2 110 054 745</u>

–Trades & Notes Payable include amount of LE 1 160 488 906 due to related parties at December 31, 2025 results from purchase and operate of raw material

24- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/12/2025</u>	<u>31/12/2024</u>
Accrued expenses	83 316 698	67 403 518
Tax authority	20 846 066	16 961 060
Social insurance authority	6 521 941	8 521 429
Credit balances - related parties	5 594 373	6 419 964
Creditors – purchases of fixed assets	6 597 247	175 110
Deposits from others	18 335 059	22 242 694
Trade receivable – advance payment	220 882 465	207 250 618
Other credit accounts	30 423 673	15 062 558
	<u>392 517 522</u>	<u>344 036 951</u>

25- Sales (net)

	<u>31/12/2025</u>	<u>31/12/2024</u>
Local sales	6 790 482 754	6 391 308 158
Export sales	2 295 158 415	1 919 898 958
	<u>9 085 641 169</u>	<u>8 311 207 116</u>
Production scrap sales	118 325 061	115 065 785
	<u>9 203 966 230</u>	<u>8 426 272 901</u>

–Sales include amount of LE 763 204 676 represents carpet sales to related parties at December 31, 2025.

26- Financial investments income

	<u>31/12/2025</u>	<u>31/12/2024</u>
Oriental Weavers International	1 506 002 029	1 469 341 888
Oriental Weavers Textile	37 675 745	35 115 529
Egyptian Company Fiber – EFCO	169 666 000	67 866 400
Modern Spinning Company	--	211 574
mac company	8 218 700	8 218 700
	<u>1 721 562 474</u>	<u>1 580 754 091</u>

27- General and administrative expenses

	<u>31/12/2025</u>	<u>31/12/2024</u>
Salaries & wages	162 811 299	139 734 328
Social insurance	6 461 636	5 043 558
	<u>169 272 934</u>	<u>144 777 886</u>
Other administrative expenses	93 780 530	70 033 487
	<u>263 053 464</u>	<u>214 811 373</u>

28- FINANCE EXPENSES

	<u>31/12/2025</u>	<u>31/12/2024</u>
Bank interest	53 330 369	61 140 454
Financing cost of purchase of land in	--	1 015 890
Interest of lease contracts liabilities	43 527 345	36 455 566
	<u>96 857 714</u>	<u>98 611 910</u>

29- Income tax

	<u>31/12/2025</u>	<u>31/12/2024</u>
Current income tax	91 949 757	99 341 699
Dividend Income tax	17 846 216	7 608 510
Treasury bills tax	80 723 722	101 640 446
Income tax at statement of income	<u>190 519 695</u>	<u>208 590 655</u>

29-1 Effective tax rate

	<u>31/12/2025</u>	<u>31/12/2024</u>
Profit before tax	2 325 090 614	2 141 717 040
Tax rate	%22.5	%22.5
Tax at the domestic	<u>523 145 388</u>	<u>481 886 334</u>
Depreciation	(6 294 896)	(346 448)
Tax exempt	(387 481 484)	(355 669 670)
Provisions	13 564 930	18 507 387
Capital gain	(2 054 529)	(1 026 911)
Non-deductible expenses	(48 929 652)	(44 008 993)
Current income tax	<u>91 949 757</u>	<u>99 341 699</u>
Dividend Income tax	17 846 216	7 608 510
Treasury bills tax	80 723 722	101 640 446
	<u>190 519 695</u>	<u>208 590 655</u>
	<u>% 8.19</u>	<u>% 9.74</u>

30- Basic earnings per share

- 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 to third parties as of December 31, 2025 amounted to L.E 88 356 827

32- CAPITAL COMMITMENTS

The capital commitments as of December 31, 2025 amounted to L.E 17 069 180 represents the value of new extension related to showrooms.

33- TAX POSITION

1-33 Corporate Tax

- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The years 2020 to 2022 are currently under review.
- The company submits its annual tax return regularly on legal dates.

2-33 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.

3-33 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.

4-33 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.

5-33 Real estate Tax

- The tax has been assessed and paid till December 31, 2025.

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 Separate financial statements as follows:

	Note	<u>31/12/2025</u>	<u>31/12/2024</u>
Trades and notes receivable	(11)	1 589 727 461	1 454 453 109
Debtors and other debit accounts	(12)	698 158 146	605 798 519
		<u>2 287 885 607</u>	<u>2 060 251 628</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.

The monetary assets and liabilities at the financial position date are equivalent to L. E 1 189 844 041 and L.E 890 829 475 respectively.

At the Separate financial position date, the net balances of foreign currencies as follows: -

<u>Foreign currencies</u>	<u>Surplus/(Deficit)</u>
USD	7 722 188
Euro	(1 241 324)
GBP	11

As explained in Note (4-1) "Foreign currency translation", the balances of assets and liabilities of a monetary nature denominated in foreign currencies described above have been assessed using the exchange rates declared by the banks with which the Company deals at the reporting date.

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.