

**ORIENTAL WEAVERS' CARPETS COMPANY**

**(An Egyptian Joint Stock Company)**

**Consolidated Financial Statements**

**For The Financial Period ended March 31, 2026**

**Together With limited review report**

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Translation from Arabic

## Limited Review Report

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

#### Introductory

We have reviewed the accompanying consolidated financial position of Oriental Weavers Company for Carpets "S.A.E" at March 31, 2026 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the three months then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

#### Scope of limited review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view for the consolidated financial position of the Company as of March 31, 2026 and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

Cairo: May 20, 2026

Auditor

Amr Wahid Abdel Ghaffar

Bakertilly Mohamed Hilal & Wahid Abdel Ghaffar

ADVISORY • ASSURANCE • TAX

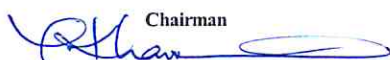
Mohamed Hilal & Wahid Abdel Ghaffar trading as Baker Tilly Hilal & Abdel Ghaffar is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

**Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)**  
**Consolidated statement of financial position as of march 31, 2026**

(All amounts are in Egyptian Pounds)

	Note №	31/3/2026	31/12/2025
<b>Non current assets</b>			
Fixed assets	(6)	8 864 551 902	8 145 992 227
Projects in progress	(7)	508 715 662	432 892 831
Right of use assets	(8)	510 358 524	518 695 424
Deferred tax assets	(24)	--	8 110 231
Investments at fair value through other comprehensive income	(9)	1 149 412 110	1 010 593 966
<b>Total non current assets</b>		<b>11 033 038 198</b>	<b>10 116 284 679</b>
<b>Current assets</b>			
Inventory	(10)	10 424 918 012	10 152 672 252
Trades and notes receivable	(11)	4 880 516 178	4 534 598 797
Debtors and other debit accounts	(12)	1 128 495 175	1 371 760 380
Assets held for sale	(17)	11 717 428	69 259 868
Treasury bills	(13)	2 226 600 359	805 438 717
Financial assets at amortized cost	(14)	1 101 572 190	492 146 156
Financial assets at fair value through profit or loss	(15)	1 307 547 927	903 865 786
Cash at banks and on hand	(16)	4 963 979 196	4 632 540 191
<b>Total current assets</b>		<b>26 045 346 465</b>	<b>22 962 282 147</b>
<b>Total assets</b>		<b>37 078 384 663</b>	<b>33 078 566 826</b>
<b>Equity</b>			
Issued and paid up capital	(19)	665 107 268	665 107 268
Reserves	(20)	1 566 031 629	1 534 111 447
Retained earnings		4 761 348 700	2 482 016 283
Net profit for the Period / year		858 468 685	2 189 343 558
Exchange differences arising on translation of financial statements		13 893 397 475	11 995 255 064
<b>Total equity attributable to the parent company</b>		<b>21 744 353 757</b>	<b>18 865 833 620</b>
Non controlling interest	(21)	1 799 827 003	1 966 368 620
<b>Total equity</b>		<b>23 544 180 760</b>	<b>20 832 202 240</b>
<b>Non current liabilities</b>			
Long term loans	(22)	115 158 892	109 644 343
lease contracts liabilities	(23)	433 240 775	443 662 340
Deferred tax liabilities	(24)	26 147 118	--
<b>Total non current liabilities</b>		<b>574 546 785</b>	<b>553 306 683</b>
<b>Current liabilities</b>			
Provisions	(25)	257 008 493	241 136 369
Banks-Credit accounts	(26)	7 551 823 761	6 613 356 814
Lease contracts liabilities - current portion	(23)	189 624 787	182 414 674
Long term liabilities - current portion	(22)	104 310 886	120 075 884
Trades and notes payable	(27)	2 758 443 139	2 792 638 925
Dividends payable		290 850 646	171 431 033
Creditors and other credit accounts	(28)	1 536 402 179	1 336 918 898
Tax payable		271 193 227	235 085 306
<b>Total current liabilities</b>		<b>12 959 657 118</b>	<b>11 693 057 903</b>
<b>Total liabilities</b>		<b>13 534 203 903</b>	<b>12 246 364 586</b>
<b>Total equity and liabilities</b>		<b>37 078 384 663</b>	<b>33 078 566 826</b>

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

Chairman  
  
Yasmin Mohamed Farid Khamis

CEO & MD  
  
Hazem shawki Alzifzaf

CFO  
  
Shehta Farouk Imam

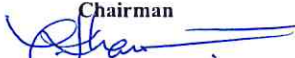
## Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

## Consolidated statement of income for the financial period ended march 31, 2026

(All amounts are in Egyptian Pounds)

	<u>№</u>	<u>31/3/2026</u>	<u>31/3/2025</u>
Net sales		6 944 811 444	6 397 840 009
<b>Less:</b>			
Cost of sales		6 086 688 840	5 611 975 235
<b>Gross profit</b>		<b>858 122 604</b>	<b>785 864 774</b>
<b>Add / (less):</b>			
Financial investments income		29 391	--
Capital gain		328 495 398	3 174 272
Other revenues		201 359 682	55 884 047
Treasury bills returns		88 137 025	138 850 668
Financial Assets at amortized cost -returns		89 216 985	24 984 039
Interest income		57 185 887	54 446 300
Distribution expenses		( 75 894 908)	( 72 983 801)
General and administrative expenses		( 227 789 914)	( 171 025 264)
Expected credit loss	(18)	39 334 496	( 13 838 950)
Formed provisions and impairment		( 34 543 447)	( 23 512 091)
Finance expenses	(29)	( 115 419 411)	( 133 364 909)
Foreign exchange differences		( 74 922 204)	19 402 045
<b>Net profit for the period before income tax</b>		<b>1 133 311 584</b>	<b>667 881 130</b>
<b>(Less)\ Add:</b>			
Current income tax		( 183 510 138)	( 121 200 099)
Deferred tax		( 56 800 012)	4 237 620
<b>Income tax for the period</b>		<b>( 240 310 150)</b>	<b>( 116 962 479)</b>
<b>Net profit for the period after income tax</b>		<b>893 001 434</b>	<b>550 918 651</b>
<b>Attributable to:</b>			
The parent company		858 468 685	513 255 999
Non controlling interest		34 532 749	37 662 652
		<b>893 001 434</b>	<b>550 918 651</b>
<b>Basic earnings per share in the separate financial statements</b>	(30)	<b>2.58</b>	<b>2.65</b>

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

Chairman  
  
 Yasmin-Mohamed Farid Khamis

CEO & MD  
  
 Hazem shawki Alzifzaf

CFO  
  
 Shehta Farouk Imam

**Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)****Consolidated statement of comprehensive income for the financial period ended march 31, 2026**

(All amounts are in Egyptian Pounds)

	<u>31/3/2026</u>	<u>31/3/2025</u>
<b>Net profit for the period</b>	<b>893 001 434</b>	<b>550 918 651</b>
<b>Other comprehensive income</b>		
Changes in fair value of investments at FVTOCI	31 920 180	( 1 124 244)
Translation exchange differences	2 024 469 188	( 120 105 997)
<b>Total other comprehensive income after tax</b>	<b>2 056 389 368</b>	<b>( 121 230 241)</b>
<b>Total comprehensive income for the period</b>	<b>2 949 390 802</b>	<b>429 688 410</b>
<b><u>Attributable to:</u></b>		
The parent company	2 788 531 278	421 671 985
Non controlling interest	160 859 524	8 016 425
	<b>2 949 390 802</b>	<b>429 688 410</b>

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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Consolidated statement of changes in equity for the financial period ended march 31, 2026

(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 1/1/2025	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 retained earnings	--	--	2 192 283 305	(2 192 283 305)	--	--	--	--
Dividends	--	--	(226 450 485)	--	--	(226 450 485)	(141 105 814)	(367 556 299)
Total Comprehensive income for the period	--	(1 125 509)	--	513 255 999	(90 458 505)	421 671 985	8 016 425	429 688 410
<b>Balance at 31/3/2025</b>	<b>665 107 268</b>	<b>1 521 850 926</b>	<b>3 681 950 440</b>	<b>513 255 999</b>	<b>12 720 383 397</b>	<b>19 102 548 030</b>	<b>2 000 914 672</b>	<b>21 103 462 702</b>
<b>Balance at 1/1/2026</b>	<b>665 107 268</b>	<b>1 534 111 447</b>	<b>2 482 016 283</b>	<b>2 189 343 558</b>	<b>11 995 255 064</b>	<b>18 865 833 620</b>	<b>1 966 368 620</b>	<b>20 832 202 240</b>
Transferred to retained earning	--	--	2 189 343 558	(2 189 343 558)	--	--	--	--
Effect of changes in ownership interest in a subsidiary Paid by non-controlling interests to increase the capital of subsidiaries	--	--	199 550 995	--	--	199 550 995	(199 550 995)	--
Dividends	--	--	--	--	--	--	12 107 279	12 107 279
Total Comprehensive income for the period	--	31 920 182	--	858 468 685	1 898 142 411	(109 562 136)	(139 957 425)	(249 519 561)
<b>Balance at 31/3/2026</b>	<b>665 107 268</b>	<b>1 566 031 629</b>	<b>4 761 348 700</b>	<b>858 468 685</b>	<b>13 893 397 475</b>	<b>21 744 353 757</b>	<b>1 799 827 003</b>	<b>23 544 180 760</b>

The accompanying notes from №.(1) to №. (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 period ended March 31, 2026

(All amounts are in Egyptian Pounds)

	Note No	31/3/2026	31/3/2025
<b>Cash flows from operating activities</b>			
Net profit for the period before income tax		1 133 311 584	667 881 130
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>			
Fixed assets depreciation		316 159 193	294 896 720
Depreciation of right of use assets		43 722 311	37 695 816
Formed provisions and impairment		34 543 447	23 512 091
Expected credit loss		( 39 334 496)	13 838 950
Interest income		( 57 185 887)	( 54 446 300)
Finance expenses		115 419 411	133 364 909
Treasury bills returns		( 88 137 025)	( 138 850 668)
Financial investments revenues		( 29 391)	--
Capital (gain)		( 328 495 398)	( 3 174 272)
<b>Operating profits before changes in working capital</b>		<b>1 129 973 749</b>	<b>974 718 376</b>
<b>Change in :</b>			
Inventory		635 108 272	347 916 736
Trades and notes receivable and debit accounts		679 554 679	62 998 276
Assets held for sale		79 307 301	--
Trades and notes payable and credit accounts		( 484 912 696)	( 737 256 784)
<b>Cash flows provided by operating activities</b>		<b>2 039 031 305</b>	<b>648 376 604</b>
Proceeds from interest income		57 185 887	54 446 300
Finance expenses paid		( 115 419 411)	( 133 364 909)
Income tax paid		( 147 402 217)	( 94 741 199)
<b>Net cash flows provided by operating activities</b>		<b>1 833 395 564</b>	<b>474 716 796</b>
<b>Cash flows from investing activities</b>			
(Payments) for purchase of fixed assets and projects in progress		( 220 063 273)	( 200 908 891)
Proceeds from financial investments		29 391	--
Proceeds from sale of fixed assets		388 727 005	15 323 869
(Payments) for purchasing investments at fair value through profit or loss		( 403 682 141)	--
(Payments) for purchase of treasury bills		( 1 268 382 354)	( 296 400 000)
Proceeds from treasury bills		145 433 073	294 308 027
Proceeds from financial assets at amortized cost		( 538 031 074)	( 727 882 948)
<b>Net cash flows (used in) investing activities</b>		<b>( 1 895 969 373)</b>	<b>( 915 559 943)</b>
<b>Cash flows from financing activities</b>			
Proceeds from banks-credit accounts		278 103 615	565 987 564
Dividends paid and payments for non controlling interest		( 229 018 242)	( 128 214 156)
Paid by non-controlling interests to increase the capital of subsidiaries		12 107 279	--
(Payment) for Lease contracts liabilities		( 39 182 121)	( 30 839 628)
Exchange differences arising from translation of financial statements		229 202 497	( 48 956 649)
(Payment) for long term loans		( 34 004 352)	( 46 913 270)
<b>Net cash flows provided by financing activities</b>		<b>217 208 676</b>	<b>311 063 861</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>154 634 867</b>	<b>( 129 779 286)</b>
Cash and cash equivalents at the beginning of the period		4 844 274 527	4 232 775 594
Translation exchange differences related to cash and cash equivalents		388 165 540	( 16 049 512)
<b>Cash and cash equivalents at end of the period represents in:</b>		<b>5 387 074 934</b>	<b>4 086 946 796</b>
Cash and cash equivalents	(16)	4 969 011 387	3 791 707 485
Treasury bills	(13)	2 226 600 359	2 048 985 028
Treasury bills due more than three months		( 1 808 536 812)	( 1 753 745 717)
<b>Cash and cash equivalents</b>		<b>5 387 074 934</b>	<b>4 086 946 796</b>

During the consolidation process, an amount of EGP (1 415 624 543) was eliminated from working capital items, together with EGP (1 172 640 565) from investing activities and EGP (1 127 995 020) from financing activities, against EGP (1 460 270 088) representing translation differences.

The accompanying notes from No. (1) to No. (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 abroad.
- Manufacturing, selling and exporting all kinds of natural and industrial raw materials which are necessary for the manufacturing of carpets, whether in the form of yarn or in the form of materials needed to produce the yarn, as well as importing all the necessary needs to achieve this purpose.
- Importing all machine-made and hand-made rugs and the accessories complementary to its product mix from Egypt or from outside the country for the purpose of marketing and selling them domestically.

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>31/3/2026</u>	<u>31/12/2025</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	88.12	69.26
New Mac	57.12	57.12
Oriental Weavers Textile	71.44	71.44

\* The Company has subscribed to the capital increase of subsidiary company (EFCO) for 26 290 753 shares with a nominal value of 10 Egyptian pounds per share, resulting in an ownership percentage of 88.12%.

#### 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 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

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	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.
<b>Debt investments at FVOCI</b>	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.
<b>Equity investments at FVOCI</b>	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 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.

### **5-6-7 Offsetting**

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

### **5-7 Goodwill**

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

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

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

(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
<b>Cost as of 31/12/2024</b>	<b>1 658 038 678</b>	<b>7 281 240 923</b>	<b>24 967 611 576</b>	<b>750 590 082</b>	<b>418 520 815</b>	<b>265 421 413</b>	<b>378 788 859</b>	<b>754 094 874</b>	<b>36 474 307 220</b>
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)	(5 488 306 597)
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)
<b>Cost as of 31/12/2025</b>	<b>1 573 302 006</b>	<b>6 593 131 945</b>	<b>23 813 608 481</b>	<b>721 831 624</b>	<b>457 376 598</b>	<b>278 059 499</b>	<b>369 558 488</b>	<b>737 587 561</b>	<b>34 544 456 202</b>
Additions	--	108 608 578	37 110 157	7 311 162	20 166 266	--	2 497 758	6 591 573	182 285 494
Disposals	(32 992 587)	(226 738 729)	(409 226 002)	(12 910 246)	--	--	(2 898 964)	(41 909 336)	(726 675 864)
Reclassification of assets held for sale	(17)	(6 445 525)	--	--	--	--	--	--	(62 040 663)
Translation exchange differences	185 188 991	824 581 425	3 069 770 428	93 786 367	41 689 725	564 100	36 100 980	92 818 486	4 344 500 502
<b>Cost as of 31/3/2026</b>	<b>1 719 052 885</b>	<b>7 243 988 081</b>	<b>26 511 263 064</b>	<b>810 018 907</b>	<b>519 232 589</b>	<b>278 623 599</b>	<b>405 258 262</b>	<b>795 088 284</b>	<b>38 282 525 671</b>
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)
<b>Accumulated depreciation and impairment as of 31/12/2025</b>	<b>--</b>	<b>3 988 430 663</b>	<b>20 237 923 539</b>	<b>663 546 005</b>	<b>330 904 463</b>	<b>207 047 946</b>	<b>289 523 641</b>	<b>681 087 718</b>	<b>26 398 463 975</b>
Depreciation of period	--	61 417 716	217 799 248	5 781 766	9 101 599	9 121 581	4 351 137	8 586 146	316 159 193
Disposals of accumulated depreciation	--	(161 164 240)	(446 636 184)	(12 994 482)	--	--	(3 097 010)	(42 552 341)	(666 444 257)
Reclassification of assets held for sale	(17)	(50 323 235)	--	--	--	--	--	--	(50 323 235)
Translation exchange differences	--	512 143 727	2 665 097 913	87 643 715	34 020 891	530 292	32 349 475	87 432 080	3 420 118 093
<b>Accumulated depreciation and impairment as of 31/3/2026</b>	<b>--</b>	<b>4 350 504 631</b>	<b>22 674 184 516</b>	<b>743 977 004</b>	<b>374 926 953</b>	<b>216 699 819</b>	<b>323 127 243</b>	<b>734 553 603</b>	<b>29 417 973 769</b>
Net book value as of 31/3/2026	1 719 052 885	2 893 483 450	3 837 078 548	66 041 903	144 305 636	61 923 780	82 131 019	60 534 681	8 864 551 902
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

**7- PROJECTS IN PROGRESS**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Buildings under Construction	115 869 897	165 201 178
Machinery & Equipment under installation	188 021 700	148 182 379
Computer systems	38 334 936	37 373 006
Letters of Credit for the Purchase of Fixed Assets	96 321 120	--
Advance payment for purchasing of Fixed assets	70 168 009	82 136 268
	<u>508 715 662</u>	<u>432 892 831</u>

**8- RIGHT USE OF ASSETS**

	<u>Oriental weavers</u>		
	<u>Showroom rent</u>	<u>USA - rental</u>	<u>Total</u>
Cost at 31/12/2025	764 923 297	476 951 310	1 241 874 607
Additions during the period	24 980 683	1 125 519	26 106 202
Disposals during the period	(16 112 542)	--	(16 112 542)
Translation differences	--	69 190 665	69 190 665
<b>Cost at 31/3/2026</b>	<u>773 791 438</u>	<u>547 267 494</u>	<u>1 321 058 932</u>
Accumulated depreciation at 31/12/2025	328 675 726	394 503 457	723 179 183
Depreciation of period	28 465 373	15 256 938	43 722 311
Disposals of accumulated depreciation	(14 556 675)	--	(14 556 675)
Translation differences	--	58 355 589	58 355 589
<b>Accumulated depreciation at 31/3/2026</b>	<u>342 584 424</u>	<u>468 115 984</u>	<u>810 700 408</u>
<b>Net book value at 31/3/2026</b>	<u>431 207 014</u>	<u>510 151 510</u>	<u>510 358 524</u>
<b>Net book value at 31/12/2025</b>	<u>436 247 571</u>	<u>82 447 853</u>	<u>518 695 424</u>

**9- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Egyptian Propylene & Polypropylene Company "E.P.P"	1 095 731 845	956 913 701
Alahli Bank of Kuwait- Egypt	50 464 513	50 464 513
Oriental for Industrial Projects	3 212 000	3 212 000
Cambridge Weavers (under liquidation)	3 750	3 750
Trading for Development Export	1	1
Egyptian for Trade and Marketing	1	1
	<u>1 149 412 110</u>	<u>1 010 593 966</u>

**10- INVENTORY**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Raw materials	4 327 032 761	4 074 285 966
Spare parts & materials	1 020 706 157	937 020 641
Work in process	459 241 905	461 381 465
Finished products	4 720 515 967	4 762 187 827
Letter of credit for purchasing of raw materials	115 363 901	100 207 054
	<u>10 642 860 691</u>	<u>10 335 082 953</u>
<b>Less: Impairment in inventory</b>	(217 942 679)	(182 410 701)
	<u>10 424 918 012</u>	<u>10 152 672 252</u>

**11- TRADES & NOTES RECEIVABLE**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Trades receivables	4 700 108 866	4 472 803 981
Notes receivables	941 792 903	781 115 329
	<u>5 641 901 769</u>	<u>5 253 919 310</u>
(Less): Expected credit loss – Note No (18)	(761 385 591)	(719 320 513)
	<u>4 880 516 178</u>	<u>4 534 598 797</u>

**12- DEBTORS AND OTHER DEBIT ACCOUNTS**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Prepaid expenses	158 210 619	79 062 448
Tax authority – debit accounts	634 126 074	991 189 360
Deposits with others	90 169 140	78 693 584
Accrued revenues	26 020 879	28 725 814
Letter of guarantee covers	34 628 233	30 348 226
Petty cash & advance to employees	27 399 285	21 884 988
Suppliers – advance payment	92 642 736	99 376 822
Other debit accounts	72 216 669	47 748 134
	<u>1 135 413 635</u>	<u>1 377 029 376</u>
(Less): Expected credit loss – Note No (18)	(6 918 460)	(5 268 996)
	<u>1 128 495 175</u>	<u>1 371 760 380</u>

**13- TREASURY BILLS**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Treasury bills (mature in 90 days)	447 925 000	228 500 000
Treasury bills (mature in more than 90 days)	1 949 800 000	639 200 000
	<u>2 397 725 000</u>	<u>867 700 000</u>
(Less): Unrealized returns	(171 124 641)	(62 261 283)
	<u>2 226 600 359</u>	<u>805 438 717</u>

**14- FINANCIAL ASSETS AT AMORTIZED COST**

	<u>31/3/2026</u>	<u>31/12/2025</u>
B- Financial assets managed by third parties	1 101 572 190	492 146 156
	<u>1 101 572 190</u>	<u>492 146 156</u>

**15- FINANCIAL ASSETS AT FAIR VALUE THROGHE PROFIT OR LOSS**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Treasury bonds – Eurobond	1 307 547 927	903 865 786
	<u>1 307 547 927</u>	<u>903 865 786</u>

**16- CASH AND CASH EQUIVALENTS**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Banks – Time deposit	2 216 682 347	2 832 556 290
Banks – Current accounts	2 743 872 862	1 798 010 742
Cash on hand	8 493 752	5 756 858
<b>Cash at banks and on hand</b>	<b>4 969 048 961</b>	<b>4 636 323 890</b>
<b>(Less):</b> Expected credit loss – Note No (18)	<b>(5 069 765)</b>	<b>(3 783 699)</b>
	<u><b>4 963 979 196</b></u>	<u><b>4 632 540 191</b></u>

**Cash and cash equivalents for cash flows statement purposes**

Cash in banks and the fund before the expected credit loss	4 969 048 961	4 636 323 890
Term deposits held as security for part of the credit facilities granted to the group	(37 574)	(37 574)
<b>Cash and cash equivalents</b>	<b>4 969 011 387</b>	<b>4 636 286 316</b>
<b>Add:</b>		
Treasury bills with maturity of 90 days	418 063 547	207 988 211
<b>Cash and cash equivalents for cash flows statement Purposes</b>	<b>5 387 074 934</b>	<b>4 844 274 527</b>

**17- Assets held for sale**

	<u>31/12/2026</u>	<u>31/12/2025</u>
Fixed assets - Oriental Weavers Co. U.S.A.	11 717 428	69 259 868
	<u><b>11 717 428</b></u>	<u><b>69 259 868</b></u>

**18- Expected credit loss**

	<u>Trade receivables</u>	<u>Debtors &amp; other debit balances</u>	<u>Cash &amp; cash equivalent</u>	<u>Total</u>
balance at 1/1/2026	719 320 513	5 268 996	3 783 699	728 373 208
Charge to statement of income	(41 560 748)	1 466 820	759 432	(39 334 496)
Translation differences	83 625 826	182 644	526 634	84 335 104
<b>Provision balance at 31/3/2026</b>	<b>761 385 591</b>	<b>6 918 460</b>	<b>5 069 765</b>	<b>773 373 816</b>

**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>31/3/2026</u>	<u>31/12/2025</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	123 479 701
Net assets revaluation reserve	65 767 458	65 767 458
Unrealized gain from financial investments at FVTOCI	284 822 630	252 902 448
	<u>1 566 031 629</u>	<u>1 534 111 447</u>

**21- Non-Controlling interest**

	<u>Non-controlling interest in Equity</u>	<u>Non- controlling interest in comprehensive income</u>	<u>Balance as of 31/3/2026</u>	<u>Balance as of 31/12/2025</u>
Oriental Weavers international Co (O.W.I)	510 727	105 764	616 491	574 513
MAC Carpet Mills	464 930 390	(6 830 371)	458 100 019	504 810 795
Egyptian Fibres Co. EFCO	128 835 023	16 739 439	145 574 462	357 047 212
New MAC	6 879 121	1 902 100	8 781 221	7 512 596
Oriental Weavers Textile	829 037 363	81 721 621	910 758 984	887 694 721
Oriental Weavers Co. U.S.A.	208 774 855	67 220 971	275 995 826	208 728 783
	<u>1 638 967 479</u>	<u>160 859 524</u>	<u>1 799 827 003</u>	<u>1 966 368 620</u>

22- Long term loans

BANK	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 31/3/2026	Balance as of 31/3/2026		Balance as of 31/12/2025		Terms of Payment
				current portion due in one period	long term installments	current portion due in one period	long term installments	
Qatar National Bank Al Ahli	EURO	3 000 000	75 499 721	12 583 296	62 916 425	55 190 972	22 074 623	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	--	--	--	23 374 913	16 352 209	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	78 554 913	52 369 942	26 184 971	31 078 458	46 749 826	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.
E Bank	USD	2 170 000	65 415 144	39 357 648	26 057 496	--	34 899 226	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.
			219 469 778	104 310 886	115 158 892	109 644 343	120 075 884	

## 23- LEASE CONTRACTS LIABILITY

	<u>Due within one</u> <u>year</u>	<u>Due more than</u> <u>one year</u>	<u>Balance at</u> <u>31/3/2026</u>
Oriental Weavers Co. U.S.A.	48 702 083	35 257 128	83 959 211
Showroom	140 922 704	397 983 647	538 906 351
	<u>189 624 787</u>	<u>433 240 775</u>	<u>622 865 562</u>

## 24- - DEFERRED TAX LIABILITIES

### -Deferred tax Assets and liabilities

	<u>31/3/2026</u>		<u>31/12/2025</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Fixed assets	--	(220 345 430)	--	(214 491 624)
Temporary tax differences – O.W. (USA)	241 163 769	--	269 567 312	--
Fair value reserve of investment at FVOCI	--	(46 965 457)	--	(46 965 457)
<b>Total deferred tax assets / (liabilities)</b>	<u>241 163 769</u>	<u>(267 310 887)</u>	<u>269 567 312</u>	<u>(261 457 081)</u>
<b>Net deferred tax (liabilities)</b>	<u>--</u>	<u>(26 147 118)</u>	<u>8 110 231</u>	<u>--</u>

### - The movement of deferred tax liabilities is shown below:

	<u>31/3/2026</u>		<u>31/12/2025</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
Beginning balance	269 567 312	(261 457 081)	315 452 904	(258 372 045)
Fair value reserve of investment at FVOCI	--	--	--	(3 328 523)
Charged to the statement of income	(60 238 021)	3 528 009	(27 182 510)	(3 999 399)
Translation Difference	31 924 478	(9 381 815)	(18 703 082)	4 242 886
<b>Ending balance</b>	<u>241 163 769</u>	<u>(267 310 887)</u>	<u>269 567 312</u>	<u>(261 457 081)</u>

## 25- Provisions

	<u>Balance as of</u> <u>1/1/2026</u>	<u>Formed</u> <u>During</u> <u>the period</u>	<u>Used</u> <u>During</u> <u>the period</u>	<u>Translation</u> <u>Differences</u>	<u>Balance as of</u> <u>31/3/2026</u>
Provisions for claims	241 136 369	16 054 164	(1 030 311)	848 271	257 008 493
	<u>369 136 241</u>	<u>16 054 164</u>	<u>(1 030 311)</u>	<u>848 271</u>	<u>257 008 493</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 7 551 823 761 as of March 31, 2026 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>31/3/2026</u>	<u>31/12/2025</u>
Trades payable	1 880 753 905	1 951 073 293
Notes Payable	877 689 234	841 565 632
	<u>2 758 443 139</u>	<u>2 792 638 925</u>

-Trades & Notes Payable include amount of LE 553 139 due to related parties at march 31, 2026, results from carpet's sales to these parties.

**28- CREDITORS AND OTHER CREDIT ACCOUNTS**

	<u>31/3/2026</u>	<u>31/12/2025</u>
Accrued expenses	395 490 663	327 152 592
Tax authority	60 877 612	54 132 390
Social insurance authority	36 488 475	25 475 271
Trade receivable – advance payment	711 783 781	604 130 952
Creditors – purchases of fixed assets	1 455 736	14 253 579
Credit balances - related parties	5 398 258	5 594 373
Deposits from others	199 627 560	205 647 486
Other credit accounts	125 280 094	100 532 255
	<u>1 536 402 179</u>	<u>1 336 918 898</u>

**29- FINANCE EXPENSES**

	<u>31/3/2026</u>	<u>31/3/2025</u>
Bank interest	99 425 117	118 215 801
Interest of lease contracts liabilities	15 994 294	15 149 108
	<u>115 419 411</u>	<u>133 364 909</u>

**30- Basic earnings per share in the separate financial statements**

The basic earnings per share are determined as follows: -

	<u>31/3/2026</u>	<u>31/3/2025</u>
Net profit for the period	1 715 585 691	1 764 303 658
Weighted Average Number of Shares Outstanding During the Period	665 107 268	665 107 268
Basic Earnings per Share (EPS)	<u>2.58</u>	<u>2.65</u>

**31- CONTINGENT LIABILITIES**

Letter of Guarantees Issued by Banks in favour of the company and its subsidiaries to third parties as of March 31, 2026 amounted to L.E 164 326 610 the contingent liabilities from letter of credit in that date amounted to L.E 1 141 940 893

## **32- CAPITAL COMMITMENTS**

The capital commitments as of March 31, 2026, amounted to L.E. 124,990,312, representing 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.

#### **Value Add 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:**

	Note	<u>2026/3/31</u>	<u>2025/12/31</u>
	<u>No</u>		
Trades and notes receivable	(11)	4 880 516 178	4 534 598 797
Debtors and other debit accounts	(12)	1 128 495 175	1 371 760 380
		<u>6 009 011 353</u>	<u>5 906 359 177</u>

**B- Liquidity risk**

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

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

**C- Market risk**

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

**Exchange rate risk**

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

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

**Interest rate risk**

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

**D - Capital Management**

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