

ORIENTAL WEAVERS CARPETS COMPANY

(An Egyptian Joint Stock Company)

Separate Financial Statements

For The Financial period ended March 31, 2026

Together With limited review report

Contents**Page**

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

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

87 Ramsis Street, Cairo.
Egypt

T: +2 2310 10 31,32,33,34,35
T: +2 2574 48 10
T: +2 2577 07 85

info@bakertillyeg.com
www.bakertillyeg.com

Translation from Arabic

Limited Review Report

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

Introductory

We have reviewed the accompanying separate financial position of Oriental Weavers Company for Carpets "S.A.E" at March 31, 2026 and the separate statement of income, separate statement of comprehensive income, separate statement of changes in equity and separate cash flow statement for the three months then ended, and a summary of significant accounting policies and other explanatory notes. These separate financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these separate 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 separate 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 separate interim financial statements do not give a true and fair view for the separate 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

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of financial position as of March 31, 2026

(All amounts are in Egyptian Pounds)

	Note No	31/3/2026	31/12/2025
<u>Non current assets</u>			
Fixed assets	(5)	1 011 245 566	1 056 000 422
Projects in progress	(8)	74 575 342	58 137 538
Right of use assets	(9)	371 690 664	381 317 950
Investments in subsidiaries	(6)	1 611 431 418	1 348 416 085
Investments at fair value through other comprehensive income	(7)	50 464 515	50 464 515
Total non current assets		3 119 407 505	2 894 336 510
<u>Current assets</u>			
Inventory	(10)	1 882 328 447	2 038 832 704
Trades and notes receivable	(11)	1 657 803 634	1 589 727 461
Debtors and other debit accounts	(12)	1 887 750 709	698 158 146
Treasury bills	(13)	1 628 195 468	597 450 506
Cash at banks and on hand	(14)	675 522 493	1 447 502 837
Total current assets		7 731 600 751	6 371 671 654
Total assets		10 851 008 256	9 266 008 164
<u>Equity</u>			
Issued and paid up capital	(16)	665 107 268	665 107 268
Reserves	(17)	1 170 616 951	1 170 616 951
Retained earnings		4 358 597 005	2 232 816 063
Net profit for the period/year		1 715 585 691	2 125 780 942
Total equity		7 909 906 915	6 194 321 224
<u>Non current liabilities</u>			
lease contracts liabilities	(18)	333 637 697	343 768 497
Deferred tax liabilities	(19)	103 915 612	108 219 905
Total non current liabilities		437 553 309	451 988 402
<u>Current liabilities</u>			
Provisions	(20)	178 844 157	168 844 157
Credit accounts	(21)	442 283 477	433 875 064
Lease contracts liabilities - current portion	(18)	128 421 449	123 853 145
Trades and notes payable	(22)	1 263 460 768	1 394 592 115
Dividends payable		435 785	14 066 778
Creditors and other credit accounts	(23)	397 045 861	392 517 522
Tax payable		93 056 535	91 949 757
Total current liabilities		2 503 548 032	2 619 698 538
Total liabilities		2 941 101 341	3 071 686 940
Total equity and liabilities		10 851 008 256	9 266 008 164

The accompanying notes from No.(1) to No. (33) form an integral part of these separate financial statements.
Limited review attached.

Chairman

Yasmin Mohamed Farid-Khamis

CEO

Hazem shawki Alzifzaf

CFO

Shehta Farouk Imam

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)
Separate statement of income for the financial period ended March 31, 2026

(All amounts are in Egyptian Pounds)

	Note	31/3/2026	31/3/2025
	No		
Net sales	(24)	2 415 008 921	2 334 526 774
Less:			
Cost of sales		2 169 677 384	2 207 345 315
Gross profit		245 331 537	127 181 459
Add / (less):			
Financial investments income	(25)	1 496 295 264	1 716 061 260
Capital gain		70 808 581	1 842 189
Other revenues		57 755 549	5 731 171
Treasury bills returns		78 703 951	125 570 852
Interest income		20 322 043	14 531 696
Distribution expenses		(57 506 128)	(54 475 527)
General and administrative expenses	(26)	(88 869 272)	(62 915 589)
Expected credit loss	(15)	(1 508 718)	(1 954 304)
Formed provisions and impairment		(21 717 605)	(16 531 776)
Finance expenses	(27)	(22 863 693)	(21 693 801)
Foreign exchange differences		66 620 329	21 869 961
Net profit for the period before income tax		1 843 371 838	1 855 217 591
(Less)\ Add:			
Current income tax for the period	(28)	(132 090 440)	(93 661 969)
Deferred tax	(19)	4 304 293	2 748 036
Income tax for the period		(127 786 147)	(90 913 933)
Net profit for the period after income tax		1 715 585 691	1 764 303 658
Basic earnings per share	(29)	2.58	2.65


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

Chairman

Yasmin-Mohamed Farid Khamis

CEO

Hazem shawki Alzifzaf

CFO

Shehta Farouk Imam

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Separate 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>
Net profit for the period	1 715 585 691	1 764 303 658
Other comprehensive income	--	--
Total other comprehensive income after tax	<u>--</u>	<u>--</u>
Total comprehensive income for the period	<u><u>1 715 585 691</u></u>	<u><u>1 764 303 658</u></u>

The accompanying notes from N^o.(1) to N^o. (33) 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 period ended March 31, 2026

(All amounts are in Egyptian Pounds)

	Issued and paid up capital	Reserves	Retained earnings	Net profit	Total equity
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 retained earning	--	--	1 931 732 736	(1 931 732 736)	--
Total Comprehensive income for the period	--	--	--	1 764 303 658	1 764 303 658
Balance at 31/3/2025	665 107 268	1 155 578 228	3 434 016 205	1 764 303 658	7 019 005 359
Balance at 1/1/2026	665 107 268	1 170 616 951	2 232 816 063	2 125 780 942	6 194 321 224
Transferred to retained earning	--	--	2 125 780 942	(2 125 780 942)	--
Total Comprehensive income for the period	--	--	--	1 715 585 691	1 715 585 691
Balance at 31/3/2026	665 107 268	1 170 616 951	4 358 597 005	1 715 585 691	7 909 906 915

The proposed profit distribution plan has been approved by the Company's Ordinary General Assembly held on April 2, 2026.

The accompanying notes from No.(1) to No.(33) 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 period ended March 31, 2026

(All amounts are in Egyptian Pounds)

	Note	31/3/2026	31/3/2025
	No		
Cash flows from operating activities			
Net profit for the period before income tax		1 843 371 838	1 855 217 591
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation		44 955 804	38 606 941
Depreciation of right of use assets		24 035 133	22 227 425
Expected credit loss		1 508 718	1 954 304
Finance expenses		22 863 693	21 693 801
Interest income		(20 322 043)	(14 531 696)
Formed provisions and impairment		21 717 605	16 531 776
Financial investments income		(1 496 295 264)	(1 716 061 260)
Treasury bills returns		(78 703 951)	(125 570 852)
Capital (gain)		(70 808 581)	(1 842 189)
Operating profits before changes in working capital		292 322 952	98 225 841
Change in :			
Inventory		144 786 652	9 560 665
Trades and notes receivable		(69 574 104)	(286 979 821)
Debtors and other debit accounts		218 675 434	(87 384 971)
Trades and notes payable		(131 131 347)	590 656 187
Creditors and other credit accounts		4 528 338	33 308 564
Cash flows provided by operating activities		459 607 925	357 386 465
Finance expenses paid		(22 863 693)	(21 693 801)
Proceeds from interest income		20 322 043	14 531 696
Income tax paid		(42 941 553)	(4 306 162)
Net cash flows provided by operating activities		414 124 722	345 918 198
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects in progress		(19 270 959)	(49 893 606)
(Payments) to treasury bills due more than three months		(1 088 041 010)	(296 400 000)
Proceeds from sale of fixed assets		73 440 788	2 820 043
Proceeds from treasury bills due more than three months		135 999 999	274 842 374
Proceeds from investments income		(263 015 333)	--
Net cash flows (used in) investing activities		(1 160 886 515)	(68 631 189)
Cash flows from financing activities			
proceeds to banks-credit accounts		8 408 413	134 561 138
Payments of lease contracts liabilities		(19 970 343)	(17 827 796)
(Payments) from long term loans		--	(26 050 133)
Dividends paid		(13 630 993)	(3 276 957)
Net cash flows (used in) / provided by financing activities		(25 192 923)	87 406 252
Net change in cash and cash equivalents during the period		(771 954 716)	364 693 261
Cash and cash equivalents at the beginning of the period		1 448 101 570	340 638 083
Cash and cash equivalents at end of the period represents in:	(14)	676 146 854	705 331 344
Cash and cash equivalents	(14)	676 146 854	582 817 181
Treasury bills	(13)	1 628 195 468	1 918 445 717
Treasury bills due more than three months	(13)	(1 628 195 468)	(1 795 931 554)
Cash and cash equivalents		676 146 854	705 331 344

The accompanying notes from No.(1) to No. (33) form an integral part of these separate 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, 2026, 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 May 20, 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 paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

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*

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Showrooms Fixture	Furniture & office equipment	Computers	Total
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
Additions	--	--	--	--	605 826	--	377 819	1 849 510	2 833 155
Disposals	--	(4 198 561)	--	(91 000)	--	--	--	--	(4 289 561)
Cost as of 31/3/2026	137 538 790	414 479 938	1 008 334 137	36 068 542	89 816 991	239 239 864	101 676 978	73 664 628	2 100 819 868
Accumulated depreciation 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 period **	--	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 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
Depreciation of period **	--	3 698 108	26 651 517	605 820	2 794 961	7 519 097	1 759 714	1 926 587	44 955 804
Disposals of accumulated depreciation	--	(1 566 354)	--	(91 000)	--	--	--	--	(1 657 354)
Accumulated depreciation as of 31/3/2026	--	195 819 834	514 424 053	25 320 998	51 557 800	185 591 532	56 078 732	60 781 353	1 089 574 302
Net book value as of 31/3/2026	137 538 790	218 660 104	493 910 084	10 747 544	38 259 191	53 648 332	45 598 246	12 883 275	1 011 245 566
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

* There are no restrictions on title as of March 31, 2026.

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

Industrial expenses	31/3/2026	31 148 611
Distribution expenses		12 888 732
General and administrative expenses		918 461
		44 955 804

Oriental Weavers Carpets Company (An Egyptian Joint Stock Company)

Notes to the separate financial statements for the financial period ended March 31, 2026

Translation from Arabic

(All amounts in Egyptian Pounds unless otherwise stated)

6- Investments in subsidiaries

	Country of Origin	Ownership %	Acquisition Cost	Accumulated Impairment	31/3/2026	31/12/2025
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. EFCC	Egypt	87.74	372 190 691	--	372 190 691	109 175 358
Mac Carpet Mills	Egypt	58.29	750 697 752	(350 674 879)	400 022 873	400 022 873
			2 017 670 592	(406 239 174)	1 611 431 418	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.

** 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 87.4%.

7- Investments at fair value through other comprehensive income

	31/3/2026	31/12/2025
Alahli Bank of Kuwait- Egypt	50 464 513	50 464 513
Trading for Development Export	1	1
Egyptian for Trade and Marketing	1	1
	50 464 515	50 464 515

8-PROJECTS IN PROGRESS

	<u>31/3/2026</u>	<u>31/12/2025</u>
Machinery & Equipment under installation	6 149 838	--
Buildings under Construction	44 088 873	43 082 217
Computers	10 841 012	10 654 930
Advance payment	13 495 619	4 400 391
	<u>74 575 342</u>	<u>58 137 538</u>

9-RIGHT USE OF ASSETS

	<u>Showroom</u> <u>rent</u>	<u>Total</u>
Cost at 31/12/2025	652 628 819	652 628 819
Additions of period	14 407 847	14 407 847
Disposals of period	(8 718 100)	(8 718 100)
Cost at 31/3/2026	<u>658 318 566</u>	<u>658 318 566</u>
Accumulated depreciation at 31/12/2025	271 310 869	271 310 869
Depreciation of period	24 035 133	24 035 133
Disposals of accumulated depreciation	(8 718 100)	(8 718 100)
Accumulated depreciation at 31/3/2026	<u>286 627 902</u>	<u>286 627 902</u>
Net book value at 31/3/2026	<u>371 690 664</u>	<u>371 690 664</u>
Net book value at 31/12/2025	<u>381 317 950</u>	<u>381 317 950</u>

10-INVENTORY

	<u>31/3/2026</u>	<u>31/12/2025</u>
Raw materials	538 271 415	563 906 824
Spare parts & materials	128 805 366	129 397 856
Work in process	42 462 508	53 752 598
Finished products	1 249 946 077	1 364 792 979
Letter of credit for purchasing of raw materials	12 843 081	5 264 824
	<u>1 972 328 447</u>	<u>2 117 116 099</u>
(Less): Impairment in inventory	(90 000 000)	(78 282 395)
	<u>1 882 328 447</u>	<u>2 038 832 704</u>

11-TRADES & NOTES RECEIVABLE

	<u>31/3/2026</u>	<u>31/12/2025</u>
Trades receivables – Export	938 838 291	922 705 629
Trades receivables – Local	357 360 051	402 281 194
	<u>1 296 198 342</u>	<u>1 324 986 823</u>
Notes receivables	425 998 492	327 635 907
	<u>1 722 196 834</u>	<u>1 652 622 730</u>
(Less): Expected credit loss – Note No (15)	(64 393 200)	(62 895 269)
	<u>1 657 803 634</u>	<u>1 589 727 461</u>

Trades & Notes Receivable include amount of LE 231 995 898 due from related parties at March 31, 2026 results from sales of carpets

12- DEBTORS AND OTHER DEBIT ACCOUNTS

	<u>31/3/2026</u>	<u>31/12/2025</u>
letter of guarantee covers	240 151	240 151
Tax authority – withholding	19 909 519	88 042 108
Tax authority – VAT	317 014 179	548 830 726
Petty cash & advance to employees	10 089 744	10 507 506
Suppliers – advance payment	6 645 030	1 516 458
Prepaid expenses	19 776 171	14 372 911
Deposits with others	10 235 446	10 035 446
Accrued revenue	1 469 093 711	1 195 397
Other debit accounts	35 059 939	23 745 465
	1 888 063 890	698 486 168
(Less): Expected credit loss – Note No (15)	(313 181)	(328 022)
	<u>1 887 750 709</u>	<u>698 158 146</u>

13- TREASURY BILLS

	<u>31/3/2026</u>	<u>31/12/2025</u>
Treasury bills mature in more than 90 days	1 754 500 000	639 200 000
Less:		
Unearned returns	(126 304 532)	(41 749 494)
	<u>1 628 195 468</u>	<u>597 450 506</u>

14- CASH AND CASH EQUIVALENTS

	<u>31/3/2026</u>	<u>31/12/2025</u>
Banks – Deposit	--	800 000 000
Banks – Current accounts	673 428 268	646 303 744
Cash on hand	2 718 586	1 797 826
Cash at banks and on hand	676 146 854	1 448 101 570
Less:		
(Less): Expected credit loss – Note No (15)	(624 361)	(598 733)
	<u>675 522 493</u>	<u>1 447 502 837</u>

Cash and cash equivalents for cash flows statement purposes

	<u>31/3/2026</u>	<u>31/12/2025</u>
Cash in banks and the fund before the expected credit loss	676 146 854	1 448 101 570
Treasury bills	1 628 195 468	597 450 506
Treasury bills with maturity of more than 90 days	(1 628 195 468)	(597 450 506)
Cash and cash equivalents for cash flows statement Purposes	<u>676 146 854</u>	<u>1 448 101 570</u>

15- Expected credit loss

	<u>Trade & Notes</u> <u>receivables</u>	<u>Debtors & other</u> <u>debit balances</u>	<u>Cash & cash</u> <u>equivalent</u>	<u>Total</u>
Balance as at 1/1/2026	62 895 269	328 022	598 733	63 822 024
Charge to statement of income	1 497 931	(14 841)	25 628	1 508 718
Provision balance at 31/3/2026	64 393 200	313 181	624 361	65 330 742

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>31/3/2026</u>	<u>31/12/2025</u>
Legal reserve	957 499 475	957 499 475
Special reserve	59 973 828	59 973 828
Capital reserve	123 479 701	123 479 701
Unrealized gain from financial investments at FVTOCI	29 663 947	29 663 947
	1 170 616 951	1 170 616 951

18- 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>31/3/2026</u>
Showroom rental	128 421 449	333 637 697	462 059 146
	128 421 449	333 637 697	462 059 146

19- DEFERRED TAX LIABILITIES

-Recognized 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	--	(95 303 241)	--	(99 607 534)
Fair value reserve of investment at FVOCI	--	(8 612 371)	--	(8 612 371)
Total deferred tax / (liabilities)	--	(103 915 612)	--	(108 219 905)
Net deferred tax (liabilities)	--	(103 915 612)	--	(108 219 905)

-The movement of deferred tax liabilities is shown below:

	<u>31/3/2026</u>	<u>31/12/2025</u>
	<u>(Liabilities)</u>	<u>(Liabilities)</u>
Balance at 1 January	(108 219 905)	(99 589 170)
Deferred tax arising from:		
Fixed assets	4 304 293	(8 789 977)
Fair value reserve of investment at FVOCI	--	159 242
Net deferred tax liability	<u>(103 915 612)</u>	<u>(108 219 905)</u>

-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>31/3/2026</u>		<u>31/12/2025</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	--	47 699	--
Expected credit losses	14 699 417	--	14 359 955	--
	<u>106 150 930</u>	<u>--</u>	<u>105 811 468</u>	<u>--</u>

20- Provisions

	<u>Balance as of</u>	<u>Formed</u>	<u>Balance as of</u>
	<u>1/1/2026</u>	<u>During</u>	<u>31/3/2026</u>
		<u>the period</u>	
Provisions for claims	168 844 157	10 000 000	178 844 157
	<u>168 844 157</u>	<u>10 000 000</u>	<u>178 844 157</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.

21- BANKS – CREDIT ACCOUNTS

	<u>31/3/2026</u>	<u>31/12/2025</u>
Bank of Alexandria	161 971 109	163 932 417
Export Development Bank	28 389 451	3 891 186
Arab Bank	19 904 584	34 522 475
Attijariwafa Bank	232 018 333	231 528 986
	<u>442 283 477</u>	<u>433 875 064</u>

22- TRADES & NOTES PAYABLE

	<u>31/3/2026</u>	<u>31/12/2025</u>
Trades payable – local	577 676 040	853 094 016
Trades payable – abroad	144 386 952	92 054 380
	<u>722 062 992</u>	<u>945 148 396</u>
Notes Payable	541 397 776	449 443 719
	<u>1 263 460 768</u>	<u>1 394 592 115</u>

-Trades & Notes Payable include amount of LE 987 792 071 due to related parties at March 31, 2026 results from purchase and operate of raw material

23- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/3/2026</u>	<u>31/12/2025</u>
Accrued expenses	75 049 931	83 316 698
Tax authority	21 342 716	20 846 066
Social insurance authority	5 509 126	6 521 941
Credit balances - related parties	5 398 258	5 594 373
Creditors – purchases of fixed assets	472 232	6 597 247
Deposits from others	18 380 203	18 335 059
Trade receivable – advance payment	252 643 476	220 882 465
Other credit accounts	18 249 919	30 423 673
	<u>397 045 861</u>	<u>392 517 522</u>

24- Sales (net)

	<u>31/3/2026</u>	<u>31/3/2025</u>
Local sales	1 967 355 541	1 671 871 393
Export sales	424 571 920	633 020 420
	<u>2 391 927 461</u>	<u>2 304 891 813</u>
Production scrap sales	23 081 460	29 634 691
	<u>2 415 008 921</u>	<u>2 334 526 774</u>

-Sales include amount of LE 134 857 321 represents carpet sales to related parties at March 31, 2026.

25- Financial investments income

	<u>31/3/2026</u>	<u>31/3/2025</u>
Oriental Weavers International	1 082 228 305	1 500 500 815
Oriental Weavers Textile	142 051 432	37 675 746
Egyptian Company Fiber – EFCO	272 015 527	169 666 000
mac company	--	8 218 700
	<u>1 496 295 264</u>	<u>1 716 061 260</u>

26- General and administrative expenses

	<u>31/3/2026</u>	<u>31/3/2025</u>
Salaries & wages	48 773 392	39 876 469
Social insurance	2 016 840	1 580 004
	<u>50 790 232</u>	<u>41 447 473</u>
Other administrative expenses	38 079 040	21 468 116
	<u>88 869 272</u>	<u>62 915 589</u>

27- FINANCE EXPENSES

	<u>31/3/2026</u>	<u>31/3/2025</u>
Bank interest	10 839 172	11 754 666
Interest of lease contracts liabilities	12 024 521	9 939 135
	<u>22 863 693</u>	<u>21 693 801</u>

28- Income tax

	<u>31/3/2026</u>	<u>31/3/2025</u>
Current income tax	89 148 887	50 768 337
Treasury bills tax	15 740 000	25 106 162
Dividend Income tax	27 201 553	17 788 470
Income tax at statement of income	<u>132 090 440</u>	<u>93 661 969</u>

28-1 Effective tax rate

	<u>31/3/2026</u>	<u>31/3/2025</u>
Profit before tax	1 843 371 838	1 855 217 591
Tax rate	%22.5	%22.5
Tax at the domestic	414 758 664	417 423 958
Depreciation	3 930 001	2 957 394
Tax exempt	(336 666 434)	(381 263 673)
Provisions	5 225 922	4 159 368
Capital gain	(15 931 930)	(119 157)
Non-deductible expenses	17 832 664	7 609 447
Current income tax	89 148 887	50 767 337
Dividend Income tax	27 201 553	17 788 470
Treasury bills tax	15 740 000	25 106 162
	<u>132 090 440</u>	<u>93 661 969</u>
	<u>7.12%</u>	<u>5.05%</u>

29- Basic earnings per share

- 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
Less:		
Average of shares number available during the period	665 107 268	665 107 268
	<u>2.58</u>	<u>2.65</u>

30- CONTINGENT LIABILITIES

Letter of Guarantees Issued by Banks in favour of the company to third parties as of March 31, 2026 amounted to L.E 107 341 750

31- CAPITAL COMMITMENTS

The capital commitments as of March 31, 2026 amounted to L.E 25 624 701 represents the value of new extension related to showrooms.

32- TAX POSITION

1-32 Corporate Tax

- The company has been inspected till December 31, 2019 and the assessed tax differences were paid.
- The company submits its annual tax return regularly on legal dates.

2-32 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.

3-32 Vat 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.

4-32 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.

5-32 Real estate Tax

- The tax has been assessed and paid till December 31, 2026.

33- 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		
	No	<u>31/12/2026</u>	<u>31/12/2025</u>
Trades and notes receivable	(11)	1 657 803 634	1 589 727 461
Debtors and other debit accounts	(12)	1 887 750 709	698 158 146
		<u>3 545 554 343</u>	<u>2 287 885 607</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 1 249 434 245 and L.E 740 789 037 respectively.

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

<u>Foreign currencies</u>	<u>Surplus/(Deficit)</u>
USD	10 702 150
Euro	(1 215 417)
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.