

Concrete Fashion Group for Commercial and Industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)

Consolidated Interim Financial Statements
for the Financial Period Ended September 30, 2025
and Independent Auditors' review report

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Hazem Hassan

Public Accountants & Consultants

12, Nour Effendi St., from Sultan Hussein St.,
El Pharaana
Alexandria

Telephone: (203) 485 32 51 / 485 32 52
Telefax : (203) 485 32 50
E-mail : alex@kpmg.com

Independent Auditors' Report on Review of Consolidated Interim Financial Statements

To the board of directors of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint company – Under Public Free Zone)

Introduction

We have reviewed the accompanying consolidated interim financial statements of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint company – Under Public Free Zone) and its subsidiaries "the Group" as of September 30, 2025, including:

- Consolidated statement of financial position as of September 30, 2025.
- Consolidated statement of profit or loss for the three-month and nine-month periods ended September 30, 2025.
- Consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2025.
- Consolidated statement of changes in equity for the nine-month period ended September 30, 2025.
- Consolidated statement of cash flows for the nine-month period ended September 30, 2025.
- Explanatory notes to the consolidated interim financial statements.

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with EAS (30). Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. (2410), "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.



Hazem Hassan

Translated from Arabic

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 present fairly, in all material respects, the consolidated financial position of Concrete Fashion Group for Commercial and Industrial Investments and its subsidiaries as of September 30, 2025 and its consolidated financial performance and its consolidated cash flows for the nine-month period then ended in accordance with Egyptian Accounting Standards.

Emphasis of matter

Without considering this as a qualification to our conclusion mentioned above, and as indicated in note (39) of the explanatory notes to the consolidated interim financial statements, the Extraordinary General Assembly of the parent company held on June 12, 2024, decided to change the parent company's fiscal yearend to December 31 instead of January 31. Consequently, the consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows and related disclosure for the financial period from January 1, 2025, to September 30, 2025, are presented in comparison with the reviewed comparative consolidated interim financial statements for the financial period from February 1, 2024, to September 30, 2024. Therefore, the corresponding figures are not comparable.

KPMG Hazem Hassan

Public accountants and consultants

Alexandria on December 1st, 2025

KPMG Hazem Hassan

KPMG Hazem Hassan

Public Accountants and consultants

Translated from Arabic

Concrete Fashion Group for Commercial and Industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Consolidated statement of Financial Position

| | Note No | September 30, 2025 USD | December 31, 2024 USD |
|--|------------|------------------------------|-----------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | (15) | 42 704 741 | 42 969 845 |
| Projects under construction | (16) | 794 203 | 1 810 312 |
| Intangible assets | (18) | 3 737 133 | 3 900 545 |
| Right of use assets | (19) | 3 291 973 | 3 167 665 |
| Total Non-Current Assets | | 50 528 050 | 51 848 367 |
| Current Assets | | | |
| Inventory | (20) | 84 164 602 | 89 062 775 |
| Work in progress | (21) | 1 728 726 | 1 618 110 |
| Trade and other receivables | (22) | 57 080 243 | 51 023 536 |
| Due from related parties | (34-1) | 166 529 | 20 890 |
| Cash and cash equivalents | (23) | 5 022 796 | 5 582 294 |
| Total Current Assets | | 148 162 896 | 147 307 605 |
| Total Assets | | 198 690 946 | 199 155 972 |
| Equity and Liabilities | | | |
| Equity | | | |
| Issued and paid-up Capital | (29-2) | 32 917 500 | 32 917 500 |
| Reserves | (30-1) | - | 6 737 403 |
| Foreign entities translation reserve | (30-2) | (43 578 778) | (42 874 212) |
| Retained earnings | | 48 499 900 | 35 887 978 |
| Equity attributable to owners of the holding Company | | 37 838 622 | 32 668 669 |
| Non-controlling interests | (31) | 1 967 564 | 1 804 077 |
| Total Equity | | 39 806 186 | 34 472 746 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Loans | (25-4) | 40 638 237 | 42 095 053 |
| Liabilities from lease contracts | (25-3) | 1 813 459 | 747 468 |
| Deferred tax liabilities | (13-c) | 903 908 | 465 628 |
| Total non-current liabilities | | 43 355 604 | 43 308 149 |
| Current liabilities | | | |
| Banks overdraft | (23) | 50 839 | 137 202 |
| Banks credit facilities | (24) | 76 461 996 | 82 003 229 |
| Loans | (25-4) | 12 397 811 | 11 866 906 |
| Liabilities from lease contract | (25-3) | 1 839 492 | 1 550 704 |
| Trade and other payables | (26) | 22 103 758 | 22 012 092 |
| Due to related parties | (34-2) | 932 535 | 1 916 304 |
| Current income tax liability | (13-a) | 1 231 163 | 1 402 461 |
| Provisions | (27) | 511 562 | 486 179 |
| Total current liabilities | | 115 529 156 | 121 375 077 |
| Total liabilities | | 158 884 760 | 164 683 226 |
| Total equity and liabilities | | 198 690 946 | 199 155 972 |

- The notes and accounting policies on pages (6) to (63) are an integral part of these consolidated interim financial statements and to be read together.
- Independent Auditors' report on review of consolidated interim financial statements attached.

Financial Manager

Vice-Chairman and CEO

Chairperson

Mohamed Mohamed Mohy

Dr / Alaa Ahmed Abd
El Maksoud Arafat

Maria Luisa Cicognani

Maria Luisa Cicognani

Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company – Under Public Free zone)
Consolidated statement of profit or loss for

| | | 2025 | | 2024 | |
|---|---------|---|--|--|--|
| | | The financial period from January 1 to September 30 | The financial period from July 1 to September 30 | The financial period from February 1 to September 30 | The financial period from July 1 to September 30 |
| | Note No | USD | USD | USD | USD |
| Revenues | (4-1) | 110 541 668 | 40 208 834 | 102 015 157 | 37 867 266 |
| Cost of sales | (5) | (77 122 453) | (28 931 512) | (63 264 261) | (25 087 483) |
| Net revenues from selling investments at FVTPL | (4-2) | -- | -- | 1 776 682 | -- |
| Gross profit | | 33 419 215 | 11 277 322 | 40 527 578 | 12 779 783 |
| Other income | (6) | 2 390 993 | 129 957 | 505 775 | 317 215 |
| Selling and distribution expenses | (7) | (7 312 360) | (2 532 874) | (6 988 024) | (2 398 192) |
| General and administrative expenses | (8) | (7 134 083) | (2 375 651) | (7 282 360) | (2 231 853) |
| Impairment (loss) in financial assets | (9) | (136 109) | (174 844) | (1 199 172) | (1 111 072) |
| Other expenses | (10) | (973 631) | (360 503) | (1 184 199) | (382 287) |
| Operating Profit | | 20 254 025 | 5 963 407 | 24 379 598 | 6 973 594 |
| Finance income | (11) | 113 112 | 26 032 | 363 239 | (131 894) |
| Finance cost | (12) | (12 074 649) | (3 789 391) | (12 849 445) | (4 617 432) |
| Net finance (Cost) | | (11 961 537) | (3 763 359) | (12 486 206) | (4 749 326) |
| Net profit for the period before tax | | 8 292 488 | 2 200 048 | 11 893 392 | 2 224 268 |
| Tax (expense) | (13-b) | (1 698 755) | (365 925) | (163 456) | (245 564) |
| Net profit for the period | | 6 593 733 | 1 834 123 | 11 729 936 | 1 978 704 |
| Profit attributable to: | | | | | |
| Shareholders of the holding company | | 6 231 860 | 1 755 903 | 11 376 703 | 1 871 264 |
| Non-controlling interests | | 361 873 | 78 220 | 353 233 | 107 440 |
| | | 6 593 733 | 1 834 123 | 11 729 936 | 1 978 704 |
| Basic and diluted earnings per share (USD / share) | (14-1) | 0.013 | 0.004 | 0.02 | 0.004 |

- The notes and accounting policies on pages (6) to (63) are an integral part of these consolidated interim financial statements and to be read together.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Consolidated Statement of Comprehensive Income for the**

| | Note No | 2025 | | 2024 | |
|---|------------|---|---|--|---|
| | | The financial period from January 1 to September 30 USD | The Financial period from July 1 to September 30 USD | The financial period from February 1 to September 30 USD | The financial period from July 1 to September 30 USD |
| Net profit for the period | | 6 593 733 | 1 834 123 | 11 729 936 | 1 978 704 |
| <u>Other comprehensive loss items</u> | | | | | |
| <u>Items that will not be reclassified to Profit or loss:</u> | | | | | |
| Application of Egyptian Accounting Standard No. (13) "Impact of Foreign Exchange Rate Change" | (37-2) | -- | -- | (7 548 700) | 79 163 |
| Impact of deferred Tax | (13-c) | -- | -- | 335 325 | (346) |
| | | -- | -- | (7 213 375) | 78 817 |
| <u>Items that are or maybe reclassified subsequently to profit or loss:</u> | | | | | |
| Foreign entities translation differences | | (1 260 293) | (365 485) | (6 995 723) | (722 637) |
| Total comprehensive income / (loss) for the period | | 5 333 440 | 1 468 638 | (2 479 162) | 1 334 884 |
| <u>Add: -</u> | | | | | |
| Transferred to retained earnings | | -- | -- | 7 213 375 | (78 817) |
| | | 5 333 440 | 1 468 638 | 4 734 213 | 1 256 067 |
| <u>Total comprehensive income attributable to:</u> | | | | | |
| Shareholders of holding company | | 4 989 014 | 1 397 571 | 4 931 735 | 1 168 885 |
| Non-controlling interests | | 344 426 | 71 067 | (197 522) | 87 182 |
| | | 5 333 440 | 1 468 638 | 4 734 213 | 1 256 067 |

- The notes and accounting policies on pages (6) to (63) are an integral part of these consolidated interim financial statements and to be read together.

Concrete Fashion Group for Commercial and Industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Consolidated statement of Changes in Equity for the financial period ended September 30, 2025

| | Note No. | Issued and Paid-up Capital USD | Reserves USD | Retained Earnings USD | Foreign entities Translation reserve USD | Total equity of the holding company USD | Non- Controlling interests USD | Total Equity USD |
|---|---------------------|---|-------------------------|--------------------------------------|---|--|---|-----------------------------|
| Balance as of February 1, 2024 | | 32 917 500 | 6 737 403 | 25 221 114 | (38 075 347) | 26 800 670 | 1 723 056 | 28 523 726 |
| Comprehensive income | | | | | | | | |
| Net profit for the financial period ended September 30, 2024 | | -- | -- | 11 376 703 | -- | 11 376 703 | 353 233 | 11 729 936 |
| Application of Egyptian Accounting Standard No. 13 "Impact of Foreign Exchange Rate Change" | | -- | -- | (7 197 613) | -- | (7 197 613) | (15 762) | (7 213 375) |
| Foreign entities translation differences | | -- | -- | -- | (6 460 730) | (6 460 730) | (534 993) | (6 995 723) |
| Total comprehensive income | | -- | -- | 4 179 090 | (6 460 730) | (2 281 640) | (197 522) | (2 479 162) |
| Balance as of September 30, 2024 | | 32 917 500 | 6 737 403 | 29 400 204 | (44 536 077) | 24 519 030 | 1 525 534 | 26 044 564 |
| Balance as of January 1, 2025 | | 32 917 500 | 6 737 403 | 35 887 978 | (42 874 212) | 32 668 669 | 1 804 077 | 34 472 746 |
| Transaction with shareholders of the company: | | | | | | | | |
| Effect of change in ownership interest without a change in control | (1-8),(31) | -- | -- | (357 341) | 538 280 | 180 939 | (180 939) | -- |
| Transfer of reserves to retained earnings | (30-1) | -- | (6 737 403) | 6 737 403 | -- | -- | -- | -- |
| Total transactions with shareholders of the company | | -- | (6 737 403) | 6 380 062 | 538 280 | 180 939 | (180 939) | -- |
| Comprehensive income | | | | | | | | |
| Net profit for the financial period ended September 30, 2025 | | -- | -- | 6 231 860 | -- | 6 231 860 | 361 873 | 6 593 733 |
| Foreign entities translation differences | (30-2) | -- | -- | -- | (1 242 846) | (1 242 846) | (17 447) | (1 260 293) |
| Total comprehensive income | | -- | -- | 6 231 860 | (1 242 846) | 4 989 014 | 344 426 | 5 333 440 |
| Balance as of September 30, 2025 | | 32 917 500 | -- | 48 499 900 | (43 578 778) | 37 838 622 | 1 967 564 | 39 806 186 |

▪ The notes and accounting policies on pages (6) to (63) are an integral part of these consolidated interim financial statements and to be read together.

Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Consolidated statement of cash flows for

| | | The financial Period From January 1, 2025 To September 30, 2025 | The financial Period From February 1, 2024 To September 30, 2024 |
|--|---------------------|--|---|
| | Note No. | USD | USD |
| <u>Cash flows from operating activities</u> | | | |
| Net profit for the period before income tax | | 8 292 488 | 11 893 392 |
| <u>Adjustments for the following:</u> | | | |
| Property, plant and equipment Depreciation | (15) | 2 393 725 | 2 267 130 |
| Right of use assets amortization | (19) | 981 704 | 993 124 |
| Amortization of Intangible Assets - Trademarks | (18) | 164,440 | 164 871 |
| Capital gain | (6) | (1 795 331) | (261 398) |
| Foreign currencies | (12) & (11) | 458 267 | (167 988) |
| Finance Interest on lease contracts | (12) | 2 182 266 | 1 852 893 |
| Debit interest on loans | (25-4) & (12) | 3 029 118 | 2 884 742 |
| Interest and finance expenses | (12) | 6 404 998 | 8 111 810 |
| Credit Interest | (11) | (113 112) | (195 251) |
| | | 21 998 563 | 27 543 325 |
| <u>Change in:-</u> | | | |
| Inventory | (20) | 4 898 173 | 3 008 252 |
| Trade and other receivables | (22) | (6 056 707) | (8 792 504) |
| Work in progress | | (110 616) | (1 708 923) |
| Due from related parties | (34-1) | (145 639) | (406 155) |
| Trade and other payables | (26) | 1 013 189 | 7 397 640 |
| Due to related parties | (34-2) | (983 769) | 1 859 571 |
| Provisions | (27) | 25 383 | 29 707 |
| | | 20 638 577 | 28 930 913 |
| Payment of loan interest expense | (25-4) | (3 375 767) | (3 511 769) |
| Paid tax | | (1 363 419) | -- |
| Interest and finance expense paid | | (8 587 264) | (7 166 306) |
| Net cash flow provided from operating activities | | 7 312 127 | 18 252 838 |
| <u>Cash flows from Investing Activities</u> | | | |
| (Payments) for acquisition of property plant and equipment and projects under construction | (15),(16) | (2 400 031) | (7 603 806) |
| Proceeds from sale of property plant and equipment | (15),(16) & (6) | 2 852 785 | 261 398 |
| Credit interest received | (11) | 113 112 | 195 251 |
| Net cash provided from / (used in) investing activities | | 565 866 | (7 147 157) |
| <u>Cash flows from financing activities</u> | | | |
| Net proceeds from credit facilities | (24) | 2 928 404 | 1 970 221 |
| Net proceeds from loan | | 43 556 | -- |
| Payment for borrowings | (25-3) | (9 188 063) | (6 281 160) |
| Payment for lease liabilities | (25-4) | (882 733) | (2 963 055) |
| Net Cash (used in) Financing Activities | | (7 098 836) | (7 273 994) |
| Net change in cash and cash equivalents during the period | | 779 157 | 3 831 687 |
| Foreign currency translation differences on cash and balances of foreign entities | | (1 252 292) | (7 674 463) |
| Cash and cash equivalents at the beginning of the period | (23) | 5 445 092 | 9 501 515 |
| Cash and cash equivalents at the end of the period | (23) | 4 971 957 | 5 658 739 |

- The notes and accounting policies on pages (6) to (63) are an integral part of these consolidated interim financial statements and to be read together.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)**

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

1- Background and activities

1-1 Legal entity

- Concrete Fashion Group for commercial and industrial Investments (An Egyptian Joint stock company - Under Public Free zone) (Al Arafa for Investment and Consultancies) was established as Swiss Garments Company previously, in accordance with provisions of investment incentives and guarantees Law No.8 of 1997, operating under the Free Zone system.

1-2 Swiss Garments company demerge

- The Board of Directors of Swiss Garments Company (S.A.E.) -Free Zone proposed in its meeting held on the 18th of June 2005 to demerge the Company into two Joint Stock Companies (demerging Company and Demerged Company) operating according to the Free Zone System with the same shareholders and the same participation percentage in the company's issued capital as of the demerge date. , using the book value of the assets and liabilities on the 30th of June 2005 as a basis for the demerge. As the purpose of the demerging company will be specialized in investing in financial instruments and the demerged company will be specialized in manufacturing ready made garments., As the company's Extraordinary General Assembly at its session held on October 14,2005 agreed on the mentioned board of director's proposal, as a final approval on the issuance of the demerge decision was taken by the general Authority for Investment and Free Zone as of November 24,2005.
- The demerging Company's name was changed to Al Arafa for Investment and Consultancies Company, and the commercial register was amended accordingly on January 11, 2006 and was approved on commercial register under no.17426 on January 16, 2006.

1-3 Merger of both Al Arafa for Investment and Consultancies Company (S. A. E.) with the General Free Zone System (merging company) and Al Arafa for Investment in Garments industry Company (merged company), Al Arafa for Investment in Spinning and Textile Industry Company (merged company), and Al Arafa for Investments in Garments Marketing and Retail Company (merged company)

- According to the decision of the extraordinary general assembly of the company on August 4, 2019, it was agreed merge Al Arafa for Investment and Consultancies Company (S. A. E.) merging company with both Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.) "free zone", and Al Arafa for Investment in Garments industry Company (S. A. E.) "free zone" and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) "free zone" (merged companies) using the book values according to the financial statements of the merging company and the merged companies on October 31, 2018. , taken as a basis for the merger. And establishing the net equity for merging company and merged companies to determine the authorized capital of the merging company amounted USD 150 million (one hundred and fifty million USD) and the issued and paid-up capital of the company amounted USD 94 050 000 (ninety four million fifty thousand USD) distributed over 470 250 000 shares (four hundred seventy million two hundred and fifty thousand shares) with a value of USD 20 cents per share. It is represented in the total net equity of the merging company, Al Arafa for Investment and Consultancies Company and the net equity of non-controlling interest of the merged companies according to the report of the committee formed by the General Authority for Investment and Free Zone and according to the decision of the Executive chairman of the General Authority for Investment and Free Zone No. 85 of 2019 regarding licensing the merger of each of the Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.), and Al Arafa for Investment in Garments industry Company (S. A. E.) and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (free zone) (merged companies) in Al Arafa for Investment and Consultancies Company (S. A. E.) (merging company) in the public free Zone system in Nasr City, and this was notarized in the company's commercial registry on December 10, 2019.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)**

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

1-4 Al Arafa For investment and consultancies company demerge

- On November 22, 2023, the extraordinary general assembly of Concrete Fashion Group for commercial and industrial Investments (Al Arafa for Investment and consultancies - Previously) approved the proposal presented by the company's board of directors to demerge the company according to the horizontal merge method based on the book value on the basis of the company's financial statements as of January 31, 2023. This demerge creates two companies, Al-Arafa for Investment and Consultancy (the demerging company), which will reduce its issued capital by decreasing the nominal value of its shares, and will also change its name to "Concrete Fashion Group for Commercial and Industrial Investments S.A.E" while retaining the same purposes. The demerge will also result in the creation of a new company called GTEX for Commercial and Industrial Investments S.A.E (the demerged company). The extraordinary general assembly also approved the demerge report issued by the Economic Performance Sector of the General Authority for Investment and Free Zones, indicating the net owner's equity of the demerging company and the demerged company at book value on January 31, 2023, which amounted to USD 50 157 720. The net owner's equity are to be distributed between the demerging company and the demerged company as follows:
 1. The net of owner's equity of the shareholders of the demerging company on January 31, 2023, amounted USD 32 981 870.
 2. The net of owner's equity of the shareholders of the demerged company on January 31, 2023, amounted USD 17 175 850.
- The extraordinary general assembly also approved the demerge of the company, including all its material and non- material components, into two companies: Concrete Fashion Group for Commercial and Industrial Investments S.A.E (the demerging company) and GTEX for Commercial and Industrial Investments S.A.E (the demerged company), transferring all assets, liabilities, shareholder's equity, revenues, and expenses between the two companies based on the financial statements as of January 31, 2023.
- The company's management has taken all the necessary legal and administrative procedures and completed the demerge process and was notarized in the commercial register on December 24, 2023.

1-5 Company's Fiscal Year

- According to the merging company's Article of association, the company's financial period start from the first of February from each period and ends at 31 January from the next period, and according to extraordinary general assembly held on June 12, 2024 decided to change the company's fiscal year to end on December 31 each year.
- Company's Duration is 25 years starting from January 16, 2006 to January 15, 2031.
- Company's location: Nasr city free zone, Arab Republic of Egypt.
- The Company's Chairperson is Mrs. Maria Luisa Cicognani
- The Company's vice Chairman and Managing Director is Dr /Alaa Ahmed Abd El Maksoud Arafa.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)**

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

1-6 Company's purpose

Providing financial and management consultancy services, investing in Capitals of Egyptian and Foreign Companies and participating in restructuring companies and providing technical and management support.

The consolidated interim financial statements comprise of the financial statements of Concrete fashion Group for commercial and industrial investment (the Holding Company) and its subsidiaries (referred to as the "Group") and the Group's share in the profits and losses of its associates is also included. The Group is involved in several activities which are represented in establishing and operating factories for the manufacture of ready-made garments, Textile production necessary for their manufacture in all their forms, varieties, types, and supplies, exporting them abroad or selling them in the local market, manufacturing all types of medical protective clothing, trading, and marketing ready-made garments of all kinds and forms wholesale or sectoral, import, export, and commercial agencies and also investment in properties.

1-7 Listing on the Securities Exchange

The company is listed on the Egyptian Stock Exchange.

1-8 Subsidiary Companies

The following is a statement of the percentage of investments in the subsidiaries of Concrete Fashion Group for commercial and industrial Investments, which have been included in the consolidated interim financial statements:

| <u>Subsidiary's Name</u> | <u>Company's purpose</u> | <u>Country</u> | Direct and Indirect contribution Percentage | |
|--|--------------------------|----------------|--|--------------------------|
| | | | <u>June 30, 2025</u> | <u>December 31, 2024</u> |
| • Concrete for Readymade Garments | Garments | Egypt | 91,64% | 91,64% |
| • Swiss Cotton Garments | Garments | Egypt | 99,44% | 99,44% |
| • Egypt Tailoring for Ready – Made Garments | Garments | Egypt | 98.61 % | 99,4% |
| • Crystal for Making Shirts | Garments | Egypt | 99,18% | 99,88% |
| • Fashion Industry garments company | Garments | Egypt | 99,66% | 99,5% |
| • Euro med for Trading and Marketing | Marketing and trading | Egypt | 97,22% | 97,21% |
| • Port Said for Readymade Garments | Garments | Egypt | 97,52% | 97,52% |
| • Swiss for Readymade Garments | Garments | Egypt | 99,20% | 99,20% |
| • Savini for Readymade Garments | Garments | Egypt | 98,80% | 98.80 % |
| • Concrete International | Marketing and trading | UAE | 100% | 100% |
| • Concrete Fashion Group for commercial and industrial Investments -Oman | Marketing and trading | Sultanate Oman | 100% | 0% |
| • Concrete Fashion -KSA | Marketing and trading | KSA | 100% | 0% |

The holding company undertook a restructuring of the ownership structure of certain subsidiaries of Concrete Fashion Group for Commercial and Industrial Investments without a change in control which resulted in changes to the direct and indirect ownership percentages between the holding company and the non-controlling interests.

**Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)**

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

2- Basis of preparation of the consolidated interim financial statements

- The consolidated interim financial statements have been prepared in accordance with Egyptian Accounting Standards "EAS", EAS has been issued by the Minister of investment under No. 243 of the period 2006 and in accordance with the prevailing Egyptian Laws and Regulation. The Egyptian Accounting standard (EAS) requires referring to the International Financial Reporting Standards (IFRS) for events and transaction for which EAS or legal requirements have not been issued indicating their accounting treatments.
- The consolidated interim financial statements for the period ended September 30, 2025 were approved for issuance by the company board of directors on November 30, 2025.
- Details of the Group material accounting policies are included in Note No. (37).

2-1 Measurement basis

The consolidated interim financial statements have been prepared in accordance with historical cost basis except for assets and liabilities which are recognized at its fair value, financial assets and liabilities at fair value through profit or loss or other comprehensive income and amortized cost.

2-2 Presentation currency and functional currency

The consolidated interim financial statements are presented in the USD which is the functional currency and all the financial information included are in USD, unless otherwise indicated in the consolidated interim financial statements or in the notes to the financial statements.

2-3 Use of estimates and judgements

The preparation of the consolidated interim financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the implementation of policies and reported amounts of assets and liabilities, income, expenses and disclosure of contingent liabilities. These estimates and associated assumptions are based on previous experience and various other factors, actual results may differ from these estimates. Uncertainty regarding these assumptions and estimates may result in outcomes that require a material adjustment to the carrying value of the assets or liabilities affected in the future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis and the differences in accounting estimates are recognized in the period in which those estimates were changed but if the revision affects the period of the revision and future periods, the differences are recognized in the period of change and the future periods.

A- Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated interim financial statements is included in the following:

- Revenue recognition

Revenue is recognized as detailed in the accounting policies applied.

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The management reviews its judgmental assumptions and estimates, including what used in determining the extent to which the Group has absolute or joint control or significant influence over the investee companies whenever a material event or an effective amendment occurs to the terms contained in its contractual agreements.

- **Classification of properties**

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Group develops criteria in order to exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in EAS 2, EAS 49, and EAS 10, and in particular, the intended usage of property as determined by management.

- **Lease contract classification - Group as lessor - (If any)**

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

- **Recognition of current and deferred tax assets and their measurement**

Income taxes, whether current or deferred, are determined by each subsidiary of the Group in accordance with the tax law requirements of each country in which the subsidiary of the Group operates.

Concrete Fashion Group for Commercial and Industrial Investment is not subject to income tax as it is an Egyptian joint stock company – under public free zones. Profit of some subsidiaries is subject to income tax, which requires using of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the period, the Group record current tax liability according to its best estimate about the taxable treatment of that transactions and the possibility of incurring of additional tax charges that may result from the tax inspection. And when a difference arises between the final tax liability and what is being recorded, such difference is recorded as income tax expense and current tax liability in the current period and to be considered as change in accounting estimates.

For recognition of deferred tax assets, management uses assumptions about the availability of sufficient taxable profits allowing use of recognized tax assets in the future. Management also uses assumptions related to determination of the applicable tax rate at the financial statements date at which deferred tax assets and liabilities are expected to be settled in the future.

This process requires the use of multiple and complex estimates in estimating and determining the taxable pool and temporary deductible taxable differences resulting from the difference between the accounting basis and the tax basis for some assets and liabilities. In addition to estimating the extent to use deferred tax assets arising from carry forward tax losses, in the light of making estimates of future taxable profits and future plans for each of the activities of the subsidiaries of the Group.

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- Incremental Borrowing Rates (IBRs) applied in right of use calculation.

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, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group 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.

Finance lease contracts (sale and leaseback transactions)

If the entity (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases the asset back, the entity must determine whether the transfer of the asset qualifies as a sale for accounting purposes.

B- Assumptions and estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- Provisions and contingent liabilities

Management assess events and circumstances that might led to a commitment on the Group's side from performing its normal economic activities, management uses in this primary estimates and assumptions to judge the extend on which the provision's recognition conditions have been met at the financial statement date, and analyze information to assume whether past events lead to current liability against the Group and estimate the future cash outflows and timing to settle this obligation, in addition, selecting the method which enable the management to measure the value of the commitment reliably.

- Expected credit losses measurement.

The Group assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments. When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

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- **Estimation of net realizable value**

Inventory, is stated at the lower of cost or net realizable value ("NRV"). NRV is assessed with reference to sales prices, costs of completion and advances received, development plans and market conditions existing at the end of the reporting period. For certain properties, NRV is determined by the Group having taken suitable external advice and in the light of recent market transactions, where available.

- **Impairment of property, plant and equipment and projects under construction**

Properties classified under property, plant and equipment and projects under construction are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment review is carried out to determine the recoverable amount which takes into account the fair value of the property under consideration. The fair value of properties and fixed assets classified under property, plant and equipment is determined by an independent expert.

The recoverable amount is determined using a fair value model.

The fair values are compared to the carrying amounts to assess any probable impairment.

- **Useful lives of property, plant and equipment and intangible assets**

Management reviews the residual values and estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period. Management determined that the current period's expectations do not differ from previous estimates based on its review.

C- Fair value measurement

A certain number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to fair values measurement. This includes the presence valuation team that has overall responsibility for Review of all fair values according to the different levels in the hierarchies referred to below, and a report of those values and methods of measuring them will be issued directly to the board of directors. A report on the material matters related to the evaluation process will be issued to the Internal Audit Committee.

Accreditation is measured in the fair value of assets and liabilities mainly on available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy :

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs of the quoted prices included in level (1) that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the financial period during which the change has occurred.

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

3-Operating segments

Segment are determined according to the method used internally to submit financial reports to senior management for group.

Operating results of business activities for group companies

| | <u>Garments</u> | | <u>Retail Segment</u> | | <u>Investments</u> | | <u>Total</u> | |
|---|-------------------|-------------------|-----------------------|-------------------|--------------------|------------------|-------------------|-------------------|
| | <u>30/9/2025</u> | <u>30/9/2024</u> | <u>30/9/2025</u> | <u>30/9/2024</u> | <u>30/9/2025</u> | <u>30/9/2024</u> | <u>30/9/2025</u> | <u>30/9/2024</u> |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Revenue | 91 251 535 | 83 664 976 | 19 242 833 | 18 350 181 | 47 300 | -- | 110 541 668 | 102 015 157 |
| Cost of sales | (71 742 464) | (59 266 427) | (5 379 989) | (3 997 834) | -- | -- | (77 122 453) | (63 264 261) |
| Net revenues from selling investments at FVTPL | -- | -- | -- | -- | -- | 1 776 682 | -- | 1 776 682 |
| Gross Profit | 19 509 071 | 24 398 549 | 13 862 844 | 14 352 347 | 47 300 | 1 776 682 | 33 419 215 | 40 527 578 |
| Other revenues | 356 330 | 268 069 | 1 876 240 | 101 553 | 158 423 | 136 153 | 2 390 993 | 505 775 |
| Selling and distribution expenses | (2 118 694) | (2 250 192) | (5 193 666) | (4 737 832) | -- | -- | (7 312 360) | (6 988 024) |
| General and administrative expenses | (2 838 732) | (2 911 931) | (2 966 600) | (2 537 805) | (1 328 751) | (1 832 624) | (7 134 083) | (7 282 360) |
| Impairment / (loss) in financial assets | (127 064) | (1 123 564) | (7 765) | (22 385) | (1 280) | (53 223) | (136 109) | (1 199 172) |
| Other expenses | (827 115) | (883 977) | (57 204) | (212 802) | (89 312) | (87 420) | (973 631) | (1 184 199) |
| Operating results | 13 953 796 | 17 496 954 | 7 513 849 | 6 943 076 | (1 213 620) | (60 432) | 20 254 025 | 24 379 598 |
| Net finance (expenses) | (9 775 251) | (10 226 989) | (1 592 129) | (1 556 089) | (594 157) | (703 128) | (11 961 537) | (12 486 206) |
| Net Profit/ (loss) for the period before tax | 4 178 545 | 7 269 965 | 5 921 720 | 5 386 987 | (1 807 777) | (763 560) | 8 292 488 | 11 893 392 |
| Tax / (expenses) / income | (446 386) | 785 217 | (1 252 369) | (948 673) | -- | -- | (1 698 755) | (163 456) |
| Net profit / (loss) for the period after tax | 3 732 159 | 8 055 182 | 4 669 351 | 4 438 314 | (1 807 777) | (763 560) | 6 593 733 | 11 729 936 |
| <u>Profit attributable to:</u> | | | | | | | | |
| Share of holding company's shareholders | | | | | | | 6 231 860 | 11 376 703 |
| Share of Non – controlling interest | | | | | | | 361 873 | 353 233 |
| Net profit for the period after tax | | | | | | | 6 593 733 | 11 729 936 |

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- **The following are the assets and liabilities for the financial period ending September 30, 2025 for the group segments:**

| | <u>Garments</u> | | | | | | <u>Total</u> | |
|---------------------|------------------------------|-------------------|-----------------------|-------------------|--------------------|-------------------|---------------------------|-------------------|
| | <u>manufacturing segment</u> | | <u>Retail segment</u> | | <u>Investments</u> | | <u>after Eliminations</u> | |
| | September 30, 2025 | December 31, 2024 | September 30, 2025 | December 31, 2024 | September 30, 2025 | December 31, 2024 | September 30, 2025 | December 31, 2024 |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Assets | 125 364 204 | 115 388 805 | 29 503 257 | 1 896 688 | 1 118 744 | 38 900 634 | 155 986 205 | 156 186 127 |
| Liabilities | 138 529 100 | 114 908 296 | 15 551 954 | 20 997 220 | 4 803 706 | 28 777 710 | 158 884 760 | 164 683 226 |
| Fixed assets | 38 721 023 | 39 565 191 | 2 524 528 | 1 941 797 | 1 459 190 | 1 462 857 | 42 704 741 | 42 969 845 |

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4- Revenues

4-1 Recognized revenues at a point of time

| | Financial Period from | | Financial Period from | |
|-------------------------------------|--|---|---|---|
| | January 1, 2025 to September 30, 2025 | July 1, 2025 To September 30, 2025 | February 1, 2024 To September 30, 2024 | July 1, 2024 To September 30, 2024 |
| | USD | USD | USD | USD |
| Export sales – America | 38 117 863 | 12 480 066 | 43 149 077 | 16 239 601 |
| Export sales – Europe | 48 056 793 | 18 451 501 | 31 764 393 | 10 781 888 |
| Other Export sales | 2 002 202 | 867 160 | 4 754 289 | 3 105 114 |
| Local sales | 22 115 013 | 8 322 658 | 21 933 414 | 7 475 969 |
| Revenues from operations for others | 202 497 | 52 649 | 413 984 | 264 694 |
| Technical support | 47 300 | 34 800 | -- | -- |
| | 110 541 668 | 40 208 834 | 102 015 157 | 37 867 266 |

**4-2 Net revenues from selling investments
at fair value through profit or loss**

| | | | | |
|---|-----------|-----------|------------------|-----------|
| Sale of investment in listed securities | -- | -- | 3 795 942 | -- |
| Deduct: | | | | |
| Expenses and sale commissions | -- | -- | (23 386) | -- |
| Cost of investment in financial securities listed in stock exchange | -- | -- | (1 995 874) | -- |
| | -- | -- | 1 776 682 | -- |

5- Cost of sales

| | Note No. | | | |
|--|---------------------|-------------------|-------------------|-------------------|
| Raw materials and supplies | | 49 174 808 | 15 942 658 | 56 155 206 |
| Goods held for sale | | 710 247 | 54 077 | 1 003 069 |
| Packing materials | | 2 000 616 | 673 376 | 2 531 175 |
| Industrial wages | | 12 723 504 | 5 464 441 | 9 988 999 |
| Manufacturing costs | | 7 585 055 | 1 877 159 | 5 515 571 |
| Property, plant and equipment depreciation | (15) | 1 398 348 | 472 614 | 1 252 296 |
| Write down in inventory | (20) | 790 000 | -- | 316 117 |
| | | 74 382 578 | 24 484 325 | 76 762 433 |
| (Deduct)/Add: | | | | |
| Export subsidy income | | (1 543 006) | (682 068) | (4 780 621) |
| Change in Finished goods and Work in process | | 4 282 881 | 5 129 255 | (8 717 551) |
| | | 77 122 453 | 28 931 512 | 63 264 261 |
| | | | | 25 087 483 |

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6- Other income

| | Financial period from | | Financial period from | |
|---------------|--|---------------------------------------|---|---------------------------------------|
| | January 1, 2025 to September 30, 2025 | July 1, 2025 To September 30, 2025 | February 1, 2024 To September 30, 2024 | July 1, 2024 To September 30, 2024 |
| | USD | USD | USD | USD |
| Rental income | 173 443 | 62 050 | 150 853 | 54 004 |
| Capital gain | 1 795 331 | (262 915) | 261 398 | 261 398 |
| Other | 422 219 | 330 822 | 93 524 | 1 813 |
| | 2 390 993 | 129 957 | 505 775 | 317 215 |

- On March 16, 2025, the Board of Directors of the Holding Company decided to approve the report submitted by Al-Noor Investment Group regarding the valuation of one of the buildings owned by Concrete Ready-Made Garments Company (a subsidiary). The sale of the building was approved for an amount of 145 million Egyptian pounds the equivalent of 2.9 million US dollars, with net capital gains amounting to 1.7 million US dollars.

7- Selling and Distribution expenses

| | Note No. | January 1, 2025 to September 30, 2025 | July 1, 2025 To September 30, 2025 | February 1, 2024 to September 30, 2024 | July 1, 2024 To September 30, 2024 |
|--|----------|--|---------------------------------------|---|---------------------------------------|
| | | USD | USD | USD | USD |
| Wages and salaries | | 1 183 250 | 402 296 | 975 068 | 279 652 |
| Sales commissions | | 538 990 | 186 428 | 402 580 | 47 486 |
| Export expenses | | 1 410 961 | 498 689 | 1 136 600 | 271 423 |
| Packing and packaging | | 104 373 | 40 869 | 134 932 | 57 872 |
| Designs and training | | 265 739 | 79 762 | 267 984 | 132 727 |
| Maintenance | | 275 557 | 105 595 | 191 188 | 66 915 |
| Travel expense | | 324 106 | 133 990 | 350 578 | 306 825 |
| Advertising and marketing | | 581 695 | 258 492 | 1 028 949 | 332 707 |
| Variable Rent installment | | 565 632 | 202 436 | 500 477 | 274 704 |
| Right of use assets amortization | (19) | 908 163 | 315 340 | 921 666 | 175 007 |
| Property, plant and equipment depreciation | (15) | 283 473 | 109 001 | 275 757 | 107 988 |
| Amortization of intangible assets | (18) | 164 440 | 52 202 | 164 871 | 54 835 |
| Others | | 705 981 | 147 774 | 637 374 | 290 051 |
| | | 7 312 360 | 2 532 874 | 6 988 024 | 2 398 192 |

8- General and Administrative expenses

| | | | | | |
|--|------|------------------|------------------|------------------|------------------|
| Wages and salaries | | 3 245 642 | 1 021 320 | 2 642 861 | 554 117 |
| Board of directors allowance (34-3) | | 174 808 | 67 901 | 173 356 | 49 351 |
| Consulting and professional fees | | 614 202 | 201 126 | 773 985 | 372 905 |
| Travel expenses | | 327 266 | 74 376 | 386 538 | 205 536 |
| Maintenance | | 351 359 | 108 538 | 561 831 | 89 009 |
| Subscriptions and service | | 566 440 | 192 285 | 649 085 | 206 760 |
| Authorities and fees | | 72 527 | 32 158 | 83 664 | 42 524 |
| Property, plant and equipment depreciation | (15) | 711 904 | 220 347 | 739 077 | 217 299 |
| Right of use assets amortization | (19) | 73 541 | 24 558 | 71 458 | 26 766 |
| Grants | | 133 375 | 120 649 | 39 135 | 16 604 |
| Shipping and postage | | 202 997 | 53 364 | 886 640 | 264 174 |
| Insurance | | 114 081 | 72 802 | 101 966 | 81 752 |
| Others | | 545 941 | 186 227 | 172 764 | 105 056 |
| | | 7 134 083 | 2 375 651 | 7 282 360 | 2 231 853 |

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9- Expected credit (losses) in financial assets

| | | Financial period from | | Financial period from | |
|---|------|-----------------------|--------------------|-----------------------|--------------------|
| | Note | January 1, 2025 to | July 1, 2025 To | February 1, 2024 To | July 1, 2024 To |
| | No. | September 30, 2025 | September 30, 2025 | September 30, 2024 | September 30, 2024 |
| | | USD | USD | USD | USD |
| Expected credit loss in Trade receivables | (22) | (48 735) | (95 703) | -- | -- |
| Expected credit loss in banks | (23) | (7 988) | (92 046) | -- | -- |
| Expected credit (loss)/ Reversal in related parties | (34) | (79 386) | 12 905 | (1 199 172) | (1 111 072) |
| | | <u>(136 109)</u> | <u>(174 844)</u> | <u>(1 199 172)</u> | <u>(1 111 072)</u> |

10- Other expenses

| | | | | | |
|------------------------|---------|----------------|----------------|------------------|----------------|
| Formed Provisions | (27) | 11 149 | 8 149 | 207 000 | -- |
| GAFI fees | (37-19) | 605 405 | 172 435 | 643 724 | 238 270 |
| Fees and subscriptions | | 309 635 | 158 684 | 261 531 | 119 021 |
| Others | | 47 442 | 21 235 | 71 994 | 24 996 |
| | | <u>973 631</u> | <u>360 503</u> | <u>1 184 199</u> | <u>382 287</u> |

11- Finance income

| | | | | | |
|---|--|----------------|---------------|----------------|------------------|
| Credit Interest on banks current account | | 113 112 | 26 032 | 195 251 | 73 557 |
| Net foreign currency exchange differences | | -- | -- | 167 988 | (205 451) |
| Total finance income | | <u>113 112</u> | <u>26 032</u> | <u>363 239</u> | <u>(131 894)</u> |

12- Finance Cost

| | | | | | |
|--|---------------|---------------------|--------------------|---------------------|--------------------|
| Finance interest resulting from lease contract | (25-4),(25-3) | (2 182 266) | (734 744) | (1 852 893) | (1 568 998) |
| Interest on loan | (25-4) | (3 029 118) | (1 318 870) | (2 884 742) | (961 581) |
| Interest expense, bank commission and expenses | | (6 404 998) | (1 815 350) | (8 111 810) | (2 086 853) |
| Net foreign currency exchange differences | | (458 267) | 79 573 | -- | -- |
| Total finance cost | | <u>(12 074 649)</u> | <u>(3 789 391)</u> | <u>(12 849 445)</u> | <u>(4 617 432)</u> |
| Net finance (cost) | | <u>(11 961 537)</u> | <u>(3 763 359)</u> | <u>(12 486 206)</u> | <u>(4 749 326)</u> |

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13- Tax

a) Current income tax liability

| | September 30, 2025 | December 31, 2024 |
|--|-----------------------|----------------------|
| | <u>USD</u> | <u>USD</u> |
| Current income tax liability for the period / year | 1 231 163 | 1 402 461 |
| | <u>1 231 163</u> | <u>1 402 461</u> |

b) Income Tax expense charged to the consolidated statement of profit or loss for the financial period ended:

| | Note <u>No.</u> | September 30, 2025 <u>USD</u> | September 30, 2024 <u>USD</u> |
|---------------------------------|--------------------|-------------------------------------|-------------------------------------|
| Current income tax expense | | (1 192 121) | (880 859) |
| Prior years tax differences | | (72 745) | (122 663) |
| Deferred tax (expense) / income | (13-c) | (433 889) | 840 066 |
| Tax (expense) | | <u>(1 698 755)</u> | <u>(163 456)</u> |

c) Recognized deferred tax assets and liabilities

*** The balance of the deferred tax assets and liabilities represent the following:**

| | January 1, 2025 Assets / (liabilities) <u>USD</u> | Recognized in the consolidated Profit or Loss Statement <u>USD</u> | Translation differences <u>USD</u> | September 30, 2025 Assets/ (liabilities) <u>USD</u> |
|--|--|--|--|---|
| Property, plant and equipment | (1 034 140) | (112 522) | (4 391) | (1 151 053) |
| Unrealized foreign currencies exchange differences | 568 512 | (321 367) | -- | 247 145 |
| Deferred Tax for the period | <u>(465 628)</u> | <u>(433 889)</u> | <u>(4 391)</u> | <u>(903 908)</u> |

| | January 31, 2024 Assets / (liabilities) <u>USD</u> | Recognized in the Profit Or Loss Statement <u>USD</u> | Recognized in the other Comprehensive income statement <u>USD</u> | Translation differences <u>USD</u> | September 30, 2024 Assets/ (liabilities) <u>USD</u> |
|--|---|--|--|--|--|
| Property, plant and equipment | (1 819 040) | 840 066 | -- | (261 414) | (1 240 388) |
| The effect of applying accounting standard (13) | 266 346 | -- | 335 325 | -- | 601 671 |
| Deferred Tax for the period | <u>(1 552 694)</u> | <u>840 066</u> | <u>335 325</u> | <u>(261 414)</u> | <u>(638 717)</u> |

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d) The effective tax rate

| | | September 30, 2025 | | December 31, 2024 |
|---|--------------|-----------------------|-------------|----------------------|
| | | USD | | USD |
| Net profit before tax | | 8 292 488 | | 17 003 856 |
| Tax according to the actual tax rate | 22.5% | 1 865 810 | 22.5% | 3 825 868 |
| <u>The effect tax on:-</u> | | | | |
| Foreign currencies differences | | 99 948 | | 97 407 |
| Exemptions | | (779 725) | | (2 665 676) |
| Net Provision effect | | 1 496 | | 136 006 |
| Board of directors allowance | | 4 592 | | 8 856 |
| Effective tax rate | 14.4% | 1 192 121 | 8.2% | 1 402 461 |
| Deferred tax | | 433 889 | | (708 480) |
| Income tax assessment differences for previous years | | 72 745 | | 215 316 |
| | 20.5% | 1 698 755 | 5.3% | 909 298 |

e) Deferred tax assets – unrecognized

Deferred tax assets related to tax losses and deductible temporary differences related to expected credit losses of trade receivables, provisions and impairment in investments have not been recognized due to the lack of an appropriate degree to ensure that there are sufficient future tax profits through which these assets can be utilized.

| | September 30, 2025 | December 31, 2024 |
|---|-----------------------|----------------------|
| | USD | USD |
| Net expected credit losses on trade and other receivables | 269 858 | 252 671 |
| Provisions | 115 101 | 162 186 |
| Impairment in Investment | 971 922 | 971 922 |
| Expected Credit losses on banks | 32 318 | 30 018 |
| | 1 389 199 | 1 416 797 |

f) Deferred tax liabilities - unrecognized

Deferred tax liabilities related to the temporary differences of the undistributed profits of some subsidiaries have not been recognized based on the following:

First: Most of the undistributed retained earnings do not have a dividend tax, as they are related to profits made in exempt companies (companies under the free zone system and companies outside Egypt).

Second: Regarding the undistributed earnings of companies subject to the dividend tax in Egypt, the management of the holding company controls the timing of disbursing these distributions, and the applied policy is to keep all the distributable profits to be reinvested instead of financing as a result of the high interest rates. Thus, there is no possibility of distributing dividends in the foreseeable future to increase financing and credit facilities.

Accordingly, the group's policy, according to EAS 24 "Income tax", is to recognize the deferred tax related to the profits expected to be distributed within the limits of the dividend tax on the amounts that are planned to be distributed by the holding company in the upcoming periods

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14- Basic and diluted earnings per share

14-1 Basic and diluted earnings per share according to profit or loss statement

Basic : earnings per share is calculated by dividing the consolidated net profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

| | | Financial period from | | Financial period from | |
|---|--------------------|--|---------------------------------------|---|---------------------------------------|
| | | January 1, 2025 to September 30, 2025 | July 1, 2025 To September 30, 2025 | February 1, 2024 To September 30, 2024 | July 1, 2024 To September 30, 2024 |
| Net Profits for the period | (USD) | 6 231 860 | 1 755 903 | 11 376 703 | 1 871 264 |
| Average number of outstanding shares during the period | (Share) | 470 250 000 | 470 250 000 | 470 250 000 | 470 250 000 |
| Basic and diluted earnings per share during the period | (USD/Share) | 0.013 | 0.004 | 0.02 | 0.004 |

Diluted: Since there are no convertible debt instruments, the diluted earnings per share does not differ from the basic earnings per share.

14-2 Basic and diluted earnings per share to demonstrate the effect of applying Egyptian Accounting standard No. (13)

| | | Financial period from | | Financial period from | |
|---|--------------------|--|---------------------------------------|---|---------------------------------------|
| | | January 1, 2025 to September 30, 2025 | July 1, 2025 To September 30, 2025 | February 1, 2024 To September 30, 2024 | July 1, 2024 To September 30, 2024 |
| Net profit for the period | (USD) | 6 231 860 | 1 755 903 | 11 376 703 | 1 871 264 |
| Effect of Applying Egyptian accounting standards No. (13) | (share) | -- | -- | (7 213 375) | 78 817 |
| Total comprehensive income | (USD) | 6 231 860 | 1 755 903 | 4 163 328 | 1 950 081 |
| Weighted-average number of paid ordinary shares during the period | (share) | 470 250 000 | 470 250 000 | 470 250 000 | 470 250 000 |
| Basic and diluted earnings per share during the period | (USD/Share) | 0.01 | 0.004 | 0.008 | 0.004 |

Concrete Fashion Group for commercial and industrial Investments

(An Egyptian Joint stock company - Under Public Free zone)

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

15- Property, plant and equipment

| <u>Description</u> | <u>Land*</u> <u>USD</u> | <u>Buildings and</u> <u>Constructions</u> <u>USD</u> | <u>Machinery and</u> <u>equipment</u> <u>USD</u> | <u>Vehicles</u> <u>USD</u> | <u>Tools and</u> <u>Equipment</u> <u>USD</u> | <u>Furniture</u> <u>and Office</u> <u>Equipment</u> <u>USD</u> | <u>Improvements</u> <u>in leasehold</u> <u>USD</u> | <u>Total</u> <u>USD</u> |
|--|----------------------------|--|--|-------------------------------|--|---|--|----------------------------|
| Cost as of January 1, 2025 | 5 994 783 | 39 777 279 | 40 060 622 | 964 763 | 632 798 | 9 652 137 | 3 937 013 | 101 019 395 |
| Additions during the period | -- | 603 096 | 709 372 | -- | 68 952 | 462 900 | 236 211 | 2 080 531 |
| Disposals during the period | -- | -- | -- | (21 610) | -- | -- | (5 291) | (26 901) |
| Foreign currency translation differences | 3 203 | 31 458 | 30 692 | 7 437 | 7 637 | 78 203 | 226 050 | 384 680 |
| Cost as of September 30, 2025 | <u>5 997 986</u> | <u>40 411 833</u> | <u>40 800 686</u> | <u>950 590</u> | <u>709 387</u> | <u>10 193 240</u> | <u>4 393 983</u> | <u>103 457 705</u> |
| <u>Accumulated Depreciation</u> | | | | | | | | |
| Accumulated Depreciation as of January 1, 2025 | -- | 15 107 143 | 30 755 014 | 733 578 | 478 544 | 8 239 754 | 2 735 517 | 58 049 550 |
| Depreciation for the period | -- | 729 434 | 912 793 | 67 279 | 37 316 | 417 849 | 229 054 | 2 393 725 |
| Accumulated Depreciation for disposals during the period | -- | -- | -- | (21 610) | -- | -- | (333) | (21 943) |
| Foreign currency translation differences | -- | (24 022) | 36 594 | 6 082 | 6 772 | 68 296 | 237 910 | 331 632 |
| Accumulated Depreciation as of September 30, 2025 | <u>--</u> | <u>15 812 555</u> | <u>31 704 401</u> | <u>785 329</u> | <u>522 632</u> | <u>8 725 899</u> | <u>3 202 148</u> | <u>60 752 964</u> |
| Net Book value as of September 30, 2025 | <u>5 997 986</u> | <u>24 599 278</u> | <u>9 096 285</u> | <u>165 261</u> | <u>186 755</u> | <u>1 467 341</u> | <u>1 191 835</u> | <u>42 704 741</u> |
| Net Book value as of December 31, 2024 | <u>5 994 783</u> | <u>24 670 136</u> | <u>9 305 608</u> | <u>231 185</u> | <u>154 254</u> | <u>1 412 383</u> | <u>1 201 496</u> | <u>42 969 845</u> |
| Fully Depreciated Assets and still in use as of September 30, 2025 | <u>--</u> | <u>2 163 982</u> | <u>13 221 477</u> | <u>460 469</u> | <u>421 184</u> | <u>6 426 586</u> | <u>1 877 955</u> | <u>24 571 653</u> |

Depreciation is distributed as follows:

| | <u>Notes</u> | <u>September 30, 2025</u> | <u>September 30, 2024</u> |
|----------------------------|--------------|---------------------------|---------------------------|
| | <u>No.</u> | <u>USD</u> | <u>USD</u> |
| Cost of sales | (5) | 1 398 348 | 1 252 296 |
| Selling and distribution | (7) | 283 473 | 275 757 |
| General and administrative | (8) | 711 904 | 739 077 |
| | | <u>2 393 725</u> | <u>2 267 130</u> |

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

| <u>Description</u> | <u>Land*</u> <u>USD</u> | <u>Buildings and</u> <u>Constructions</u> <u>USD</u> | <u>Machinery and</u> <u>equipment</u> <u>USD</u> | <u>Vehicles</u> <u>USD</u> | <u>Tools and</u> <u>Equipment</u> <u>USD</u> | <u>Furniture and</u> <u>Office</u> <u>Equipment</u> <u>USD</u> | <u>Improvements in</u> <u>leasehold</u> <u>USD</u> | <u>Total</u> <u>USD</u> |
|---|----------------------------|--|--|-------------------------------|--|---|--|----------------------------|
| Cost as of February 1st, 2024 | 6 147 675 | 38 643 233 | 39 653 305 | 931 448 | 698 371 | 10 022 689 | 4 914 522 | 101 011 243 |
| Additions during the period | -- | 1 528 954 | 6 696 485 | 79 425 | 40 401 | 280 506 | 725 773 | 9 351 544 |
| Disposals during the period | -- | -- | (20 902 876) | (11 255) | -- | -- | (3 403) | (20 917 534) |
| Transferred to work in progress | (10 733) | -- | -- | -- | -- | -- | -- | (10 733) |
| Foreign currency translation differences | (119 627) | (349 813) | (534 269) | (72 603) | (47 928) | (545 308) | (1 634 608) | (3 304 156) |
| Cost as of September 30, 2024 | 6 017 315 | 39 822 374 | 24 912 645 | 927 015 | 690 844 | 9 757 887 | 4 002 284 | 86 130 364 |
| <u>Accumulated Depreciation</u> | | | | | | | | |
| Accumulated Depreciation as of February 1st, 2024 | -- | 14 741 121 | 31 213 513 | 690 168 | 515 493 | 7 187 417 | 3 851 344 | 58 199 056 |
| Depreciation for the period | -- | 603 212 | 897 573 | 63 464 | 37 977 | 380 608 | 284 296 | 2 267 130 |
| Accumulated depreciation disposals during the period | -- | -- | (14 929 956) | (11 255) | -- | -- | (137) | (14 941 348) |
| Foreign currency translation differences | -- | (299 310) | (1 274 962) | (31 753) | (45 523) | 669 373 | (1 309 937) | (2 292 112) |
| Accumulated Depreciation as of September 30, 2024 | -- | 15 045 023 | 15 906 168 | 710 624 | 507 947 | 8 237 398 | 2 825 566 | 43 232 726 |
| Net Book value as of September 30, 2024 | 6 017 315 | 24 777 351 | 9 006 477 | 216 391 | 182 897 | 1 520 489 | 1 176 718 | 42 897 638 |
| Net Book value as of January 31, 2024 | 6 147 675 | 23 902 112 | 8 439 792 | 241 280 | 182 878 | 2 835 272 | 1 063 178 | 42 812 187 |
| Fully Depreciated Assets and still in use as of September 30, 2024 | -- | 2 145 318 | 13 139 728 | 440 477 | 413 745 | 5 595 110 | 1 750 528 | 23 484 906 |

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

* **The land item in the consolidated interim financial statements includes the following:**

- The cost of two plots of land number (9 ,10) in the west of industrial zone (A1) at 10th Ramadan City amounted to L.E 6,4 million with an area of 17 534 square meters, 40 477 square meters to establish housing units for employees in the group.
- The cost of buying a plot of land number (from 6/191 to 6/198) in the medium industries zone - Bayad Al Arab - the new city of Beni Suef (east of the Nile) in Beni Suef, with an area of 152 981.40 square meters purchased from the New Urban Communities Authority new Beni Suef city authority, with a total amount of L.E 10,7 Million equivalent to an amount of USD 1,9 Million and the registration in the real estate registry is in progress.

16- Projects under construction

| | September 30, 2025 USD | December 31, 2024 USD |
|---|---------------------------------------|--------------------------------------|
| Building and constructions | 669 430 | 1 675 264 |
| Advance payments to purchase exhibition system | -- | 19 019 |
| Advance payments to exhibition decoration and furniture | 124 773 | 116 029 |
| | 794 203 | 1 810 312 |

The movement of projects under constructions is as follows:

| | Notes No. | September 30, 2025 USD | December 31, 2024 USD |
|--|----------------------|---------------------------------------|--------------------------------------|
| Beginning balance during period / year | | 1 810 312 | 4 281 760 |
| Additions | | 319 500 | 2 241 075 |
| Transferred to work in progress | (21) | -- | (1 698 190) |
| Transferred to fixed assets | | (332 582) | (2 350 443) |
| Disposals during the period / year | | (1 052 496) | -- |
| Differences in the translation of foreign entities | | 49 469 | (663 890) |
| Ending balance for period / year | | 794 203 | 1 810 312 |

17- Financial Investments at fair value through profit or loss

| | | |
|--|----------------|----------------|
| ▪ The value of the holding company's contribution to the capital of El Asher Company for Development and Real Estate Investment (SAE) (the contribution percentage is 2.62%) | 30 860 | 30 860 |
| ▪ The value of the company's contribution to the capital of the Middle East Company "METCO"(SAE) (the contribution percentage is 48.95%) | 900 000 | 900 000 |
| ▪ Other investments | 41 062 | 41 062 |
| Total Investments | 971 922 | 971 922 |
| <u>Less:</u> | | |
| Impairment losses in investments* | (971 922) | (971 922) |
| | -- | -- |

* **Impairment losses in investments movement**

| | | |
|---|----------------|----------------|
| Beginning balance period / year | 971 922 | 971 922 |
| Ending balance for period / year | 971 922 | 971 922 |

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

18- Intangible assets and goodwill

| | Note No. | <u>Trademarks and programs</u> | |
|--|-------------|--------------------------------|----------------------|
| | | September 30, 2025 | December 31, 2024 |
| | | <u>USD</u> | <u>USD</u> |
| Beginning balance | | 4 349 000 | 4 371 284 |
| Foreign entities translation differences | | 2 405 | (22 284) |
| Ending Balance | | 4 351 405 | 4 349 000 |
| <u>Deduct:</u> | | | |
| Accumulated Amortization at the beginning of the period | | 448 455 | 238 291 |
| Amortization during the period | (7) | 164 440 | 215 748 |
| Foreign entities translation Differences | | 1 377 | (5 584) |
| Accumulated Amortization at the end of the period | | 614 272 | 448 455 |
| Net book value | | 3 737 133 | 3 900 545 |

- Trademarks are represented in the value of the right to use trademarks of the group companies.

19- Right- of- use assets – lease contracts

| | September 30, 2025 | December 31, 2024 |
|--|-----------------------|----------------------|
| | <u>USD</u> | <u>USD</u> |
| Beginning Balance | 6 151 661 | 8 315 175 |
| Addition | 1 028 900 | 1 801 175 |
| Disposals | (1 033 654) | (891 881) |
| Translation differences | 407 829 | (3 072 808) |
| Cost at the end of the period | 6 554 736 | 6 151 661 |
| <u>Amortization:-</u> | | |
| Beginning Balance | 2 983 996 | 3 718 953 |
| Amortization during the period / year * | 981 704 | 1 509 993 |
| Accumulated amortization of disposals | (903 947) | (674 395) |
| Translation differences | 201 010 | (1 570 555) |
| Accumulated Amortization at the end of the period | 3 262 763 | 2 983 996 |
| Net book value | 3 291 973 | 3 167 665 |

* **Right of use Amortization is represented by the following:**

| | Note No. | | |
|------------------------------------|-------------|----------------|----------------|
| Selling and distribution expense | (7) | 908 163 | 921 666 |
| General and administration expense | (8) | 73 541 | 71 458 |
| | | 981 704 | 993 124 |

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025****20- Inventory**

| | September 30, 2025 | December 31, 2024 |
|---------------------------------|-------------------------------|------------------------------|
| | USD | USD |
| Raw materials and supplies | 37 926 503 | 39 329 418 |
| Packing and packing materials | 1 071 244 | 926 364 |
| Consumables | 3 326 478 | 3 329 431 |
| Work in process | 7 165 459 | 8 702 455 |
| Finished goods | 36 025 133 | 39 084 232 |
| Goods held in trust with others | 1 746 774 | -- |
| Goods in transit | 1 141 222 | 1 139 086 |
| | 88 402 813 | 92 510 986 |
| Less: | | |
| Write down of inventory* | (4 238 211) | (3 448 211) |
| | 84 164 602 | 89 062 775 |

*** Movement of write down of inventory as follow:**

| | Note No. | | |
|---------------------------------|---------------------|------------------|------------------|
| Beginning balance | | 3 448 211 | 2 967 094 |
| Formed During the period / year | (5) | 790 000 | 481 117 |
| Ending balance | | 4 238 211 | 3 448 211 |

21- Work in progress

| | | | |
|---|------|------------------|------------------|
| Lands | | 10 733 | 10 733 |
| Engineering consultation and designs and governmental fees* | (16) | 1 701 356 | 1 698 190 |
| Foreign entities translation differences | | 16 637 | (90 813) |
| | | 1 728 726 | 1 618 110 |

* The amount is represented in paid for transferring land of port said for readymade garments company (subsidiary company) from industrial use to real estate development.

22- Trade and other receivables

| | Note No. | September 30, 2025 | December 31, 2024 |
|--|---------------------|-------------------------------|------------------------------|
| | | USD | USD |
| Trade receivables | | 36 100 362 | 35 069 048 |
| Notes receivables | | 68 344 | 198 796 |
| Advances to suppliers | | 10 033 018 | 5 411 190 |
| Deposits held with others | | 577 862 | 547 710 |
| General Tax authority | | 789 100 | 839 559 |
| Prepaid expenses | | 957 020 | 479 648 |
| Letter of guarantee cover | (36) | 349 068 | 1 575 481 |
| Accrued revenues | | 8 285 368 | 7 127 870 |
| Other debit balances | | 1 119 469 | 897 220 |
| | | 58 279 611 | 52 146 522 |
| Less: | | | |
| Expected credit loss of trade receivables and debtors* | | (1 199 368) | (1 122 986) |
| | | 57 080 243 | 51 023 536 |

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025***** Movement of Expected credit loss on trade and other receivables as follow:**

| | Note | September 30, 2025 | December 31, 2024 |
|--|------|-----------------------|----------------------|
| | No. | USD | USD |
| Beginning balance | | 1 122 986 | 688 460 |
| Expected credit loss during period/ year | (9) | 48 735 | 778 663 |
| Foreign entities translation differences | | 27 647 | (344 137) |
| Ending balance | | 1 199 368 | 1 122 986 |

23- Cash and cash equivalents

| | | | |
|--|--|------------------|------------------|
| Current accounts | | 4 763 311 | 5 430 320 |
| Time deposits | | 24 521 | 2 612 |
| Cash on hand | | 378 598 | 282 776 |
| | | 5 166 430 | 5 715 708 |
| (Deduct): | | | |
| Expected credit loss* | | (143 634) | (133 414) |
| Cash and cash equivalents | | 5 022 796 | 5 582 294 |
| (Deduct): | | | |
| Bank overdraft | | (50 839) | (137 202) |
| Cash and cash equivalents according to cash flows statement | | 4 971 957 | 5 445 092 |

*** Movement of Expected credit loss on banks current accounts as follow:**

| | Note | September 30, 2025 | December 31, 2024 |
|--|------|-----------------------|----------------------|
| | No. | USD | USD |
| Beginning balance period / year | | 133 414 | -- |
| Expected credit loss during period/ year | (9) | 7 988 | 133 414 |
| Foreign entities translation differences | | 2 232 | -- |
| Ending balance period / year | | 143 634 | 133 414 |

- The company has applied the exception stated in the decision of the Prime Minister, Decision No. 4575 of 2023, amending certain provisions of the Egyptian Accounting Standards, which exempts debt instruments issued by the Egyptian government in local currency at banks operating in Egypt with a maturity of one month or less from the date of the financial position from recognition and measurement of expected credit losses".

Concrete Fashion Group for commercial and industrial Investments

(An Egyptian Joint stock company - Under Public Free zones)

Notes to the consolidated interim financial statements for the financial period ended September 30, 2025**24- Bank credit facilities**

| | September 30, 2025 | December 31, 2024 |
|-------------------------------------|-------------------------------|------------------------------|
| | USD | USD |
| National Bank of Egypt -NBE | 22 666 145 | 22 850 194 |
| Commercial International Bank – CIB | 13 912 662 | 12 368 556 |
| HSBC | 13 222 139 | 13 453 554 |
| Export Development Bank of Egypt | 10 570 970 | 10 775 848 |
| Emirates NBD -Egypt | 9 653 605 | 7 601 877 |
| Qatar National Bank – QNB | 77 | 9 025 222 |
| Abu Dhabi Commercial Bank -ADCB | 1 747 393 | 2 414 461 |
| Bank of Alexandria | 2 985 901 | 2 905 199 |
| Arab Bank | 1 703 104 | 608 318 |
| | 76 461 996 | 82 003 229 |

- The credit facilities granted by banks to the Group's companies consist of short-term facilities provided at variable interest rates equal to the Secured Overnight Financing Rate (SOFR), plus the bank's profit margin, to finance working capital requirements, letters of credit, and letters of guarantee.

25- Borrowing

| | | Balance at 30/9/2025 | | | Balance at 31/12/2024 | | |
|-------------------------------------|--------|-----------------------------|--------------------------------|-------------------|------------------------------|--------------------------------|-------------------|
| | | Current portion | Non current portion | Total | Current portion | Non current portion | Total |
| | | USD | USD | USD | USD | USD | USD |
| Loans from banks | (25-1) | 6 999 746 | 32 029 083 | 39 028 829 | 8 534 205 | 29 300 238 | 37 834 443 |
| Liability on sale and lease back | (25-2) | 5 398 065 | 8 609 154 | 14 007 219 | 3 332 701 | 12 794 815 | 16 127 516 |
| | | 12 397 811 | 40 638 237 | 53 036 048 | 11 866 906 | 42 095 053 | 53 961 959 |

25-1 Loans from Banks**Concrete Fashion group for commercial and industrial Investment**

HSBC Rescheduled loan of USD1,250,000 effective August 2024 in eight unequal quarterly installments ending in July 20, 2026 at an annual variable interest rate equal to the SOFR secured financing rate.). (Note No. (24)

Swiss Garment company

Commercial International Bank – Egypt: A medium-term loan totaling USD 23,919,453 was granted to the company to refinance part of the existing liabilities owed by the company to the bank. The loan balance is to be repaid in seventeen unequal semi-annual installments, due on August 30 and February 28 of each year, with the first installment due on August 30, 2024, and the final installment due on August 30, 2032.

Arab Bank

A medium-term loan amounting to USD 12,217,263 and EGP 12,926,883, to be repaid in equal quarterly installments. The first installment is due on June 19, 2023, and the final installment is due on January 19, 2028.

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025****Egypt tailoring for ready made – Garments**

On October 26, 2022, a rescheduling agreement was signed for a credit facility contract with Mashreq Bank – Egypt, to restructure outstanding debts as follows:

- A medium-term loan of EGP 4.3 million, to be repaid in 36 monthly installments.
- A medium-term loan of USD 4.9 million, also to be repaid in 36 monthly installments.

These loans are jointly guaranteed by Concrete Fashion Group for Commercial and Industrial Investments.

Additionally, on June 1, 2023, an agreement was signed with HSBC Bank to reschedule a short-term credit facility and convert it into a long-term loan amounting to USD 5.7 million, to be repaid in 21 quarterly installments starting from September 15, 2023, until June 15, 2028.

25-2 Liability from sale and lease back**Concrete Fashion group for commercial and industrial Investment**

The company sold and leased back the administrative building of the company headquarters in the public freezones in Nasr city , under a financial lease agreement signed with corplease leasing Egypt S.A.E ,in accordance with Law No.95 of 1995 and its executive regulation and amendments . The company has paid all obligations due under the agreement on their due dates.

Egypt tailoring for ready made – Garments

The company carried out a sale and leaseback transaction for the land and factory buildings under a finance lease agreement entered into with Corplease for Financial Leasing – Egypt (S.A.E.), in accordance with the provisions of Law No. 95 of 1995, its executive regulations, and subsequent amendments.

Swiss cotton Garments company

The company executed a sale and leaseback transaction for the land and factory buildings located in the Bayad Al Arab area in Beni Suef City under a finance lease agreement entered into with Corplease for Financial Leasing – Egypt (S.A.E.), in accordance with the provisions of Law No. 95 of 1995, its executive regulations, and subsequent amendments.

25-3 Liability from lease contract (right of use commercial retail spaces)

This item represents the value of lease liabilities related to right-of-use contracts for commercial retail spaces leased by the Group's companies.

| | Note No. | Liabilities lease contract | |
|-----------------------------------|---------------------|-----------------------------------|------------------------------|
| | | September 30, 2025 | December 31, 2024 |
| | | USD | USD |
| Beginning balance | | 2 298 172 | 4 950 266 |
| Current borrowing | | 1 550 704 | 1 989 123 |
| Non. Current borrowing | | 747 468 | 2 961 143 |
| Addition during the period / year | | 1 028 900 | 1 524 586 |
| Translation differences | | 1 208 612 | (2 972 749) |
| Payment during the period /year | | (882 733) | (1 203 931) |
| Debit interest | (12) | 577 698 | 594 502 |
| Debit interest paid | | (577 698) | (594 502) |
| Ending balance | | 3 652 951 | 2 298 172 |
| Current liabilities | | 1 839 492 | 1 550 704 |
| Non -current liabilities | | 1 813 459 | 747 468 |
| | | 3 652 951 | 2 298 172 |

Concrete Fashion Group for commercial and industrial Investments
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Notes to the consolidated interim financial statements for the financial period ended September 30, 2025

25-4 The following is a movement in borrowing activities for the periods ended September 30, 2025, and December 31, 2024

| <u>Description</u> | <u>Note</u> | <u>Balance at 30/9/2025</u> | | | <u>Balance at 31/12/2024</u> | | |
|---------------------------------|-------------|-----------------------------|-----------------------|-------------------|------------------------------|----------------------|-------------------|
| | | <u>Liabilities from</u> | | | <u>Liabilities</u> | | |
| | | <u>Loans from</u> | <u>sale and lease</u> | <u>Total</u> | <u>Loans from</u> | <u>from sale and</u> | <u>Total</u> |
| | <u>No.</u> | <u>banks</u> | <u>back</u> | | <u>banks</u> | <u>lease back</u> | |
| | | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Beginning balance | | 37 834 443 | 16 127 516 | 53 961 959 | 47 725 699 | 14 388 777 | 62 114 476 |
| Current borrowing | | 8 534 205 | 3 332 701 | 11 866 906 | 9 349 828 | 2 958 777 | 12 308 605 |
| Non. Current borrowing | | 29 300 238 | 12 794 815 | 42 095 053 | 38 375 871 | 11 430 000 | 49 805 871 |
| Payment of borrowing | | (7 067 766) | (2 120 297) | (9 188 063) | (11 667 786) | (2 667 525) | (14 335 311) |
| Transfer from credit facilities | | 8 556 000 | -- | 8 556 000 | 1 250 000 | -- | 1 250 000 |
| Collected from borrowing | | 43 556 | -- | 43 556 | -- | 4 406 264 | 4 406 264 |
| Debit interest | (12) | 3 029 118 | 1 604 568 | 4 633 686 | 3 846 323 | 1 983 632 | 5 829 955 |
| Debit interest paid | | (3 375 767) | (1 604 568) | (4 980 335) | (3 190 592) | (1 983 632) | (5 174 224) |
| Translation differences | | 9 245 | -- | 9 245 | (129 201) | -- | (129 201) |
| Ending balance | | 39 028 829 | 14 007 219 | 53 036 048 | 37 834 443 | 16 127 516 | 53 961 959 |
| Current liabilities | | 6 999 746 | 5 398 065 | 12 397 811 | 8 534 205 | 3 332 701 | 11 866 906 |
| Non -current liabilities | | 32 029 083 | 8 609 154 | 40 638 237 | 29 300 238 | 12 794 815 | 42 095 053 |
| | | 39 028 829 | 14 007 219 | 53 036 048 | 37 834 443 | 16 127 516 | 53 961 959 |

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

26- Trade payables and other credit balances

| | Note No. | September 30, 2025 USD | December 31, 2024 USD |
|-------------------------------------|---------------------|---------------------------------------|--------------------------------------|
| Trade payables | | 10 131 668 | 10 994 814 |
| Accrued expenses | | 4 209 205 | 4 290 631 |
| Tax authority | | 1 637 729 | 1 121 203 |
| Notes payable | | 1 879 691 | 2 022 166 |
| Deposits from others | | 722 198 | 737 626 |
| Trade Receivables – credit balances | | 575 973 | 1 229 690 |
| GAFI | | 246 640 | 325 826 |
| Other credit balances | | 2 700 654 | 1 290 136 |
| | | 22 103 758 | 22 012 092 |

27- Provisions

| | | | |
|----------------------------------|------|----------------|----------------|
| Beginning balance | | 486 179 | 577 666 |
| Formed During the period/ year | (10) | 11 149 | 207 000 |
| Utilized During the period /year | | -- | (265 396) |
| Foreign entities translation | | 14 234 | (33 091) |
| Difference | | | |
| Ending balance | | 511 562 | 486 179 |

28- Financial risk management

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Other market price risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, as well as the Company management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also identifies and analyzes the risks faced by the Company, sets appropriate risk limits and controls, and monitors risks and adherence to limits.

The Company aims to develop a disciplined and constructive control environment through which all employees understand their roles and obligations.

Both the Audit Committee and Internal Audit Management assist the Company's Board of Directors in its oversight role. Internal Audit Management is responsible for conducting both regular and surprise inspections of control aspects and policies related to risk management and reports the results of these inspections to the Board of Directors.

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Credit risk

Credit risk represents the risk that one of the financial instruments converter party failed to fulfill its obligations , and expose the other party to financial losses , and the risk is mainly resulted from trade receivables , and other company's debit balances

Trade and other receivables

The Company's exposure to credit risk is influenced significantly by the main characteristics of each customer and the demographics of the Company's customer base, which includes the default risk of the industry which has less influence on credit risk.

And the company's management has applied credit policies a group of based on which the credit analysis is utilized for each client against payments, terms and the company work on getting advance payments and delivery and didn't resulted in any losses with clients'

Investments

The Company manages the risk through investing in subsidiaries companies under the control of the holding company. The Company's management does not expect any counterparty to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become 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 ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the cost of servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025****Currency risk**

The Company is exposed to currency risk on loans and credit risk that are denominated in foreign currencies. Other than company's functional currency

The interest related to the loans in foreign currency paid through cashflow generated from main group operation which offers an economical hedging to the group without entering in derivatives operations.

Interest rate risk

The Company adopts a policy to limit the Company's exposure to interest risk, over loans with fixed interest rate. The Company does not enter into hedging contracts for interest rates.

Other market price risk

Equity price risk arises from available-for-sale equity securities and the management of the Company monitors the mix of equity securities in its investment portfolio based on market indices .

Material investments within the portfolio are managed on an individual basis and all buying and sell decisions are approved by the Company' Board of Directors.

The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

Capital management

The company's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors, and the market, as well as to meet future developments in the business. The company's board of directors is responsible for monitoring the return on capital, which is defined by the company as the net profit for the period divided by total shareholder equity. The board of directors also monitors the level of dividend payouts to shareholders.

The board of directors seeks to balance between maximizing returns with high levels of borrowing, benefits, and guarantees, while maintaining safe capital base.

There are no changes in the company's capital management strategy during the period , nor is the company subject to any external requirements imposed on its capital.

a- Credit risk exposure

The carrying amount of financial assets represents the maximum exposure to credit risk, which amounted as of the date of the consolidated financial position date as follows:

| | <u>Note.</u> | <u>30/9/2025</u> | <u>31/12/2024</u> |
|-----------------------------|---------------------|--------------------------|--------------------------|
| | <u>No</u> | <u>USD</u> | <u>USD</u> |
| Trade and other receivables | (22) | 38 215 105 | 38 288 255 |
| Due from related parties | (34-1) | 166 529 | 20 890 |
| Cash and cash equivalents | (23) | 4 787 832 | 5 432 932 |
| | | <u>43 169 466</u> | <u>43 742 077</u> |

- All financial assets and liabilities are classified and measured at amortized cost, and the fair value of all financial instruments does not differ materially from their book value.
- For the purpose of disclosure of financial instruments, non-financial assets of USD 20 064 506 as at September 30, 2025 (December 31, 2024: USD) are excluded from other debit balances.

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

b- Liquidity risk

The following are the contractual terms of financial liabilities:

| <u>September 30, 2025</u> | <u>Note No.</u> | <u>Carrying amount</u> <u>USD</u> | <u>Expected cashflow</u> <u>USD</u> | <u>Less than 1 year</u> <u>USD</u> | <u>Maturity Date</u> | |
|------------------------------|-----------------|--------------------------------------|--|---------------------------------------|--------------------------------|---|
| | | | | | <u>1-2 years</u> <u>USD</u> | <u>3-5 years and more</u> <u>USD</u> |
| Borrowings | (25) | 56 688 999 | 60 097 922 | 12 046 869 | 21 315 379 | 26 735 674 |
| Trade payables notes | (26) | 19 643 416 | 19 643 416 | 19 643 416 | -- | -- |
| payables and Other creditors | | | | | | |
| Due to related parties | (34-2) | 932 535 | 932 535 | 932 535 | -- | -- |
| Bank credit facilities | (24) | 76 512 835 | 76 512 835 | 76 512 835 | -- | -- |
| | | <u>153 777 780</u> | <u>157 186 708</u> | <u>109 135 655</u> | <u>21 315 379</u> | <u>26 735 674</u> |

| <u>December 31, 2024</u> | <u>Note No.</u> | <u>Carrying amount</u> <u>USD</u> | <u>Expected cashflow</u> <u>USD</u> | <u>Less than 1 year</u> <u>USD</u> | <u>Maturity Date</u> | |
|------------------------------|-----------------|--------------------------------------|--|---------------------------------------|--------------------------------|---|
| | | | | | <u>1-2 years</u> <u>USD</u> | <u>3-5 years and more</u> <u>USD</u> |
| Borrowings | (25) | 56 260 131 | 111 199 906 | 76 404 393 | 8 845 792 | 25 949 721 |
| Trade payables, notes | (26) | 19 335 373 | 19 335 373 | 19 335 373 | -- | -- |
| payables and Other creditors | | | | | | |
| Due to related parties | (34-2) | 1 916 304 | 1 916 304 | 1 916 304 | -- | -- |
| Bank credit facilities | (24) | 82 140 431 | 82 140 431 | 82 140 431 | -- | -- |
| | | <u>159 652 239</u> | <u>214 592 014</u> | <u>179 796 501</u> | <u>8 845 792</u> | <u>25 949 721</u> |

c- Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk for main currencies was as follows:

| <u>September 30, 2025</u> | <u>EGP</u> | <u>Euro</u> | <u>GBP</u> | <u>Total USD</u> |
|---|----------------------|---------------------|------------------|---------------------|
| Cash and cash equivalents | 27 901 607 | 1 671 287 | 27 300 | 2 583 430 |
| Trade and other receivables | 501 863 862 | 10 171 677 | 2 965 491 | 26 425 278 |
| Total assets in currency | 529 765 469 | 11 842 964 | 2 992 791 | 29 008 708 |
| Trade and other payables | (166 759 798) | (2 560 705) | (133 560) | (6 673 357) |
| Banks credit facilities | (271 960 268) | (11 231 281) | (162 612) | (19 098 152) |
| Total liabilities in currency | (438 720 066) | (13 791 986) | (296 172) | (25 771 509) |
| Surplus / (deficit) expose to risk | 91 045 403 | (1 949 022) | 2 696 619 | 3 237 199 |
| Equivalent in USD | 1 902 849 | (2 289 906) | 3 624 256 | 3 237 199 |
| <u>December 31, 2024</u> | <u>EGP</u> | <u>Euro</u> | <u>GBP</u> | <u>Total USD</u> |
| Cash and cash equivalents | 32 974 512 | 940 838 | 70 938 | 1 714 777 |
| Trade receivables and Notes receivables | 474 524 272 | 4 854 645 | 3 020 638 | 18 143 331 |
| Total assets in currency | 507 498 784 | 5 795 483 | 3 091 576 | 19 858 108 |
| Trade payables and notes payable | (170 977 097) | (4 191 422) | (103 775) | (7 844 995) |
| Bank facilities | (56 639 226) | (10 319 193) | (78 541) | (11 951 947) |
| Total liabilities in currency | (227 616 323) | (14 510 615) | (182 316) | (19 796 942) |
| Surplus / (deficit) expose to risk | 279 882 461 | (8 715 132) | 2 909 260 | 61 166 |
| Equivalent in USD | 5 485 696 | (9 073 324) | 3 648 794 | 61 166 |

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

The following is the exchange rates used:

| | <u>Closing rates on</u> <u>consolidated interim</u> <u>financial statements date</u> | | <u>Average exchange rates</u> <u>during the period / year</u> | |
|------|--|-------------------|--|-------------------|
| | <u>30/9/2025</u> | <u>31/12/2024</u> | <u>30/9/2025</u> | <u>31/12/2024</u> |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| EGP | 0.0209 | 0.0196 | 0.0201 | 0.0225 |
| EURO | 1.1749 | 1.0411 | 1.1212 | 1.0807 |
| GBP | 1.3440 | 1.2542 | 1.3194 | 1.2793 |

Assessment of currency exchange difficulty

On March 3, 2024, the Prime Minister issued Decision No. 636 amending Egyptian Accounting Standard No. (13), effect of changes in foreign currency exchange rates (Egyptian Accounting Standard No. 13, Paragraph 57A), effective from January 1, 2024.

The company applied the amendment in Paragraph 57-A of Egyptian Accounting Standard No. (13) and conducted an Assessment to determine whether there is difficulty in exchanging foreign currencies against the US Dollar.

The company assessed that there is no difficulty in exchanging assets denominated in foreign currency as of February 1, 2024. This assessment was based on the ability to exchange foreign currency-denominated assets at the bank at any time without any difficulty.

The company also assessed that there is no difficulty in exchanging foreign currency-denominated liabilities, to the extent that foreign currency-denominated assets can be used to settle these liabilities. There are no foreign currency-denominated liabilities that would be settled outside the banking system, as a significant portion of the related parties sales are in US Dollar, Euro, and British Pound. Therefore, there is no estimate of difficulty in exchanging these balances, and there is no cash impact from the application of the amended Egyptian Accounting Standard No. (13).

d- Sensitivity Analysis

The 10% increase (decrease) in exchange rates of foreign currencies against the USD on June 30, 2025 would impact the measurement of financial instruments in foreign currency and affect property rights and profits or losses as illustrated below. This analysis assumes the stability of all other variables, especially interest rates, and disregards any potential impact from expected sales and purchases.

September 30 , 2025

| | <u>Effect on owner's equity</u> | | <u>Effect on profit or loss</u> | |
|----------------|---------------------------------|-----------------|---------------------------------|-----------------|
| | <u>Increase</u> | <u>Decrease</u> | <u>Increase</u> | <u>Decrease</u> |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Egyptian pound | 190 285 | (190 285) | 190 285 | (190 285) |
| Euro | (228 991) | 228 991 | (228 991) | 228 991 |
| GBP | 362 426 | (362 426) | 362 426 | (362 426) |

December 31, 2024

| | <u>Effect on owner's equity</u> | | <u>Effect on profit or loss</u> | |
|------|---------------------------------|-----------------|---------------------------------|-----------------|
| | <u>Increase</u> | <u>Decrease</u> | <u>Increase</u> | <u>Decrease</u> |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| EGP | 548 569 | (548 569) | 548 569 | (548 569) |
| Euro | (907 332) | 907 332 | (907 332) | 907 332 |
| GBP | 364 879 | (364 879) | 364 879 | (364 879) |

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

e- Interest rate risk

At the date of consolidated interim financial statements, the interest rate profile of the group's financial instruments was as follows: -

| | Note No. | Carrying amount 30/9/2025 | 31/12/2024 |
|--|-----------------|--|--------------------|
| <u>Financial assets</u> | | <u>USD</u> | <u>USD</u> |
| Financial assets with a fixed rate – Time deposits | (23) | 24 521 | 2 612 |
| Financial assets with a variable rate – Bank current account | (23) | 4 763 311 | 5 430 320 |
| | | 4 787 832 | 5 432 932 |
| <u>Financial liabilities</u> | | | |
| Financial liabilities with a fixed rate – Borrowings | (25) | 56 688 999 | 56 260 131 |
| Financial liabilities with a variable rate – credit facilities | (24) | 76 461 996 | 82 003 229 |
| | | 133 150 995 | 138 263 360 |

f- Sensitivity Analysis

A change in interest rates by 100 basis points on September 30 would have an impact on the valuation of assets and liabilities with variable interest rates as follows:

September 30, 2025

| | Effect on owner's equity | | Effect on profit or loss | |
|-----------------------|---------------------------------|------------------------|---------------------------------|------------------------|
| | <u>Increase</u> | <u>Decrease</u> | <u>Increase</u> | <u>Decrease</u> |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Financial liabilities | 717 261 | (717 261) | 717 261 | (717 261) |

December 31, 2024

| | Effect on owner's equity | | Effect on profit or loss | |
|-----------------------|---------------------------------|------------------------|---------------------------------|------------------------|
| | <u>Increase</u> | <u>Decrease</u> | <u>Increase</u> | <u>Decrease</u> |
| | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| Financial liabilities | 820 032 | (820 032) | 820 032 | (820 032) |

g- Capital management

The company's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors, and the market, as well as to meet future developments in the business.

The following table show the loans accrued for the group at the date of financial position and the percentage of loans to total loans to equity.

| | 30/9/2025 | 31/12/2024 |
|---------------------------------|-------------------|-------------------|
| | <u>USD</u> | <u>USD</u> |
| Borrowing and credit facilities | 133 150 995 | 138 263 360 |
| Capital | 32 917 500 | 32 917 500 |
| Rate of loans to Capital | 404.50% | 420.03% |

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025****29- Capital****29-1 The Authorized Capital**

The authorized capital of the company amounting USD 150 million (one hundred and fifty million US dollars), according to the decision of the extraordinary general assembly held on November 22, 2023, the demerge of Al-Arafa Investment and Consulting Company into two companies has been approved, as well as the reduction of the authorized capital of the company to be an amount of 32 917 500 US dollars.

29-2 Issued and paid-up capital

The issued and paid-up capital after the amendment has reached USD 94 050 000 according to the decision of the extraordinary general assembly of the company.

The issued and paid-up capital of the company consists of 470 250 000 nominal shares, at a value of 20 cents per share, and the issued capital is fully paid, which is the sum of the net equity in the merging company, according to the report of the formed committee by the General Authority for Investment and Free Zone in accordance with the decision of the CEO of the General Authority for Investment and Free Zone No. 127 of 2019.

Based on the Extraordinary General Assembly meeting held on November 22, 2023, regarding the demerge of Al-Arafa Investment and Consulting Company, it has been approved to reduce the company's issued capital to \$32 917 500, distributed over 470 250 000 shares at a value of 7 cents per share. The company's issued capital represents the total net equity of the company after deducting \$64 370 held as reserves. The authorized, issued and paid-up capital has been notarized in the Commercial Register of the company as of December 24, 2023. The shareholder structure is distributed as follows:

| <u>Name</u> | <u>Number of shares</u> <u>Share</u> | <u>Nominal value</u> <u>USD</u> | <u>ownership</u> <u>%</u> |
|---------------------------------------|---|--|--|
| Ms. Samaa Abdel-Gawad Mohamed Ragab | 77 436 541 | 5 420 558 | 16.46 |
| Ms. Sherine Ahmed Abdel Maqsoud Arafa | 66 576 321 | 4 660 342 | 14.15 |
| Mr. Ashraf Ahmed Abdulmaqsoud Arafa | 55 949 224 | 3 916 446 | 11.89 |
| Ms. Malak Alaa Ahmed Arafa | 44 341 111 | 3 103 878 | 9.4 |
| Ms. Shams Alaa Ahmed Arafa | 44 341 111 | 3 103 878 | 9.4 |
| Other shareholders | 181 605 692 | 12 712 398 | 38.7 |
| | <u>470 250 000</u> | <u>32 917 500</u> | <u>100%</u> |

30- Reserves**30-1 Reserve resulted from demerge process**

| | <u>Balance on</u> <u>September</u> <u>30, 2025</u> <u>USD</u> | <u>Balance on</u> <u>December</u> <u>31, 2024</u> <u>USD</u> |
|------------------------------------|--|---|
| Resulting from the demerge process | -- | 6 737 403 |
| | <u>--</u> | <u>6 737 403</u> |

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- * According to the demerge decision referred to in Note (1-4), the financial statements were taken on January 31, 2023, for Al-Arafa Investment and Consulting Company as the base for the demerge, and the balance was settled according to the report of the General Investment Authority as follows:

| | September 30, 2024 USD |
|--|---------------------------------------|
| Setting aside an amount in the reserve account in accordance with the decision of the extraordinary general assembly of the Demerging company on November 22, 2023 | 64 370 |
| Reimbursement of impairment losses in investments in certain subsidiaries | 6 673 033 |
| | 6 737 403 |
| <u>Deduct :</u> | |
| Closing reserves at retained earnings | (6 737 403) |
| | -- |

The company general assembly held on May 20, 2025 decided to use the reserves shown in the financial statement ending December 31, 2024 to offset the accumulated losses.

30-2 Foreign entities Translation reserve

The translation differences reserve represents the value of the accumulated differences resulting from the translation of the financial statements consolidated of the subsidiaries from foreign currencies to US dollars in addition to their share in the accumulated translation differences listed in the equity of associate.

| | Share of holding company 30/9/2025 (USD) | Share of holding company 31/12/2024 (USD) |
|-----------------------|---|--|
| Opening Balance | 42 874 212 | 38 075 347 |
| Changes during period | 704 566 | 4 798 865 |
| | 43 578 778 | 42 874 212 |

31- Non – controlling interests

The following table provides information about each subsidiary with non – controlling interests that are material to the group:

| <u>Subsidiary's name</u> | <u>Non controlling percentage</u> | <u>September 30, 2025</u> | <u>December 31, 2024</u> |
|--|--|--------------------------------------|-------------------------------------|
| <u>Direct and indirect contribution</u> | | | |
| Concrete for Readymade Garments | 8.36% | 8.36% | 8.36% |
| Swiss Cotton Garments | 0.56% | 0.56% | 0.56% |
| Egypt Tailoring For Ready – Made Garments | 1.39% | 0.6% | 0.6% |
| Crystal for Making Shirts | 0.82% | 0.06% | 0.06% |
| Fashion Industry garments company | 0.34% | 0.5% | 0.5% |
| Euro med for Trading and Marketing | 2.78% | 2.78% | 2.78% |
| Port Said for Readymade Garments | 2.48% | 2.48% | 2.48% |
| Swiss for readymade Garments | 0.8% | 0.8% | 0.8% |
| Savini for Readymade Garments | 1.20% | 0.8% | 0.8% |

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025**

- The voting rights percentage of the non – controlling shares are the same as the ownership percentage of the non – controlling shares.
- The holding company undertook a restructuring of the ownership structure of certain subsidiaries of Concrete Fashion Group for Commercial and Industrial Investments without a change in control which resulted in changes to the direct and indirect ownership percentages between the holding company and the non-controlling interests.

The following is the movement of the non – controlling interests:

| | September 30, 2025 USD | December 31, 2024 USD |
|--|---------------------------------------|--------------------------------------|
| The beginning balance | 1 804 077 | 1 723 056 |
| Effect of change in ownership interest without a change in control | (180 939) | -- |
| Employee dividends paid during the period / year | -- | (24 907) |
| Net profit for the period/ year | 361 873 | 475 747 |
| Foreign entities translation differences | (17 447) | (376 967) |
| The effect of applying the Egyptian Accounting Standard No. 13 “The effect of change in Exchange Rate” | -- | 7 148 |
| The Ending balance | <u>1 967 564</u> | <u>1 804 077</u> |

32- Tax position**Concrete Fashion Group for Commercial and Industrial Investments**

As mentioned in the Company's tax card, the Company and dividends are not subject to tax laws and duties applied in Egypt under article No. 35 of law No.8 of 1997 which replaced by article No. 41 of law 72 of 2017.

The company was inspected for the payroll tax from the beginning of the activity to 2022, and the final tax assessment was made and the tax due has been paid, the tax deducted is paid monthly on legal dates.

The company provides the withholding tax to the Central Department of withholding tax under the tax account on legal dates.

33- Non-distributable profits

Retained earnings as of June 30, 2025 include a non-distributable USD 7.9 million which represents the balance of legal and special reserves set aside by subsidiaries from their profits.

34- Related Parties

The related parties are the shareholders of the Company and the associate companies in which they own shares, whether directly or indirectly, and the senior management members of the Company, which gives them significant influence or control over these companies. The group companies carry out many transactions with related parties and these transactions are carried out in accordance with the conditions set by the board of directors in those companies which do not differ with the count parts of those transactions with others.

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025**

The following is a summary of the nature and volume of transactions concluded with related parties during the period and its related balances:

34-1 Due from related parties

| <u>Company's Name</u> | <u>Nature of transactions</u> | Value of transactions | | Balance on | |
|---|-------------------------------|------------------------------|--------------------------|----------------------------|--------------------------|
| | | During period / year | | | |
| | | September 30 , 2025 | December 31, 2024 | September 30 , 2025 | December 31, 2024 |
| | | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| • Golden tax wool | Payment on behalf | (3 361) | -- | -- | 3 361 |
| • Euro Egypt | Payment on behalf | 1 094 | (9 679) | 17 590 | 16 496 |
| • Middle East Ready-made Garments | Payment on behalf | 86 377 | (324 549) | 183 313 | 96 936 |
| • Beni sweif el watanya | Payment on behalf | 69 | (543) | 1 102 | 1 033 |
| • Arafa for real estate | Payment on behalf | 147 837 | -- | 147 837 | -- |
| Deduct : | | | | 349 842 | 117 826 |
| Expected credit loss on related parties * | | | | (183 313) | (96 936) |
| | | | | 166 529 | 20 890 |

34-2 Due to related parties

| <u>Company's Name</u> | <u>Nature of transactions</u> | Value of transactions | | Balance on | |
|------------------------|-------------------------------|------------------------------|--------------------------|----------------------------|--------------------------|
| | | During year / period | | | |
| | | September 30 , 2025 | December 31, 2024 | September 30 , 2025 | December 31, 2024 |
| | | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| • GTEX for investments | Payment on behalf | 994 944 | -- | 921 360 | 1 916 304 |
| • Golden tax wool | Payment on behalf | 11 175 | 2 174 880 | 11 175 | -- |
| | | | | 932 535 | 1 916 304 |

Movement of expected credit loss of related party as follow:

| | <u>Note No.</u> | September 30 , 2025 | December 31, 2024 |
|---|-----------------|----------------------------|--------------------------|
| | | <u>USD</u> | <u>USD</u> |
| Beginning balance period / year | | 96 936 | -- |
| Formed During the period / year | (9) | 79 386 | 96 936 |
| Foreign entities translation difference | | 6 991 | -- |
| Ending balance period / year | | 183 313 | 96 936 |

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025****34-3 Top management members**

The senior management is represented by the Board of Directors and the main managers of the company, and the salaries and benefits paid to senior management during the financial period amounted:

| | Note | September 30 , 2025 | September 30 , 2024 |
|---|-------------|--------------------------------|--------------------------------|
| | No. | USD | USD |
| Remuneration and allowances of members of the Board of Directors, attendance of committees, salaries and benefits of executive management | (8) | 174 808 | 173 356 |
| | | 174 808 | 173 356 |

35- Capital commitments

The capital commitments as of September 30, 2025 amounted 5 331 236 USD compared with 8 471 385 USD December 31, 2024.

36- Contingent liabilities

The value of letters of guarantee issued by banks on behalf of the Company and certain of its subsidiaries in favor of third parties amounted to USD 7 973 220 as of September 30, 2025, secured by cash collateral of USD 349 068. As of December 31, 2024, the value amounted to USD 13 011 663, secured by cash collateral of USD 1 575 481. See Note (22).

Concrete Readymade Garments Company provided a solidarity guarantee to guarantee Concrete Fashion Group for commercial and industrial Investments for the facilities granted to it by banks amounted 797 835 USD.

37- Material accounting policies applied

The Group has consistently applied the following accounting policies during all financial periods presented in these consolidated interim financial statements.

37-1 Basis of consolidation**Business combinations**

- The Group accounts for business combinations using the acquisition method when the combinations of the activities and assets acquired meets the definition of a business and control is transferred to the group when determining whether a particular combination of activities and assets represent a commercial activity. The group evaluate whether the set of acquired assets and activities that includes, at a minimum, and significant inputs and process and whether the acquired group has the ability to produce outputs.
- 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.
- The consideration transferred in the acquisition is generally measured at fair value, as are net values of the assets acquired where identifiable, any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase is recognized as profit or loss immediately.

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- Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities.
- Acquisition-related costs (transaction costs) are treated as an expense in periods when costs are incurred and services are received with one exception, which is the costs of issuing securities against indebtedness or equity.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationship. 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 remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights 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 controlled are included in the consolidated financial statements from the date of obtaining control until the date that control lost.

Non-controlling interests

Non-controlling interest are measured initially at their proportionate share of the acquirer's identifiable net acquired assets.

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

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other comprehensive income. Any resulting gain or loss is recognized in profit or loss. Any interests retained in the former subsidiary is measured at fair value when control is lost.

Equity – accounted investees

The Group's equity-accounted investees comprise interests in associates Companies and joint ventures.

And has no rights to the assets, and obligations for the liabilities, relating to an arrangement.

Associate Companies are companies in which the Group has significant influence over financial and operating policies but does not extend to be a control or a joint venture.

A joint venture is when the Group has rights only to the net assets of the arrangements.

Investments in associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The cost of the investments includes transaction costs.

Subsequent measurement in the consolidated financial statements by increasing or decreasing the carrying value of the investment by the Group's share of the profit or loss and OCI items of the equity-accounted investees, until the date that significant influence ceases\ joint control is stopped.

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Transactions eliminated on consolidation.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment of transferred asset value.

During 2023, the company demerged to two companies the demerge (Concrete Fashion Group for commercial and industrial Investments and the demerged company GTEX for commercial and industrial Investments and due to that the company transferred the Investment in associate companies to the demerged company

37-2 Foreign currency transactions

Foreign transactions in the functional currency of the group companies are translated at the exchange rate on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate at the date of preparing the financial statements.

Assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate used when determining the fair value.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Generally, currency differences are recognized in the consolidated statement of profit or loss. Excluding, currency differences arising from translation are recognized in other comprehensive income:

- The financial obligations that have been designated as a risk coverage tool to cover the risk of net investment in a foreign activity, as long as the coverage is effective.
- Hedging instruments used for cash flow risk as long as the hedge is effective.
- On an exceptional basis, the Egyptian Cabinet agreed to deal with the exceptional economic decision related to moving the exchange rate by setting an additional option for Paragraph No. (28) of the amended Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates," which requires recognition of currency differences. Within the statement of profits or losses for the period in which these differences arise, so that the standard allows the recognition of debit and credit currency differences on the translation of assets and liabilities of monetary nature in foreign currencies existing at the end of the fiscal period within the items of other comprehensive income in accordance with Paragraph No. (9) of the appendix to the standard amendment, Paragraph No. (10) of the amendment also made it possible to include the amount of currency differences resulting from the retranslation of monetary items, which were presented in the items of other comprehensive income in accordance with Paragraph No. (9) of this appendix, in the retained earnings or losses at the end of the financial period for applying The specific treatment contained in this Appendix.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and adjustments arising on acquisition, are translated at the exchange rates at the reporting date. Revenues and expenses of foreign operations are translated into US Dollar at the exchange rates at dates of the transactions.

Foreign currency differences are recognized in OCI items and the accumulated balance in the translation differences reserve, excluding the translation differences allocated to non-controlling interests.

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When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated income statement.

37-3 Financial instruments

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 Group 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.

2) 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 Group 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 future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and not paid.

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 .
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and not paid.

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

Financial assets- Business Model Assessment

The Group 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 Group's management; and
- 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 Group'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.

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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 Group 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 Group 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 Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A Cash payment 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 additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per 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 additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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| | |
|---|--|
| Financial assets classified at FVTPL | Financial assets at FVTPL are measured at fair value. Changes in the fair value, 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. |
| 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. |
| 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. |

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.

3) Derecognition**Financial assets**

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

The Group 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.

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Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group 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) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group 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.

37-4 Financial Derivatives and Hedge Accounting

The Group holds derivative financial instruments to hedge foreign currency and interest rate risks. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Following initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge against the variability in cash flows associated with forecast transactions with a high probability resulting from changes in foreign exchange rates and interest rates and some derivatives and non-derivative financial liabilities as a hedge of foreign exchange risk on a net investment in a foreign operation.

37-5 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 "Income Tax".

Repurchase and re-issue of ordinary share (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

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37-6 Impairment

1) Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk

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Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is two periods past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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2) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, 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 CGUs. 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 in the previous period s.

37-7 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property and equipment is recognized in consolidated statement of income.

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Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the group all other expenses are presented in consolidated statement of profit or loss as an expense when incurred.

iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives for each type of property, plant and equipment, and is generally recognized in consolidated statement of income and other comprehensive income.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

| <u>Asset</u> | <u>(Estimated useful life)</u> <u>Years</u> |
|--------------------------------|--|
| Buildings and constructions | 5–50 |
| Machinery and equipment | 3.3 – 10 |
| Vehicles and transportation | 5 |
| Tools and supplies | 2 – 10 |
| Furniture and office equipment | 2 – 16.67 |
| Lease improvements | 5–10 |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

37-8 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the assets to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

37-9 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

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37-10 Lease contracts

At the inception of the contract, it is assessed whether the contract is a lease or involves a lease if the contract conveys the right of use specified asset for a year in exchange for consideration.

Lease contract year is determined as the non-cancellable year in the lease agreement along with each of:

- a. The years covered by an extension option of the lease contract if the lessee is reasonably certain of exercising this option.
- b. The years covered by a termination option of the lease contract if the lessee is reasonably certain not to exercise that option.

As a lessee, the company assesses each lease contract to determine whether it should be classified as an operating lease or a finance lease. A lease is classified as a finance lease when it substantially transfers all the risks and rewards incidental to ownership of the leased asset. Otherwise, it is classified as an operating lease. The classification of a lease as either a finance lease or an operating lease is based on the substance of the transaction rather than the form of the contract.

Initial measurement of the right of use asset:

The cost of the right of use asset is:

- A- The initial measurement amount of the lease obligation, at the present value of the unpaid lease payments at that date. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be easily determined. If this rate cannot be determined, the lessee must use the interest rate on the additional lessee's borrowing.
- B- Any lease payments made on or before the lease commencement date less any lease incentives received.
- C- Any initial direct costs incurred by the lessee.
- D- An estimate of the costs to be incurred by the lessee in disassembling and removing the asset subject to the contract, returning the location where the asset is to the original state or returning the same asset to the required condition in accordance with the terms and conditions of the lease, unless those costs are incurred to produce the inventory. On the date of commencement of the lease or because of the use of the underlying asset within a certain year.

Subsequent measurement of the right of use assets:

After the start date of the lease contract, "the right of use" asset is measured using the cost model, under the cost model right of use asset is measured at cost:

- 1- Deduct by any accumulated depreciation and any accumulated impairment losses;
- 2- Amended by any re-measurement of the lease obligation.

• **Initial measurement of lease obligation:**

At the inception of the lease, the lease liability is measured at the present value of the unpaid lease payments at that date. Lease payments are discounted using the interest rate implicit in the lease if that rate can be easily determined. If this rate cannot be easily determined, the lessee must use the company's additional borrowing rate as a lessee.

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• **Subsequent measurement of the lease obligation:**

After the start date of the lease, the following are:

- 1- Increase the book amount of the obligation to reflect the interest on the lease obligation;
- 2- Reducing the book amount of the obligation to reflect rental payments.
- 3- Re-measure the book amount of the obligation to reflect any reassessment or adjustment of the lease contract or to reflect the fixed lease payments in its adjusted core.

The principal of the right of use and the obligations of leases are displayed in the financial position list separately from other assets and liabilities.

Leases contracts include the lessee's maintenance and insurance of the leased asset and the lease does not involve any arrangements for the transfer of ownership at the end of the lease year.

For a contract with a rental component with one or more rental components, (if any), the compensation in the contract is allocated to each rental component on the basis of the independent proportional price of the rental component and the total independent price of non-rental components. As a practical means, and within the scope of what the standard allows, the company as a lessee may choose by the category of the asset in place of the contract not to separate non-rental components from the rental components, and thus account for each rental component and any associated non-rental components as a single rental component.

37-11 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, the share equity-accounted investees, and income taxes.

37-12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

37-13 Intangible assets

Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries. Goodwill is measured at cost less any accumulated impairment losses. Impairment of goodwill is not reversed subsequently. In case of gain on bargain purchase it is directly recognized immediately in the profit or loss statement.

Goodwill is examined to verify the extent which it is exposed to impairment in the fourth quarter of fiscal period or when there are indications of impairment.

Trademarks and Other intangible assets

Trademarks and Other intangible assets are recognized in which they have definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Research and development

Expenditure on research activities is recognized as expense when incurred.

Development expenditure is capitalized only if the expenditure attributable to the intangible asset during the development period can be measured reliably, a technical feasibility study is available to complete the intangible asset, making it available for sale or to use, future economic benefits are probable from the intangible asset, and the availability of sufficient technical, financial, and other resources to complete development and to use or sell the intangible asset. Intent availability to complete the intangible asset to use or sell, the ability to use or sell the intangible asset. Otherwise, it is recognized as expense when incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

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Subsequent expenditures

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits which relates to research and development projects under implementation that recognized as an intangible asset. All other expenditures including expenditure on internally generated goodwill and brands are expensed as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the consolidated statement of income. Goodwill is not amortized.

the software and right of use trademarks are amortized over 10 periods.

37-14 Inventory

Inventories are measured at lower of cost and net realizable value. The cost of inventories is based on the moving average principle and cost includes expenditure incurred in acquiring the inventories and bringing it to its existing location and condition. Cost of finished goods and work in process inventories includes an appropriate share of production overheads.

37-15 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the carrying amount of the provision resulting from the use of the discount to figure out the present value, which reflects the passage of time, is recognized as a finance cost.

37-16 Revenue recognition

Revenue from contracts with customers is recognized by the group based on five step modules as identified in EAS No. 48:

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Group expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Group will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Group expects to receive in exchange for each performance obligation satisfaction.

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Step 5: Revenue recognition when the entity satisfies its performance obligations. The Group satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

- a) Group performance does not arise any asset that has an alternative use of the Group and the Group has an enforceable right to pay for completed performance until the date.
- b) The Group arise or improves a customer-controlled asset when the asset is arise or improved.
- c) The customer receives and consumes the benefits of Group performance at the same time as soon as the group has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Group satisfies performance obligation.

When the Group satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Group, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. 48 requires management to use the following judgements:

Satisfaction of performance obligation

The Group should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Group estimated that, and based on the agreement with customers, the Group does not arise asset has alternative use to the Group and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the Group recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The Group has to determine the price of the transaction in its agreement with customers, using this judgement, the Group estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

If the Group determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

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In addition, the application of Egyptian Accounting Standard No. 48 has resulted in:

Allocation of the transaction price of performance obligation in contracts with customers

The Group elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Group considers the use of the input method, which requires recognition of revenue based on the Group's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Group estimates efforts or inputs to satisfy a performance obligation, In addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other matters to be considered

Variable consideration if the consideration pledged in a contract includes a variable amount, then the Group shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Group estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. this method is applied consistently throughout the contract and for identical types of contracts.

The significant funding component

The Group shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

Technical support revenues

Technical support Revenue is recognized in profit or loss statement over a period through which the service render and that in according to contract concluded with others according to entitlement principle.

Sale of goods revenue

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. For export sales, transfer of risks and rewards of the goods sold occurs according to the shipping terms.

Services revenue

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.

Rental income

Rental income is recognized on a straight-line basis over the lease term.

Gain on sale of investments

Gain on sale of financial investments are recognized when ownership transfers to the buyer, based on the difference between the sale price and its carrying amount at the date of the sale.

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37-17 Expenses

i) Cost of Borrowing

The borrowing cost represented in interest expense and bank charges are recognized in the consolidated profits or losses statement for using prevailing interest rate (available) based on the accrual basis.

ii) Social insurance contribution

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employer contribute into the system on a fixed percentage - of - salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to the consolidated profits or losses statement according to the accrual basis.

iii) Income tax

The Group has determined that interest and penalties related to income taxes, including uncertain tax liabilities, do not meet the definition of income taxes and are therefore accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current income tax

Current taxes for the current and prior periods which have not yet been paid are recognized as a liability. If the taxes were actually paid in the current and prior periods exceed the amount due for these periods, then this increase is recognized as an asset. The value of current tax liabilities (assets) for the current and prior periods are measured by the value expected to be paid to (recovered from) the tax authority. Using the applicable tax rates (and effective tax laws) or in the process of being issued on the financial period ended. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

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

Deferred tax is not recognized for:

- Taxable temporary differences arising on the initial recognition of goodwill., temporary differences relating to the right of use assets and lease liabilities for a specific lease contract as a net package "lease contract" for the purpose of deferred tax recognition.
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not:
 - a. A business combination.
 - b. And not affects neither accounting nor taxable profit or loss.

Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Company. deferred tax assets are reassessed at each reporting date, and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

37-18 Basic / diluted earnings per share of losses

Basic / diluted earnings per share of profit is calculated by dividing the profit attributable to ordinary shareholders of the Company (After excluding the employees' profit share and the remuneration of the Board of Directors members) by the weighted average number of ordinary shares outstanding during the period.

37-19 The General Authority for Investment and Free Zones (GAFI) fees

For the Group Companies which established under the provisions of the Investment law and according to the Free Zone System, their profits are not subject to income tax. However, according to the Investment Law, a charge of 1% of the total revenues of these Companies is due to the General Authority for investment and is calculated and charged on the consolidated income statement according to the accrual basis.

37-20 Finance income and costs

The Group's finance income and finance costs include:

- Interest income.
- Interest expense.
- Dividends paid
- Net gain or loss on disposal of investments in debt securities measured at FVOCI
- Net gain or loss on financial assets at FVTPL.
- Foreign currency gains or losses from financial assets and financial liabilities. Impairment losses (and recoveries) on investments in debt securities carried at amortized cost or other comprehensive income.
- Loss of the fair value of the contingent consideration classified as a financial liability.
- Ineffective hedge recognized in profit or loss. And
- Reclassification of net gains and losses previously recognized in other comprehensive income on cash flow hedges of interest rate risk and foreign currency risk

Interest income or expense is recognized using the effective interest method.

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Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to a gross basis.

37-21 Reserves

In accordance with the requirements of the companies' law and the bylaw of the Group companies, 5% of the net profit is deducted annually to form a non-distributed statutory reserve. Such amounts shall be discontinued when the balance of the statutory reserve equals 50% of the issued share capital of the company. When the reserve balance falls below the mentioned rate, it is necessary to go back to deducting it again.

37-22 Segment Reporting results

The operational sector is one of the elements of the facility that:

- (A) Participates in business activities from which the enterprise can derive income and incur expenses (including income and expenses related to transactions with other elements within the same enterprise).
- (B) Its operational results are regularly reviewed by the President responsible for the operational decision-making of the enterprise to make decisions about the resources that will be allocated to the sector and assess its performance.
- (C) Separate financial information is available.

- The Board of Directors reviews the internal management reports of each sector every fiscal quarter.

38- Currency differences charged to the statement of comprehensive income

On December 27, 2022, Prime Minister Decision No. 1568 of 2022 was issued to amend some provisions of the Egyptian Accounting Standards, represented in the issuance of Appendix C to Egyptian Accounting Standard No. (13), amended in 2015, "The Effects of Changes in Foreign Currency Exchange Rates," which deals with accounting treatment. This special optional accounting treatment issued in this appendix is not considered an amendment to the amended Egyptian Accounting Standards currently in force, beyond the time period for the validity of this appendix, and these treatments are as follows:

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- An entity that, prior to the date of the abnormal exchange rate movements, may acquire fixed assets and/or real estate investments and/or exploration and evaluation assets and/or intangible assets (other than goodwill) and/or right of use assets on lease contracts, funded by existing obligations. On that date in foreign currencies, to recognize within the cost of those assets the currency differences resulting from retranslating the balance of the outstanding liability related to them on the date of moving the exchange rate using the exchange rate on the date of moving the exchange rate. The facility can apply this option for each asset separately.

The company's management decided to apply accounting treatment No. (2), as the currency differences charged to the statement of comprehensive income amounted to nothing on March 31, 2025 compared with 7 842 737 USD for the financial year ended April 30 , 2024 – note No (28-c).

39- Corresponding figures

The company's extraordinary general assembly held on June 12, 2024, decided to change the company's financial year-end to December 31 of each year instead of January 31. Accordingly, the standalone statements of profit or loss, comprehensive income, changes in equity, and cash flows have been presented for the financial period from January 1, 2025, to September 30, 2025, are presented alongside the most recent consolidated interim comparative financial statements reviewed for the financial period from February 1, 2024, to September 30, 2024. Consequently, the corresponding figures are not comparable.

Concrete Fashion Group for commercial and industrial Investments**(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended September 30, 2025****40- New Editions and Amendments to Egyptian Accounting Standards:**

On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments:

| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|---|---|--|---|
| Egyptian Accounting Standard No. (50) "Insurance Contracts". | <p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property". | The management assessed the new amendments and conducted that there would be no expected impact in the financial statements. | Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024 , and at amended until 1 st of January 2025 and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact. |

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| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|--|---|--|--|
| Accounting Interpretation No. (2) "Carbon Reduction Certificates" | Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM". | The management assessed the new amendments and conducted . That there would be no expected impact on the financial statements. | The application starts on or after the first of January 2025, early adaptation is allowed. |