

**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 June 30, 2025**  
**and Independent Auditors' review report**

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

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**for the Financial Period Ended June 30, 2025**  
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### **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 June 30, 2025, including:

- Consolidated statement of financial position as of June 30, 2025.
- Consolidated statement of profit or loss for the three-month and six-month periods ended June 30, 2025.
- Consolidated statement of comprehensive income for the three-month and six-month periods ended June 30, 2025.
- Consolidated statement of changes in equity for the six-month period ended June 30, 2025.
- Consolidated statement of cash flows for the six-month period ended June 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

### ***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 (An Egyptian Joint company – Under Public Free Zone) as of June 30, 2025 and its consolidated financial performance and its consolidated cash flows for the six-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 (40) of the explanatory notes to the consolidated interim financial statements, the Extraordinary General Assembly of the company held on June 12, 2024, decided to change the 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 for the financial period from January 1, 2025, to June 30, 2025, are presented in comparison with the reviewed comparative consolidated interim financial statements for the financial period from February 1, 2024, to June 30, 2024. Therefore, the corresponding figures are not comparable.

**KPMG Hazem Hassan**  
*Public accountants and consultants*

Alexandria on September 1, 2025

*KPMG Hazem Hassan*

**KPMG Hazem Hassan**  
**Public Accountants and consultants**

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

	Note No	June 30, 2025 USD	December 31, 2024 USD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	(15)	42 375 456	42 969 845
Projects under construction	(16)	830 012	1 810 312
Intangible assets	(18)	3 791 355	3 900 545
Right of use assets	(19)	3 101 948	3 135 576
<b>Total Non-Current Assets</b>		<b>50 098 771</b>	<b>51 816 278</b>
<b>Current Assets</b>			
Inventory	(20)	89 031 175	89 062 775
Work in progress	(21)	1 662 554	1 618 110
Trade and other receivables	(22)	54 081 295	51 055 625
Due from related parties	(34-1)	164 998	20 890
Cash and cash equivalents	(23)	2 764 620	5 582 294
<b>Total Current Assets</b>		<b>147 704 642</b>	<b>147 339 694</b>
<b>Total Assets</b>		<b>197 803 413</b>	<b>199 155 972</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
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)	(53 711 766)	(49 680 588)
Retained earnings		53 588 842	42 694 354
<b>Equity attributable to owners of the holding Company</b>		<b>32 794 576</b>	<b>32 668 669</b>
Non-controlling interests	(31)	1 541 364	1 804 077
<b>Total Equity</b>		<b>34 335 940</b>	<b>34 472 746</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	(25-4)	36 579 994	42 095 044
Liabilities from lease contracts	(25-3)	1 772 535	747 468
Deferred tax liabilities	(13-c)	844 227	465 628
<b>Total non-current liabilities</b>		<b>39 196 756</b>	<b>43 308 140</b>
<b>Current liabilities</b>			
Banks overdraft	(23)	87 403	137 202
Banks credit facilities	(24)	84 859 376	82 003 229
Borrowings	(25-4)	12 280 517	11 211 175
Liabilities from lease contract	(25-3)	1 649 860	1 550 704
Trade and other payables	(26)	22 276 438	22 433 184
Due to related parties	(34-2)	1 278 586	1 916 304
Current income tax liability	(13-a)	969 117	1 402 461
Provisions	(27)	869 420	720 827
<b>Total current liabilities</b>		<b>124 270 717</b>	<b>121 375 086</b>
<b>Total liabilities</b>		<b>163 467 473</b>	<b>164 683 226</b>
<b>Total equity and liabilities</b>		<b>197 803 413</b>	<b>199 155 972</b>

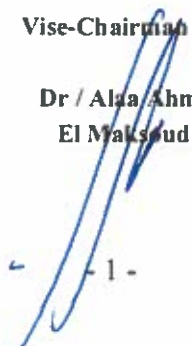
- The notes and accounting policies on pages (6) to (63) are an integral part of these consolidated interim financial statements and to be read together.
- Independent Auditors' report on review of consolidated interim financial statements attached.

Financial Manager

Mohamed Mohamed Mohy



Vice-Chairman and CEO

Dr / Alaa Ahmed Abd  
El Maksoud Arafa


Chairperson

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 June 30 <u>USD</u>	The financial period from April 1 to June 30 <u>USD</u>	The financial period from February 1 to June 30 <u>USD</u>	The financial period from May 1 to June 30 <u>USD</u>
	<b>Note No</b>				
Revenues	(4-1)	70 332 834	37 155 605	64 147 891	31 769 522
Cost of sales	(5)	(48 190 941)	(25 834 639)	(38 176 778)	(18 347 420)
Net revenues from selling investments at FVTPL	(4-2)	--	--	1 776 682	--
<b>Gross profit</b>		<b>22 141 893</b>	<b>11 320 966</b>	<b>27 747 795</b>	<b>13 422 102</b>
Other income	(6)	2 263 736	92 731	206 390	29 812
Selling and distribution expenses	(7)	(4 649 121)	(2 468 588)	(4 077 278)	(1 751 619)
General and administrative expenses	(8)	(4 758 820)	(2 496 389)	(5 580 890)	(2 404 040)
Impairment reversal/(loss) in financial assets	(9)	38 735	(1 100)	(88 100)	(8 145)
Other expenses	(10)	(743 493)	(349 718)	(801 912)	(548 901)
<b>Operating Profit</b>		<b>14 292 930</b>	<b>6 097 902</b>	<b>17 406 005</b>	<b>8 739 209</b>
Finance income	(11)	87 080	29 925	495 133	(68 792)
Finance expenses	(12)	(8 285 258)	(4 161 311)	(8 232 013)	(4 002 222)
<b>Net finance (Cost)</b>		<b>(8 198 178)</b>	<b>(4 131 386)</b>	<b>(7 736 880)</b>	<b>(4 071 014)</b>
<b>Net profit for the period before tax</b>		<b>6 094 752</b>	<b>1 966 516</b>	<b>9 669 125</b>	<b>4 668 195</b>
Tax (expense) / benefit	(13-b)	(1 332 830)	(502 149)	82 108	(412 725)
<b>Net profit for the period</b>		<b>4 761 922</b>	<b>1 464 367</b>	<b>9 751 233</b>	<b>4 255 470</b>
<b><u>Profit attributable to:</u></b>					
Shareholders of the holding company		4 478 353	1 379 419	9 505 440	4 104 144
Non-controlling interests		283 569	84 948	245 793	151 326
		<b>4 761 922</b>	<b>1 464 367</b>	<b>9 751 233</b>	<b>4 255 470</b>
<b>Basic and diluted earnings per share (USD / share)</b>	(14-1)	<b>0.010</b>	<b>0.003</b>	<b>0.020</b>	<b>0.009</b>

- 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 June 30 <u>USD</u>	The Financial period from April 1 to June 30 <u>USD</u>	The financial period from February 1 to June 30 <u>USD</u>	The financial period from May 1 to June 30 <u>USD</u>
Net profit for the period		4 761 922	1 464 367	9 751 233	4 255 470
<b>Other comprehensive loss items</b>					
<b>Items that will not be reclassified to Profit or loss:</b>					
Application of Egyptian Accounting Standard No. 13 "Impact of Foreign Exchange Rate Change"	(37-1)	—	—	(7 627 864)	214 874
Impact of deferred Tax	(13-c)	—	—	335 672	(942)
		—	—	<b>(7 292 192)</b>	<b>213 932</b>
<b>Items that are or maybe reclassified subsequently to profit or loss:</b>					
Foreign entities translation differences		(4 898 728)	(2 066 626)	(6 273 087)	(197 667)
<b>Total comprehensive (loss)/income for the period</b>		<b>(136 806)</b>	<b>(602 259)</b>	<b>(3 814 046)</b>	<b>4 271 735</b>
<b>Add: -</b>					
Transferred to retained earnings		—	—	7 292 192	(213 932)
		<b>(136 806)</b>	<b>(602 259)</b>	<b>3 478 146</b>	<b>4 057 803</b>
<b>Total comprehensive (loss)/income attributable to:</b>					
Shareholders of holding company		(91 105)	(357 937)	3 747 088	3 916 142
Non-controlling interests		(45 701)	(244 322)	(268 942)	141 661
		<b>(136 806)</b>	<b>(602 259)</b>	<b>3 478 146</b>	<b>4 057 803</b>

- 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 June 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
<b>Balance as of February 1, 2024</b>		<b>32 917 500</b>	<b>6 737 403</b>	<b>32 026 924</b>	<b>(44 881 157)</b>	<b>26 800 670</b>	<b>1 723 056</b>	<b>28 523 726</b>
<b><u>Comprehensive loss</u></b>								
Net profit for the financial period ended June 30,2024		--	--	9 505 440	--	9 505 440	245 793	9 751 233
Application of Egyptian Accounting Standard No. 13 "Impact of Foreign Exchange Rate Change"		--	--	(7 277 194)	--	(7 277 194)	(14 998)	(7 292 192)
Foreign entities translation differences		--	--	--	(5 773 350)	(5 773 350)	(499 737)	(6 273 087)
<b>Total comprehensive loss</b>		<b>--</b>	<b>--</b>	<b>2 228 246</b>	<b>(5 773 350)</b>	<b>(3 545 104)</b>	<b>(268 942)</b>	<b>(3 814 046)</b>
<b>Balance as of June 30 , 2024</b>		<b>32 917 500</b>	<b>6 737 403</b>	<b>34 255 170</b>	<b>(50 654 507)</b>	<b>23 255 566</b>	<b>1 454 114</b>	<b>24 709 680</b>
<b>Balance as of January 1, 2025</b>		<b>32 917 500</b>	<b>6 737 403</b>	<b>42 694 354</b>	<b>(49 680 588)</b>	<b>32 668 669</b>	<b>1 804 077</b>	<b>34 472 746</b>
<b><u>Transaction with the owners of the company:</u></b>								
Effect of change in ownership interest without a change in control	(1-8),(31)	--	--	(321 268)	538 280	217 012	(217 012)	--
Transfer of reserves to retained earnings	(30-1)	--	(6 737 403)	6 737 403	--	--	--	--
<b>Total transactions with owners of the company</b>		<b>--</b>	<b>(6 737 403)</b>	<b>6 416 135</b>	<b>538 280</b>	<b>217 012</b>	<b>(217 012)</b>	<b>--</b>
<b><u>Comprehensive loss</u></b>								
Net profit for the financial period ended June 30,2025		--	--	4 478 353	--	4 478 353	283 569	4 761 922
Foreign entities translation differences		--	--	--	(4 569 458)	(4 569 458)	(329 270)	(4 898 728)
<b>Total comprehensive loss</b>		<b>--</b>	<b>--</b>	<b>4 478 353</b>	<b>(4 569 458)</b>	<b>(91 105)</b>	<b>(45 701)</b>	<b>(136 806)</b>
<b>Balance as of June 30, 2025</b>		<b>32 917 500</b>	<b>--</b>	<b>53 588 842</b>	<b>(53 711 766)</b>	<b>32 794 576</b>	<b>1 541 364</b>	<b>34 335 940</b>

▪ 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**

		<b>The financial Period From January 1, 2025 To June 30, 2025 USD</b>	<b>The financial Period From February 1, 2024 To June 30, 2024 USD</b>
	<b>Note No.</b>		
<b><u>Cash flows from operating activities</u></b>			
Net profit for the period before income tax		<b>6 094 752</b>	<b>9 669 125</b>
<b><u>Adjustments for the following:</u></b>			
Property, plant and equipment Depreciation	(15)	1 572 675	1 480 197
Right of use assets amortization	(19)	641 806	693 360
Amortization of Intangible Assets - Trademarks	(18)	109 609	110 036
Capital gain	(6)	(2 058 246)	—
Net Foreign currencies translation differences	(12)	537 840	(373 439)
Finance Interest on lease contracts	(12)	1 062 390	283 895
Debit interest on loans	(25-4)	1 710 288	1 783 161
Interest and finance expenses	(12)	4 974 740	6 074 957
Credit Interest	(11)	(87 080)	(121 694)
		<b>14 558 774</b>	<b>19 599 598</b>
<b><u>Change in:-</u></b>			
Inventory	(20)	31 600	5 638 803
Trade and other receivables	(22)	(2 153 676)	(11 839 780)
Due from related parties	(34-1)	(144 108)	(415 846)
Trade and other payables	(26)	(5 419 995)	5 006 122
Due to related parties	(34-2)	(637 718)	(2 402 755)
Provisions	(27)	148 593	21 529
		<b>6 383 470</b>	<b>15 607 671</b>
Payment of loan interest expense	(25-4)	(948 307)	(1 710 143)
Interest and finance expense paid		(6 985 437)	(5 769 338)
<b>Net cash flow (used in)/provided from operating activities</b>		<b>(1 550 274)</b>	<b>8 128 190</b>
<b><u>Cash flows from Investing Activities</u></b>			
(Payments) for acquisition of property, plant and equipment and projects under construction	(15),(16)	(1 256 263)	(4 916 498)
Proceeds from sale of property, plant and equipment	(15)(16)(6)	2 058 246	—
Credit interest received	(11)	87 080	121 694
<b>Net cash provided from / (used in) investing activities</b>		<b>889 063</b>	<b>(4 794 804)</b>
<b><u>Cash flows from financing activities</u></b>			
Net proceeds from credit facilities	(24)	2 857 147	486 846
Payment for borrowings	(25-3)	(4 449 517)	(3 713 020)
Payment for lease liabilities	(25-4)	(570 279)	(1 518 597)
<b>Net Cash (used in) Financing Activities</b>		<b>(2 162 649)</b>	<b>(4 744 771)</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>(2 823 860)</b>	<b>(1 411 385)</b>
The effect of changes in currency exchange rates on cash and cash equivalents		55 985	(679 674)
Cash and cash equivalents at the beginning of the period		5 445 092	9 501 515
<b>Cash and cash equivalents at the end of the period</b>	<b>(23)</b>	<b>2 677 217</b>	<b>7 410 456</b>

- 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 June 30 , 2025**

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**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.
- 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.

**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 June 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-Arfa 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.

**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.

**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 June 30 , 2025**

**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>	<b>Direct and Indirect contribution Percentage</b>	
			<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	Marketing and trading	Sultanate Oman	100%	0%
• Concrete Fashion	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.

**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 June 30, 2025 were approved for issuance by the company board of directors on August 31, 2025.
- Details of the Group material accounting policies are included in Note No. (37).

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

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**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.

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.

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

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**- 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.

**- 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.

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

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**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.

**- 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.

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

**- 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.



**Concrete Fashion Group for commercial and industrial Investments  
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**Notes to the consolidated interim financial statements for the financial period ended June 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>manufacturing segment</u>		<u>Retail Segment</u>		<u>Investments</u>		<u>Total</u>	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	USD	USD	USD	USD	USD	USD	USD	USD
Revenue	57 583 858	51 525 720	12 736 476	12 622 171	12 500	--	70 332 834	64 147 891
Cost of sales	(44 785 704)	(36 484 625)	(3 405 237)	(1 692 153)	--	--	(48 190 941)	(38 176 778)
Net revenues from selling investments at FVTPL	--	--	--	--	--	1 776 682	--	1 776 682
<b>Gross Profit</b>	<b>12 798 154</b>	<b>15 041 095</b>	<b>9 331 239</b>	<b>10 930 018</b>	<b>12 500</b>	<b>1 776 682</b>	<b>22 141 893</b>	<b>27 747 795</b>
Other revenues	313 516	29 341	1 836 882	91 902	113 338	85 147	2 263 736	206 390
Selling and distribution expenses	(1 350 756)	(1 428 950)	(3 298 365)	(2 648 328)	--	--	(4 649 121)	(4 077 278)
General and administrative expenses	(1 893 255)	(2 025 736)	(1 968 458)	(2 069 750)	(897 107)	(1 485 404)	(4 758 820)	(5 580 890)
Impairment Reversal / (loss) in financial assets	32 853	4 841	8 410	(41 659)	(2 528)	(51 282)	38 735	(88 100)
Other expenses	(650 114)	(553 655)	(39 048)	(182 123)	(54 331)	(66 134)	(743 493)	(801 912)
<b>Operating results</b>	<b>9 250 398</b>	<b>11 066 936</b>	<b>5 870 660</b>	<b>6 080 060</b>	<b>(828 128)</b>	<b>259 009</b>	<b>14 292 930</b>	<b>17 406 005</b>
Net finance (expenses)	(6 674 566)	(6 328 958)	(1 037 279)	(1 126 998)	(486 333)	(280 924)	(8 198 178)	(7 736 880)
<b>Net Profit/ (loss) for the period before tax</b>	<b>2 575 832</b>	<b>4 737 978</b>	<b>4 833 381</b>	<b>4 953 062</b>	<b>(1 314 461)</b>	<b>(21 915)</b>	<b>6 094 752</b>	<b>9 669 125</b>
Tax / (expenses) / income	(325 370)	787 553	(1 007 460)	(705 445)	--	--	(1 332 830)	82 108
<b>Net profit / (loss) for the period after tax</b>	<b>2 250 462</b>	<b>5 525 531</b>	<b>3 825 921</b>	<b>4 247 617</b>	<b>(1 314 461)</b>	<b>(21 915)</b>	<b>4 761 922</b>	<b>9 751 233</b>
<b><u>Profit attributable to:</u></b>								
Share of holding company's shareholders							4 478 353	9 505 440
Share of Non – controlling interest							283 569	245 793
<b>Net profit for the period after tax</b>							<b>4 761 922</b>	<b>9 751 233</b>

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

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

	<u>Garments</u>								<u>Total</u>	
	<u>manufacturing segment</u>		<u>Retail segment</u>		<u>Investments</u>		<u>Investment property segment</u>		<u>after Eliminations</u>	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 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>	<u>USD</u>	<u>USD</u>
Assets	53 116 805	115 388 805	34 894 057	1 896 688	65 733 359	38 417 062	1 683 736	483 421	155 427 957	156 186 127
Liabilities	104 661 093	114 908 296	21 372 134	20 997 220	36 385 665	25 101 632	1 048 581	3 676 078	163 467 473	164 683 226
Fixed assets	<u>38 857 437</u>	<u>39 565 191</u>	<u>2 126 871</u>	<u>1 941 797</u>	<u>1 391 148</u>	<u>1 462 857</u>	<u>—</u>	<u>—</u>	<u>42 375 456</u>	<u>42 969 845</u>

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

**4- Revenues**

**4-1 Recognized revenues at a point of time**

	Note No.	Financial Period from		Financial Period from	
		January 1, 2025	April 1, 2025	February 1, 2024	May 1, 2024
		to June 30, 2025	To June 30, 2025	To June 30, 2024	To June 30, 2024
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Export sales		56 380 830	30 288 629	51 190 332	26 739 509
Local sales		13 445 585	6 509 701	12 808 270	4 917 891
Revenues from operations for others		493 919	344 775	149 289	112 122
Technical support		12 500	12 500	--	--
		<b>70 332 834</b>	<b>37 155 605</b>	<b>64 147 891</b>	<b>31 769 522</b>

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

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

**5- Cost of sales**

Raw materials and supplies		33 232 150	17 595 008	30 165 775	16 196 248
Goods held for sale		656 170	414 306	--	--
Packing materials		1 327 240	630 595	1 389 035	873 079
Industrial wages		8 017 430	4 191 664	6 554 293	2 994 999
Manufacturing costs		5 707 896	3 388 261	4 204 187	2 318 940
Property, plant and equipment depreciation (15)		925 734	462 462	790 649	446 887
Write down in inventory (20)		790 000	400 000	190 297	98 918
		<b>50 656 620</b>	<b>27 082 296</b>	<b>43 294 236</b>	<b>22 929 071</b>
<b>(Deduct)/Add:</b>					
Export subsidy income		(860 938)	(455 637)	(3 107 067)	(1 571 587)
Change in Finished goods and Work in process		(1 604 741)	(792 020)	(2 010 391)	(3 010 064)
		<b>48 190 941</b>	<b>25 834 639</b>	<b>38 176 778</b>	<b>18 347 420</b>

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

**6- Other income**

	Note No.	Financial period from		Financial period from	
		January 1, 2025 to June 30, 2025	April 1, 2025 To June 30, 2025	February 1, 2024 To June 30, 2024	May 1, 2024 To June 30, 2024
		USD	USD	USD	USD
Rental income		111 393	49 810	96 849	29 812
capital gain		2 058 246	42 921	--	--
Other		94 097	--	109 541	--
		<b>2 263 736</b>	<b>92 731</b>	<b>206 390</b>	<b>29 812</b>

- 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, with net capital gains amounting to 1.7 million US dollars.

**7- Selling and Distribution expenses**

Wages and salaries		780 954	380 094	695 416	300 380
Sales commissions		352 562	284 798	355 094	175 210
Export expenses		912 270	421 229	1 008 842	400 171
Packing and packaging		143 504	109 956	77 060	25 593
Designs and training		185 977	91 321	135 257	80 723
Maintenance		169 962	105 224	96 429	27 121
Travel expense		192 745	101 501	43 753	21 576
Advertising and marketing		323 203	129 851	165 858	39 055
Variable Rent installment		363 196	185 824	225 773	153 275
Right of use assets amortization (19)		592 823	304 319	648 668	281 195
Property, plant and equipment depreciation (15)		174 472	108 214	167 769	74 365
Amortization of intangible assets (18)		109 609	54 809	110 036	54 852
Others		347 844	191 448	347 323	118 103
		<b>4 649 121</b>	<b>2 468 588</b>	<b>4 077 278</b>	<b>1 751 619</b>

**8- General and Administrative expenses**

Wages and salaries		2 125 900	1 082 684	2 088 744	1 059 962
Board of directors allowance (34-3)		106 907	85 509	124 005	100 719
Consulting and professional fees		405 012	295 490	401 080	170 432
Travel expenses		252 890	122 335	160 379	81 924
Maintenance		242 821	109 939	472 822	157 182
Subscriptions and service		264 515	140 910	288 969	131 005
Authorities and fees		45 712	24 159	41 140	21 743
Property, plant and equipment depreciation (15)		472 469	236 165	521 779	206 841
Computers and stationery		19 088	7 635	20 623	4 636
Right of use assets amortization (19)		48 983	24 615	44 692	20 707
Grants		12 726	5 091	22 531	9 012
Shipping and postage		150 970	33 859	622 466	171 003
Insurance		41 279	21 463	20 214	12 128
Program subscription fees		112 249	67 071	103 356	56 342
Others		457 299	239 464	648 090	200 404
		<b>4 758 820</b>	<b>2 496 389</b>	<b>5 580 890</b>	<b>2 404 040</b>

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

**9- Impairment reversed / (losses) in financial assets**

		Financial period from January 1, 2025 to June 30, 2025	Financial period from April 1, 2025 To June 30, 2025	Financial period from February 1, 2024 To June 30, 2024	Financial period from May 1, 2024 To June 30, 2024
	Note No.	USD	USD	USD	USD
(Reversal) / Expected credit loss in Trade receivables	(22)	46 968	(2 550)	(88 100)	(8 145)
Reversal / Impairment in expected credit loss in banks	(23)	84 058	4 567	--	--
Expected credit (loss) in related parties	(34)	(92 291)	(3 117)	--	--
		<b>38 735</b>	<b>(1 100)</b>	<b>(88 100)</b>	<b>(8 145)</b>

**10- Other expenses**

Formed Provisions	(27)	133 365	28 397	202 608	171 875
GAFI fees	(37-19)	432 970	239 311	405 454	200 989
Symbiotic contribution for comprehensive health insurance		150 951	75 461	--	--
Others		26 207	6 549	193 850	176 037
		<b>743 493</b>	<b>349 718</b>	<b>801 912</b>	<b>548 901</b>

**11- Finance income**

Credit Interest on banks current account		87 080	29 925	121 694	50 992
Net foreign currency exchange differences		--	--	373 439	(119 784)
<b>Total finance income</b>		<b>87 080</b>	<b>29 925</b>	<b>495 133</b>	<b>(68 792)</b>

**12- Finance Expenses**

Finance interest resulting from lease contract	(25-4),(25-3)	(1 062 390)	(357 165)	(283 895)	(104 601)
Interest on loan	(25-4)	(1 710 288)	(684 756)	(1 873 161)	(906 580)
Interest expense, bank commission and expenses		(3 326 953)	(2 052 246)	(4 330 777)	(2 321 259)
Factoring charge		(1 647 787)	(658 380)	(1 744 180)	(669 782)
Net foreign currency exchange differences		(537 840)	(408 764)	--	--
<b>Total finance cost</b>		<b>(8 285 258)</b>	<b>(4 161 311)</b>	<b>(8 232 013)</b>	<b>(4 002 222)</b>
<b>Net finance (expenses)</b>		<b>(8 198 178)</b>	<b>(4 131 386)</b>	<b>(7 736 880)</b>	<b>(4 071 014)</b>

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

**13- Tax**

**a) Current income tax liability**

	June 30, 2025	December 31, 2024
	<u>USD</u>	<u>USD</u>
Current income tax liability for the period / year	951 741	1 402 461
Current income tax liability for prior years	17 376	--
	<u>969 117</u>	<u>1 402 461</u>

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

	June 30, 2025	December 30, 2024
	<u>USD</u>	<u>USD</u>
Current income tax expense	(951 741)	(743 451)
Prior years tax differences	--	(2 924)
Deferred tax (expense) / income	(381 089)	828 483
Tax (expense) / income	<u>(1 332 830)</u>	<u>82 108</u>

**c) Recognized deferred tax assets and liabilities**

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

	January 1, 2025	Recognized in the consolidated Profit or Loss Statement	Translation differences	June 30, 2025
	Assets / (liabilities)			Assets/ (liabilities)
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Property, plant and equipment	(1 034 140)	(80 600)	2 490	(1 112 250)
Unrealized foreign currencies exchange differences	568 512	(300 489)	--	268 023
<b>Deferred Tax for the period</b>	<u>(465 628)</u>	<u>(381 089)</u>	<u>2 490</u>	<u>(844 227)</u>

	January 31, 2024	Recognized in the consolidated Profit or Loss Statement	Recognized in the other Comprehensive income statement	Translation differences	June 30, 2024
	Assets / (liabilities)				Assets/ (liabilities)
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Property , plant and equipment	(1 819 040)	828 483	--	168 045	(822 512)
The effect of applying accounting standard (13)	266 346	--	335 672	--	602 018
<b>Deferred Tax for the period</b>	<u>(1 552 694)</u>	<u>828 483</u>	<u>335 672</u>	<u>168 045</u>	<u>(220 494)</u>

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**d) The effective tax rate**

		<b>June 30, 2025</b>		<b>December 31, 2024</b>
		<b>USD</b>		<b>USD</b>
Net profit before tax		6 094 752		17 003 856
Tax according to the actual tax rate	22.5%	1 371 319	22.5%	3 825 868
<b><u>The effect tax on:-</u></b>				
Foreign currencies differences		(3 307)		97 407
Exemptions		(434 494)		(3 158 839)
Net Provision effect		17 910		136 006
Board of directors allowance		313		8 856
<b>Effective tax rate</b>	<b>15.6%</b>	<b>951 741</b>	<b>5.3%</b>	<b>909 298</b>

**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.

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>USD</b>	<b>USD</b>
Net expected credit losses on trade and other receivables	244 985	252 671
Provisions	195 620	162 186
Impairment in Investment	8 269	8 269
Expected Credit losses on banks	11 582	30 018
	<b>460 456</b>	<b>453 144</b>

**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	April 1, 2025	February 1, 2024	May 1, 2024
	to June 30, 2025	to June 30, 2025	to June 30, 2024	to June 30, 2024
Net Profits for the period (USD)	4 478 353	1 379 419	9 505 440	4 104 144
Average number of (Share) outstanding shares during the period	470 250 000	470 250 000	470 250 000	470 250 000
<b>Earnings per share</b>	<b>0.010</b>	<b>0.003</b>	<b>0.020</b>	<b>0.009</b>

**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	April 1, 2025	February 1, 2024	May 1, 2024
	to June 30, 2025	to June 30, 2025	to June 30, 2024	to June 30, 2024
Net profit for the period (USD)	4 478 353	1 379 419	9 505 440	4 104 144
Effect of Applying Egyptian accounting standards No. (13) (share)	--	--	(7 627 864)	214 784
<b>Total comprehensive income (USD)</b>	<b>4 478 353</b>	<b>1 379 419</b>	<b>1 877 576</b>	<b>4 318 928</b>
Weighted-average number of paid ordinary shares during the period (share)	470 250 000	470 250 000	470 250 000	470 250 000
<b>Basic and diluted (losses) per share (USD/Share) during the period</b>	<b>0.010</b>	<b>0.003</b>	<b>0.0039</b>	<b>0.009</b>



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**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>
<b>Cost as of January 1, 2025</b>	<b>5 994 783</b>	<b>39 777 279</b>	<b>40 060 622</b>	<b>964 763</b>	<b>632 798</b>	<b>9 652 137</b>	<b>3 937 013</b>	<b>101 019 395</b>
Additions during the period	--	84 825	350 375	--	16 885	326 640	109 522	888 247
Disposals during the period	--	--	--	(21 589)	--	--	(4 874)	(26 463)
Foreign currency translation differences	(5 373)	12 078	11 605	2 868	2 089	27 937	86 133	137 337
<b>Cost as of June 30, 2025</b>	<b>5 989 410</b>	<b>39 874 182</b>	<b>40 422 602</b>	<b>946 042</b>	<b>651 772</b>	<b>10 006 714</b>	<b>4 127 794</b>	<b>102 018 516</b>
<b><u>Accumulated Depreciation</u></b>								
<b>Accumulated Depreciation as of January 1, 2025</b>	--	<b>15 107 143</b>	<b>30 755 014</b>	<b>733 578</b>	<b>478 544</b>	<b>8 239 754</b>	<b>2 735 517</b>	<b>58 049 550</b>
Depreciation for the period	--	458 385	633 393	48 103	25 631	259 217	147 946	1 572 675
Accumulated Depreciation for disposals during the period	--	--	--	(21 589)	--	--	(330)	(21 919)
Foreign currency translation differences	--	(32 068)	(12 702)	1 400	1 499	25 905	58 720	42 754
<b>Accumulated Depreciation as of June 30, 2025</b>	<b>--</b>	<b>15 533 460</b>	<b>31 375 705</b>	<b>761 492</b>	<b>505 674</b>	<b>8 524 876</b>	<b>2 941 853</b>	<b>59 643 060</b>
<b>Net Book value as of June 30, 2025</b>	<b>5 989 410</b>	<b>24 340 722</b>	<b>9 046 897</b>	<b>184 550</b>	<b>146 098</b>	<b>1 481 838</b>	<b>1 185 941</b>	<b>42 375 456</b>
<b>Net Book value as of December 31, 2024</b>	<b>5 994 783</b>	<b>24 670 136</b>	<b>9 305 608</b>	<b>231 185</b>	<b>154 254</b>	<b>1 412 383</b>	<b>1 201 496</b>	<b>42 969 845</b>
<b>Fully Depreciated Assets and still in use as of June 30, 2025</b>	<b>--</b>	<b>2 159 924</b>	<b>13 162 586</b>	<b>492 720</b>	<b>411 157</b>	<b>6 305 385</b>	<b>1 779 236</b>	<b>24 311 008</b>

**Depreciation is distributed as follows:**

	<u>Notes</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Cost of sales	(5)	925 734	790 649
Selling and distribution	(7)	174 472	167 769
General and administrative	(8)	472 469	521 779
		<b>1 572 675</b>	<b>1 480 197</b>

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<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</u> <u>in leasehold</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>Cost as of February 1, 2024</b>	<b>6 147 675</b>	<b>38 643 233</b>	<b>39 653 305</b>	<b>931 448</b>	<b>698 371</b>	<b>10 022 689</b>	<b>4 914 522</b>	<b>101 011 243</b>
Additions during the period	--	1 449 738	519 109	--	22 304	190 941	493 331	2 675 423
Disposals during the period	--	--	--	--	--	--	(1 547 903)	(1 547 903)
Foreign currency translation differences	(129 236)	(346 798)	(533 062)	(45 209)	(54 168)	(540 451)	(70 351)	(1 719 275)
<b>Cost as of June 30, 2024</b>	<b>6 018 439</b>	<b>39 746 173</b>	<b>39 639 352</b>	<b>886 239</b>	<b>666 507</b>	<b>9 673 179</b>	<b>3 789 599</b>	<b>100 419 488</b>
<b><u>Accumulated Depreciation</u></b>								
<b>Accumulated Depreciation as of February 1, 2024</b>	--	14 741 121	31 213 513	690 168	515 493	7 187 417	3 851 344	58 199 056
Depreciation for the period	--	396 333	588 621	40 970	24 944	255 792	173 537	1 480 197
Foreign currency translation differences	--	(296 723)	(1 271 566)	(32 749)	(44 968)	672 735	(1 295 361)	(2 268 632)
<b>Accumulated Depreciation as of June 30, 2024</b>	--	<b>14 840 731</b>	<b>30 530 568</b>	<b>698 389</b>	<b>495 469</b>	<b>8 115 944</b>	<b>2 729 520</b>	<b>57 410 621</b>
<b>Net Book value as of June 30, 2024</b>	<b>6 018 439</b>	<b>24 905 442</b>	<b>9 108 784</b>	<b>187 850</b>	<b>171 038</b>	<b>1 557 235</b>	<b>1 060 079</b>	<b>43 008 867</b>
<b>Net Book value as of January 31, 2024</b>	<b>6 147 675</b>	<b>23 902 112</b>	<b>8 439 792</b>	<b>241 280</b>	<b>182 878</b>	<b>2 835 272</b>	<b>1 063 178</b>	<b>42 812 187</b>
<b>Fully Depreciated Assets and still in use as of June 30, 2024</b>	<b>--</b>	<b>1 982 269</b>	<b>13 075 710</b>	<b>362 730</b>	<b>399 669</b>	<b>5 641 341</b>	<b>1 596 550</b>	<b>23 058 269</b>

**Depreciation is distributed as follows:**

	<u>Note</u>	<b>June 30, 2024</b>	<b>July 30, 2023</b>
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Cost of sales	(5)	790 649	1 087 945
Selling and distribution	(7)	167 769	160 532
General and administrative	(8)	521 779	343 991
		<b>1 480 197</b>	<b>1 592 468</b>

**Concrete Fashion Group for commercial and industrial Investments**  
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**Notes to the consolidated interim financial statements for the financial period ended June 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 10<sup>th</sup> 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**

	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
Building and constructions	716 895	1 675 264
Advance payments to purchase exhibition system	16 076	19 019
Advance payments to exhibition decoration and furniture	97 041	116 029
	<b>830 012</b>	<b>1 810 312</b>

**The movement of projects under constructions is as follows:**

	<b>Notes No.</b>	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
<b>Beginning balance during period / year</b>		<b>1 810 312</b>	<b>4 281 760</b>
Additions		368 016	2 241 075
Transferred to work in progress	(21)	--	(1 698 190)
Transferred to fixed assets		(309 028)	(2 350 443)
Disposals during the period / year		(1 058 105)	--
Differences in the translation of foreign entities		18 817	(663 890)
<b>Ending balance for period / year</b>		<b>830 012</b>	<b>1 810 312</b>

**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
<b>Total Investments</b>	<b>971 922</b>	<b>971 922</b>
<b><u>Less:</u></b>		
Impairment losses in investments*	(971 922)	(971 922)
	<b>--</b>	<b>--</b>

\* **Impairment losses in investments movement**

Beginning balance period / year	971 922	971 922
<b>Ending balance for period / year</b>	<b>971 922</b>	<b>971 922</b>

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**18- Intangible assets and goodwill**

	Note No.	<u>Trademarks and programs</u>	
		June 30, 2025	December 31, 2024
		<u>USD</u>	<u>USD</u>
<b>Beginning balance</b>		<b>4 349 000</b>	<b>4 371 284</b>
Foreign entities translation differences		1 010	(22 284)
<b>Ending Balance</b>		<b>4 350 010</b>	<b>4 349 000</b>
<b><u>Deduct:</u></b>			
Accumulated Amortization at the beginning of the period		448 455	238 291
Amortization during the period	(7)	109 609	215 748
Foreign entities translation Differences		591	(5 584)
<b>Accumulated Amortization at the end of the period</b>		<b>558 655</b>	<b>448 455</b>
<b>Net book value</b>		<b>3 791 355</b>	<b>3 900 545</b>

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

**19- Right- of- use assets – lease contracts**

	Note No.	June 30, 2025	December 31, 2024
		<u>USD</u>	<u>USD</u>
<b>Beginning Balance</b>		<b>5 837 836</b>	<b>8 315 175</b>
Addition		623 494	1 801 175
Disposals		(1 273)	(891 881)
Translation differences		156 861	(3 386 633)
<b>Cost at the end of the period</b>		<b>6 616 918</b>	<b>5 837 836</b>
<b><u>Amortization:-</u></b>			
<b>Beginning Balance</b>		<b>2 702 260</b>	<b>3 718 953</b>
Amortization during the period / year *		641 806	1 509 993
Accumulated amortization of disposals		(1 273)	(674 395)
Translation differences		172 177	(1 852 291)
<b>Accumulated Amortization at the end of the period</b>		<b>3 514 970</b>	<b>2 702 260</b>
<b>Net book value</b>		<b>3 101 948</b>	<b>3 135 576</b>

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

Selling and distribution expense	(7)	592 823	648 668
General and administration expense	(8)	48 983	44 692
		<b>641 806</b>	<b>693 360</b>

**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 June 30, 2025****20- Inventory**

	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
Raw materials and supplies	38 362 911	39 329 418
Packing and packing materials	1 082 273	926 364
Consumables	3 326 017	3 329 431
Work in process	9 151 814	8 702 455
Finished goods	40 239 614	39 084 232
Goods in transit	1 106 757	1 139 086
	<b>93 269 386</b>	<b>92 510 986</b>
<b><u>Less:</u></b>		
Write down of inventory*	(4 238 211)	(3 448 211)
	<b>89 031 175</b>	<b>89 062 775</b>

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

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

**21- Work in progress**

Lands		10 733	10 733
Engineering consultation and designs and governmental fees*	(16)	1 742 634	1 698 190
Foreign entities translation differences		(90 813)	(90 813)
		<b>1 662 554</b>	<b>1 618 110</b>

\* 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**

	<b>Note No.</b>	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
Trade receivables		38 772 523	35 069 048
Notes receivables		181 101	198 796
Advances to suppliers		4 988 229	5 411 190
Deposits held with others		630 670	547 710
General Tax authority		728 385	839 559
Prepaid expenses		1 341 125	479 648
Letter of guarantee cover	(36)	366 265	1 575 481
Accrued revenues		7 859 687	7 127 870
Other debit balances		302 133	929 309
		<b>55 170 118</b>	<b>52 178 611</b>
<b><u>Less:</u></b>			
Expected credit loss of trade receivables and debtors*		(1 088 823)	(1 122 986)
		<b>54 081 295</b>	<b>51 055 625</b>

**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 June 30, 2025****\* Movement of Expected credit loss on trade and other receivables as follow:**

	<b>Note</b>	<b>June 30,</b>	<b>December 31,</b>
	<b>No.</b>	<b>2025</b>	<b>2024</b>
		<b>USD</b>	<b>USD</b>
<b>Beginning balance</b>		1 122 986	688 460
Formed during the period / year	(9)	--	778 663
Reversal of expected credit loss during period/ year	(9)	46 968	--
Foreign entities translation differences		(81 131)	(344 137)
<b>Ending balance</b>		<b>1 088 823</b>	<b>1 122 986</b>

**23- Cash and cash equivalents**

Current accounts	2 261 804	5 430 320
Time deposits	2 679	2 612
Cash on hand	549 493	282 776
	<b>2 813 976</b>	<b>5 715 708</b>
<b>(Deduct):</b>		
Expected credit loss*	(49 356)	(133 414)
<b>Cash and cash equivalents</b>	<b>2 764 620</b>	<b>5 582 294</b>
<b>(Deduct):</b>		
Bank overdraft	(87 403)	(137 202)
<b>Cash and cash equivalents according to cash flows statement</b>	<b>2 677 217</b>	<b>5 445 092</b>

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

	<b>Note</b>	<b>June 30,</b>	<b>December 31,</b>
	<b>No.</b>	<b>2025</b>	<b>2024</b>
		<b>USD</b>	<b>USD</b>
<b>Beginning balance period / year</b>		133 414	--
Formed during the period / year	(9)	--	133 414
Reversal of expected credit loss during period/ year	(9)	(84 058)	--
<b>Ending balance period / year</b>		<b>49 356</b>	<b>133 414</b>

- 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 June 30, 2025

**24- Bank credit facilities**

	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
National Bank of Egypt -NBE	23 115 465	22 850 194
Commercial International Bank – CIB	13 945 228	12 368 556
HSBC	11 796 773	13 453 554
Export Development Bank of Egypt	10 569 579	10 775 848
Emirates NBD -Egypt	10 034 704	7 601 877
Qatar National Bank – QNB	8 564 395	9 025 222
Abu Dhabi Commercial Bank -ADCB	3 001 143	2 414 461
Bank of Alexandria	2 989 218	2 905 199
Arab Bank	842 871	608 318
	<b>84 859 376</b>	<b>82 003 229</b>

- 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**

		<b>Balance at 30/6/2025</b>			<b>Balance at 31/12/2024</b>		
		<b>Current portion USD</b>	<b>Non current portion USD</b>	<b>Total USD</b>	<b>Current portion USD</b>	<b>Non current portion USD</b>	<b>Total USD</b>
Loans from banks	(25-1)	7 445 955	26 524 708	33 970 663	7 878 474	29 300 229	37 178 703
Liability on sale and lease back	(25-2)	4 834 562	10 055 286	14 889 848	3 332 701	12 794 815	16 127 516
		<b>12 280 517</b>	<b>36 579 994</b>	<b>48 860 511</b>	<b>11 211 175</b>	<b>42 095 044</b>	<b>53 306 219</b>

**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 June 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	
		June 30, 2025	December 31, 2024
		USD	USD
<b>Beginning balance</b>		<b>2 298 172</b>	<b>4 950 266</b>
Current borrowing		1 550 704	1 989 123
Non. Current borrowing		747 468	2 961 143
Addition during the period / year		625 164	1 524 586
Translation differences		1 069 338	(2 972 749)
Payment during the period /year		(570 279)	(1 203 931)
Debit interest		372 974	594 502
Debit interest paid	(12)	(372 974)	(594 502)
<b>Ending balance</b>		<b>3 422 395</b>	<b>2 298 172</b>
Current liabilities		1 649 860	1 550 704
Non -current liabilities		1 772 535	747 468
		<b>3 422 395</b>	<b>2 298 172</b>



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

<u>Description</u>	<u>Note</u>	<u>Balance at 30/6/2025</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>USD</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>	<u>USD</u>
<b>Beginning balance</b>		<b>37 178 703</b>	<b>16 127 516</b>	<b>53 306 219</b>	<b>47 725 699</b>	<b>14 388 777</b>	<b>62 114 476</b>
Current borrowing		7 878 474	3 332 701	11 211 175	9 349 828	2 958 777	12 308 605
Non. Current borrowing		29 300 229	12 794 815	42 095 044	38 375 871	11 430 000	49 805 871
Payment of borrowing		(3 211 849)	(1 237 668)	(4 449 517)	(11 667 786)	(2 667 525)	(14 335 311)
Transfer from credit facilities		--	--	--	1 250 000	--	1 250 000
Collected from borrowing		--	--	--	--	4 406 264	4 406 264
Debit interest	(12)	1 710 288	689 416	2 399 704	3 846 323	1 983 632	5 829 955
Debit interest paid		(948 307)	(689 416)	(1 637 723)	(3 190 592)	(1 983 632)	(5 174 224)
Accrued interest		(761 981)	--	(761 981)	(655 731)	--	(655 731)
Translation differences		3 809	--	3 809	(129 210)	--	(129 210)
<b>Ending balance</b>		<b>33 970 663</b>	<b>14 889 848</b>	<b>48 860 511</b>	<b>37 178 703</b>	<b>16 127 516</b>	<b>53 306 219</b>
Current liabilities		7 445 955	4 834 562	12 280 517	7 878 474	3 332 701	11 211 175
Non -current liabilities		26 524 708	10 055 286	36 579 994	29 300 229	12 794 815	42 095 044
		<b>33 970 663</b>	<b>14 889 848</b>	<b>48 860 511</b>	<b>37 178 703</b>	<b>16 127 516</b>	<b>53 306 219</b>

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**26- Trade payables and other credit balances**

	<b>Note No.</b>	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
Trade payables		9 029 364	10 994 814
Accrued expenses		2 809 307	4 290 631
Tax authority		1 583 841	1 121 203
Notes payable		2 429 227	2 022 166
Deposits from others		694 543	737 626
Trade Receivables – credit balances		890 487	1 229 690
GAFI		488 621	325 826
Other credit balances		4 351 048	1 711 228
		<b>22 276 438</b>	<b>22 433 184</b>

**27- Provisions**

<b>Beginning balance</b>		720 827	577 666
Formed During the period/ year	(10)	133 365	388 168
Utilized During the period /year		--	(211 916)
Foreign entities translation		15 228	(33 091)
Difference			
<b>Ending balance</b>		<b>869 420</b>	<b>720 827</b>

**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 June 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:

	<b><u>Note.</u></b>	<b><u>30/6/2025</u></b>	<b><u>31/12/2024</u></b>
	<b><u>No</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Trade and other receivables	(22)	48 112 379	45 448 214
Due from related parties	(34-1)	164 998	20 890
Cash and cash equivalents	(23)	2 264 483	5 432 932
		<b><u>50 541 860</u></b>	<b><u>50 902 036</u></b>

- 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 7 075 739 as at June 30, 2025 (December 31, 2024: USD 6 730 397) are excluded from other debit balances.

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**b- Liquidity risk**

The following are the contractual terms of financial liabilities:

<u>June 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)	48 860 511	54 434 066	11 876 588	12 615 322	29 942 156
Trade payables, notes payables and Other creditors	(26)	22 276 438	22 276 438	22 276 438	--	--
Due to related parties	(34-2)	1 278 586	1 278 586	1 278 586	--	--
Bank credit facilities	(24)	84 859 376	84 859 376	84 859 376	--	--
		<u>157 274 911</u>	<u>162 848 466</u>	<u>120 290 988</u>	<u>12 615 322</u>	<u>29 942 156</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)	53 306 219	111 199 906	76 404 393	8 845 792	25 949 721
Trade payables, notes payables and Other creditors	(26)	22 433 184	22 433 184	22 433 184	--	--
Due to related parties	(34-2)	1 916 304	1 916 304	1 916 304	--	--
Bank credit facilities	(24)	82 003 229	82 003 229	82 003 229	--	--
		<u>159 658 936</u>	<u>217 552 623</u>	<u>182 757 110</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>June 30, 2025</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalents	20 698 476	501 231	27 609	1 041 655
Trade and other receivables	454 358 364	6 891 276	3 004 461	21 329 814
<b>Total assets in currency</b>	<b>475 056 840</b>	<b>7 392 507</b>	<b>3 032 070</b>	<b>22 371 469</b>
Trade and other payables	(172 731 113)	(2 906 707)	(174 873)	(7 120 149)
Banks credit facilities	(166 950 571)	(11 469 700)	(146 715)	(17 007 209)
<b>Total liabilities in currency</b>	<b>(339 681 684)</b>	<b>(14 376 407)</b>	<b>(321 588)</b>	<b>(24 127 358)</b>
<b>Surplus / (deficit) expose to risk Equivalent in USD</b>	<b>135 375 156</b>	<b>(6 983 900)</b>	<b>2 710 482</b>	<b>(1 755 889)</b>
	<u>2 721 042</u>	<u>(8 190 020)</u>	<u>3 713 089</u>	<u>(1 755 889)</u>
<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
<b>Total assets in currency</b>	<b>507 498 784</b>	<b>5 795 483</b>	<b>3 091 576</b>	<b>19 858 108</b>
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)
<b>Total liabilities in currency</b>	<b>(227 616 323)</b>	<b>(14 510 615)</b>	<b>(182 316)</b>	<b>(19 796 942)</b>
<b>Surplus / (deficit) expose to risk Equivalent in USD</b>	<b>279 882 461</b>	<b>(8 715 132)</b>	<b>2 909 260</b>	<b>61 166</b>
	<u>5 485 696</u>	<u>(9 073 324)</u>	<u>3 648 794</u>	<u>61 166</u>

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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>30/6/2025</u>	<u>31/12/2024</u>	<u>30/6/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
EGP	0.0201	0.0196	0.0196	0.0225
EURO	1.1727	1.0411	1.1005	1.0807
GBP	1.3699	1.2542	1.3096	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.

**June 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	272 104	(272 104)	272 104	(272 104)
Euro	(819 002)	819 002	(819 002)	819 002
GBP	371 309	(371 309)	371 309	(371 309)

**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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**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: -

	<b><u>Carrying amount</u></b>	
	<b><u>30/6/2025</u></b>	<b><u>31/12/2024</u></b>
<b><u>Financial assets</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Financial assets with a fixed rate – Time deposits	2 679	2 612
Financial assets with a variable rate – Bank current account	2 261 804	5 430 320
	<b><u>2 264 483</u></b>	<b><u>5 432 932</u></b>
<b><u>Financial liabilities</u></b>		
Financial liabilities with a fixed rate – Borrowings	52 282 906	55 604 391
Financial liabilities with a variable rate – credit facilities	84 859 376	82 003 229
	<b><u>137 142 282</u></b>	<b><u>137 607 620</u></b>

**f- Sensitivity Analysis**

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

**June 30 , 2025**

	<b><u>Effect on owner's equity</u></b>		<b><u>Effect on profit or loss</u></b>	
	<b><u>Increase</u></b>	<b><u>Decrease</u></b>	<b><u>Increase</u></b>	<b><u>Decrease</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Financial liabilities	848 594	(848 594)	848 594	(848 594)

**December 31, 2024**

	<b><u>Effect on owner's equity</u></b>		<b><u>Effect on profit or loss</u></b>	
	<b><u>Increase</u></b>	<b><u>Decrease</u></b>	<b><u>Increase</u></b>	<b><u>Decrease</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
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.

	<b><u>30/6/2025</u></b>	<b><u>31/12/2024</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Borrowing and credit facilities	133 719 887	135 309 448
Capital	32 917 500	32 917 500
<b>Rate of loans to Capital</b>	<b><u>406.23%</u></b>	<b><u>411.06%</u></b>

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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:

<b><u>Name</u></b>	<b><u>Number of shares Share</u></b>	<b><u>Nominal value USD</u></b>	<b><u>ownership %</u></b>
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
	<b>470 250 000</b>	<b>32 917 500</b>	<b>100%</b>

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

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



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- \* According to the demerge decision referred to in Note (1-3), 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:

	<b>June 30, 2024</b>
	<b><u>USD</u></b>
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
	<b>6 737 403</b>
<b><u>Deduct :</u></b>	
Closing reserves at retained earnings	<b><u>(6 737 403)</u></b>
	<b>--</b>

- \* 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 differences reserve**

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

	<b>Share of holding company 30/6/2025 (USD)</b>	<b>Share of holding company 31/12/2024 (USD)</b>
Opening Balance	49 680 588	44 881 157
Changes during period	4 031 178	4 799 431
	<b><u>53 711 766</u></b>	<b><u>49 680 588</u></b>

**31- Non – controlling interests**

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

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

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- 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:**

	<b>June 30, 2025 USD</b>	<b>December 31, 2024 USD</b>
<b>The beginning balance</b>	<b>1 804 077</b>	<b>1 723 056</b>
Effect of change in ownership interest without a change in control	(217 012)	--
Employee dividends paid during the period / year	--	(24 907)
Net profit for the period/ year	283 569	475 747
Foreign entities translation differences	(329 270)	(376 967)
The effect of applying the Egyptian Accounting Standard No. 13 “The effect of change in Exchange Rate”	--	7 148
<b>The Ending balance</b>	<b><u>1 541 364</u></b>	<b><u>1 804 077</u></b>

**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.

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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>	<b>Value of transactions</b> <b>During period / year</b>		<b>Balance on</b>	
		<b>June 30 ,</b> <b>2025</b> <b>USD</b>	<b>December</b> <b>31, 2024</b> <b>USD</b>	<b>June</b> <b>30, 2025</b> <b>USD</b>	<b>December</b> <b>31, 2024</b> <b>USD</b>
• Golden tax wool	Payment on behalf	(3 361)	--	--	3 361
• Euro Egypt	Payment on behalf	420	(9 679)	16 916	16 496
• Middle East Ready-made Garments	Payment on behalf	92 291	(324 549)	189 227	96 936
• Beni sweif el watanya	Payment on behalf	27	(543)	1 060	1 033
• Arafa for real estate	Payment on behalf	147 002	--	147 002	--
<b>Deduct :</b>				<b>354 225</b>	<b>117 826</b>
Expected credit loss on related parties *				(189 227)	(96 936)
				<b>164 998</b>	<b>20 890</b>

**34-2 Due to related parties**

<u>Company's Name</u>	<u>Nature of transactions</u>	<b>Value of transactions</b> <b>During year / period</b>		<b>Balance on</b>	
		<b>June 30 ,</b> <b>2025</b> <b>USD</b>	<b>December</b> <b>31, 2024</b> <b>USD</b>	<b>June</b> <b>30, 2025</b> <b>USD</b>	<b>December</b> <b>31, 2024</b> <b>USD</b>
• GTEX for investments	Payment on behalf	(647 621)	--	1 268 683	1 916 304
• Golden tax wool	Payment on behalf	9 903	2 174 880	9 903	--
				<b>1 278 586</b>	<b>1 916 304</b>

**Movement of expected credit loss of related party as follow:**

	<b>June</b> <b>30, 2025</b> <b>USD</b>	<b>December</b> <b>31, 2024</b> <b>USD</b>
<b>Beginning balance period / year</b>	96 936	--
<b>Formed During the period / year</b>	92 291	96 936
<b>Ending balance period / year</b>	<b>189 227</b>	<b>96 936</b>

**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 June 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:

	<b>June 30 ,2025</b>	<b>June 30 , 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Remuneration and allowances of members of the Board of Directors, attendance of committees, salaries and benefits of executive management	184 014	149 127
	<b><u>184 014</u></b>	<b><u>149 127</u></b>

**35- Capital commitments**

The capital commitments as of June 30, 2025 amounted 15 996 231 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 5 163 814 as of 30 June 2025, secured by cash collateral of USD 366 265. As of 31 December 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,

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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.

- 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.

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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.

**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.

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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.

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:

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- 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.

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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<b>Financial assets classified at FVTPL</b>	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.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**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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**ii) Subsequent costs**

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**

**1- Determining whether the arrangement contains a lease contract or not**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. Initially or when evaluating any arrangement that contains a contract lease, the Group separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Group concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled, and the finance cost calculated on the obligation is recognized using the Group's additional borrowing rate.

**2- Leased assets**

Lease contracts for property, plant and equipment that are transferred in a large degree to the Group, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.

Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Group's statement of financial position.

**3- Lessor books**

When the Group acts as a lessor, it determines at the inception of the lease whether each lease is or not a lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease has been transferred substantially all the risk and reward incidental to ownership of the underlying asset.

If so, the lease is an indirect lease; If not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is in place for the principal part of the economic age of the asset.

Where the Group is an intermediate lessor, it accounts for its share of the main lease and sublease separately. It assesses the classification of a sublease with reference to the right-of-use asset arising from the main lease, not with reference to the underlying asset. If the lease is a short-term lease for which the Group applies the above exemption, then the sublease is classified as an operating lease. If the arrangement contains lease and non-lease components.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.



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**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.

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.

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**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.

**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.

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**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.

**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)

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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.

**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.

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**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.

**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.

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**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.

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.

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**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. 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.

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**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:

- 1- 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).



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**39- Subsequent events**

The Monetary Policy Committee of the Central Bank of Egypt, in its meeting held on Thursday, April 17, 2025, decided to decrease the key interest rates by 225 basis points, bringing the overnight deposit and lending rates and the Central Bank's main operation rate to 25%, 26%, and 25.5%, respectively. The credit and discount rate was also reduced by 225 basis points to reach 25.5%.

**40- 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 June 30, 2025, are presented alongside the most recent consolidated interim comparative financial statements reviewed for the financial period from February 1, 2024, to June 30, 2024. Consequently, the corresponding figures are not comparable.

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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
<b>Egyptian Accounting Standard No. (50) "Insurance Contracts".</b>	<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: - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property".</p>	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 <b>on or after July 1, 2024</b> , and at amended until 1 <sup>st</sup> of January 2025 and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.
<b>The new Egyptian Accounting Standard No. (51) "Financial statements in Hyperinflationary Economies. 11</b>	The impact on the financial statements has not yet been determined until the application date is specified.	This standard must be applied to financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary	This standard must be applied to the financial statements of the entity starting from the beginning of the financial period in which the economy is classified as hyperinflationary according to the decision of Egyptian prime minister.

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<b>New or reissued standards</b>	<b>Summary of the most significant amendments</b>	<b>Impact on the financial statements</b>	<b>Effective date</b>
<b>Accounting Interpretation No. (2) "Carbon Reduction Certificates"</b>	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.