

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

**Consolidated Financial Statements for the**  
**Financial Year Ended December 31, 2025**  
**and Independent Auditors' report**

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

**Consolidated Financial Statements for the**  
**Financial Year Ended December 31, 2025**  
**and Independent Auditors' report**

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## Hazem Hassan

Public Accountants & Consultants

*Translated from Arabic*

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

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

### **Independent Auditors' Report**

#### **To \ The shareholders of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint stock company - Under Public Free zone)**

##### ***Report on the Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint stock company - Under Public Free zone) and its subsidiaries "The Group", which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended December 31, 2025, and notes to the consolidated financial statements comprising material accounting policies and other explanatory information.

##### ***Management's Responsibility for the Consolidated Financial Statements***

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

##### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply



with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint stock company - Under Public Free zone) as of December 31, 2025 and its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

### *Emphasis of matter*

Without being considered this a qualification to our opinion, and as we draw attention to Note (40) of the explanatory notes to the consolidated financial statements, the Extraordinary General Assembly of the company, that was held on June 12, 2024, decided to change the company's fiscal year to end on December 31 each year instead of January 31. Consequently, the consolidated statements of profit or loss, comprehensive income, changes in equity, cash flows and their related disclosures, are presented in comparison with the audited consolidated financial statements for the financial period from February 1, 2024, to December 31, 2024. Therefore, the corresponding figures are not comparable.

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

*KPMG Hazem Hassan*

Alexandria on April 23, 2026

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

Translated from Arabic

**Concrete Fashion Group for Commercial and Industrial Investments  
(An Egyptian Joint stock company - Under Public Free zone)  
Consolidated statement of Financial Position for December 31, 2025**

	Note No	December 31, 2025 USD	December 31, 2024 USD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	(15)	42 448 436	42 969 845
Projects under construction	(16)	1 465 103	1 810 312
Intangible assets	(18)	3 682 285	3 900 545
Right of use assets	(19)	3 918 690	3 036 596
<b>Total Non-Current Assets</b>		<b>51 514 514</b>	<b>51 717 298</b>
<b>Current Assets</b>			
Inventory	(20)	90 121 239	89 062 775
Work in progress	(21)	1 728 726	1 618 110
Trade and other receivables	(22)	52 729 953	52 575 697
Due from related parties	(35-1)	209 436	20 890
Cash and cash equivalents	(23)	5 186 922	5 582 294
Other financial assets of amortized cost - Time deposits		22 990	--
<b>Total Current Assets</b>		<b>149 999 266</b>	<b>148 859 766</b>
<b>Total Assets</b>		<b>201 513 780</b>	<b>200 577 064</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Issued and paid-up Capital	(30-2)	32 917 500	32 917 500
Other Reserves	(31-1)	--	6 737 403
Foreign entities translation reserve	(31-2)	(43 459 879)	(42 388 679)
Retained earnings		54 719 967	35 402 445
<b>Equity attributable to owners of the holding Company</b>		<b>44 177 588</b>	<b>32 668 669</b>
Non-controlling interests	(32)	1 907 867	1 804 077
<b>Total Equity</b>		<b>46 085 455</b>	<b>34 472 746</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans	(25)	44 000 517	42 095 053
Liabilities from lease contracts	(26)	3 605 545	1 747 468
Deferred tax liabilities	(13-c)	930 355	465 628
<b>Total non-current liabilities</b>		<b>48 536 417</b>	<b>44 308 149</b>
<b>Current liabilities</b>			
Banks overdraft	(23)	119 115	137 202
Banks credit facilities	(24)	63 770 555	82 003 229
Loans	(25)	16 357 201	11 866 906
Liabilities from lease contract	(26)	1 335 478	2 550 704
Trade and other payables	(27)	22 415 797	21 433 184
Due to related parties	(35-2)	641 881	1 916 304
Current income tax liability	(13-a)	1 637 423	1 402 461
Provisions	(28)	614 458	486 179
<b>Total current liabilities</b>		<b>106 891 908</b>	<b>121 796 169</b>
<b>Total liabilities</b>		<b>155 428 325</b>	<b>166 104 318</b>
<b>Total equity and liabilities</b>		<b>201 513 780</b>	<b>200 577 064</b>

- The notes and accounting policies on pages (6) to (65) are an integral part of these consolidated financial statements and to be read together.
- Independent Auditors' report of consolidated financial statements attached.

Financial Manager

Mohamed Mohamed  
Mohy Eldin




Financial sector  
manager

Mohamed Hattab



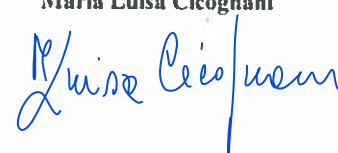
Vice-Chairman  
and CEO

Dr / Alaa Ahmed Abdel  
Maksoud Aafa



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 the financial year ended December 31, 2025**

		<b>Financial year from</b>	<b>Financial period from</b>
		<b>January 1, 2025 To</b>	<b>February 1, 2024 To</b>
	<b>Note</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>No</b>	<b>USD</b>	<b>USD</b>
Revenues	(4-1),(4-2)	153 330 223	144 833 434
Cost of sales	(5)	(103 140 700)	(91 545 417)
Net revenues from selling investments at FVTPL	(4-3)	--	1 776 682
<b>Gross profit</b>		<b>50 189 523</b>	<b>55 064 699</b>
Other income	(6)	2 639 056	790 516
Selling and distribution expenses	(7)	(10 063 149)	(10 546 087)
General and administrative expenses	(8)	(9 127 791)	(9 711 330)
Expected credit loss	(9)	(847 763)	(875 599)
Other expenses	(10)	(921 520)	(1 369 464)
<b>Operating Profit</b>		<b>31 868 356</b>	<b>33 352 735</b>
Finance income	(11)	142 895	732 799
Finance cost	(12)	(15 772 306)	(17 081 678)
<b>Net finance (Cost)</b>		<b>(15 629 411)</b>	<b>(16 348 879)</b>
<b>Net profit for the year \ period before tax</b>		<b>16 238 945</b>	<b>17 003 856</b>
Tax (expense)	(13-b)	(2 214 053)	(909 297)
<b>Net profit for the year \ period</b>		<b>14 024 892</b>	<b>16 094 559</b>
<b>Profit attributable to:</b>			
Shareholders of the holding company		13 524 924	15 618 812
Non-controlling interests		499 968	475 747
		<b>14 024 892</b>	<b>16 094 559</b>
<b>Basic and diluted earnings per share for the year / period (USD / share)</b>	(14-1)	<b>0.029</b>	<b>0.03</b>

- The notes and accounting policies on pages (6) to (65) are an integral part of these consolidated 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 financial year ended December 31, 2025**

	Note	Financial year from January 1, 2025 to December 31, 2025	Financial period from February 1, 2024 To December 31, 2024
	<u>No</u>	<u>USD</u>	<u>USD</u>
Net profit for the year \ period		14 024 892	16 094 559
<b><u>Other comprehensive (loss) items</u></b>			
<b><u>Items that will not be reclassified to Profit or loss:</u></b>			
Application of Egyptian Accounting Standard No. (13) "Impact of Foreign Exchange Rate Change"	(38-2)	--	(4 920 495)
Impact of deferred Tax	(13-c)	--	302 166
		<u>--</u>	<u>(4 618 329)</u>
<b><u>Items that are or may be reclassified subsequently to profit or loss:</u></b>			
Foreign entities translation differences		(1 512 622)	(5 176 398)
<b>Total other comprehensive loss for the year / period</b>		<u>(1 512 622)</u>	<u>(9 794 727)</u>
<b>Total comprehensive income for the year / period</b>		<u>12 512 270</u>	<u>6 299 832</u>
<b><u>Add: -</u></b>			
Transferred to retained earnings		--	4 618 329
		<u>12 512 270</u>	<u>10 918 161</u>
<b><u>Total comprehensive income attributable to:</u></b>			
Shareholders of holding company		12 156 277	6 193 904
Non-controlling interests		355 993	105 928
		<u>12 512 270</u>	<u>6 299 832</u>

- The notes and accounting policies on pages (6) to (65) are an integral part of these consolidated 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 year ended December 31, 2025**

	Note No.	Issued and Paid-up Capital USD	Reserves USD	Foreign entities Translation reserve USD	Retained Earnings 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>(37 589 248)</b>	<b>24 735 015</b>	<b>26 800 670</b>	<b>1 723 056</b>	<b>28 523 726</b>
<b>Transactions with company's shareholders</b>								
Dividends		--	--	--	(325 905)	(325 905)	(24 907)	(350 812)
<b>Total transactions with company's shareholders</b>		--	--	--	<b>(325 905)</b>	<b>(325 905)</b>	<b>(24 907)</b>	<b>(350 812)</b>
<b>Comprehensive income for the year</b>								
Net profit for the financial period from February 1, 2024 till December 31, 2024		--	--	--	15 618 812	15 618 812	475 747	16 094 559
The effect of applying the Egyptian Accounting Standard no.(13) "the effect of change in exchange rates"		--	--	--	(4 625 477)	(4 625 477)	7 148	(4 618 329)
Foreign entities translation differences		--	--	(4 799 431)	--	(4 799 431)	(376 967)	(5 176 398)
<b>Total comprehensive income</b>		--	--	<b>(4 799 431)</b>	<b>10 993 335</b>	<b>6 193 904</b>	<b>105 928</b>	<b>6 299 832</b>
<b>Balance as of December 31, 2024</b>		<b>32 917 500</b>	<b>6 737 403</b>	<b>(42 388 679)</b>	<b>35 402 445</b>	<b>32 668 669</b>	<b>1 804 077</b>	<b>34 472 746</b>
<b>Balance as of January 1, 2025</b>		<b>32 917 500</b>	<b>6 737 403</b>	<b>(42 388 679)</b>	<b>35 402 445</b>	<b>32 668 669</b>	<b>1 804 077</b>	<b>34 472 746</b>
<b>Transaction with shareholders of the company:</b>								
Effect of change in ownership interest without a change in control	(1-8),(32)	--	--	297 447	(321 413)	(23 966)	23 966	--
Dividends		--	--	--	(623 392)	(623 392)	(276 169)	(899 561)
Transfer of reserves to retained earnings	(31-1)	--	(6 737 403)	--	6 737 403	--	--	--
<b>Total transactions with shareholders of the company</b>		--	<b>(6 737 403)</b>	<b>297 447</b>	<b>5 792 598</b>	<b>(647 358)</b>	<b>(252 203)</b>	<b>(899 561)</b>
<b>Comprehensive income for the year</b>								
Net profit for the financial year ended December 31, 2025		--	--	--	13 524 924	13 524 924	499 968	14 024 892
Foreign entities translation differences	(31-2)	--	--	(1 368 647)	--	(1 368 647)	(143 975)	(1 512 622)
<b>Total comprehensive income</b>		--	--	<b>(1 368 647)</b>	<b>13 524 924</b>	<b>12 156 277</b>	<b>355 993</b>	<b>12 512 270</b>
<b>Balance as of December 31, 2025</b>		<b>32 917 500</b>	--	<b>(43 459 879)</b>	<b>54 719 967</b>	<b>44 177 588</b>	<b>1 907 867</b>	<b>46 085 455</b>

▪ The notes and accounting policies on pages (6) to (65) are an integral part of these consolidated financial statements and to be read together.

**Concrete Fashion Group for commercial and industrial Investments**  
**(An Egyptian Joint stock company - Under Public Free zone)**  
**Consolidated statement of cash flows for the financial year ended December 31, 2025**

	Note No.	The financial year From January 1, 2025 To December 31, 2025 USD	The financial Period From February 1, 2024 To December 31, 2024 USD
<b><u>Cash flows from operating activities</u></b>			
Net profit for the period before income tax		16 238 945	17 003 856
<b><u>Adjustments for the following:</u></b>			
Property, plant and equipment Depreciation	(15)	3 180 107	3 020 151
Right of use assets amortization	(19)	1 351 153	1 509 993
Amortization of Intangible Assets - Trademarks	(18)	219 305	215 748
Capital gain	(6)	(2 110 223)	(243 932)
Net Foreign currency exchange difference	(12)	535 878	(442 670)
Finance Interest on lease contracts	(25-3) (12)	823 354	594 502
Debit interest on loans	(12)	6 409 067	5 829 955
Interest and finance expenses	(11)	8 004 007	10 657 221
Credit Interest		(142 895)	(290 129)
Expected credit loss		(7 426)	133 414
		<b>34 501 272</b>	<b>37 988 109</b>
<b><u>Change in:-</u></b>			
Inventory		(1 058 464)	6 507 114
Trade and other receivables		(1 589 339)	(5 492 418)
Work in progress		(110 616)	(1 618 110)
Due from related parties		(188 546)	(554 925)
Trade and other payables		(366 064)	(6 893 076)
Due to related parties		(1 274 423)	1 737 391
Provisions		128 279	143 161
		<b>30 042 099</b>	<b>31 817 246</b>
Payment of loan interest expense	(25-3)	(5 580 366)	(5 174 224)
Employee profit share paid		(623 392)	(325 905)
Paid tax		(1 549 437)	(1 468 084)
Interest and finance expense paid		(8 827 361)	(10 657 221)
<b>Net cash flow provided from operating activities</b>		<b>13 461 543</b>	<b>14 191 812</b>
<b><u>Cash flows from Investing Activities</u></b>			
(Payments) for acquisition of property plant and equipment and projects under construction	(15),(16)	(3 198 026)	(10 464 576)
Proceeds from sale of property plant and equipment	(15)(16)	2 920 791	675 185
Credit interest received	(11)	142 895	290 129
<b>Net cash provided from / (used in) investing activities</b>		<b>(134 340)</b>	<b>(9 499 262)</b>
<b><u>Cash flows from financing activities</u></b>			
Net proceeds from credit facilities	(24)	(2 949 985)	2 607 826
Proceeds from borrowings	(25-3)	2 859 666	4 406 264
Payment of borrowings	(25-3)	(11 948 552)	(14 335 311)
Payment for lease liabilities	(26)	(1 443 525)	(1 203 931)
Dividends paid to shareholders		(276 169)	(24 907)
<b>Net Cash (used in) Financing Activities</b>		<b>(13 758 565)</b>	<b>(8 550 059)</b>
<b>Net change in cash and cash equivalents during the year</b>		<b>(431 362)</b>	<b>(3 857 509)</b>
The effect of changes in foreign currency exchange rates on cash and cash equivalents		54 077	(198 914)
Cash and cash equivalents at the beginning of the period	(23)	5 445 092	9 501 515
<b>Cash and cash equivalents at the end of the year</b>	<b>(23)</b>	<b>5 067 807</b>	<b>5 445 092</b>

- The notes and accounting policies on pages (6) to (65) are an integral part of these consolidated 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 financial statements for the financial year ended December 31, 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.

**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 financial statements for the financial year ended December 31, 2025**

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**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.
- Company's Duration is 25 years starting from January 16, 2006 to January 15, 2031.
- Company's location: Nasr city free zone, Arab Republic of Egypt.
- The Company's Chairperson is Mrs. Maria Luisa Cicognani
- The Company's vice Chairman and Managing Director is Dr /Alaa Ahmed Abd El Maksoud Arafa.

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

**Notes to the consolidated financial statements for the financial year ended December 31, 2025**

**1-6 Company's purpose**

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

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

**1-7 Listing on the Securities Exchange**

The company is listed on the Egyptian Stock Exchange.

**1-8 Subsidiary Companies**

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

<u>Subsidiary's Name</u>	<u>Company's purpose</u>	<u>Country</u>	<b>Direct and Indirect contribution Percentage</b>	
			<u>December 31, 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%	97,22%
• Port Said for Readymade Garments	Garments	Egypt	97,52%	97,52%
• Swiss for Readymade Garments	Garments	Egypt	99,20%	99,20%
• Savini for Readymade Garments	Garments	Egypt	98,80%	98.80 %
• Concrete International	Marketing and trading	UAE	100%	100%
• Concrete Fashion Group for commercial and industrial Investments -Oman	Marketing and trading	Sultanate Oman	100%	0%
• Concrete Fashion -KSA	Marketing and trading	KSA	100%	0%

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

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**Notes to the consolidated financial statements for the financial year ended December 31, 2025**

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**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 year ended December 31, 2025 were approved for issuance by the Group board of directors on April 22, 2026.
- Details of the Group material accounting policies are included in Note No. (38).

**2-1 Measurement basis**

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

**2-2 Presentation currency and functional currency**

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

**2-3 Use of estimates and judgements**

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

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

**A- Judgements**

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

**- Revenue recognition**

Revenue is recognized as detailed in the accounting policies applied.

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

- **Classification of properties**

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

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

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

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

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

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

**Finance lease contracts (sale and leaseback transactions)**

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

**B- Assumptions and estimation uncertainties**

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

- **Provisions and contingent liabilities**

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

- **Expected credit losses measurement.**

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

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**Notes to the consolidated financial statements for the financial year ended December 31, 2025**

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- **Estimation of net realizable value**

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

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

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

The recoverable amount is determined using a fair value model.

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

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

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

**C- Fair value measurement**

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

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

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

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

As of December 31, 2025 and December 31, 2024, the Group does not have any financial assets or liabilities measured at fair value, as all current assets and liabilities are measured at amortized cost, which approximates their fair value.

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**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>	
	Financial year from January 1, 2025 To December 31, 2025 <u>USD</u>	Financial period from February 1, 2024 To December 31, 2024 <u>USD</u>	Financial year from January 1, 2025 To December 31, 2025 <u>USD</u>	Financial period from February 1, 2024 To December 31, 2024 <u>USD</u>	Financial year from January 1, 2025 To December 31, 2025 <u>USD</u>	Financial period from February 1, 2024 To December 31, 2024 <u>USD</u>	Financial year from January 1, 2025 To December 31, 2025 <u>USD</u>	Financial period from February 1, 2024 To December 31, 2024 <u>USD</u>
<b><u>Revenue:</u></b>								
Export sales – America	55 808 259	61 947 812	--	--	--	--	55 808 259	61 947 812
Export sales – Europe	63 304 550	42 202 081	--	--	--	--	63 304 550	42 202 081
Export sales - other countries	3 943 335	6 804 134	612 125	542 680	--	--	4 555 460	7 346 814
Other revenues	2 682 990	3 224 208	26 891 464	30 112 519	87 500	--	29 661 954	33 336 727
	<b>125 739 134</b>	<b>114 178 235</b>	<b>27 503 589</b>	<b>30 655 199</b>	<b>87 500</b>	--	<b>153 330 223</b>	<b>144 833 434</b>
Cost of sales	(95 340 115)	(82 531 195)	(7 800 585)	(9 014 222)	--	--	(103 140 700)	(91 545 417)
Net revenues from selling investments at FVTPL	--	--	--	--	--	1 776 682	--	1 776 682
<b>Gross Profit</b>	<b>30 399 019</b>	<b>31 647 040</b>	<b>19 703 004</b>	<b>21 640 977</b>	<b>87 500</b>	<b>1 776 682</b>	<b>50 189 523</b>	<b>55 064 699</b>
Other revenues	463 329	285 415	1 969 326	317 233	206 401	187 868	2 639 056	790 516
Selling and distribution expenses	(3 162 890)	(3 033 945)	(6 900 259)	(7 512 142)	--	--	(10 063 149)	(10 546 087)
General and administrative expenses	(3 813 348)	(4 045 409)	(3 952 727)	(3 420 605)	(1 361 716)	(2 245 316)	(9 127 791)	(9 711 330)
Expected credit loss	(732 238)	(850 337)	(113 246)	(25 262)	(2 279)	--	(847 763)	(875 599)
Other expenses	(766 431)	(983 282)	--	(272 500)	(155 089)	(113 682)	(921 520)	(1 369 464)
<b>Operating results</b>	<b>22 387 441</b>	<b>23 019 482</b>	<b>10 706 098</b>	<b>10 727 701</b>	<b>(1 225 183)</b>	<b>(394 448)</b>	<b>31 868 356</b>	<b>33 352 735</b>
Net finance (expenses)	(12 860 814)	(13 503 019)	(2 047 314)	(1 853 107)	(721 283)	(992 753)	(15 629 411)	(16 348 879)
<b>Net Profit/ (loss) for the year /period before tax</b>	<b>9 526 627</b>	<b>9 516 463</b>	<b>8 658 784</b>	<b>8 874 594</b>	<b>(1 946 466)</b>	<b>(1 387 201)</b>	<b>16 238 945</b>	<b>17 003 856</b>
Tax / (expenses) / income	(615 299)	585 435	(1 598 754)	(1 494 732)	--	--	(2 214 053)	(909 297)
<b>Net profit / (loss) for the year /period after tax</b>	<b>8 911 328</b>	<b>10 101 898</b>	<b>7 060 030</b>	<b>7 379 862</b>	<b>(1 946 466)</b>	<b>(1 387 201)</b>	<b>14 024 892</b>	<b>16 094 559</b>

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- **The following are the assets and liabilities at December 31, 2024 and December 31, 2025 for the group segments:**

	<u>Garments</u>				<u>Total</u>			
	<u>manufacturing segment</u>		<u>Retail segment</u>		<u>Investments</u>		<u>after Eliminations</u>	
	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
	<u>31, 2025</u>	<u>31, 2024</u>	<u>31, 2025</u>	<u>31, 2024</u>	<u>31, 2025</u>	<u>31, 2024</u>	<u>31, 2025</u>	<u>31, 2024</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	
Total Assets	167 976 799	167 998 884	31 685 741	30 259 577	1 851 240	2 318 603	201 513 780	200 577 064
Total Liabilities	137 339 797	140 486 098	14 219 287	20 997 220	3 869 241	4 621 000	155 428 325	166 104 318

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**4- Revenues**

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

	Note	Financial year from January 1, 2025 to December 31, 2024	Financial period from February 1, 2024 to December 31, 2024
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Export sales – America		55 808 259	61 947 812
Export sales – Europe		63 304 550	42 202 081
Export sales - other countries		4 555 460	7 346 814
Local sales		29 139 990	32 842 936
Revenues from operations for others		434 464	493 791
		<b>153 242 723</b>	<b>144 833 434</b>

**4-2 Recognized revenues over time**

Technical support	(35-2)	87 500	--
		<b>87 500</b>	<b>--</b>

**4-3 Net revenues from selling investments at fair value through profit or loss**

Sale of investment in financial securities		--	3 795 942
<b>Deduct:</b>			
Cost of investment in financial securities listed in stock exchange		--	(2 019 260)
		--	<b>1 776 682</b>

**4-4 Contract balance**

Trade and notes receivables	(22)	35 314 927	35 267 844
Accrued revenues	(23)	6 975 262	7 127 870
<b>Total contract Assets</b>		<b>42 290 189</b>	<b>42 395 714</b>
Advance payments	(27)	81 314	1 229 690
<b>Total</b>		<b>81 314</b>	<b>1 229 690</b>

**5- Cost of sales**

Raw materials and supplies		71 473 118	69 400 061
Goods held for sale		1 252 959	3 562 648
Packing materials		2 874 504	3 523 154
Industrial wages		17 340 059	13 146 065
Property, plant and equipment depreciation	(15)	1 881 243	1 710 031
Manufacturing costs		10 030 238	6 566 812
		<b>104 852 121</b>	<b>97 908 771</b>
<b>(Less):</b>			
Export subsidy revenues		(2 146 282)	(3 977 770)
Change in Finished goods and Work in process	(20)	434 861	(2 385 584)
		<b>103 140 700</b>	<b>91 545 417</b>

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**6- Other income**

	<b>Financial year from January 1, 2025 to December 31, 2025</b>	<b>Financial period from February 1, 2024 to December 31, 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Rental income	230 749	227 934
Capital gains	2 110 223	243 932
Other revenue	298 084	318 650
	<b>2 639 056</b>	<b>790 516</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 the equivalent of 2.9 million US dollars, with net capital gains amounting to 1.7 million US dollars.

**7- Selling and Distribution expenses**

	<b>Note No.</b>	<b>Financial year from January 1, 2025 December 31, 2025</b>	<b>Financial period from February 1, 2024 to December 31, 2024</b>
		<b><u>USD</u></b>	<b><u>USD</u></b>
Wages and salaries		1 701 166	1 386 606
Employees sales commissions		829 086	781 242
Export expenses		1 924 580	1 955 169
Packing and packaging		163 075	133 385
Designs and training		330 808	380 394
Maintenance		403 164	295 046
Travel expense		459 695	476 344
Advertising		839 464	1 571 042
Variable Rent installment		754 092	721 419
Right of use assets amortization	(19)	1 189 857	1 445 301
Property, plant and equipment depreciation	(15)	302 359	354 309
Amortization of intangible assets	(18)	219 305	215 748
Others		946 498	830 082
		<b>10 063 149</b>	<b>10 546 087</b>

**8- General and Administrative expenses**

Wages and salaries		4 307 229	3 493 522
Board of directors allowance	(35-3)	197 389	234 281
Consulting and professional fees		641 451	1 084 304
Travel expenses		510 642	880 381
Maintenance		400 692	645 569
Subscriptions and service		577 137	750 243
Authorities and fees		142 691	433 453
Property, plant and equipment depreciation	(15)	996 505	955 811
Right of use assets amortization	(19)	161 296	64 692
Shipping and postage		120 660	168 992
Insurance		91 796	35 873
Short term rent		60 237	42 564
Others		920 066	921 645
		<b>9 127 791</b>	<b>9 711 330</b>

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**9- Expected credit losses**

	Note	Financial year from January 1, 2025 to December 31, 2025	Financial period from February 1, 2024 to December 31, 2024
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Expected credit losses in Trade receivables	(22)	774 618	645 249
Expected credit losses in cash and cash equivalent	(23)	(7 426)	133 414
Expected credit losses in related parties	(35-1)	80 571	96 936
		<b>847 763</b>	<b>875 599</b>

**10- Other expenses**

Formed Provisions	(28)	32 598	388 168
GAFI fees	(38-19)	888 922	879 446
Others		--	101 850
		<b>921 520</b>	<b>1 369 464</b>

**11- Finance income**

Credit Interest		142 895	290 129
Net foreign currency exchange differences		--	442 670
<b>Total finance income gain</b>		<b>142 895</b>	<b>732 799</b>

**12- Finance Cost**

Finance interest resulting from lease contract	(26)	(823 354)	(594 502)
Interest on loan	(25-3)	(6 409 067)	(5 829 955)
Interest expense, bank commission and expenses		(8 004 007)	(10 657 221)
Net foreign currency exchange differences		(535 878)	--
<b>Total finance cost</b>		<b>(15 772 306)</b>	<b>(17 081 678)</b>
<b>Net finance (expenses)</b>		<b>(15 629 411)</b>	<b>(16 348 879)</b>

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**13- Tax**

**a) Current income tax liability**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>USD</b>	<b>USD</b>
Current income tax liability for the year	1 637 423	1 402 461
	<b>1 637 423</b>	<b>1 402 461</b>

**\* Current income tax liability represented as follows:**

Balance at beginning of the year	1 402 461	1 433 541
Current income tax	1 671 395	1 402 461
Prior year assessment differences	73 831	215 316
Paid during the year	(1 549 437)	(1 468 084)
Foreign differences	39 173	(180 773)
<b>Current income tax liability at the end of the year</b>	<b>1 637 423</b>	<b>1 402 461</b>

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

	<b>Note No.</b>	<b>Financia year from January 1, 2025 to December 31, 2025</b>	<b>Financial period from February 1, 2024 to December 31, 2024</b>
		<b>USD</b>	<b>USD</b>
Current income tax expense		1 671 395	1 402 461
Prior years tax differences		73 831	215 316
Deferred tax (expense) / income	(13-c)	468 826	(708 480)
<b>Tax (expense)</b>		<b>2 214 053</b>	<b>909 297</b>

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

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

	<b>January 1, 2025 Assets/ (liabilities)</b>	<b>Recognized in the consolidated Profit or Loss Statement</b>	<b>Translation differences</b>	<b>December 31, 2025 Assets/ (liabilities)</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Property, plant and equipment	(1 034 140)	(49 717)	4 099	(1 079 758)
Unrealized foreign currencies exchange differences	568 512	(419 109)	--	149 403
<b>Deferred Tax for the period</b>	<b>(465 628)</b>	<b>(468 826)</b>	<b>4 099</b>	<b>(930 355)</b>

	<b>February 1, 2024 Assets/ (liabilities)</b>	<b>Recognized in the Profit or Loss Statement</b>	<b>Recognized in the other Comprehensive income statement</b>	<b>Translation differences</b>	<b>December 31, 2024 Assets/(liabilities)</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Property, plant and equipment	(1 819 040)	708 480	--	76 420	(1 034 140)
Unrealized foreign currencies exchange differences	266 346	--	302 166	--	568 512
<b>Deferred Tax for the period/year</b>	<b>(1 552 694)</b>	<b>708 480</b>	<b>302 166</b>	<b>76 420</b>	<b>(465 628)</b>

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**d) The effective tax rate**

		<b>December 31, 2025</b>		<b>December 31, 2024</b>
		<u>USD</u>		<u>USD</u>
Net profit before tax		16 238 945		17 003 856
Tax according to the actual tax rate	22.5%	3 653 763	22.5%	3 825 868
<b><u>The effect tax on:-</u></b>				
Exemptions		(1 988 695)		(3 492 065)
Net Provision effect		7 335		136 006
Board of directors allowance		393 986		8 856
Fixed assets depreciation		(49 717)		708 480
Unrealized Foreign currencies differences		(419 109)		--
Income tax assessment differences form previous years		73 832		215 316
<b>Effective tax rate</b>	<b>10.3%</b>	<u><b>1 671 395</b></u>	<b>8.2%</b>	<u><b>1 402 461</b></u>

**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>December 31, 2025</b>	<b>December 31, 2024</b>
	<u>USD</u>	<u>USD</u>
Net expected credit losses on financial assets	90 577	282 689
Provisions	62 443	162 186
	<u><b>153 020</b></u>	<u><b>444 875</b></u>

**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.

		<b>Financial year from January 1, 2025 to <u>December 31, 2025</u></b>	<b>Financial year from February 1, 2024 to <u>December 31, 2024</u></b>
Net Profit for the year	(USD)	13 524 924	15 618 812
Average number of outstanding shares	(Share)	470 250 000	470 250 000
<b>Earnings base and diluted per share</b>	<b>(USD/Share)</b>	<b>0.029</b>	<b>0.03</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)**

		<b><u>December 31, 2025</u></b>	<b>Financial period from February 1, 2024 to <u>December 31, 2024</u></b>
Net Profit for the year \ period	(USD)	13 524 924	15 618 812
Effect of applying Egyptian accounting standards (13)		--	(4 618 329)
		<b>13 524 924</b>	<b>11 000 483</b>
Average number of outstanding shares	(Share)	470 250 000	470 250 000
<b>Basic and diluted earnings per share from Continuing operations</b>	<b>(USD/Share)</b>	<b>0.029</b>	<b>0.023</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 year	--	218 837	1 288 098	--	109 831	455 386	465 432	2 537 584
Disposals during the year	--	--	--	(21 640)	--	(87 084)	(69 469)	(178 193)
Foreign currency translation differences	3 203	31 489	31 642	7 469	7 249	73 894	227 157	382 103
<b>Cost as of December 31, 2025</b>	<b>5 997 986</b>	<b>40 027 605</b>	<b>41 380 362</b>	<b>950 592</b>	<b>749 878</b>	<b>10 094 333</b>	<b>4 560 133</b>	<b>103 760 889</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 year	--	833 684	1 285 993	93 640	57 891	526 604	382 295	3 180 107
Accumulated Depreciation for disposals during the period	--	--	--	(21 640)	--	(87 084)	(64 437)	(173 161)
Foreign currency translation differences	--	27 503	23 883	3 812	4 308	42 154	154 297	255 957
<b>Accumulated Depreciation as of December 31, 2025</b>	<b>--</b>	<b>15 968 330</b>	<b>32 064 890</b>	<b>809 390</b>	<b>540 743</b>	<b>8 721 428</b>	<b>3 207 672</b>	<b>61 312 453</b>
<b>Net Book value as of December 31, 2025</b>	<b>5 997 986</b>	<b>24 059 275</b>	<b>9 315 472</b>	<b>141 202</b>	<b>209 135</b>	<b>1 372 905</b>	<b>1 352 461</b>	<b>42 448 436</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 December 31, 2025</b>	<b>--</b>	<b>2 165 095</b>	<b>13 227 616</b>	<b>460 469</b>	<b>428 642</b>	<b>6 476 359</b>	<b>1 955 918</b>	<b>24 714 099</b>

**Depreciation is distributed as follows:**

<u>Notes</u>	<u>Financial year from</u> <u>January 1, 2025 to</u> <u>December 31, 2025</u>	<u>Financial period from</u> <u>February 1, 2024 to</u> <u>December 31, 2024</u>
<u>No.</u>	<u>USD</u>	<u>USD</u>
Cost of sales	(5) 1 881 243	1 710 031
Selling and distribution	(7) 302 359	354 309
General and administrative	(8) 996 505	955 811
	<b>3 180 107</b>	<b>3 020 151</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>Improvement</u> <u>s in leasehold</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>Cost as of February 1<sup>st</sup>, 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	---	1 633 210	1 535 399	99 449	49 537	346 684	936 839	4 601 118
Disposals during the period	(11 664)	(133 372)	(618 185)	(10 822)	(56 322)	(130 130)	(109 361)	(1 069 856)
Transferred to work in progress	(10 733)	---	---	---	---	---	---	(10 733)
Foreign currency translation differences	(130 495)	(365 792)	(509 897)	(55 312)	(58 788)	(587 106)	(1 804 987)	(3 512 377)
<b>Cost as of December 31, 2024</b>	<b><u>5 994 783</u></b>	<b><u>39 777 279</u></b>	<b><u>40 060 622</u></b>	<b><u>964 763</u></b>	<b><u>632 798</u></b>	<b><u>9 652 137</u></b>	<b><u>3 937 013</u></b>	<b><u>101 019 395</u></b>
<b>Accumulated Depreciation</b>								
<b>Accumulated Depreciation as of February 1<sup>st</sup>, 2024</b>	---	<b>14 741 121</b>	<b>31 213 513</b>	<b>690 168</b>	<b>515 493</b>	<b>7 187 417</b>	<b>3 851 344</b>	<b>58 199 056</b>
Depreciation for the period	---	810 622	1 206 540	89 526	50 872	501 225	361 366	3 020 151
Accumulated depreciation or disposals during the period	---	---	(399 448)	(10 822)	(42 770)	(95 978)	(48 198)	(597 216)
Foreign currency translation differences	---	(444 600)	(1 265 591)	(35 294)	(45 051)	647 090	(1 428 995)	(2 572 441)
<b>Accumulated Depreciation as of December 31, 2024</b>	<b><u>---</u></b>	<b><u>15 107 143</u></b>	<b><u>30 755 014</u></b>	<b><u>733 578</u></b>	<b><u>478 544</u></b>	<b><u>8 239 754</u></b>	<b><u>2 735 517</u></b>	<b><u>58 049 550</u></b>
<b>Net Book value as of December 31, 2024</b>	<b><u>5 994 783</u></b>	<b><u>24 670 136</u></b>	<b><u>9 305 608</u></b>	<b><u>231 185</u></b>	<b><u>154 254</u></b>	<b><u>1 412 383</u></b>	<b><u>1 201 496</u></b>	<b><u>42 969 845</u></b>
<b>Net Book value as of January 31, 2024</b>	<b><u>6 147 675</u></b>	<b><u>23 902 112</u></b>	<b><u>8 439 792</u></b>	<b><u>241 280</u></b>	<b><u>182 878</u></b>	<b><u>2 835 272</u></b>	<b><u>1 063 178</u></b>	<b><u>42 812 187</u></b>
<b>Fully Depreciated Assets and still in use as of December 31, 2024</b>	<b><u>---</u></b>	<b><u>2 146 015</u></b>	<b><u>13 080 970</u></b>	<b><u>428 051</u></b>	<b><u>400 713</u></b>	<b><u>5 092 060</u></b>	<b><u>1 193 112</u></b>	<b><u>22 340 921</u></b>

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**Notes to the consolidated financial statements for the financial year ended December 31, 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 EGP 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 EGP 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>December 31, 2025 <u>USD</u></b>	<b>December 31, 2024 <u>USD</u></b>
Building and constructions	1 411 482	1 675 264
Advance payments to purchase exhibition system	--	19 019
Advance payments to exhibition decoration and furniture	53 621	116 029
	<b><u>1 465 103</u></b>	<b><u>1 810 312</u></b>

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

	<b>Notes <u>No.</u></b>	<b>December 31, 2025 <u>USD</u></b>	<b>December 31, 2024 <u>USD</u></b>
<b>Beginning balance during year</b>		<b>1 810 312</b>	<b>4 281 760</b>
Additions		1 117 272	2 241 075
Transferred to work in progress	(21)	--	(1 698 190)
Transferred to fixed assets		(456 830)	(2 350 443)
Transferred to sold investment property during the year		(1 052 497)	--
Differences in the translation of foreign entities		46 846	(663 890)
<b>Ending balance for year</b>		<b><u>1 465 103</u></b>	<b><u>1 810 312</u></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><u>971 922</u></b>	<b><u>971 922</u></b>
<b><u>Less:</u></b>		
Net change in fair value	(971 922)	(971 922)
	<b><u>--</u></b>	<b><u>--</u></b>

- These investments are currently subject to liquidation proceedings, and no future economic benefits are expected to be realized from them as at the date of the financial statements.

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**18- Intangible assets and goodwill**

	Note No.	<u>Trademarks and programs</u>	
		December 31, 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		2 405	(22 284)
<b>Ending Balance</b>		<b>4 351 405</b>	<b>4 349 000</b>
<b><u>Deduct:</u></b>			
<b>Accumulated Amortization at the beginning of the year</b>		<b>448 455</b>	<b>238 291</b>
Amortization during the year	(7)	219 305	215 748
Foreign entities translation Differences		1 360	(5 584)
<b>Accumulated Amortization at the end of the year</b>		<b>669 120</b>	<b>448 455</b>
<b>Net book value</b>		<b>3 682 285</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**

	December 31, 2025	December 31, 2024
	<u>USD</u>	<u>USD</u>
<b>Beginning Balance</b>	<b>5 989 361</b>	<b>8 564 882</b>
Addition	2 206 512	1 801 175
Disposals	(1 288 543)	(891 881)
Translation differences	414 361	(3 484 815)
<b>Cost at the end of the year</b>	<b>7 321 691</b>	<b>5 989 361</b>
<b><u>Amortization:-</u></b>		
<b>Beginning Balance</b>	<b>2 952 765</b>	<b>4 114 357</b>
Amortization during the year *	1 351 153	1 509 993
Accumulated amortization of disposals	(1 258 570)	(674 395)
Translation differences	357 653	(1 997 190)
<b>Accumulated Amortization at the end of the year</b>	<b>3 403 001</b>	<b>2 952 765</b>
<b>Net book value</b>	<b>3 918 690</b>	<b>3 036 596</b>

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

	Note No.		
Selling and distribution expense	(7)	1 189 857	1 445 301
General and administration expense	(8)	161 296	64 692
		<b>1 351 153</b>	<b>1 509 993</b>

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**Notes to the consolidated financial statements for the financial year ended December 31, 2025**

**20- Inventory**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>USD</b>	<b>USD</b>
Raw materials and supplies	38 886 973	38 941 279
Packing and packing materials	1 161 076	926 364
Consumables	3 325 603	3 329 431
Work in process	11 115 661	8 702 455
Finished goods	33 176 093	36 024 160
Goods held in trust with others	1 561 029	--
Goods in transit	894 804	1 139 086
	<b><u>90 121 239</u></b>	<b><u>89 062 775</u></b>

- The inventory impairment balance amounted to USD 4,238,210 as at 31 December 2025, compared to USD 3,448,210 as at 31 December 2024.

**21- Work in progress**

Lands		10 161	10 733
Engineering consultation and designs and governmental fees*	(16)	1 611 163	1 698 190
Foreign entities translation differences		107 402	(90 813)
		<b><u>1 728 726</u></b>	<b><u>1 618 110</u></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>December 31, 2025</b>	<b>December 31, 2024</b>
		<b>USD</b>	<b>USD</b>
Trade receivables		34 952 841	35 069 048
Notes receivables		362 086	198 796
Advances to suppliers		7 917 910	5 411 190
Deposits held with others		716 229	547 710
General Tax authority		859 917	839 559
Prepaid expenses		678 881	479 648
Letter of guarantee cover	(37)	167 211	1 575 481
Accrued revenues		6 975 262	7 127 870
Other debit balances		2 029 097	2 449 381
		<b><u>54 659 434</u></b>	<b><u>53 698 683</u></b>
<b><u>Less:</u></b>			
Expected credit loss of trade receivables and debtors*		(1 929 481)	(1 122 986)
		<b><u>52 729 953</u></b>	<b><u>52 575 697</u></b>

**\* Movement of Expected credit loss on trade and other receivables as follow:**

	<b>Note No.</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
		<b>USD</b>	<b>USD</b>
<b>Beginning balance</b>		<b><u>1 122 986</u></b>	<b><u>688 460</u></b>
Expected credit loss during year	(9)	774 618	645 249
Foreign entities translation differences		31 877	(210 723)
<b>Ending balance</b>		<b><u>1 929 481</u></b>	<b><u>1 122 986</u></b>

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**23- Cash and cash equivalents**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Current accounts	3 186 152	5 430 320
Time deposits	1 602 785	2 612
Cheques under collection	8 218	--
Cash on hand	517 915	282 776
	<b>5 315 070</b>	<b>5 715 708</b>
<b><u>(Deduct):</u></b>		
Expected credit loss*	(128 148)	(133 414)
<b>Cash and cash equivalents</b>	<b>5 186 922</b>	<b>5 582 294</b>
<b><u>(Deduct):</u></b>		
Bank overdraft	(119 115)	(137 202)
<b>Cash and cash equivalents according to cash flows statement</b>	<b>5 067 807</b>	<b>5 445 092</b>

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

	<b>Note</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b><u>No.</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
<b>Beginning balance year</b>		133 414	--
Expected credit (reversal) / loss during year	(9)	(7 426)	133 414
Foreign entities translation differences		2 160	--
<b>Ending balance year</b>		<b>128 148</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".

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**24- Bank credit facilities**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
National Bank of Egypt -NBE	23 636 270	22 850 194
Commercial International Bank – CIB	11 254 073	12 368 556
HSBC	12 890 303	13 453 554
Export Development Bank of Egypt	9 077 406	10 775 848
Emirates NBD -Egypt	7 712	7 601 877
Qatar National Bank – QNB	--	9 025 222
Abu Dhabi Commercial Bank -ADCB	2 725 765	2 414 461
Bank of Alexandria	2 863 652	2 905 199
Arab Bank	1 315 374	608 318
	<b><u>63 770 555</u></b>	<b><u>82 003 229</u></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><u>Balance at 31/12/2025</u></b>			<b><u>Balance at 31/12/2024</u></b>		
	<b><u>Current portion</u></b>	<b><u>Non current portion</u></b>	<b><u>Total</u></b>	<b><u>Current portion</u></b>	<b><u>Non current portion</u></b>	<b><u>Total</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Loans from banks (25-1)	10 682 379	36 882 356	47 564 735	8 534 205	29 300 238	37 834 443
Liability on sale (25-2) and lease back	5 674 822	7 118 161	12 792 983	3 332 701	12 794 815	16 127 516
	<b><u>16 357 201</u></b>	<b><u>44 000 517</u></b>	<b><u>60 357 718</u></b>	<b><u>11 866 906</u></b>	<b><u>42 095 053</u></b>	<b><u>53 961 959</u></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 plus the bank's profit margin.

**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 at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin.

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**Notes to the consolidated financial statements for the financial year ended December 31, 2025**

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**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 at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin.

**Egypt tailoring for ready made – Garments**

**Mashreq Bank**

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 at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin.
- A medium-term loan of USD 4.9 million, also to be repaid in 36 monthly installments at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin.

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

**HSBC Bank**

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 at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin.

**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 at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin ,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.) at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin., 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.) at an annual variable interest rate equal to the SOFR secured financing rate plus the bank's profit margin., in accordance with the provisions of Law No. 95 of 1995, its executive regulations, and subsequent amendments.

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**25-3 The following is a movement in borrowing activities for the periods ended December 31, 2025, and December 31, 2024**

<u>Description</u>	<u>Balance at 31/12/2025</u>			<u>Balance at 31/12/2024</u>		
		Liabilities from			Liabilities	
	Loans from	sale and lease	Total	Loans from	from sale and	Total
Note	banks	back		banks	lease back	
<u>No.</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>Beginning balance</b>	37 834 443	<b>16 127 516</b>	<b>53 961 959</b>	<b>47 725 699</b>	<b>14 388 777</b>	<b>62 114 476</b>
Current borrowing	8 534 205	3 332 701	11 727 824	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	(8 614 019)	(3 334 533)	(11 948 552)	(11 667 786)	(2 667 525)	(14 335 311)
Transfer from credit facilities	15 300 776	--	15 300 776	1 250 000	--	1 250 000
Collected from borrowing	2 859 666	--	2 859 666	--	4 406 264	4 406 264
Debit interest	(12) 4 379 260	2 029 807	6 409 067	3 846 323	1 983 632	5 829 955
Debit interest paid	(3 550 559)	(2 029 807)	(5 580 366)	(3 190 592)	(1 983 632)	(5 174 224)
Translation differences	(505 741)	--	(505 741)	(129 201)	--	(129 201)
<b>Ending balance</b>	<b>47 564 735</b>	<b>12 792 983</b>	<b>60 357 718</b>	<b>37 834 443</b>	<b>16 127 516</b>	<b>53 961 959</b>
Current liabilities	10 682 379	5 674 822	16 357 201	8 534 205	3 332 701	11 866 906
Non -current liabilities	36 882 356	7 118 161	44 000 517	29 300 238	12 794 815	42 095 053
	<b>47 564 735</b>	<b>12 792 983</b>	<b>60 357 718</b>	<b>37 834 443</b>	<b>16 127 516</b>	<b>53 961 959</b>

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**26- 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.

	<b>Note No.</b>	<b>Liabilities lease contract</b>	
		<b>December 31, 2025</b>	<b>December 31, 2024</b>
		<b>USD</b>	<b>USD</b>
<b>Beginning balance</b>		<b>4 298 172</b>	<b>4 950 266</b>
Current borrowing		2 550 704	1 989 123
Non. Current borrowing		1 747 468	2 961 143
Addition during the period / year		2 206 512	1 524 586
Disposal		(395 495)	(258 873)
Translation differences		275 359	(713 872)
Payment during the period /year		(1 443 525)	(1 203 931)
Debit interest	(12)	823 354	594 502
Debit interest paid		(823 354)	(594 502)
<b>Ending balance</b>		<b>4 941 023</b>	<b>4 298 172</b>
Current liabilities		1 335 478	2 550 704
Non -current liabilities		3 605 545	1 747 468
		<b>4 941 023</b>	<b>4 298 172</b>

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

	<b>Note No.</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
		<b>USD</b>	<b>USD</b>
Trade payables		11 408 354	10 994 814
Accrued expenses		2 338 102	4 290 631
Tax authority, except income tax		1 800 227	1 121 203
Notes payable		2 226 274	1 022 166
Deposits from others		767 304	737 626
Trade Receivables – credit balances		81 314	1 229 690
GAFI		259 921	325 826
Other credit balances		3 534 301	1 711 228
		<b>22 415 797</b>	<b>21 433 184</b>

**28- Provisions**

<b>Beginning balance</b>		<b>486 179</b>	<b>396 498</b>
Formed During the year	(10)	32 598	388 168
Utilized During the year		--	(265 396)
Foreign entities translation Difference		95 681	(33 091)
<b>Ending balance</b>		<b>614 458</b>	<b>486 179</b>

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**29- 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.

**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'

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**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.

**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.

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**Capital management**

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

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

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

**a- Credit risk exposure**

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

	<u>Note.</u>	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>No</u>	<u>USD</u>	<u>USD</u>
Trade and other receivables	(22)	38 174 081	38 288 255
Due from related parties	(35-1)	209 436	20 890
Cash and cash equivalents	(23)	4 820 145	5 432 932
		<u>43 203 662</u>	<u>43 742 077</u>

**Expected Credit Loss Assessment**

The Group assigns each exposure to credit risk based on a variety of data that are identified as loss risk data based on forecasting and the application of expert credit judgment. Credit risk grades are defined using qualitative and quantitative factors that indicate the risk of loss.

The exposure to each credit risk category is categorized by sector, based on the business area classification and customer classification. The expected credit loss rate for each sector is calculated based on the default status and actual credit loss experience. These rates are multiplied by tiered factors, To reflect differences between economic conditions during the period in which the historical data was collected, current conditions, and the company's view of economic conditions over the expected lives of customer balances.

**The following table provides information about the exposure to credit risk:**

<u>Trade receivables</u>	<u>December 31 , 2025</u>			<u>December 31 , 2024</u>		
	<u>Expected Credit Loss Rate</u>	<u>Total Carrying Amount</u>	<u>Loss Amount</u>	<u>Expected Credit Loss rate</u>	<u>Total Carrying Amount</u>	<u>Loss Amount</u>
Not due	1.8%	48 373 583	870 724	1.1%	48 913 984	516 839
0-90 days	6%	2 366 722	142 003	4%	1 822 138	72 885
More than 90 days	23%	3 919 129	916 754	18%	2 962 561	533 262
		<u>54 659 434</u>	<u>1 929 481</u>		<u>53 698 683</u>	<u>1 122 986</u>

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**b- Liquidity risk**

The following are the contractual terms of financial liabilities:

<u>December 31, 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),(26)	65 298 741	73 608 541	21 177 683	19 628 614	32 802 244
Trade payables, notes payables and Other creditors	(27)	20 274 335	20 274 335	20 274 335	--	--
Due to related parties	(35-2)	641 881	641 881	641 881	--	--
Bank credit facilities	(23),(24)	63 889 670	63 889 670	63 889 670	--	--
		<u>150 104 627</u>	<u>158 414 427</u>	<u>105 983 569</u>	<u>19 628 614</u>	<u>32 802 244</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),(26)	58 260 131	111 199 906	76 404 393	8 845 792	25 949 721
Trade payables, notes payables and Other creditors	(27)	23 907 052	23 907 052	23 907 052	--	--
Due to related parties	(35-2)	1 916 304	1 916 304	1 916 304	--	--
Bank credit facilities	(23),(24)	82 140 341	82 140 341	82 140 341	--	--
		<u>166 223 828</u>	<u>219 163 603</u>	<u>184 368 090</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>December 31, 2025</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalents	23 763 838	222 148	24 313	790 413
Trade and other receivables	529 896 095	6 888 148	2 927 832	23 109 264
<b>Total assets in currency</b>	<b>553 659 933</b>	<b>7 110 296</b>	<b>2 952 145</b>	<b>23 899 677</b>
Trade and other payables	(196 298 032)	(3 648 933)	(255 384)	(8 733 872)
Banks credit facilities	(189 242 626)	(9 760 937)	(211 767)	(15 709 310)
<b>Total liabilities in currency</b>	<b>(385 540 658)</b>	<b>(13 409 870)</b>	<b>(467 151)</b>	<b>(24 443 182)</b>
<b>Surplus / (deficit) expose to risk Equivalent in USD</b>	<b>168 119 275</b>	<b>(6 299 574)</b>	<b>2 484 994</b>	<b>(543 505)</b>
	<u>3 513 692</u>	<u>(7 401 999)</u>	<u>3 344 802</u>	<u>(543 505)</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>Average exchange rates</u>	
	<u>consolidated interim</u>		<u>during the year</u>	
	<u>financial statements date</u>			
	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
EGP	0.0209	0.0196	0.0204	0.0225
EURO	1.1750	1.0411	1.1321	1.0807
GBP	1.3460	1.2542	1.3219	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.

**December 31, 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	351 369	(351 369)	351 369	(351 369)
Euro	(740 199)	740 199	(740 199)	740 199
GBP	334 480	(334 480)	334 480	(334 480)

**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>Note No.</b>	<b>Carrying amount</b>	
		<b>31/12/2025</b>	<b>31/12/2024</b>
<b><u>Financial assets</u></b>		<b><u>USD</u></b>	<b><u>USD</u></b>
Financial assets with a variable rate – Bank current account	(23)	3 186 152	5 430 320
		<b><u>3 186 152</u></b>	<b><u>5 430 320</u></b>
<b><u>Financial liabilities</u></b>			
Financial liabilities with a variable rate – loan credit facilities	(23),(24),(25)	124 247 388	136 102 390
		<b><u>124 247 388</u></b>	<b><u>136 102 390</u></b>

**f- Sensitivity Analysis**

A change in interest rates by 100 basis points on December 31 would have an impact on the valuation of assets and liabilities with variable interest rates as follows:

**December 31, 2025**

	<b>Effect on owner's equity</b>		<b>Effect on profit or loss</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 assets	31 861	(31 861)	31 861	(31 861)
Financial liabilities	1 242 473	(1 242 473)	1 242 473	(1 242 473)

**December 31, 2024**

	<b>Effect on owner's equity</b>		<b>Effect on profit or loss</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 assets	54 303	(54 303)	54 303	(54 303)
Financial liabilities	1 361 024	(1 361 024)	1 361 024	(1 361 024)

**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>31/12/2025</b>	<b>31/12/2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Borrowing and credit facilities	129 069 296	140 263 360
Capital	32 917 500	32 917 500
<b>Rate of loans to Capital</b>	<b><u>392.1%</u></b>	<b><u>426.10%</u></b>

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**30- Capital**

**30-1 The Authorized Capital**

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

**30-2 Issued and paid-up capital**

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

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

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

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

**31- Reserves**

**31-1 Reserve resulted from demerge process**

	<u>December</u> <u>31, 2025</u> <u>USD</u>	<u>December</u> <u>31, 2024</u> <u>USD</u>
Resulting from the demerge process*	--	6 737 403
	<u>--</u>	<u>6 737 403</u>

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

	<b>December 31, 2025 USD</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	<b>64 370</b>
Reimbursement of impairment losses in investments in certain subsidiaries	<b>6 673 033</b>
	<b>6 737 403</b>
<b><u>Deduct:</u></b>	
Closing reserves at retained earnings	<b>(6 737 403)</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.

**31-2 Foreign entities Translation reserve**

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

	<b>Share of holding company 31/12/2025 (USD)</b>	<b>Share of holding company 31/12/2024 (USD)</b>
Opening Balance	42 388 679	37 589 248
Changes during period	1 071 200	4 799 431
	<b>43 459 879</b>	<b>42 388 679</b>

**32- 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>December 31, 2025</u></b>	<b><u>December 31, 2024</u></b>
<b><u>Direct and indirect contribution</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%	1.20%

- 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.

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

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></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	23 966	--
Dividends paid	(276 169)	(24 907)
Net profit for the year	499 968	475 747
Foreign entities translation differences	( 143 975)	(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>1 907 867</u></b>	<b><u>1 804 077</u></b>

**Foreign exchange translation differences represent the non-controlling interests’ share of translation differences arising from the financial statements of subsidiaries, based on the ownership percentage in each company, as follows:**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Concrete for Readymade Garments		
Port Said for Readymade Garments	(276 169)	(24 907)
Other companies	499 968	475 747
	<b><u>1 907 867</u></b>	<b><u>1 804 077</u></b>

**33- Tax position**

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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.

**34- Non-distributable profits**

Retained earnings as of December 31, 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.

**35- 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

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

**35-1 Due from related parties**

<u>Company's Name</u>	<u>Nature of transactions</u>	Value of transactions		Balance on	
		During the year		December 31, 2025	December 31, 2024
		December 31, 2025	December 31, 2024		
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
• Golden tax wool	Payment on behalf	(3 361)	--	--	3 361
• Euro Egypt	Payment on behalf	1 094	(9 679)	17 590	16 496
• Middle East Ready-made Garments	Payment on behalf	86 245	(324 549)	183 181	96 936
• Beni sweif el watanya	Payment on behalf	--	(543)	1 102	1 033
• Arafa for real estate	Payment on behalf	190 744	--	190 744	--
<b>Deduct :</b>				<b>392 617</b>	<b>117 826</b>
Expected credit loss on related parties *				(183 181)	(96 936)
				<b>209 436</b>	<b>20 890</b>

**35-2 Due to related parties**

<u>Company's Name</u>	<u>Nature of transactions</u>	Value of transactions		Balance on	
		During the year		December 31, 2025	December 31, 2024
		December 31, 2025	December 31, 2024		
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
• GTEX for investments	Payment on behalf	(1 198 100)	--	630 704	1 916 304
•	Technical support	(87 500)	--		
• Golden tax wool	Payment on behalf	11 177	2 174 880	11 177	--
				<b>641 881</b>	<b>1 916 304</b>

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

	<u>Note</u> <u>No.</u>	<b>December</b> <b>31, 2025</b> <u>USD</u>	<b>December</b> <b>31, 2024</b> <u>USD</u>
<b>Beginning balance year</b>		96 936	--
Formed During the year	(9)	80 571	96 936
Foreign entities translation difference		5 674	--
<b>Ending balance year</b>		<u><b>183 181</b></u>	<u><b>96 936</b></u>

**35-3 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 year amounted:

	<u>Note</u> <u>No.</u>	<b>December</b> <b>31, 2025</b> <u>USD</u>	<b>December</b> <b>31, 2024</b> <u>USD</u>
Remuneration and allowances of members of the Board of Directors, attendance of committees, salaries and benefits of executive management	(8)	1 751 049	1 344 096
		<u><b>1 751 049</b></u>	<u><b>1 344 096</b></u>

**36- Capital commitments**

The capital commitments as of December 31, 2025 amounted 8 462 901 USD compared with 8 471 385 USD December 31, 2024.

**37- 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 4 883 153 as of December 31, 2025, secured by cash collateral of USD167 211. As of December 31, 2024, the value amounted to USD 13 011 663, secured by cash collateral of USD 1 575 481. See Note (22).

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

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**38- Material accounting policies applied**

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

**38-1 Basis of consolidation**

**Business combinations**

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

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The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries controlled are included in the consolidated financial statements from the date of obtaining control until the date that control lost.

**Non-controlling interests**

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

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

**Loss of control**

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

**Equity – accounted investees**

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

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

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

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

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

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

**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

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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

**38-2 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.

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**Foreign operations**

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

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

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.

**38-3 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.

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A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets .
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and not paid.

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.

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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.

**Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A Cash payment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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**Financial assets – Subsequent measurement and gains and losses**

<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.

**38-4 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.

**38-5 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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**38-6 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.

**38-7 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.

**38-8 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.

**38-9 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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**38-10 Lease contracts**

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

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

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

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

**Initial measurement of the right of use asset:**

The cost of the right of use asset is:

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

**Subsequent measurement of the right of use assets:**

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

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

• **Initial measurement of lease obligation:**

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

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

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

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

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

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

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

**38-11 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.

**38-12 Fair value measurement**

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

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

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

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

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

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

### **38-13 Intangible assets**

#### **Recognition and measurement**

##### **Goodwill**

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

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

##### **Trademarks and Other intangible assets**

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

##### **Research and development**

Expenditure on research activities is recognized as expense when incurred.

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

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**Subsequent expenditures**

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

**Amortization**

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

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

**38-14 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.

**38-15 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.

**38-16 Revenue recognition**

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

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

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

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

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

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

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

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

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

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

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

**Satisfaction of performance obligation**

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

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

**Determine the transaction price**

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

**Control transfer in contracts with customers**

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

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

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

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

**Other matters to be considered**

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

**The significant funding component**

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

**Technical support revenues**

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

**Sale of goods revenue**

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

**Services revenue**

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

**Rental income**

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

**Gain on sale of investments**

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

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**38-17 Expenses**

**i) Cost of Borrowing**

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

**ii) Social insurance contribution**

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

**iii) Income tax**

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

**Current income tax**

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

**Deferred tax**

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

Deferred tax is not recognized for:

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

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

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

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

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

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

**38-18 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.

**38-19 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.

**38-20 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
- 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.

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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.

**38-21 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.

**38-22 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.

**39- 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:

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

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

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**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 consolidated 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 December 31, 2025, are presented alongside the most recent consolidated comparative financial statements audited for the financial period from February 1, 2024, to December 31, 2024. Consequently, the corresponding figures are not comparable.

**41- Significant Events**

The Monetary Policy Committee of the Central Bank of Egypt, at its meeting held on Thursday, 17 April 2025, decided to reduce the key policy interest rates by 225 basis points. Accordingly, the overnight deposit rate, overnight lending rate, and the main operation rate were reduced to 25%, 26%, and 25.5%, respectively. The discount rate was also reduced by 225 basis points to 25.5%.

At its meeting on Thursday, 22 May 2025, the Committee decided to further reduce the overnight deposit and lending rates, as well as the main operation rate, by 100 basis points to 24%, 25%, and 24.5%, respectively. The discount rate was also reduced by 100 basis points to 24.5%.

At its meeting on Thursday, 28 August 2025, the Committee reduced the overnight deposit and lending rates and the main operation rate by 200 basis points to 22%, 23%, and 22.5%, respectively. The discount rate was likewise reduced by 200 basis points to 22.5%.

At its meeting on Thursday, 2 October 2025, the Committee decided to reduce the overnight deposit and lending rates and the main operation rate by 100 basis points to 21%, 22%, and 21.5%, respectively. The discount rate was also reduced by 100 basis points to 21.5%.

At its meeting held on Thursday, 12 February 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the key policy rates by 100 basis points. Accordingly, the overnight deposit and lending rates and the main operation rate were reduced to 19%, 20%, and 19.5%, respectively. The discount rate was also reduced to 19.5%.

**42- Subsequent Events**

Subsequent to the reporting date, geopolitical tensions in the Middle East have escalated, resulting in increased levels of instability and uncertainty in the region. The Group has diversified operations in certain Gulf countries, and accordingly, these operations may be affected by the ongoing geopolitical developments to varying degrees.

These events are considered non-adjusting events in accordance with Egyptian Accounting Standard No. 7, "Events After the Reporting Period." The situation remains highly dynamic, and the potential impact of the escalation is subject to significant uncertainty.

Management is closely monitoring developments and assessing the potential impact on the Group's operations, financial position, and cash flows. As of the date of approval of these consolidated financial statements, the Group is unable to reliably estimate the financial impact of these events, whether positive or negative.

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**43- Comparative figures:**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**44- New Editions and Amendments to Egyptian Accounting Standards:**

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

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

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**Notes to the consolidated financial statements for the financial year ended December 31, 2025**

<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>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.
<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.