

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

Consolidated interim financial statements
For the Financial Period Ended March 31, 2026
and Independent Auditors' Report on limited review

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Translated from Arabic

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Independent Auditors' report on review of Consolidated interim financial statements

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

Introduction

We have reviewed the accompanying consolidated interim financial statements of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint company – Under Public Free Zone) as of March 31, 2026, including:

- Consolidated statement of financial position as of March 31, 2026,
- Consolidated statement of profit or loss for the three-month period ended March 31, 2026,
- Consolidated statement of comprehensive income for the three-month period ended March 31, 2026,
- Consolidated statement of changes in equity for the three-month period ended March 31, 2026,
- Consolidated statement of cash flows for the three-month period ended March 31, 2026,
- Explanatory notes to the consolidated interim financial statements.

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

Scope of Limited Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards.

Alexandria on June 16, 2026

KPMG Hazem Hassan
Public accountants and consultants

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and consultants

Concrete Fashion Group for Commercial and Industrial Investments
(An Egyptian Joint stock company - Under Public Free zone)
Consolidated statement of Financial Position for 31 March 2026

	Note No	March 31, 2026 USD	December 31, 2025 USD
Assets			
Non-Current Assets			
Property, plant and equipment	(15)	42 463 761	42 448 436
Projects under construction	(16)	1 094 893	1 465 103
Intangible assets	(18)	3 625 734	3 682 285
Right of use assets	(19)	3 404 937	3 918 690
Total Non-Current Assets		50 589 325	51 514 514
Current Assets			
Inventory	(20)	88 054 964	90 121 239
Work in progress	(21)	1 513 154	1 728 726
Trade and other receivables	(22)	56 729 773	52 729 953
Due from related parties	(35-1)	71 954	209 436
Cash and cash equivalents	(23)	6 536 254	5 186 922
Other financial assets of amortized cost - Time deposits		20 130	22 990
Total Current Assets		152 926 229	149 999 266
Total Assets		203 515 554	201 513 780
Equity and Liabilities			
Equity			
Issued and paid-up Capital	(30-2)	32 917 500	32 917 500
Foreign entities translation reserve	(31-1)	(45 215 499)	(43 459 879)
Retained earnings		56 178 469	54 719 967
Equity attributable to owners of the holding Company		43 880 470	44 177 588
Non-controlling interests	(32)	1 791 245	1 907 867
Total Equity		45 671 715	46 085 455
Liabilities			
Non-current liabilities			
Loans	(25)	44 539 564	44 000 517
Liabilities from lease contracts	(26)	2 173 607	3 605 545
Deferred tax liabilities	(13-c)	837 718	930 355
Total non-current liabilities		47 550 889	48 536 417
Current liabilities			
Banks overdraft	(23)	46 476	119 115
Banks credit facilities	(24)	68 758 317	63 770 555
Loans	(25)	12 421 440	16 357 201
Liabilities from lease contract	(26)	2 062 298	1 335 478
Trade and other payables	(27)	24 452 774	22 415 797
Due to related parties	(35-2)	347 723	641 881
Current income tax liability	(13-a)	1 600 025	1 637 423
Provisions	(28)	603 897	614 458
Total current liabilities		110 292 950	106 891 908
Total liabilities		157 843 839	155 428 325
Total equity and liabilities		203 515 554	201 513 780

- The notes and accounting policies on pages (6) to (60) are an integral part of these consolidated financial statements and to be read together.
- Independent Auditors' report on review 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 Arafa

Chairperson

Maria Luisa Cicognani

Concrete Fashion Group for commercial and industrial Investments
(An Egyptian Joint stock company – Under Public Free zone)
Consolidated statement of profit or loss for the financial period ended March 31,

	Note	2026	2025
	No	USD	USD
Revenues	(4)	40 371 879	33 177 229
Cost of sales	(5)	(29 003 864)	(22 356 302)
Gross profit		11 368 015	10 820 927
Other income	(6)	87 739	2 171 005
Selling and distribution expenses	(7)	(2 391 297)	(2 180 533)
General and administrative expenses	(8)	(2 663 197)	(2 337 922)
Expected credit loss	(9)	(195 924)	39 835
Other expenses	(10)	(265 776)	(318 284)
Operating Profit		5 939 560	8 195 028
Finance income	(11)	6 807	57 155
Finance cost	(12)	(4 323 729)	(4 123 947)
Net finance (Cost)		(4 316 922)	(4 066 792)
Net profit for the period before tax		1 622 638	4 128 236
Tax (expense)	(13-b)	(117 672)	(830 681)
Net profit for the period		1 504 966	3 297 555
<u>Profit attributable to:</u>			
Shareholders of the holding company		1 458 502	3 098 934
Non-controlling interests		46 464	198 621
		1 504 966	3 297 555
Basic and diluted earnings per share for the period (USD /share)	(14)	0.003	0.007

- The notes and accounting policies on pages (6) to (60) 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 period ended March 31,**

	Note No	2026 USD	2025 USD
Net profit for the period		1 504 966	3 297 555
<u>Other comprehensive (loss) items</u>			
Foreign entities translation differences		(1 918 706)	(2 832 102)
Total other comprehensive loss for the period		(1 918 706)	(2 832 102)
Total comprehensive income for the period		(413 740)	465 453
<u>Total comprehensive income attributable to:</u>			
Shareholders of holding company		(297 118)	464 817
Non-controlling interests		(116 622)	636
		(413 740)	465 453

- The notes and accounting policies on pages (6) to (60) 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 period ended March 31, 2026

	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
Balance as of January 1, 2025		<u>32 917 500</u>	<u>6 737 403</u>	<u>(42 388 679)</u>	<u>35 402 445</u>	<u>32 668 669</u>	<u>1 804 077</u>	<u>34 472 746</u>
<u>Comprehensive income</u>								
Net profit for the financial period ended March 31, 2025		--	--	--	3 098 934	3 098 934	198 621	3 297 555
Foreign entities translation differences		--	--	(2 634 117)	--	(2 634 117)	(197 985)	(2 832 102)
Total comprehensive income		--	--	<u>(2 634 117)</u>	<u>3 098 934</u>	<u>464 817</u>	<u>636</u>	<u>465 453</u>
Balance as of March 31, 2025		<u>32 917 500</u>	<u>6 737 403</u>	<u>(45 022 796)</u>	<u>38 501 379</u>	<u>33 133 486</u>	<u>1 804 713</u>	<u>34 938 199</u>
Balance as of January 1, 2026		<u>32 917 500</u>	--	<u>(43 459 879)</u>	<u>54 719 967</u>	<u>44 177 588</u>	<u>1 907 867</u>	<u>46 085 455</u>
<u>Comprehensive loss for the period</u>								
Net profit for the financial period ended March 31, 2026		--	--	--	1 458 502	1 458 502	46 464	1 504 966
Foreign entities translation differences	(31-1)	--	--	(1 755 620)	--	(1 755 620)	(163 086)	(1 918 706)
Total comprehensive loss		--	--	<u>(1 755 620)</u>	<u>1 458 502</u>	<u>(297 118)</u>	<u>(116 622)</u>	<u>(413 740)</u>
Balance as of March 31, 2026		<u>32 917 500</u>	--	<u>(45 215 499)</u>	<u>56 178 469</u>	<u>43 880 470</u>	<u>1 791 245</u>	<u>45 671 715</u>

▪ The notes and accounting policies on pages (6) to (60) 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 period ended March 31,

	Note No.	2026 USD	2025 USD
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		1 622 638	4 128 236
<u>Adjustments for the following:</u>			
Property, plant and equipment Depreciation	(15)	820 479	765 834
Right of use assets amortization	(19)	335 733	312 872
Amortization of Intangible Assets - Trademarks	(18)	53 937	54 800
Capital gain	(6)	--	(1 767 782)
Net Foreign currency exchange difference	(12)	952 386	129 076
Finance Interest on lease contracts	(12)	312 776	174 616
Debit interest on loans	(12),(25-3)	2 239 828	1 556 141
Interest and finance expenses	(12)	818 739	2 264 114
Credit Interest	(11)	(6 807)	(57 155)
Expected credit loss	(9)	(6 721)	(79 490)
		7 142 988	7 481 262
<u>Change in:-</u>			
Inventory		(423 815)	(1 181 580)
Trade and other receivables		(4 547 133)	2 132 959
Work in progress		--	(11 359)
Due from related parties		137 482	890
Trade and other payables		2 009 995	(5 654 354)
Due to related parties		(221 245)	(319 836)
Provisions		36 675	107 285
		4 134 947	2 555 267
Payment of loan interest expense	(25-3)	(1 922 954)	(696 506)
Dividends paid		(50 174)	--
Interest and finance expense paid		(1 131 515)	(2 969 339)
Net cash flow provided from / (used in) operating activities		1 030 304	(1 110 578)
<u>Cash flows from Investing Activities</u>			
(Payments) for acquisition of property plant and equipment and projects under construction	(15),(16)	(871 876)	(585 527)
Proceeds from sale of property plant and equipment	(15)(16)	2 475	1 767 782
Credit interest received	(11)	6 807	57 155
Net cash (used in) / provided from investing activities		(862 594)	1 239 410
<u>Cash flows from financing activities</u>			
Net proceeds from credit facilities	(24)	4 987 762	2 304 332
Proceeds from borrowings	(25-3)	7 879 378	--
Payment of borrowings	(25-3)	(11 134 541)	(2 769 665)
Payment for lease liabilities	(26)	(405 957)	(308 271)
Net Cash provided from / (used in) Financing Activities		1 326 642	(773 604)
Net change in cash and cash equivalents during the period		1 494 352	(644 772)
Cash and cash equivalents at the beginning of the period	(23)	5 067 807	5 445 092
The effect of changes in foreign currency exchange rates on cash and cash equivalents		(72 381)	47 136
Cash and cash equivalents at the end of the period	(23)	6 489 778	4 847 456

- The notes and accounting policies on pages (6) to (60) 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 period ended March 31, 2026

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 and Amend the company's name to Al Arafa for investments and consultancies

- 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 period ended March 31, 2026

1-4 Al Arafa For investment and consultancies company demerge and amend the company's name to Concrete Fashion Group for commercial and industrial Investments

- 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 period ended March 31, 2026

1-6 Company's purpose

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

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

1-7 Listing on the Securities Exchange

The company is listed on the Egyptian Stock Exchange.

1-8 Subsidiary Companies

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

<u>Subsidiary's Name</u>	<u>Company's purpose</u>	<u>Country</u>	Direct and Indirect contribution Percentage	
			<u>March 31, 2026</u>	<u>December 31, 2025</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 %	98.61 %
• Crystal for Making Shirts	Garments	Egypt	99,18%	99,18%
• Fashion Industry garments company	Garments	Egypt	99,66%	99,66%
• 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%	100%
• Concrete Fashion -KSA	Marketing and trading	KSA	100%	100%

**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 period ended March 31, 2026

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 March 31, 2026 were approved for issuance by the Group board of directors on June 15, 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:

**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 period ended March 31, 2026

- **Revenue recognition**

Revenue is recognized as detailed in the accounting policies applied.

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

- **Classification of properties**

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

- **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.

**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 period ended March 31, 2026

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

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

Finance lease contracts (sale and leaseback transactions)

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

B- Assumptions and estimation uncertainties

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

- **Provisions and contingent liabilities**

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

- **Expected credit losses measurement.**

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

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- **Estimation of net realizable value**

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

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

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

The recoverable amount is determined using a fair value model.

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

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

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

C- Fair value measurement

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

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

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

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

As of March 31, 2026 and December 31, 2025, 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 manufacturing segment</u>		<u>Retail Segment</u>		<u>Activities of the Holding Company</u>		<u>Total</u>	
	<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Revenue:								
Export sales – America	14 855 466	10 439 128	--	--	--	--	14 855 466	10 439 128
Export sales – Europe	18 980 021	13 670 347	--	--	--	--	18 980 021	13 670 347
Export sales - other countries	457 847	1 710 194	24 805	272 532	--	--	482 652	1 982 726
Local Market	264 797	617 678	5 701 521	6 318 206	--	--	5 966 318	6 935 884
Revenues from operations for others	49 922	147 495	--	1 649	--	--	49 922	149 144
Technical support for others	--	--	--	--	37 500	--	37 500	--
	34 608 053	26 584 842	5 726 326	6 592 387	37 500	--	40 371 879	33 177 229
Cost of sales	(26 616 924)	(19 917 259)	(2 386 940)	(2 439 043)	--	--	(29 003 864)	(22 356 302)
Gross Profit	7 991 129	6 667 583	3 339 386	4 153 344	37 500	--	11 368 015	10 820 927
Other revenues	9 868	303 287	29 731	1 798 731	48 140	68 987	87 739	2 171 005
Selling and distribution expenses	(959 907)	(663 995)	(1 431 390)	(1 516 538)	--	--	(2 391 297)	(2 180 533)
General and administrative expenses	(1 113 108)	(985 897)	(1 103 640)	(974 701)	(446 449)	(377 324)	(2 663 197)	(2 337 922)
Expected credit loss	(204 832)	33 381	7 491	12 893	1 417	(6 439)	(195 924)	39 835
Other expenses	(204 806)	(290 187)	(35 175)	--	(25 795)	(28 097)	(265 776)	(318 284)
Operating results	5 518 344	5 064 172	806 403	3 473 729	(385 187)	(342 873)	5 939 560	8 195 028
Net finance (expenses)	(3 644 877)	(3 306 280)	(192 893)	(552 044)	(479 152)	(208 468)	(4 316 922)	(4 066 792)
Net Profit/ (loss) for the period before tax	1 873 467	1 757 892	613 510	2 921 685	(864 339)	(551 341)	1 622 638	4 128 236
Tax / (expenses) / income	62 164	(95 326)	(179 836)	(735 355)	--	--	(117 672)	(830 681)
Net profit / (loss) for the period after tax	1 935 631	1 662 566	433 674	2 186 330	(864 339)	(551 341)	1 504 966	3 297 555

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

- **The following are the assets and liabilities at March 31, 2026 and December 31, 2025 for the group segments:**

	<u>Garments</u>		<u>Activities of the Holding</u>				<u>Total</u>	
	<u>manufacturing segment</u>		<u>Retail segment</u>		<u>Company</u>		<u>after Eliminations</u>	
	<u>March</u>	<u>December</u>	<u>March</u>	<u>December</u>	<u>March</u>	<u>December</u>	<u>March</u>	<u>December</u>
	<u>31, 2026</u>	<u>31, 2025</u>	<u>31, 2026</u>	<u>31, 2025</u>	<u>31, 2026</u>	<u>31, 2025</u>	<u>31, 2026</u>	<u>31, 2025</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Total Assets	173 949 755	167 976 799	27 763 990	31 685 741	1 801 809	1 851 240	203 515 554	201 513 780
Total Liabilities	142 263 645	137 339 797	11 806 303	14 219 287	3 773 891	3 869 241	157 843 839	155 428 325

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4- Revenues

4-1 Recognized revenues at a point of time

	Note <u>No.</u>	March 31, 2026 <u>USD</u>	March 31, 2025 <u>USD</u>
Export sales – America		14 855 466	10 439 128
Export sales – Europe		18 980 021	13 670 347
Export sales - other countries		482 652	1 982 726
Local sales		5 966 318	6 935 884
Revenues from operations for others		49 922	149 144
		40 334 379	33 177 229

4-2 Recognized revenues over time

Technical support	(35-2)	37 500	--
		37 500	--
Total revenue		40 371 879	33 177 229

4-3 Contract balance

		March 31, 2026 <u>USD</u>	December 31, 2025 <u>USD</u>
Trade and notes receivables	(22)	39 773 479	35 314 927
Accrued revenues	(22)	6 881 592	6 975 262
Total contract Assets		46 655 071	42 290 189
Trade receivables - advanced payments	(27)	532 208	81 314
Total		532 208	81 314

5- Cost of sales

		March 31, 2026 <u>USD</u>	March 31, 2025 <u>USD</u>
Raw materials and supplies		17 719 492	16 027 142
Goods held for sale		322 323	241 864
Packing materials		1 022 101	696 645
Industrial wages		5 080 734	3 825 766
Property, plant and equipment depreciation	(15)	494 529	463 272
Manufacturing costs		795 515	603 373
		25 434 694	21 858 062
(Less):			
Export subsidy revenues		(655 567)	(405 301)
Change in Finished goods and Work in process	(20)	4 224 737	903 541
		29 003 864	22 356 302

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6- Other income

	March 31, 2026	March 31, 2025
	<u>USD</u>	<u>USD</u>
Rental income	61 418	61 583
Capital gains	--	1 767 782
Other revenue	26 321	341 640
	87 739	2 171 005

- 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 approximately 1.8 million US dollars.

7- Selling and Distribution expenses

	Note	March 31, 2026	March 31, 2025
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Wages and salaries		475 499	400 860
Employees sales commissions		182 570	67 764
Export expenses		677 489	491 041
Packing and packaging		22 966	33 548
Designs and training		69 898	94 656
Maintenance		62 193	64 738
Travel expense		79 785	91 244
Advertising		114 687	193 352
Variable Rent installment		91 422	177 372
Right of use assets amortization	(19)	288 576	288 504
Property, plant and equipment depreciation	(15)	75 368	66 258
Amortization of intangible assets	(18)	53 937	54 800
Others		196 907	156 396
		2 391 297	2 180 533

8- General and Administrative expenses

Wages and salaries		1 279 186	1 043 216
Board of directors allowance	(35-3)	38 800	31 398
Consulting and professional fees		248 247	109 522
Travel expenses		100 393	130 555
Maintenance		65 907	132 882
Subscriptions and service		142 450	123 605
Authorities and fees		17 515	11 553
Property, plant and equipment depreciation	(15)	250 582	236 304
Computers		16 879	39 648
Right of use assets amortization	(19)	47 157	24 368
Donations		37 307	94 322
Shipping and postage		21 587	30 114
Insurance		24 625	19 816
Short term rent		42 864	4 345
Others		329 698	306 274
		2 663 197	2 337 922

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

9- Expected credit losses

	Note	March 31, 2026	March 31, 2025
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Expected credit losses in Trade receivables	(22)	202 645	(49 518)
Expected credit losses in cash and cash equivalent	(23)	(6 721)	(79 490)
Expected credit losses in related parties	(35-1)	--	89 173
		195 924	(39 835)

10- Other expenses

Formed Provisions	(28)	36 675	104 968
GAFI and free zone fees	(38-19)	229 101	193 659
Others		--	19 657
		265 776	318 284

11- Finance income

Credit Interest		6 807	57 155
Total finance income gain		6 807	57 155

12- Finance Cost

Finance interest resulting from lease contract	(26)	(312 776)	(174 616)
Interest on loan	(25-3)	(2 239 828)	(1 556 141)
Interest expense, bank commission and expenses		(818 739)	(2 264 114)
Net foreign currency exchange differences		(952 386)	(129 076)
Total finance cost		(4 323 729)	(4 123 947)
Net finance (expenses)		(4 316 922)	(4 066 792)

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13- Tax

a) Current income tax liability

	March 31, 2026	December 31, 2025
	USD	USD
Current income tax liability for the period	1 600 025	1 637 423
	1 600 025	1 637 423

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

Balance at beginning of the year	1 637 423	1 402 461
Current income tax	192 378	1 671 395
Paid during the period/year	--	(1 506 454)
Prior year assessment differences	--	73 831
Withholding tax during the period/year	(9 122)	(42 983)
Translation differences	(220 654)	39 173
Current income tax liability at the end of the period/year	1 600 025	1 637 423

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

	Note No.	March 31, 2026	March 31, 2025
		USD	USD
Current income tax expense		192 378	760 649
Deferred tax (expense) / income	(13-c)	(74 706)	70 032
Tax (expense)		117 672	830 681

c) Recognized deferred tax assets and liabilities

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

	January 1, 2026 Assets/ (liabilities)	Recognized in the consolidated Profit or Loss Statement	Translation differences	March 31, 2026 Assets/ (liabilities)
	USD	USD	USD	USD
Property, plant and equipment	(1 021 894)	74 706	13 319	(933 869)
Unrealized foreign currencies exchange differences	91 539	--	4 612	96 151
Deferred Tax for the period	(930 355)	74 706	17 931	(837 718)

	January 1, 2025 Assets/ (liabilities)	Recognized in the consolidated Profit or Loss Statement	Translation differences	March 31, 2025 Assets/ (liabilities)
	USD	USD	USD	USD
Property, plant and equipment	(1 034 140)	70 354	(138 839)	(1 102 625)
Unrealized foreign currencies exchange differences	568 512	(322)	--	568 190
Deferred Tax for the period	(465 628)	70 032	(138 839)	(534 435)

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d) The effective tax rate

	March 31, 2026 USD		March 31, 2025 USD
Net profit before tax	1 622 638		4 128 236
Tax according to the actual tax rate 22.5%	365 094	22.5%	928 853
<u>The effect tax on:-</u>			
Exemptions	(437 460)		(154 267)
Net Provision effect	35 998		45 041
Board of directors allowance	8 730		624
Fixed assets depreciation	5 729		61
Unrealized Foreign currencies differences	214 287		10 369
Effective tax rate	12%	20%	830 681

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.

	March 31, 2026 USD	December 31, 2025 USD
Net expected credit losses on financial assets	283 437	90 577
Provisions	60 830	62 443
	344 267	153 020

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.

14- 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.

		March 31, 2026	March 31, 2025
Net Profit for the period	(USD)	1 458 502	3 098 934
Average number of outstanding shares	(Share)	470 250 000	470 250 000
Earnings base and diluted per share	(USD/Share)	0.003	0.007

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

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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>
Cost as of January 1, 2026	6 008 718	40 027 610	26 350 353	950 596	749 882	10 107 848	4 571 529	88 766 536
Additions during the period	--	152 842	185 122	1 321	12 416	69 697	708 511	1 129 909
Disposals during the period	--	--	(2 671)	--	--	--	(294)	(2 965)
Foreign currency translation differences	(27 937)	(63 137)	(71 133)	(14 818)	(21 757)	(189 678)	(491 829)	(880 289)
Cost as of March 31, 2026	5 980 781	40 117 315	26 461 671	937 099	740 541	9 987 867	4 787 917	89 013 191
<u>Accumulated Depreciation</u>								
Accumulated Depreciation as of January 1, 2026	--	15 968 331	17 045 633	809 390	540 742	8 734 930	3 219 074	46 318 100
Depreciation for the period	--	210 236	347 596	22 475	18 013	116 810	105 349	820 479
Accumulated Depreciation for disposals during the period	--	--	(490)	--	--	--	--	(490)
Foreign currency translation differences	--	(57 294)	(48 880)	(8 935)	(11 784)	(120 124)	(341 642)	(588 659)
Accumulated Depreciation as of March 31, 2026	--	16 121 273	17 343 859	822 930	546 971	8 731 616	2 982 781	46 549 430
Net Book value as of March 31, 2026	5 980 781	23 996 042	9 117 812	114 169	193 570	1 256 251	1 805 136	42 463 761
Net Book value as of December 31, 2025	6 008 718	24 059 279	9 304 720	141 206	209 140	1 372 918	1 352 455	42 448 436
Fully Depreciated Assets and still in use as of March 31, 2026	--	2 130 330	13 364 573	462 039	440 891	6 270 709	2 154 247	24 822 789

Depreciation is distributed as follows:

	<u>Notes</u> <u>No.</u>	<u>March 31, 2026</u> <u>USD</u>	<u>March 31, 2025</u> <u>USD</u>
Cost of sales	(5)	494 529	463 272
Selling and distribution	(7)	75 368	66 258
General and administrative	(8)	250 582	236 304
		820 479	765 834

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<u>Description</u>	<u>Land*</u> <u>USD</u>	<u>Buildings and</u> <u>Constructions</u> <u>USD</u>	<u>Machinery and</u> <u>equipment</u> <u>USD</u>	<u>Vehicles</u> <u>USD</u>	<u>Tools and</u> <u>Equipment</u> <u>USD</u>	<u>Furniture and</u> <u>Office</u> <u>Equipment</u> <u>USD</u>	<u>Improvements</u> <u>in leasehold</u> <u>USD</u>	<u>Total</u> <u>USD</u>
Cost as of January 1st, 2025	5 994 783	39 777 279	40 060 622	964 763	632 798	9 652 137	3 937 013	101 019 395
Additions during the period	--	43 824	112 586	--	8 114	269 009	12 085	445 618
Disposals during the period	--	--	--	(21 579)	--	--	(659)	(22 238)
Foreign currency translation differences	(9 660)	2 388	2 105	584	382	3 749	16 827	16 375
Cost as of March 31, 2025	5 985 123	39 823 491	40 175 313	943 768	641 294	9 924 895	3 965 266	101 459 150
<u>Accumulated Depreciation</u>								
Accumulated Depreciation as of January 1st, 2025	--	15 107 143	30 755 014	733 578	478 544	8 239 754	2 735 517	58 049 550
Depreciation for the period	--	208 039	315 644	25 453	12 484	131 132	73 082	765 834
Accumulated depreciation or disposals during the period	--	--	--	(21 579)	--	--	--	(21 579)
Foreign currency translation differences	--	2 017	(919 797)	259	249	993 274	(69 011)	6 991
Accumulated Depreciation as of March 31, 2025	--	15 317 199	30 150 861	737 711	491 277	9 364 160	2 739 588	58 800 796
Net Book value as of March 31, 2025	5 985 123	24 506 292	10 024 452	206 057	150 017	560 735	1 225 678	42 658 354
Fully Depreciated Assets and still in use as of March 31, 2025	--	2 153 834	12 813 910	399 514	386 532	5 778 065	1 742 374	23 274 229

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

- The cost of two plots of land number (9 ,10) in the west of industrial zone (A1) at 10th Ramadan City amounted to 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

	March 31, 2026	December 31, 2025
	USD	USD
Building and constructions	812 603	1 411 482
Advance payments to exhibition decoration and furniture	282 290	53 621
	1 094 893	1 465 103

The movement of projects under construction is as follows:

	March 31, 2026	March 31, 2025
	USD	USD
Beginning balance during period	1 465 103	1 810 312
Additions	410 734	253 685
Transferred to fixed assets	(668 767)	(120 167)
Transferred to sold investment property during the period	--	(1 052 497)
Differences in the translation of foreign entities	(112 177)	(2 333)
Ending balance for period	1 094 893	889 000

17- Financial Investments at fair value through profit or loss

	March 31, 2026	December 31, 2025
	USD	USD
▪ 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
▪ Other investments	41 062	41 062
Total Investments	71 922	971 922
Less:		
Net change in fair value	(71 922)	(971 922)
	--	--

- 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 preparing the financial statements.

* Middle East Company "METCO" (SAE) has been liquidated, and the company has been removed from the Commercial Register.

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

18- Intangible assets

		<u>Trademarks</u>	
	Note	March 31, 2026	March 31, 2025
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Cost at the beginning of the period		4 351 405	4 349 000
Foreign entities translation differences		(4 545)	312
Ending Balance		<u>4 346 860</u>	<u>4 349 312</u>
<u>Deduct:</u>			
Accumulated Amortization at the beginning of the period		(669 120)	(448 455)
Amortization during the period	(7)	(53 937)	(54 800)
Foreign entities translation Differences		1 931	(221)
Accumulated Amortization at the end of the period		<u>(721 126)</u>	<u>(503 476)</u>
Netbook value		<u>3 625 734</u>	<u>3 845 836</u>

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

19- Right- of- use assets – lease contracts

		March 31, 2026	March 31, 2025
		<u>USD</u>	<u>USD</u>
Cost at the beginning of the period		7 321 692	5 520 809
Addition		295 913	431 072
Disposals		--	(221 822)
Translation differences		(911 022)	28 728
Cost at the end of the period		<u>6 706 583</u>	<u>5 758 787</u>
<u>Deduct:</u>			
Accumulated Amortization at the beginning of the period		3 403 001	2 702 260
Amortization during the period *		335 733	312 872
Accumulated amortization of disposals		--	(221 822)
Translation differences		(437 088)	(208 818)
Accumulated Amortization at the end of the period		<u>3 301 646</u>	<u>2 584 492</u>
Net book value		<u>3 404 937</u>	<u>3 174 295</u>

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

	Note <u>No.</u>		
Selling and distribution expense	(7)	288 576	288 504
General and administration expense	(8)	47 157	24 368
		<u>335 733</u>	<u>312 872</u>

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20- Inventory

	March 31, 2026 USD	December 31, 2025 USD
Raw materials and supplies	41 067 012	38 886 973
Packing and packing materials	1 272 456	1 161 076
Consumables	3 290 822	3 325 603
Work in process	11 012 172	11 115 661
Finished goods	29 054 845	33 176 093
Goods held in trust with others	1 462 093	1 561 029
Goods in transit	895 564	894 804
	88 054 964	90 121 239

- The inventory impairment balance amounted to USD 3 515 594 as at March 31, 2026, compared to USD 4 238 210 as at December 31, 2025.

21- Work in progress

<u>March 31, 2026</u>	Lands USD	Engineering consultation USD	Total USD
Beginning Balance	10 835	1 717 891	1 728 726
Foreign entities translation differences	(1 351)	(214 221)	(215 572)
Ending Balance	9 484	1 503 670	1 513 154
<u>December 31, 2025</u>	Lands USD	Engineering consultation USD	Total USD
Beginning Balance	10 161	1 524 136	1 534 297
Additions during the year	--	87 027	87 027
Foreign entities translation differences	674	106 728	107 402
Ending Balance	10 835	1 717 891	1 728 726

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

22- Trade and other receivables

	Note No.	March 31, 2026 USD	December 31, 2025 USD
Trade receivables		39 663 650	34 952 841
Notes receivables		109 829	362 086
Advances to suppliers		8 245 685	7 917 910
Deposits held with others		669 973	716 229
Tax authority VAT		773 034	859 917
Prepaid expenses		740 032	678 881
Letter of guarantee cover	(37)	85 450	167 211
Accrued revenues		6 881 592	6 975 262
Other debit balances		1 545 808	2 029 097
		58 715 053	54 659 434
Less:			
Expected credit loss of trade receivables and debtors*		(1 985 280)	(1 929 481)
		56 729 773	52 729 953

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

	Note	March 31, 2026	December 31, 2025
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Beginning balance		1 929 481	1 122 986
Expected credit loss during the period/year	(9)	202 645	774 618
Foreign entities translation differences		(146 846)	31 877
Ending balance		1 985 280	1 929 481
23- <u>Cash and cash equivalents</u>			
Current accounts		3 003 001	3 186 152
Time deposits		3 202 438	1 602 785
Cheques under collection		1 848	8 218
Cash on hand		449 964	517 915
		6 657 251	5 315 070
<u>(Deduct):</u>			
Expected credit loss*		(120 997)	(128 148)
Cash and cash equivalents		6 536 254	5 186 922
<u>(Deduct):</u>			
Bank overdraft		(46 476)	(119 115)
Cash and cash equivalents according to cash flows statement		6 489 778	5 067 807

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

	Note	March 31, 2026	December 31, 2025
	<u>No.</u>	<u>USD</u>	<u>USD</u>
Beginning balance year		128 148	133 414
Expected credit (reversal) / loss during the period/year	(9)	(6 721)	(7 426)
Foreign entities translation differences		(430)	2 160
Ending balance year		120 997	128 148

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

24- Bank credit facilities

	March 31, 2026	December 31, 2025
	USD	USD
National Bank of Egypt -NBE	28 230 183	23 636 270
Commercial International Bank – CIB	11 380 692	11 254 073
HSBC	12 378 606	12 890 303
Export Development Bank of Egypt	10 191 100	9 077 406
Emirates NBD -Egypt	--	7 712
Qatar National Bank – QNB	68 963	--
Abu Dhabi Commercial Bank -ADCB	2 834 727	2 725 765
Bank of Alexandria	2 908 220	2 863 652
Arab Bank	765 826	1 315 374
	<u>68 758 317</u>	<u>63 770 555</u>

- 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

	Note No.	<u>Balance at 31/3/2026</u>			<u>Balance at 31/12/2025</u>		
		<u>Current portion</u>	<u>Non current portion</u>	<u>Total</u>	<u>Current portion</u>	<u>Non current portion</u>	<u>Total</u>
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Loans from banks	(25-1)	6 374 630	31 093 696	37 468 326	10 682 379	36 882 356	47 564 735
Liability on sale and lease back	(25-2)	6 046 810	13 445 868	19 492 678	5 674 822	7 118 161	12 792 983
		<u>12 421 440</u>	<u>44 539 564</u>	<u>56 961 004</u>	<u>16 357 201</u>	<u>44 000 517</u>	<u>60 357 718</u>

25-1 Loans from Banks

Concrete Fashion group for commercial and industrial Investment

HSBC Rescheduled loan of USD 1 250 000 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.

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.

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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.

Swiss Garments company

The Company entered into a sale and leaseback transaction for the building located at Plot No. 11B, Industrial Zone A1, 10th of Ramadan City, under a finance lease agreement concluded with Corplease for Financial Leasing Egypt S.A.E., in accordance with the provisions of Law No. 95 of 1995 and its Executive Regulations, as amended, effective from 5 February 2026 until August 2031.

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25-3 The following is a movement in borrowing activities for the periods ended March 31, 2026, and December 31, 2025

<u>Description</u>	<u>Note No.</u>	<u>Balance at 31/3/2026</u>			<u>Balance at 31/12/2025</u>		
		<u>Liabilities from</u> <u>Loans from</u> <u>banks</u> <u>USD</u>	<u>Liabilities from</u> <u>sale and lease</u> <u>back</u> <u>USD</u>	<u>Total</u> <u>USD</u>	<u>Liabilities</u> <u>from sale and</u> <u>lease back</u> <u>USD</u>	<u>Total</u> <u>USD</u>	
Beginning balance		47 564 735	12 792 983	60 357 718	37 695 361	16 127 516	53 822 877
Current borrowing		10 682 379	5 674 822	16 357 201	8 395 123	3 332 701	11 727 824
Non Current borrowing		36 882 356	7 118 161	44 000 517	29 300 238	12 794 815	42 095 053
Payment of borrowing		(9 780 590)	(1 353 951)	(11 134 541)	(8 614 019)	(3 334 533)	(11 948 552)
Transfer from credit facilities		--	--	--	15 300 776	--	15 300 776
Collected from borrowing		--	7 879 378	7 879 378	2 859 666	--	2 859 666
Debit interest	(12)	1 673 397	566 431	2 239 828	4 379 260	2 029 807	6 409 067
Debit interest paid		(1 530 791)	(392 163)	(1 922 954)	(3 550 559)	(2 029 807)	(5 580 366)
Translation differences		(458 425)	--	(458 425)	(505 750)	--	(505 750)
Ending balance		37 468 326	19 492 678	56 961 004	47 564 735	12 792 983	60 357 718
Current liabilities		6 374 630	6 046 810	12 421 440	10 682 379	5 674 822	16 357 201
Non -current liabilities		31 093 696	13 445 868	44 539 564	36 882 356	7 118 161	44 000 517
		37 468 326	19 492 678	56 961 004	47 564 735	12 792 983	60 357 718

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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.

	Note No.	Liabilities lease contract	
		March 31, 2026	March 31, 2025
		USD	USD
Beginning balance		4 941 023	2 298 172
Current liabilities		1 335 478	1 550 704
Non-Current liabilities		3 605 545	747 468
Addition during the period / year		295 913	--
Translation differences		(595 074)	1 432 233
Payment during the period /year		(405 957)	(308 271)
Debit interest	(12)	312 776	174 616
Debit interest paid		(312 776)	(174 616)
Ending balance		4 235 905	3 422 134
Current liabilities		2 062 298	1 570 609
Non -current liabilities		2 173 607	1 851 525
		4 235 905	3 422 134

27- Trade payables and other credit balances

	Note No.	March 31, 2026	December 31, 2025
		USD	USD
		Trade payables	13 933 920
Accrued expenses	2 245 646	2 338 102	
Tax authority, except income tax	1 410 557	1 800 227	
Notes payable	1 786 561	2 226 274	
Deposits from others	649 675	767 304	
Trade Receivables – advance payments	532 208	81 314	
GAFI	262 689	259 921	
Credit dividends	1 380 049	1 406 096	
Other credit balances	2 251 469	2 128 205	
		24 452 774	22 415 797

28- Provisions

Beginning balance		614 458	486 179
Formed During the period/year	(10)	36 675	32 598
Foreign entities translation Difference		(47 236)	95 681
Ending balance		603 897	614 458

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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:

	Note.	March 31, 2026	December 31, 2025
	No	USD	USD
Trade and other receivables	(22)	40 089 430	36 297 983
Due from related parties	(35-1)	71 954	209 436
Cash and cash equivalents and time deposits	(23)	6 106 420	4 691 997
		<u>46 267 804</u>	<u>41 199 416</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>	March 31, 2026			December 31, 2025		
	Expected Credit Loss Rate	Total Carrying Amount	Loss Amount	Expected Credit Loss rate	Total Carrying Amount	Loss Amount
Not due	1.8%	33 691 639	611 176	2.7%	28 666 990	766 005
0-90 days	5%	512 219	25 611	6%	2 366 722	142 003
More than 90 days	24.7%	5 459 792	1 348 493	26%	3 919 129	1 021 473
		<u>39 663 650</u>	<u>1 985 280</u>		<u>34 952 841</u>	<u>1 929 481</u>

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b- Liquidity risk

The following are the contractual terms of financial liabilities:

<u>March 31, 2026</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)	61 196 909	70 250 384	20 779 915	13 499 900	35 970 569
Trade payables notes payables and Other creditors	(27)	22 247 320	22 247 320	22 247 320	--	--
Due to related parties	(35-2)	347 724	347 724	347 724	--	--
Bank credit facilities	(23),(24)	68 804 793	68 804 793	68 804 793	--	--
		<u>152 596 746</u>	<u>161 650 221</u>	<u>112 179 752</u>	<u>13 499 900</u>	<u>35 970 569</u>

<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>

c- Currency risk

Exposure to currency risk

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

<u>March 31, 2026</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalents	26 907 690	869 453	20 761	1 519 335
Trade and other receivables	505 643 870	8 099 020	2 929 114	22 441 253
Total assets in currency	532 551 560	8 968 473	2 949 875	23 960 588
Trade and other payables	(224 410 447)	(14 702 996)	(91 004)	(21 128 295)
Banks credit facilities	(154 310 275)	(9 828 206)	(250 878)	(14 453 563)
Total liabilities in currency	(378 720 722)	(24 531 202)	(341 882)	(35 581 858)
Surplus / (deficit) expose to risk Equivalent in USD	153 830 838	(15 562 729)	2 607 993	(11 621 270)
	<u>2 815 104</u>	<u>(17 889 357)</u>	<u>3 452 983</u>	<u>(11 621 270)</u>

<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
Total assets in currency	553 659 933	7 110 296	2 952 145	23 899 677
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)
Total liabilities in currency	(385 540 658)	(13 409 870)	(467 151)	(24 443 182)
Surplus / (deficit) expose to risk Equivalent in USD	168 119 275	(6 299 574)	2 484 994	(543 505)
	<u>3 513 692</u>	<u>(7 401 999)</u>	<u>3 344 802</u>	<u>(543 505)</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>31/3/2026</u>	<u>31/12/2025</u>	<u>31/3/2026</u>	<u>31/12/2025</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
EGP	0.0183	0.0209	0.0201	0.0204
EURO	1.1495	1.1750	1.1756	1.1321
GBP	1.3240	1.3460	1.3520	1.3219

d- Sensitivity Analysis

The 10% increase (decrease) in exchange rates of foreign currencies against the USD on March 31, 2026 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.

March 31, 2026

	<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	281 510	(281 510)	281 510	(281 510)
Euro	(1 788 936)	1 788 936	(1 788 936)	1 788 936
GBP	345 298	(345 298)	345 298	(345 298)

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)

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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: -

	Note No.	Carrying amount	
		31/3/2026	31/12/2025
		USD	USD
<u>Financial assets</u>			
Financial assets with a variable rate – Bank current account	(23)	3 003 001	3 186 152
		3 003 001	3 186 152
<u>Financial liabilities</u>			
Financial liabilities with a variable rate – loan credit facilities	(23),(24),(25)	125 765 797	124 247 388
		125 765 797	124 247 388

f- Sensitivity Analysis

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

March 31, 2026

	Effect on owner's equity		Effect on profit or loss	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	USD	USD	USD	USD
Financial assets	30 030	(30 030)	30 030	(30 030)
Financial liabilities	(1 257 658)	1 257 658	(1 257 658)	1 257 658

December 31, 2025

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

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.

	31/3/2026	31/12/2025
	USD	USD
Borrowing and credit facilities	125 719 321	124 128 273
Capital	32 917 500	32 917 500
Rate of loans to Capital	381,9%	377%

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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 Share</u>	<u>Nominal value USD</u>	<u>ownership %</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
	470 250 000	32 917 500	100%

31- Legal Reserves

According to the requirements of the companies' laws and the articles of association of the group companies, 5% of the annual net profit of the companies is set aside to form the statutory reserve until it reaches 50% of the issued capital of each company. No distribution is made from this reserve, but it can be used to increase capital or reduce losses.

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31-1 Foreign entities Translation reserve

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

	Share of holding company 31/3/2026 (USD)	Share of holding company 31/12/2025 (USD)
Opening Balance	43 459 879	42 388 679
Changes during period / year	1 755 620	1 071 200
	45 215 499	43 459 879

32- Non – controlling interests

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

<u>Subsidiary's name</u>	<u>Non controlling percentage</u>	
	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<u>Direct and indirect contribution</u>		
Concrete for Readymade Garments	8.36%	8.36%
Swiss Cotton Garments	0.56%	0.56%
Egypt Tailoring For Ready – Made Garments	1.39%	1.39%
Crystal for Making Shirts	0.82%	0.82%
Fashion Industry garments company	0.34%	0.34%
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.

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

	March 31, 2026 USD	December 31, 2025 USD
The beginning balance	1 907 867	1 804 077
Effect of change in ownership interest without a change in control	--	23 966
Dividends paid	--	(276 169)
Net profit for the year	46 464	499 968
Foreign entities translation differences	(163 086)	(143 975)
The Ending balance	1 791 245	1 907 867

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33- Tax position

Concrete Fashion Group for Commercial and Industrial Investments

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

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

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

34- Non-distributable profits

Retained earnings as of March 31, 2026 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 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>	<u>Value of transactions</u>		<u>Balance on</u>	
		<u>During the year</u>		<u>March 31, 2026</u>	<u>December 31, 2025</u>
		<u>March 31, 2026</u>	<u>March 31, 2025</u>		
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Euro Egypt	Collections	(2 189)	--	15 401	17 590
	Payment on behalf	--	84		
Middle East Ready-made Garments	Liquidation Balance	(183 181)	--	--	183 181
	Settlement				
Beni sweif el watanya	Payment on behalf	--	91 555		
	Payment on behalf	(137)	--	965	1 102
Arafa for real estate	Collections	(135 156)	--	55 588	190 744
Deduct :				71 954	392 617
Expected credit loss on related parties *				--	(183 181)
				71 954	209 436

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35-2 Due to related parties

<u>Company's Name</u>	<u>Nature of transactions</u>	<u>Value of transactions During the year</u>		<u>Balance on</u>	
		<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
GTEX for investments	Payment on behalf	(331 415)	(329 739)	336 789	630 704
	Technical support	37 500	--		
Golden tax wlool	Payment on behalf	(243)	--	10 934	11 177
				<u>347 723</u>	<u>641 881</u>

Movement of expected credit loss of related party as follow:

	<u>Note No.</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
		<u>USD</u>	<u>USD</u>
Beginning balance period / year		183 181	96 936
Formed During the period / year	(9)	--	80 571
Liquidation Balance Settlement		(183 181)	
Foreign entities translation difference		--	5 674
Ending balance period / year		<u>--</u>	<u>183 181</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 No.</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
		<u>USD</u>	<u>USD</u>
Remuneration and allowances of BOD	(8)	38 800	31 398
Attendance committees and salaries and benefits		384 237	370 796
		<u>423 037</u>	<u>402 194</u>

36- Capital commitments

The capital commitments as of March 31, 2026 amounted 5 307 219 USD compared with 8 462 901 USD December 31, 2025.

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 7 888 258 as of March 31, 2026, secured by cash collateral of USD 85 450. As of December 31, 2025, the value amounted to USD 4 883 153, secured by cash collateral of USD 167 211. 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 in profit or loss. Any interests retained in the former subsidiary is measured at fair value when control is lost.

Equity – accounted investees

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

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

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

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

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

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

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Transactions eliminated on consolidation.

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

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

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

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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses

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

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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.

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.

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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.

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.

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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 180 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

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.

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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.

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 periods.

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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.

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	the shorter of useful life or asset life

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

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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.

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.

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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.

- **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.

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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.

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.

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Trademarks and Other intangible assets

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

Research and development

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

Subsequent expenditures

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

Amortization

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

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

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:

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

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

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

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

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

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

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

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

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:

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Satisfaction of performance obligation

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

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

Determine the transaction price

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

Control transfer in contracts with customers

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

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

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

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

Other matters to be considered

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

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.

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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.

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.

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Deferred tax

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

Deferred tax is not recognized for:

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

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

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

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

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

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

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.

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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.

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 group can derive income and incur expenses (including income and expenses related to transactions with other elements within the same group).
 - (B) Its operational results are regularly reviewed by the President responsible for the operational decision-making of the group 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.

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39- Significant Events

- The Monetary Policy Committee of the Central Bank of Egypt, at its meeting held at its meeting held on Thursday, February 12, 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%.

- 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.