

**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, 2025**  
**and Independent Auditors' Report on limited review**

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

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Translated from Arabic

## Hazem Hassan

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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 statement of financial position of Concrete Fashion Group for Commercial and Industrial Investments (An Egyptian Joint company – Under Public Free Zone) as of March 31, 2025 and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards including EAS (30). Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited 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 Company, 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, 2025 and its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards including EAS (30).

##### *Emphasis of matter*

Without considering this a qualification to our conclusion mentioned above, and as indicated in Note (40) of the explanatory notes to the consolidated interim financial statements, the Extraordinary General Assembly of the company, held on June 12, 2024, decided to change the company's fiscal year to end on December 31 each year instead of January 31. Consequently, the consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the financial period from January 1, 2025 to March 31, 2025, are presented in comparison with the latest reviewed consolidated interim financial statements for the period ended as at April 30, 2024.

Alexandria on May 26, 2025

**KPMG Hazem Hassan**  
Public accountants and consultants

*KPMG Hazem Hassan*

**KPMG Hazem Hassan**  
Public Accountants and consultants

*Translated from Arabic*

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

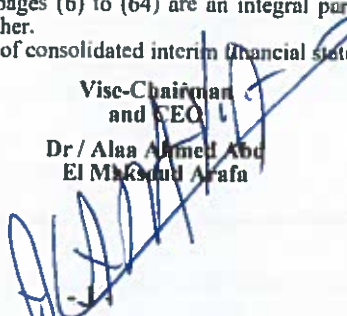
	Note No	March 31, 2025 USD	December 31, 2024 USD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	(14)	42 658 354	42 969 845
Projects under construction	(15)	889 000	757 816
Intangible assets	(18)	3 845 836	3 900 545
Right of use assets	(19)	3 174 295	3 135 576
<b>Total Non-Current Assets</b>		<b>50 567 485</b>	<b>50 763 782</b>
<b>Current Assets</b>			
Inventory	(20)	90 244 355	89 062 775
Work in progress	(21)	1 629 469	1 618 110
Trade receivables and debtors	(22)	49 975 162	51 055 625
Due from related parties	(34-1)	20 000	20 890
Assets held for sale	(41)	—	1 052 496
Cash and cash equivalents	(23)	4 969 956	5 582 294
<b>Total Current Assets</b>		<b>146 838 942</b>	<b>148 392 190</b>
<b>Total Assets</b>		<b>197 406 427</b>	<b>199 155 972</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Issued and paid-up Capital	(29-2)	32 917 500	32 917 500
Reserves	(30-1)	6 737 403	6 737 403
Foreign entities translation differences	(30-2)	(43 776 012)	(41 141 895)
Retained earnings		37 254 595	34 155 661
<b>Equity attributable to owners of the holding Company</b>		<b>33 133 486</b>	<b>32 668 669</b>
Non-controlling interests	(31)	1 804 713	1 804 077
<b>Total Equity</b>		<b>34 938 199</b>	<b>34 472 746</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	(25-4)	40 313 737	42 095 044
Liabilities from lease contracts	(25-3)	1 851 525	747 468
Deferred tax liabilities	(17-c)	534 435	465 628
<b>Total non-current liabilities</b>		<b>42 699 697</b>	<b>43 308 140</b>
<b>Current liabilities</b>			
Banks overdraft	(23)	122 500	137 202
Banks credit facilities	(24)	84 322 263	82 003 229
Borrowings	(25-4)	10 221 849	11 211 175
Liabilities from lease contract	(25-3)	1 570 609	1 550 704
Trade and other payables	(26)	18 961 712	22 433 184
Due to related parties	(34-2)	1 596 468	1 916 304
Current income tax liability	(17-a)	2 145 018	1 402 461
Provisions	(27)	828 112	720 827
<b>Total current liabilities</b>		<b>119 768 531</b>	<b>121 375 086</b>
<b>Total liabilities</b>		<b>162 468 228</b>	<b>164 683 226</b>
<b>Total equity and liabilities</b>		<b>197 406 427</b>	<b>199 155 972</b>

- The notes and accounting policies on pages (6) to (64) are an integral part of these consolidated interim financial statements and to be read together.
- Independent Auditors' report on review of consolidated interim financial statements attached.

Financial Manager  
Mohamed Mohamed  
Mohy

Vice-Chairman  
and CEO  
Dr / Alaa Ahmed Abd  
El Mokdad Arafat

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**

		Financial Period From January 1, 2025 To March 31, 2025	Financial Period From February 1, 2024 To April 30, 2024
	Note	USD	USD
Revenues	(4-1)	33 177 229	32 378 369
Cost of sales	(5)	(22 356 302)	(19 829 358)
Net revenues from selling investments FVTPL	(4-2)	--	1 776 682
<b>Gross profit</b>		<b>10 820 927</b>	<b>14 325 693</b>
Other income	(6)	2 171 005	249 558
Selling and distribution expenses	(7)	(2 180 533)	(2 325 659)
General and administrative expenses	(8)	(2 262 431)	(3 176 850)
Reversal /Impairment (loss) in financial assets	(9)	39 835	(79 955)
Other expenses	(10)	(393 775)	(325 991)
<b>Profit from operating activities</b>		<b>8 195 028</b>	<b>8 666 796</b>
Finance income	(11)	57 155	563 925
Finance expenses	(12)	(4 123 947)	(4 229 791)
<b>Net profit for the period before tax</b>		<b>4 128 236</b>	<b>5 000 930</b>
Income tax / (expense)	(17-b)	(830 681)	494 833
<b>Net profit for the period</b>		<b>3 297 555</b>	<b>5 495 763</b>
<b><u>Distributed as follows:</u></b>			
Share of holding company's shareholders		3 098 934	5 401 296
Share of non-controlling interest		198 621	94 467
		<b>3 297 555</b>	<b>5 495 763</b>
<b>Basic and diluted earnings per share from profit per share (USD / share)</b>	(13-1)	<b>0.007</b>	<b>0.011</b>

- The notes and accounting policies on pages (6) to (64) are an integral part of these consolidated interim financial statements and to be read together.

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

	<b>Note</b>	<b>Financial Period From January 1, 2025 To March 31, 2025 USD</b>	<b>Financial Period From February 1, 2024 To April 30, 2024 USD</b>
<b>Net profit for the period</b>		<b>3 297 555</b>	<b>5 495 763</b>
<b><u>Other comprehensive income</u></b>			
<b><u>Items that will not be reclassified to Profit or loss:</u></b>			
The effect of applying of Egyptian Accounting Standard No. 13 "Impact of Foreign Exchange Rate Change"	(38)	--	(7 842 737)
Impact of deferred Tax	(17-c)	--	336 613
		<b>3 297 555</b>	<b>(7 506 124)</b>
<b><u>Items that are or maybe reclassified subsequently to profit or loss:</u></b>			
Foreign entities translation differences		(2 832 102)	(6 075 420)
		<b>(2 832 102)</b>	<b>(6 075 420)</b>
<b><u>Add: -</u></b>			
Transferred to retained earnings		--	7 506 124
<b>Total comprehensive income for the period</b>		<b>465 453</b>	<b>(579 657)</b>
<b><u>Distributed as follows:</u></b>			
Share of holding company's shareholders		464 817	(184 054)
Share of non-controlling interest		636	(395 603)
<b>Total comprehensive income for the period</b>		<b>465 453</b>	<b>(579 657)</b>

- The notes and accounting policies on pages (6) to (64) are an integral part of these consolidated interim financial statements and to be read together.

**Concrete Fashion Group for Commercial and Industrial Investments**  
**(An Egyptian Joint stock company - Under Public Free zone)**  
**Consolidated statement of Changes in Equity for the financial period ended March 31, 2025**

	Issued and Paid-up Capital <u>USD</u>	Reserves <u>USD</u>	Accumulated (Losses)/ Retained Earnings <u>USD</u>	Foreign entities Translation differences <u>USD</u>	Total equity of the holding company <u>USD</u>	Non-Controlling interest <u>USD</u>	Total <u>USD</u>
<b>Balance as of February 1, 2024</b>	<b>32 917 500</b>	<b>6 737 403</b>	<b>23 488 231</b>	<b>(36 342 464)</b>	<b>26 800 670</b>	<b>1 723 056</b>	<b>28 523 726</b>
<b><u>Comprehensive income</u></b>							
Net profit for the financial period ended April 30 , 2024	--	--	5 401 296	--	5 401 296	94 467	5 495 763
The effect of applying the Egyptian accounting standard no. (13) the effect of change in exchange rates"	--	--	(7 493 270)	--	(7 493 270)	(12 854)	(7 506 124)
Foreign entities translation differences	--	--	--	(5 598 204)	(5 598 204)	(477 216)	(6 075 420)
<b>Total comprehensive income</b>	<b>--</b>	<b>--</b>	<b>(2 091 974)</b>	<b>(5 598 204)</b>	<b>(7 690 178)</b>	<b>(395 603)</b>	<b>(8 085 781)</b>
<b>Balance as of April 30 , 2024</b>	<b>32 917 500</b>	<b>6 737 403</b>	<b>21 396 257</b>	<b>(41 940 668)</b>	<b>19 110 492</b>	<b>1 327 453</b>	<b>20 437 945</b>
<b>Balance as of January 1, 2025</b>	<b>32 917 500</b>	<b>6 737 403</b>	<b>34 155 661</b>	<b>(41 141 895)</b>	<b>32 668 669</b>	<b>1 804 077</b>	<b>34 472 746</b>
<b><u>Comprehensive income</u></b>							
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)
<b>Total comprehensive income</b>	<b>--</b>	<b>--</b>	<b>3 098 934</b>	<b>(2 634 117)</b>	<b>464 817</b>	<b>636</b>	<b>465 453</b>
<b>Balance as of March 31, 2025</b>	<b>32 917 500</b>	<b>6 737 403</b>	<b>37 254 595</b>	<b>(43 776 012)</b>	<b>33 133 486</b>	<b>1 804 713</b>	<b>34 938 199</b>

▪ The notes and accounting policies on pages (6) to (64) are an integral part of these consolidated interim financial statements and to be read together.

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

		<b>Financial Period From January 1, 2025 To March 31, 2025 USD</b>	<b>Financial Period From February 1, 2024 To April 30, 2024 USD</b>
	<b>Note No.</b>		
<b>Cash flows from operating activities</b>			
Net profit for the period before income tax		4 128 236	5 000 930
<b>Adjustments for the following:</b>			
Property, plant and equipment Depreciation	(14)	765 834	752 104
Right of use assets amortization resulting from lease contracts	(19-1)	312 872	391 458
Amortization of Intangible Assets - Trademarks	(18)	54 800	55 184
Expected credit loss on banks	(23)	(79 490)	79 955
Capital (gain)	(6)	(1 767 782)	(72 980)
Foreign currencies translation differences	(12)	129 076	(493 223)
Finance Interest resulting from lease contracts	(12)	705 225	3 888 496
Debit interest on loan	(25-4)	1 025 532	1 233 184
Interest and finance expenses	(12)	2 264 114	2 608 111
Credit Interest	(11)	(57 155)	(70 702)
		<b>7 481 262</b>	<b>9 872 517</b>
<b>Change in:-</b>			
Inventory	(20)	(1 181 580)	7 809 474
Trade receivables and debtors	(22)	2 132 959	5 329 789
Work in progress	(21)	(11 359)	--
Due from related parties	(34-1)	890	(1 621 051)
Trade and other payables	(26)	(5 607 218)	(8 317 887)
Due to related parties	(34-2)	(319 836)	2 338 256
Provisions	(27)	107 285	(117 382)
		<b>2 602 403</b>	<b>15 293 716</b>
Payment of loan interest expense	(25-4)	(696 506)	(1 127 614)
Interest and finance expense paid		(2 969 339)	(2 608 111)
<b>Net cash flow (used in)/provided from operating activities</b>		<b>(1 063 442)</b>	<b>11 557 991</b>
<b>Cash flows from Investing Activities</b>			
(Payments) for acquisition of property, plant and equipment and projects under construction	(14,15)	(585 527)	(2 792 242)
Proceeds from sale of property, plant and equipment	(14,6)	1 767 782	72 980
Credit interest received	(11)	57 155	70 702
<b>Net cash provided from / (used in) investing activities</b>		<b>1 239 410</b>	<b>(2 648 560)</b>
<b>Cash flows from financing activities</b>			
Net process from/(payment) credit facilities	(24)	2 304 332	(3 043 303)
(Payment) of lease contract	(25-3)	(308 271)	(694 025)
(Payment) of borrowings	(25-4)	(2 769 665)	(1 211 105)
<b>Net Cash (used in) Financing Activities</b>		<b>(773 604)</b>	<b>(4 948 433)</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>(597 636)</b>	<b>3 960 998</b>
The effect of changes in currency exchange rates on cash and cash equivalents		--	(7 842 739)
Cash and cash equivalents at the beginning of the period		5 445 092	9 501 515
<b>Cash and cash equivalents at the end of the period</b>	<b>(23)</b>	<b>4 847 456</b>	<b>5 619 774</b>

- The notes and accounting policies on pages (6) to (64) are an integral part of these consolidated interim financial statements and to be read together.



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

**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

**1- Background and activities**

**1-1 Legal entity**

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

**1-2 Swiss Garments company demerge**

- The Board of Directors of Swiss Garments Company (S.A.E.) -Free Zone proposed in its meeting held on the 18th of June 2005 to demerge the Company into two Joint Stock Companies (demerging Company and Demerged Company) operating according to the Free Zone System with the same shareholders and the same participation percentage in the company's issued capital as of the demerge date. , using the book value of the assets and liabilities on the 30th of June 2005 as a basis for the demerge. As the purpose of the demerging company will be specialized in investing in financial instruments and the demerged company will be specialized in manufacturing ready made garments., As the company's Extraordinary General Assembly at its session held on October 14,2005 agreed on the mentioned board of director's proposal, as a final approval on the issuance of the demerge decision was taken by the general Authority for Investment and Free Zone as of November 24,2005.
- The demerging Company's name was changed to Al Arafa for Investment and Consultancies Company, and the commercial register was amended accordingly on January 11, 2006 and was approved on general gazette on January 16, 2006.

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

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

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

**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

**1-4 Al Arafa For investment and consultancies company demerge**

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

**1-5 Company's Fiscal Year**

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

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

**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

**1-6 Company's purpose**

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

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

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

The company is listed on the Egyptian Stock Exchange.

**1-8 Subsidiary Companies**

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

<u>Subsidiary's Name</u>	<u>Company's purpose</u>	<u>Country</u>	<b>Direct and Indirect contribution Percentage</b>	
			<u>March 31, 2025</u>	<u>December 31, 2024</u>
• Concrete for Readymade Garments	Garments	Egypt	91,64%	91,64%
• Swiss Cotton Garments	Garments	Egypt	99,44%	99,44%
• Egypt Tailoring for Ready – Made Garments	Garments	Egypt	98.61 %	99,4%
• Crystal for Making Shirts	Garments	Egypt	98,54%	99,88%
• Fashion Industry garments company	Garments	Egypt	98,54%	99,5%
• Euro med for Trading and Marketing	Marketing and trading	Egypt	97,21%	97,21%
• Port Said for Readymade Garments	Garments	Egypt	97,52%	97,52%
• Swiss for Readymade Garments	Garments	Egypt	99,20%	99,20%
• Savini for Readymade Garments	Garments	Egypt	98,80%	98.80 %
• Concrete International	Garments	UAE	100%	100%

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

**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

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**2- Basis of preparation of the consolidated interim financial statements**

- The consolidated interim financial statements have been prepared in accordance with Egyptian Accounting Standards "EAS", EAS has been issued by the Minister of investment under No. 243 of the period 2006 and in accordance with the prevailing Egyptian Laws and Regulation. The Egyptian Accounting standard (EAS) requires referring to the International Financial Reporting Standards (IFRS) for events and transaction for which EAS or legal requirements have not been issued indicating their accounting treatments.
- The consolidated interim financial statements for the period ended March 31, 2025 were approved for issuance by the company board of directors on May 25, 2025.
- Details of the Group material accounting policies are included in Note No. (37).

**2-1 Measurement basis**

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

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

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

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

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

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

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

**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

**A- Judgements**

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

**- Revenue recognition**

Revenue is recognized as detailed in the accounting policies applied.

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

**- Classification of properties**

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

**- 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.

**Concrete Fashion Group for commercial and industrial Investments  
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**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

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

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

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

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

**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.

**Concrete Fashion Group for commercial and industrial Investments  
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**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

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- **Expected credit losses measurement.**

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

- **Estimation of net realizable value**

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

- **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.

**Concrete Fashion Group for commercial and industrial Investments  
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**Notes to the consolidated interim financial statements for the financial period ended March 31 , 2025**

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**C- Fair value measurement**

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

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

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

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



**Concrete Fashion Group for commercial and industrial Investments**  
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**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

**3-Operating segments**

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

**Operating results of business activities for group companies**

	<u>Garments</u> <u>manufacturing segment</u>		<u>Retail Segment</u>		<u>Investments</u>		<u>Total</u> <u>after Eliminations</u>	
	31/3/2025	30/4/2024	31/3/2025	30/4/2024	31/3/2025	30/4/2024	31/3/2025	30/4/2024
	USD	USD	USD	USD	USD	USD	USD	USD
Revenue	26 584 842	25 710 189	6 592 387	6 668 180	--	--	33 177 229	32 378 369
Cost of sales	(20 484 812)	(17 829 559)	(1 871 490)	(1 999 799)	--	--	(22 356 302)	(19 829 358)
Net revenues from selling investments at FVTPL	--	--	--	--	--	1 776 682	--	1 776 682
<b>Gross Profit</b>	<b>6 100 030</b>	<b>7 880 630</b>	<b>4 720 897</b>	<b>4 668 381</b>	<b>--</b>	<b>1 776 682</b>	<b>10 820 927</b>	<b>14 325 693</b>
Other revenues	303 287	88 697	1 798 731	112 397	68 987	48 464	2 171 005	249 558
Selling and distribution expenses	(663 995)	(859 265)	(1 516 538)	(1 466 394)	--	--	(2 180 533)	(2 325 659)
General and administrative expenses	(927 971)	(1 160 390)	(957 136)	(1 070 496)	(377 324)	(945 964)	(2 262 431)	(3 176 850)
Reversal / Impairment (loss)/ in financial assets	33 381	(31 283)	12 893	(9 330)	(6 439)	(39 342)	39 835	(79 955)
Other expenses	(348 113)	(258 471)	(17 565)	(18 509)	(28 097)	(49 011)	(393 775)	(325 991)
<b>Operating results</b>	<b>4 496 619</b>	<b>5 659 918</b>	<b>4 041 282</b>	<b>2 216 049</b>	<b>(342 873)</b>	<b>790 829</b>	<b>8 195 028</b>	<b>8 666 796</b>
Net finance (expenses)	(3 306 280)	(2 927 637)	(552 044)	(677 233)	(208 468)	(60 996)	(4 066 792)	(3 665 866)
<b>Net Profit/ (loss) for the period before tax</b>	<b>1 190 339</b>	<b>2 732 281</b>	<b>3 489 238</b>	<b>1 538 816</b>	<b>(551 341)</b>	<b>729 833</b>	<b>4 128 236</b>	<b>5 000 930</b>
Income tax / (expenses)	(95 326)	799 801	(735 355)	(304 968)	--	--	(830 681)	494 833
<b>Net profit / (loss) for the period after tax</b>	<b>1 095 013</b>	<b>3 532 082</b>	<b>2 753 883</b>	<b>1 233 848</b>	<b>(551 341)</b>	<b>729 833</b>	<b>3 297 555</b>	<b>5 495 763</b>
<b><u>Distributed as follows:</u></b>								
Share of holding company's shareholders							3 098 934	5 401 296
Share of Non – controlling interest							198 621	94 467
<b>Net profit for the period after tax</b>							<b>3 297 555</b>	<b>5 495 763</b>

**Concrete Fashion Group for commercial and industrial Investments  
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**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

- **The following are the assets and liabilities for the financial period ending March 31, 2025 for the group segments:**

	<u>Garments</u>		<u>Retail segment</u>		<u>Investments</u>		<u>Financial lease segment</u>		<u>Total</u>	
	<u>manufacturing segment</u>								<u>after Eliminations</u>	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Assets	91 765 705	158 358 801	34 983 794	1 896 688	65 612 421	38 417 062	5 044 507	483 421	197 406 427	199 155 972
Liabilities	107 302 254	114 908 296	19 668 873	20 997 220	34 379 663	25 101 632	1 117 438	3 676 078	162 468 228	164 683 226
<b>Fixed assets</b>	<b>39 141 395</b>	<b>39 565 191</b>	<b>2 082 467</b>	<b>1 941 797</b>	<b>1 434 492</b>	<b>1 462 857</b>	<b>—</b>	<b>—</b>	<b>42 658 354</b>	<b>42 969 845</b>

**Concrete Fashion Group for commercial and industrial Investments**  
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**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

**4- Revenues**

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

		Financial Period From January 1, 2025 To March 31, 2025	Financial Period From February 1, 2024 To April 30, 2024
	Note No.	USD	USD
Export sales		26 092 201	24 450 823
Local sales		6 935 884	7 890 379
Revenues from operations for others		149 144	37 167
		<b>33 177 229</b>	<b>32 378 369</b>

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

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

**5- Cost of sales**

Raw materials and supplies		15 637 142	13 892 804
Goods held for sale		241 864	76 723
Packing materials		696 645	515 956
Industrial wages		3 825 766	3 559 294
Property, plant and equipment depreciation	(14)	463 272	343 762
Manufacturing costs		603 373	1 885 247
Write down in inventory	(20)	390 000	91 379
		<b>21 858 062</b>	<b>20 365 165</b>
<b><u>(Less) / (Add):</u></b>			
Export subsidy revenues		(405 301)	(1 535 480)
Change in Finished goods and Work in process		903 541	999 673
		<b>22 356 302</b>	<b>19 829 358</b>

**Concrete Fashion Group for commercial and industrial Investments**  
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**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

**6- Other income**

	<b>Note</b>	<b>Financial Period From January 1, 2025 To March 31, 2025 USD</b>	<b>Financial Period From February 1, 2024 To April 30, 2024 USD</b>
Rented income		61 583	60 311
Net capital gains		15 976	72 980
Capital gain from sale of assets held to sale		1 751 806	--
Sale of scrap and other		341 640	116 267
		<b>2 171 005</b>	<b>249 558</b>

**7- Selling and Distribution expenses**

Wages and salaries		400 860	395 036
Sales commissions		67 764	179 884
Export expenses		491 041	608 671
Packing and packaging		33 548	51 467
Designs and training		94 656	54 534
Maintenance		64 738	69 308
Travel expense		91 244	107 342
Advertising and marketing		193 352	126 803
Variable Rent installment		177 372	92 154
Amortization of right of use assets	(19)	288 504	367 473
Property, plant and equipment depreciation	(14)	66 258	93 404
Amortization of intangible assets	(18)	54 800	55 184
Others		156 396	124 399
		<b>2 180 533</b>	<b>2 325 659</b>

**8- General and Administrative expenses**

Wages and salaries		1 043 216	983 859
Board of directors allowance	(34-3)	31 398	23 286
Consulting and professional fees		109 522	524 113
Travel expenses		130 555	68 455
Maintenance		132 882	315 640
Subscriptions and service		123 605	207 964
Authorities and fees		11 553	36 054
Property, plant and equipment depreciation	(14)	236 304	314 938
Computers and stationary		39 648	71 285
Amortization of right of use assets	(19)	24 368	23 985
Grants		94 322	153 339
Shipping and postage		30 114	37 014
Insurance		19 816	20 214
Variable rent installments		4 345	3 378
Others		230 783	393 326
		<b>2 262 431</b>	<b>3 176 850</b>

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**9- Impairment losses in financial assets**

		Financial Period From January 1, 2025 To March 31, 2025	Financial Period From February 1, 2024 To April 30, 2024
	Note No.	USD	USD
(Reversal) / Expected credit loss in Trade receivables	(22)	(49 518)	--
(Reversal) / Impairment in expected credit loss in banks	(23)	(79 490)	--
Expected credit loss in related parties	(34-1)	89 173	79 955
		<b>(39 835)</b>	<b>79 955</b>

**10- Other expenses**

Formed Provisions	(27)	104 968	30 733
GAFI fees	(37-19)	193 659	204 465
Symbiotic contribution for comprehensive health insurance		75 491	78 844
Others		19 657	11 949
		<b>393 775</b>	<b>325 991</b>

**11- Finance income**

Credit Interest		57 155	70 702
Net foreign currency exchange gain		--	493 223
<b>Total finance income gain</b>		<b>57 155</b>	<b>563 925</b>

**12- Finance Expenses**

Finance interest resulting from lease contract	(25-4),(25-3)	(705 225)	(388 496)
Interest on loan	(25-4)	(1 025 532)	(1 233 184)
Interest expense, bank commission and expenses		(2 264 114)	(2 608 111)
Net foreign currency exchange differences		(129 076)	--
<b>Total finance cost</b>		<b>(4 123 947)</b>	<b>(4 229 791)</b>
<b>Net finance (expenses)</b>		<b>(4 066 792)</b>	<b>(3 665 866)</b>

**Concrete Fashion Group for commercial and industrial Investments  
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Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

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**13- Basic and diluted earnings per share**

**13-1 Basic and diluted earnings per share according to profit or loss statements**

The basic earnings / (losses) per share was determined from the net profit as follows:-

		<u>31/3/2025</u>	<u>30/4/2024</u>
Net Profit for the period	(USD)	3 098 934	5 401 296
Average number of outstanding shares	(Share)	470 250 000	470 250 000
<b>Earnings per share</b>	<b>(USD/Share)</b>	<b>0.007</b>	<b>0.011</b>

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

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

		<u>31/3/2025</u>	<u>30/4/2024</u>
Net Profit for the period	(USD)	3 297 555	5 495 763
Average number of outstanding shares	(Share)	470 250 000	470 250 000
<b>Basic and diluted earnings per share</b>	<b>(USD/Share)</b>	<b>0.007</b>	<b>0.011</b>

## Concrete Fashion Group for commercial and industrial Investments

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

Notes to the consolidated interim financial statements for the financial period ended December 31, 2024

**14- Property, plant and equipment**

	Land*	Buildings and Constructions	Machinery and equipment	Vehicles	Tools and Equipment	Furniture and Office Equipment	Improvements in leasehold	Total
Description	USD	USD	USD	USD	USD	USD	USD	USD
Cost as of January 1 <sup>st</sup> , 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
<b>Accumulated Depreciation</b>								
Accumulated Depreciation as of January 1 <sup>st</sup> , 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 for 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
Net Book value as of December 31, 2024	5 994 783	24 670 136	9 305 608	231 185	154 254	1 412 383	1 201 496	42 969 845
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

**Depreciation is distributed as follows:**

	Notes	March 31, 2025	April 30, 2024
	No.	USD	USD
Cost of sales	(5)	463 272	343 762
Selling and distribution	(7)	66 258	93 404
General and administrative	(8)	236 304	314 938
		765 834	752 104

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						Furniture and		
		Buildings and	Machinery		Tools and	Office	Improvements	
	Land*	Constructions	and equipment	Vehicles	Equipment	Equipment	in leasehold	Total
<u>Description</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>
<b>Cost as of February 1<sup>st</sup>, 2024</b>	<b>6 147 675</b>	<b>38 643 233</b>	<b>39 653 305</b>	<b>931 448</b>	<b>698 371</b>	<b>10 022 689</b>	<b>4 914 522</b>	<b>101 011 243</b>
Additions during the period	--	92 768	6 368 566	--	17 815	88 574	452 053	7 019 776
Disposals	--	--	(20 902 776)	--	--	--	--	(20 902 776)
Foreign currency translation differences	(125 865)	(337 752)	14 414 530	(44 030)	(53 291)	(521 884)	(1 616 317)	11 715 391
<b>Cost as of April 30, 2024</b>	<b>6 021 810</b>	<b>38 398 249</b>	<b>39 533 625</b>	<b>887 418</b>	<b>662 895</b>	<b>9 589 379</b>	<b>3 750 258</b>	<b>98 843 634</b>
<b><u>Accumulated Depreciation</u></b>								
<b>Accumulated Depreciation as of February 1<sup>st</sup>, 2024</b>	<b>--</b>	<b>14 741 121</b>	<b>31 213 513</b>	<b>690 168</b>	<b>515 493</b>	<b>7 187 417</b>	<b>3 851 344</b>	<b>58 199 056</b>
Depreciation for the period	--	199 934	282 118	24 821	13 137	134 637	97 457	752 104
Accumulated Depreciation for disposals during the period	--	---	(14 929 950)	--	--	--	--	(14 929 950)
Foreign currency translation differences	--	(288 904)	14 568 326	(31 943)	(43 735)	(298 285)	(1 181 952)	12 723 507
<b>Accumulated Depreciation as of April 30, 2024</b>	<b>--</b>	<b>14 652 151</b>	<b>31 134 007</b>	<b>683 046</b>	<b>484 895</b>	<b>7 023 769</b>	<b>2 766 849</b>	<b>56 744 717</b>
<b>Net Book value as of April 30, 2024</b>	<b>6 021 810</b>	<b>23 746 098</b>	<b>8 399 618</b>	<b>204 372</b>	<b>178 000</b>	<b>2 565 610</b>	<b>983 409</b>	<b>42 098 917</b>



**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****\* The land item in the consolidated interim financial statements includes the following:**

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

**15- Projects under construction**

	<b>March 31, 2025 USD</b>	<b>January 31, 2024 USD</b>
Building and constructions	641 706	622 768
Advance payments to purchase exhibition system	18 460	19 019
Advance payments to exhibition decoration and furniture	228 834	116 029
	<b>889 000</b>	<b>757 816</b>

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

	<b>Notes No.</b>	<b>March 31, 2025 USD</b>	<b>January 31, 2024 USD</b>
<b>Beginning balance during period / year</b>		<b>757 816</b>	<b>3 229 264</b>
Additions		253 685	2 241 075
Transferred to work in progress	(21)	--	(1 698 190)
Transferred to fixed assets		(120 167)	(2 350 443)
Differences in the translation of foreign entities		(2 334)	(663 890)
<b>Ending balance for period / year</b>		<b>889 000</b>	<b>757 816</b>

**16- Financial Investments at fair value through profit or loss**

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

**\* Impairment losses in investments movement**

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

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****17- Tax****a) Accrued income tax**

	<b>March 31, 2025</b>	<b>January 31, 2024</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Accrued income tax	2 145 018	1 402 461
	<b><u>2 145 018</u></b>	<b><u>1 402 461</u></b>

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

	<b>Note</b>	<b>March 31, 2025</b>	<b>April 30, 2024</b>
	<b><u>No.</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Current income tax expense		760 649	341 651
Deferred tax	(17-c)	70 032	(836 484)
		<b><u>830 681</u></b>	<b><u>(494 833)</u></b>

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

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

	<b>January 31, 2024 Assets / (liabilities)</b>	<b>Recognized in the Profit Or Loss Statement</b>	<b>Recognized in the other Comprehensive income statement</b>	<b>Translation differences</b>	<b>April 30, 2024 Assets/ (liabilities)</b>
	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Property , plant and equipment	(1 819 040)	836 484	--	(65 677)	(1 048 233)
Unrealized foreign currencies	266 346	--	336 613	--	602 959
<b>Deferred Tax for the period</b>	<b><u>(1 552 694)</u></b>	<b><u>836 484</u></b>	<b><u>336 613</u></b>	<b><u>(65 677)</u></b>	<b><u>(445 274)</u></b>

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****d) The effective tax rate**

		<b>March 31, 2025 <u>USD</u></b>		<b>April 31, 2024 <u>USD</u></b>
Net profit before tax		4 128 236		5 000 930
Tax according to the actual tax rate	22.5%	928 853	22.5%	1 125 209
<b><u>The effect tax on:-</u></b>				
Foreign currencies differences		5 189		56 162
Exemptions		(124 041)		(1 676 333)
Net Provision effect		20 047		—
Board of directors allowance		624		129
<b>Effective tax rate</b>	<b>20%</b>	<b>830 681</b>	<b>(9.89)%</b>	<b>(494 833)</b>

**e) Deferred tax assets – unrecognized**

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

	<b>March 31,2025 <u>USD</u></b>	<b>December 31, 2024 <u>USD</u></b>
Net expected credit losses of trade receivables and other debit balance	241 472	252 671
Provisions	186 325	162 186
Impairment in Investment	8 269	8 269
Expected Credit losses of banks	12 133	30 018
	<b>448 199</b>	<b>453 144</b>

**f) Deferred tax liabilities - unrecognized**

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

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

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

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****18- Intangible assets and goodwill**

	Note	<b><u>Trademarks and programs</u></b>	
		<b>March</b>	<b>April</b>
		<b>31, 2025</b>	<b>30, 2024</b>
	<b><u>No.</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
<b>Beginning balance</b>		<b>4 349 000</b>	<b>4 371 284</b>
Foreign entities translation differences		312	(19 530)
<b>Ending Balance</b>		<b>4 349 312</b>	<b>4 351 754</b>
<b><u>Deduct:</u></b>			
Accumulated Amortization at the beginning of the period		(448 455)	(238 291)
Amortization during the period	(7)	(54 800)	(55 184)
Foreign entities translation Differences		(221)	8 144
<b>Accumulated Amortization at the end of the period</b>		<b>(503 476)</b>	<b>(285 331)</b>
<b>Net book value</b>		<b>3 845 836</b>	<b>4 066 423</b>

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

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

	Note	<b>March 31,</b>	<b>April</b>
		<b>2025</b>	<b>30, 2024</b>
	<b><u>No.</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
<b>Beginning Balance</b>		<b>5 837 836</b>	<b>8 302 181</b>
Addition		431 072	915 895
Disposals		(538 849)	(625 291)
Translation differences		28 728	(2 959 488)
<b>Cost at the end of the period</b>		<b>5 758 787</b>	<b>5 633 297</b>
<b><u>Amortization:-</u></b>			
<b>Beginning Balance</b>		<b>2 702 260</b>	<b>3 849 305</b>
Amortization during the period / year *		312 872	391 458
Accumulated amortization of disposals		(221 822)	(379 925)
Translation differences		(208 818)	(1 522 834)
<b>Accumulated Amortization at the end of the period</b>		<b>2 584 492</b>	<b>2 338 004</b>
<b>Net book value</b>		<b>3 174 295</b>	<b>3 295 293</b>

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

Selling and distribution expense	(7)	288 504	367 473
General and administration expense	(8)	24 368	23 985
		<b>312 872</b>	<b>391 458</b>

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****20- Inventory**

	<b>March 31, 2025 USD</b>	<b>December 31, 2024 USD</b>
Raw materials and supplies	40 171 342	39 329 418
Packing and packing materials	1 165 195	926 364
Consumables	3 368 754	3 329 431
Work in process	9 164 369	8 702 455
Finished goods	39 525 859	39 084 232
Goods in transit	687 047	1 139 086
	<b>94 082 566</b>	<b>92 510 986</b>
<b><u>Less:</u></b>		
Write down of inventory*	(3 838 211)	(3 448 211)
	<b>90 244 355</b>	<b>89 062 775</b>

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

	<b>Note No.</b>		
<b>Beginning balance</b>		<b>3 448 211</b>	<b>2 967 094</b>
Formed During the period / year	(5)	390 000	481 117
<b>Ending balance</b>		<b>3 838 211</b>	<b>3 448 211</b>

**21- Work in progress**

Lands		10 733	10 733
Engineering consultation and designs and governmental fees*	(15)	1 619 257	1 698 190
Foreign entities translation differences		(521)	(90 813)
		<b>1 629 469</b>	<b>1 618 110</b>

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

**22- Trade receivables and debtors**

	<b>March 31, 2025 USD</b>	<b>December 31, 2024 USD</b>
Trade receivables	32 181 872	35 069 048
Notes receivables	219 275	198 796
Trade payables - debit balances	7 103 112	5 411 190
Deposits held with others	576 816	547 710
General Tax authority	1 077 574	839 559
Prepaid expenses	849 290	479 648
Letter of guarantee cover	602 052	1 575 481
Accrued revenues	7 383 127	7 127 870
Other debit balances	1 055 252	929 309
	<b>51 048 370</b>	<b>52 178 611</b>
<b><u>Less:</u></b>		
Expected credit loss of trade receivables and debtors*	(1 073 208)	(1 122 986)
	<b>49 975 162</b>	<b>51 055 625</b>

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****\* Movement of Expected credit loss of trade receivables and debtors as follow:**

	Note	March 31, 2025	December 31, 2024
	No.	USD	USD
<b>Beginning balance</b>		1 122 986	688 460
Formed During the period / year	(9)	--	778 663
Reversal of expected credit loss during period/ year	(9)	(49 518)	--
Foreign entities translation differences		(260)	(344 137)
<b>Ending balance</b>		<b>1 073 208</b>	<b>1 122 986</b>

**23- Cash and cash equivalents**

Current accounts	4 522 075	5 430 320
Time deposits	2 625	2 612
Cash on hand	499 180	282 776
	<b>5 023 880</b>	<b>5 715 708</b>
<b>(Deduct):</b>		
Expected credit loss*	(53 924)	(133 414)
<b>Cash and cash equivalents</b>	<b>4 969 956</b>	<b>5 582 294</b>
<b>(Deduct):</b>		
Bank overdraft	(122 500)	(137 202)
<b>Cash and cash equivalents according to cash flows statement</b>	<b>4 847 456</b>	<b>5 445 092</b>

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

	USD	USD
<b>Beginning balance period / year</b>	133 414	--
Formed During the period / year	--	133 414
Reversal of expected credit loss during period/ year	(79 490)	--
<b>Ending balance period / year</b>	<b>53 924</b>	<b>133 414</b>

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

**Concrete Fashion Group for commercial and industrial Investments**

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

Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

**24- Bank credit facilities**

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
	<b>USD</b>	<b>USD</b>
Emirates NBD -Egypt	10 474 540	7 601 877
Qatar National Bank – QNB	8 458 655	9 025 222
Commercial International Bank – CIB	11 201 155	12 368 556
National Bank of Egypt -NBE	24 115 169	22 850 194
Export Development Bank of Egypt	10 191 191	10 775 848
Arab Bank	1 183 205	608 318
HSBC	12 819 177	13 453 554
Bank of Alexandria	2 895 415	2 905 199
Abu Dhabi Commercial Bank -ADCB	2 983 756	2 414 461
	<b>84 322 263</b>	<b>82 003 229</b>

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

**25- Loans and liabilities from lease contract**

		<b>Balance at 31/3/2025</b>			<b>Balance at 31/12/2024</b>		
		<b>Current portion USD</b>	<b>Non current portion USD</b>	<b>Total USD</b>	<b>Current portion USD</b>	<b>Non current portion USD</b>	<b>Total USD</b>
Loans from banks	(25-1)	6 072 061	28 865 990	34 938 051	7 878 474	29 300 229	37 178 703
Liability on sale and lease back	(25-2)	4 149 788	11 447 747	15 597 535	3 332 701	12 794 815	16 127 516
		<b>10 221 849</b>	<b>40 313 737</b>	<b>50 535 586</b>	<b>11 211 175</b>	<b>42 095 044</b>	<b>53 306 219</b>

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

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

**Swiss Cotton Garment**

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

**Arab Bank**

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

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****Egypt tailoring for ready made – Garments**

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

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

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

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

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

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

**Egypt tailoring for ready made – Garments**

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

**Swiss cotton Garments company**

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

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

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

	<b>Note No.</b>	<b>Liabilities lease contract</b>	
		<b>March 31, 2025</b>	<b>December 31, 2024</b>
		<b>USD</b>	<b>USD</b>
<b>Beginning balance</b>		<b>2 298 172</b>	<b>4 950 266</b>
Current borrowing		1 550 704	1 989 123
Non. Current borrowing		747 468	2 961 143
Addition during the period / year		--	1 524 586
Translation differences		1 432 233	(2 972 749)
Payment during the period /year		(308 271)	(1 203 931)
Debit interest		174 616	594 502
Debit interest paid	(12)	(174 616)	(594 502)
<b>Ending balance</b>		<b>3 422 134</b>	<b>2 298 172</b>
Current liabilities		1 570 609	1 550 704
Non -current liabilities		1 851 525	747 468
		<b>3 422 134</b>	<b>2 298 172</b>



**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****25-4 The following is a movement in borrowing activities for the periods ended March 31, 2025 and December 31, 2024**

<u>Description</u>	<u>Note No.</u>	<u>Balance at 31/3/2025</u>		
		<u>Loans from banks</u>	<u>Liabilities from sale and lease back</u>	<u>Total</u>
		<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>Beginning balance</b>		<b>37 178 703</b>	<b>16 127 516</b>	<b>53 306 219</b>
Current borrowing		7 878 474	3 332 701	11 211 175
Non. Current borrowing		29 300 229	12 794 815	42 095 044
Payment of borrowing		(2 239 684)	(529 981)	(2 769 665)
Debit interest	(12)	1 025 532	530 609	1 556 141
Debit interest paid		(696 506)	(530 609)	(1 227 115)
Accrued interest		(329 026)	--	(329 026)
Translation differences		(968)	--	(968)
<b>Ending balance</b>		<b>34 938 051</b>	<b>15 597 535</b>	<b>50 535 586</b>
Current liabilities		6 072 061	4 149 788	10 221 849
Non -current liabilities		28 865 990	11 447 747	40 313 737
		<b>34 938 051</b>	<b>15 597 535</b>	<b>50 535 586</b>

<u>Description</u>	<u>Note No.</u>	<u>Balance at 31/12/2024</u>		
		<u>Loans from banks</u>	<u>Liabilities from sale and lease back</u>	<u>Total</u>
		<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>Beginning balance</b>		<b>47 725 699</b>	<b>14 388 777</b>	<b>62 114 476</b>
Current borrowing		9 349 828	2 958 777	12 308 605
Non. Current borrowing		38 375 871	11 430 000	49 805 871
Payment of borrowing		(11 667 786)	(2 667 525)	(14 335 311)
Transfer from credit facilities		1 250 000	--	1 250 000
Collected from borrowing		--	4 406 264	4 406 264
Debit interest		3 846 323	1 983 632	5 829 955
Debit interest paid		(3 190 592)	(1 983 632)	(5 174 224)
Accrued interest		(655 731)	--	(655 731)
Translation differences		(129 210)	--	(129 210)
<b>Ending balance</b>		<b>37 178 703</b>	<b>16 127 516</b>	<b>53 306 219</b>
Current liabilities		7 878 474	3 332 701	11 211 175
Non -current liabilities		29 300 229	12 794 815	42 095 044
		<b>37 178 703</b>	<b>16 127 516</b>	<b>53 306 219</b>

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****26- Trade payables and other credit balances**

	<b>Note No.</b>	<b>March 31, 2025 USD</b>	<b>December 31, 2024 USD</b>
Trade payables		6 017 384	10 994 814
Accrued expenses		5 009 165	4 290 631
Tax authority		1 465 313	1 121 203
Notes payable		3 046 283	2 022 166
Deposits from others		670 185	737 626
Trade receivables – credit balance		1 229 974	1 229 690
GAFI		284 992	325 826
Other credit balances		1 238 416	1 711 228
		<b>18 961 712</b>	<b>22 433 184</b>

**27- Provisions**

<b>Beginning balance</b>		720 827	577 666
Formed During the period/ year	(10)	104 968	388 168
Utilized During the period /year		--	(211 916)
Foreign entities translation		2 317	(33 091)
Difference			
<b>Ending balance</b>		<b>828 112</b>	<b>720 827</b>

**28- Financial risk management**

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

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

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

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

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

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

**Concrete Fashion Group for commercial and industrial Investments**

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

**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

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**Credit risk**

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

**Trade and other receivables**

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

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

**Investments**

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

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

**Market risk**

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

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

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****Currency risk**

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

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

**Interest rate risk**

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

**Other market price risk**

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

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

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

**Capital management**

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

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

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

**a- Credit risk exposure**

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

	<b><u>Note.</u></b>	<b><u>31/3/2025</u></b>	<b><u>31/12/2024</u></b>
	<b><u>No</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Debtors and other debit balances	(22)	40 945 186	44 325 228
Due from related parties	(34-1)	20 000	20 890
Cash and cash equivalents	(23)	5 023 880	5 715 708
		<b><u>45 989 066</u></b>	<b><u>50 061 826</u></b>

- All financial assets and liabilities are classified and measured at amortized cost, and the fair value of all financial instruments does not differ materially from their book value.
- For the purpose of disclosure of financial instruments, non-financial assets of USD 9 029 976 as at March 31 , 2025 (December 31, 2024: USD 6 730 397) are excluded from other debit balances.

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****b- Liquidity risk**

The following are the contractual terms of financial liabilities:

<u>March 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)	50 535 586	104 709 498	74 709 571	8 568 707	21 431 220
Trade payables, notes payables and Other creditors	(26)	18 961 712	18 961 712	18 961 712	—	—
Due to related parties	(34-2)	1 596 468	1 596 468	1 596 468	—	—
Bank credit facilities	(24)	84 322 263	84 322 263	84 322 263	—	—
		<u>155 416 029</u>	<u>209 589 941</u>	<u>179 590 014</u>	<u>8 568 707</u>	<u>21 431 220</u>

<u>December 31, 2024</u>	<u>Note No.</u>	<u>Carrying amount</u> <u>USD</u>	<u>Expected cashflow</u> <u>USD</u>	<u>Less than 1 year</u> <u>USD</u>	<u>Maturity Date</u>	
					<u>1-2 years</u> <u>USD</u>	<u>3-5 years and more</u> <u>USD</u>
Borrowings	(25)	53 306 219	111 199 906	76 404 393	8 845 792	25 949 721
Trade payables, notes payables and Other creditors	(26)	22 433 184	22 433 184	22 433 184	—	—
Due to related parties	(34-2)	1 916 304	1 916 304	1 916 304	—	—
Bank credit facilities	(24)	82 003 229	82 003 229	82 003 229	—	—
		<u>159 658 936</u>	<u>217 552 623</u>	<u>182 757 110</u>	<u>8 845 792</u>	<u>25 949 721</u>

**c- Currency risk****Exposure to currency risk**

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

<u>March 31, 2025</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalent	28 922 132	913 073	29 565	82 220
Trade receivables and Notes receivables	491 787 402	6 023 202	3 022 835	995 559
<b>Total assets in currency</b>	<b>520 709 534</b>	<b>6 936 275</b>	<b>3 052 400</b>	<b>1 077 779</b>
Trade payables and notes payable	(117 684 040)	(1 953 233)	(105 288)	(31 531)
Bank facilities	(89 949 982)	(11 230 557)	(110 782)	(18 148)
<b>Total liabilities in currency</b>	<b>(207 634 022)</b>	<b>(13 183 790)</b>	<b>(216 070)</b>	<b>(49 679)</b>
<b>Surplus / (deficit) expose to risk Equivalent in USD</b>	<b>313 075 512</b>	<b>(6 247 515)</b>	<b>2 836 330</b>	<b>1 028 100</b>
	<u>6 167 588</u>	<u>(6 736 071)</u>	<u>3 668 226</u>	<u>1 028 100</u>

<u>December 31, 2024</u>	<u>EGP</u>	<u>Euro</u>	<u>GBP</u>	<u>Total USD</u>
Cash and cash equivalent	32 974 512	70 938	940 838	40 561
Trade receivables and Notes receivables	474 524 272	3 020 638	4 854 645	1 358 293
<b>Total assets in currency</b>	<b>507 498 784</b>	<b>3 091 576</b>	<b>5 795 483</b>	<b>1 398 854</b>
Trade payables and notes payable	(170 977 097)	(103 775)	(4 191 422)	(288 407)
Bank facilities	(56 639 226)	(78 541)	(10 319 193)	(104 429)
<b>Total liabilities in currency</b>	<b>(227 616 323)</b>	<b>(182 316)</b>	<b>(14 510 615)</b>	<b>(392 836)</b>
<b>Surplus / (deficit) expose to risk Equivalent in USD</b>	<b>279 882 461</b>	<b>2 909 260</b>	<b>(8 715 132)</b>	<b>1 006 018</b>
	<u>5 485 696</u>	<u>3 648 794</u>	<u>(9 073 324)</u>	<u>1 006 018</u>

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The following is the exchange rates used:

	<u>Closing rates on</u> <u>consolidated interim</u> <u>financial statements</u>		<u>Average exchange rates</u> <u>during the period / year</u>	
	<u>date</u>			
	31/3/2025	31/12/2024	31/3/2025	31/12/2024
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
EGP	0.0197	0.0196	0.0198	0.0225
EURO	1.0782	1.0411	1.0549	1.0807
GBP	1.2933	1.2542	1.2679	1.2793

**Assessment of currency exchange difficulty**

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

The group applied the amendment in Paragraph 57-A of Egyptian Accounting Standard No. 13 and conducted an Assessment to determine whether there is difficulty in exchanging foreign currencies against the US Dollar, note No. (28).

The group assessed that there is no difficulty in exchanging assets denominated in foreign currency as of January 1, 2024, the effective date of the amended Egyptian Accounting Standard No. 13. This assessment was based on the ability to exchange foreign currency-denominated assets at the bank at any time without any difficulty.

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

Due to the surplus in Egyptian Pound-denominated asset balances compared to liabilities, this has led to losses in the Assessment of foreign currencies as of March 31, 2025 – Note No (38).

**d- Sensitivity Analysis**

The 10% increase (decrease) in exchange rates of foreign currencies against the USD on September 30 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.

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****March 31 , 2025**

	Effect on owner's equity		Effect on profits or losses	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Egyptian pound	616 758	(616 758)	616 758	(616 758)
Euro	(701 388)	701 388	(701 388)	701 388
GBP	368 811	(368 811)	368 811	(368 811)

**December 31, 2024**

	Effect on owner's equity		Effect on profits or losses	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
EGP	548 569	(548 569)	515 812	(515 812)
Euro	907 332	(907 332)	498 411	(498 411)
GBP	(364 879)	364 879	(467 512)	467 512

**e- Interest rate risk**

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

	<u>Carrying amount</u>	
	<u>31/3/2025</u>	<u>31/12/2024</u>
<b><u>Financial assets</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Financial assets with a fixed rate – Time deposits	2 625	2 612
Financial assets with a variable rate – Bank current account	4 522 075	5 430 320
	<b><u>4 524 700</u></b>	<b><u>5 432 932</u></b>
<b><u>Financial liabilities</u></b>		
Financial liabilities with a fixed rate – Borrowings	53 957 720	55 604 391
Financial liabilities with a variable rate – credit facilities	84 322 263	82 003 229
	<b><u>138 279 983</u></b>	<b><u>137 607 620</u></b>

**f- Sensitivity Analysis**

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

**March 31 , 2025**

	Effect on owner's equity		Effect on profits or losses	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Financial liabilities	843 222	(843 222)	843 222	(843 222)

**December 31, 2024**

	Effect on owner's equity		Effect on profits or losses	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Financial liabilities	820 032	(820 032)	820 032	(820 032)

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****g- Capital management**

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

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

	<b>31/3/2025</b>	<b>31/12/2024</b>
	<b>USD</b>	<b>USD</b>
Borrowing and credit facilities	119 260 314	135 309 448
<b>Capital</b>	<b>32 917 500</b>	<b>32 917 500</b>
<b>Rate of loans to Capital</b>	<b>%362.3</b>	<b>411.06%</b>

**29- Capital****29-1 The Authorized Capital**

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

**29-2 Issued and paid-up capital**

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

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

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

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



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**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

**30- Reserves**

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

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

- \* According to the demerge decision referred to in Note (1-3), the financial statements were taken on January 31, 2023, for Al-Arafa Investment and Consulting Company as the base for the demerge, and the balance was settled according to the report of the General Investment Authority as follows:

	<b>December 31, 2024 USD</b>
Setting aside an amount in the reserve account in accordance with the decision of the extraordinary general assembly of the Demerging company on November 22, 2023	64 370
Reimbursement of impairment losses in investments in certain subsidiaries	6 673 033
	<b>6 737 403</b>

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

**30-2 Foreign entities Translation differences reserve**

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

	<b>Share of holding company (USD)</b>
Opening Balance	41 141 895
Changes during period	2 634 117
	<b>43 776 012</b>

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Notes to the consolidated interim financial statements for the financial period ended March 31, 2025

**31- Non – controlling interest**

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

<u>Subsidiary's name</u>	<u>Controlling percentage</u>	
	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Concrete for Readymade Garments	8.36%	8.36%
Swiss Cotton Garments	0.56%	0.56%
Egypt Tailoring For Ready – Made Garments	1.39%	0.6%
Crystal for Making Shirts	1.46	0.06%
Fashion Industry garments company	%0.5	0.5%
Euro med for Trading and Marketing	%2.78	2.78%
Port Said for Readymade Garments	%2.48	2.48%
Swiss for Readymade Garments	%0.8	0.8%
Savini for Readymade Garments *	%1.20	0.8%

- The voting rights percentage of the non – controlling shares are the same as the ownership percentage of the non – controlling shares.

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

	<u>March 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>
<b>The beginning balance</b>	<b>1 804 077</b>	<b>1 723 056</b>
Employee dividends paid during the period / year	--	(24 907)
Comprehensive income for the period	636	105 928
<b>The Ending balance</b>	<b>1 804 713</b>	<b>1 804 077</b>

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

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

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

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

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****33- Non-distributable profits**

Retained earnings as of March 31, 2025 include a non-distributable USD 7.9 million which represents the balance of legal and special reserves set aside by subsidiaries from their profits.

**34- Related Parties**

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

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

**34-1 Due from related parties**

<u>Company's Name</u>	<u>Nature of transactions</u>	<u>Value of transactions During period / year</u>		<u>Balance on</u>	
		<u>March 31, 2025</u>	<u>April 30, 2024</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>
		<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
• Golden tax wool	Payment on behalf	(3 361)	119 225	--	3 361
• Euro Egypt	Payment on behalf	84	(9 426)	16 580	16 496
• Middle East Ready-made Garments	Payment on behalf	91 555	(323 907)	188 491	96 936
• Beni sweif el watanya	Payment on behalf	5	(529)	1 038	1 033
<b>Deduct :</b>				<b>206 109</b>	<b>117 826</b>
Expected credit loss on related parties *				(186 109)	(96 936)
				<b>20 000</b>	<b>20 890</b>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
	<u>USD</u>	<u>USD</u>
<b>Beginning balance period / year</b>	96 936	--
<b>Formed During the period / year</b>	89 173	96 936
<b>Ending balance period / year</b>	<b>186 109</b>	<b>96 936</b>

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****34-2 Due to related parties**

<u>Company's Name</u>	<u>Nature of transactions</u>	<b>Value of transactions During period / year</b>		<b>Balance on</b>	
		<b>March 31, 2025 USD</b>	<b>April 30, 2024 USD</b>	<b>March 31, 2025 USD</b>	<b>December 31, 2024 USD</b>
• GTEX for investments	Payment on behalf	(329 739)	2 401 341	1 586 565	1 916 304
• Golden tax wool	Payment on behalf	9 903	--	9 903	--
				<b>1 596 468</b>	<b>1 916 304</b>

**34-3 Top management members**

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

	<b>March 31 ,2025</b>	<b>February 1, 2024 to December 31, 2024</b>
	<b>USD</b>	<b>USD</b>
Remuneration and allowances of members of the Board of Directors, attendance of committees, salaries and benefits of executive management	31 398	23 286
	<b>31 398</b>	<b>23 286</b>

**35- Capital commitments**

The capital commitments as of March 31, 2025 amounted 7 921 009 USD compared with 8 471 385 USD December 31, 2024.

**36- Contingent liabilities**

The value of the letters of guarantee issued by banks on behalf of the company and some of its subsidiaries in favor of others as at March 31, 2025 amounted USD 10 742 238 with cover amounted to USD 602 052 to the equivalent of USD 13 011 663 as at December 31, 2024. with cover amount USD 1 575 481 Note no. (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 8 330 000 USD.

The Ordinary General Assembly of Egypt Tailoring Company decided to approve the issuance of a solidarity guarantee between the company (as a guarantor), the Arab African Bank and the Swiss Company for Readymade Garments company in the amount of 2 million US dollars for the value of a medium-term loan in favor of Concrete Fashion Group for commercial and industrial Investments (the main shareholder for the purpose of financing 38% of the shares of Concrete Readymade Garments Company.

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**Notes to the consolidated interim financial statements for the financial period ended March 31, 2025**

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**37- Material accounting policies applied**

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

**37-1 Basis of consolidation**

**Business combinations**

- The Group accounts for business combinations using the acquisition method when the combinations of the activities and assets acquired meets the definition of a business and control is transferred to the group when determining whether a particular combination of activities and assets represent a commercial activity. The group evaluate whether the set of acquired assets and activities that includes, at a minimum, and significant inputs and process and whether the acquired group has the ability to produce outputs.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately.
- The consideration transferred in the acquisition is generally measured at fair value, as are net values of the assets acquired where identifiable, any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase is recognized as profit or loss immediately.
- Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities.
- Acquisition-related costs (transaction costs) are treated as an expense in periods when costs are incurred and services are received with one exception, which is the costs of issuing securities against indebtedness or equity.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

**Subsidiaries**

Subsidiaries are entities controlled by the Group.

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

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

**Non-controlling interests**

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

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

**Concrete Fashion Group for commercial and industrial Investments**

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**Loss of control**

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

**Equity – accounted investees**

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

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

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

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

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

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

**Transactions eliminated on consolidation.**

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

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

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

**37-2 Foreign currency transactions**

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

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

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

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

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

- The financial obligations that have been designated as a risk coverage tool to cover the risk of net investment in a foreign activity, as long as the coverage is effective.

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

**Foreign operations**

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

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

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

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

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

**37-3 Financial instruments**

**1) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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**2) Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

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;



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- 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.

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

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

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

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

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

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

**Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**3) Derecognition****Financial assets**

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

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

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**Financial liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

**4) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**37-4 Financial Derivatives and Hedge Accounting**

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

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

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

**37-5 Share capital**

**Ordinary shares**

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

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

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

**Dividends**

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

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**37-6 Impairment**

**1) Non-derivative financial assets**

**Financial instruments and contract assets**

The Group recognizes loss allowances for ECLs on:

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

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

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

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

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

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

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

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

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

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

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

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**Measurement of ECLs**

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

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

**Credit-impaired financial assets**

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

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

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

**Presentation of allowance for ECL in the statement of financial position**

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

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

**Write-off**

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

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**2) Non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in the previous period s.

**37-7 Property, plant and equipment**

**i) Recognition and measurement**

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

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

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

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**ii) Subsequent costs**

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

**iii) Depreciation**

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

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

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

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

**37-8 Projects under construction**

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

**37-9 Assets held for sale**

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

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**37-10 Lease contracts**

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

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

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

**2- Leased assets**

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

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

**3- Lessor books**

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

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

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

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

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



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**37-11 Operating profit**

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

**37-12 Fair value measurement**

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

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

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

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

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

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

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**37-13 Intangible assets**

**Recognition and measurement**

**Goodwill**

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

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

**Trademarks and Other intangible assets**

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

**Research and development**

Expenditure on research activities is recognized as expense when incurred.

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

**Subsequent expenditures**

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

**Amortization**

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

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

**37-14 Inventory**

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

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**37-15 Provisions**

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

**37-16 Revenue recognition**

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

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

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

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

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

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

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

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

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

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

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

**Satisfaction of performance obligation**

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

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

**Determine the transaction price**

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

**Control transfer in contracts with customers**

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

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

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

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

**Other matters to be considered**

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

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**The significant funding component**

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

**Technical support revenues**

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

**Sale of goods revenue**

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

**Services revenue**

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

**Rental income**

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

**Gain on sale of investments**

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

**37-17 Expenses**

**i) Cost of Borrowing**

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

**ii) Social insurance contribution**

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

**iii) Income tax**

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

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**Current income tax**

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

**Deferred tax**

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

Deferred tax is not recognized for:

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

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

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

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

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

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

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**37-18 Basic / diluted earnings per share of losses**

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

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

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

**37-20 Finance income and costs**

The Group's finance income and finance costs include:

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

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

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

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

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

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**37-21 Reserves**

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

**37-22 Segment Reporting results**

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

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

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

**38- Currency differences charged to the statement of comprehensive income**

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

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



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

**39- Subsequent events**

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

**40- Comparative figures**

The Extra Ordinary General Assembly Meeting dated June 12, 2024, decided to change the financial year end to be December 31 instead of January 31 from each year. Hence, the figures of the statements of profit or loss, other comprehensive income, changes in owner's equity, and cash flows are presented for the period ended in March 31, 2025 based on the latest reviewed financial statements for the period to ended April 30, 2024, therefore, the comparative figures are not comparable.

**41- Non-current assets held for sale**

During 2023, the management of the holding company announced its intention to sell the entire stake of Concrete Ready-made Garments Company (a subsidiary) to one of its owned buildings. The assets and associated liabilities have been presented as held for sale in accordance with Egyptian Accounting Standard No. (32).

The following are assets and liabilities held for the purpose of sale:

	<b><u>March 31, 2025</u></b>	<b><u>December 31, 2024</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Fixed assets	--	702 639
Projects under constructions	--	349 857
	<b><u>--</u></b>	<b><u>1 052 496</u></b>

On March 16, 2025, the Board of Directors of the holding company approved the valuation report submitted by Al Noor Consulting Group – Real Estate Appraiser for the purpose of selling the building. The sale of the building was approved for an amount of EGP 145 million.

**Concrete Fashion Group for commercial and industrial Investments****(An Egyptian Joint stock company - Under Public Free zones)****Notes to the consolidated interim financial statements for the financial period ended March 31, 2025****42- New Editions and Amendments to Egyptian Accounting Standards:**

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

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
<b>Egyptian Accounting Standard No. (50) "Insurance Contracts".</b>	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property".</p>	The management assessed the new amendments and conducted that there would be no expected impact in the financial statements.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <b>on or after July 1, 2024</b> , and at amended until 1 <sup>st</sup> of January 2025 and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.
<b>The new Egyptian Accounting Standard No. (51) "Financial statements in Hyperinflationary Economies. 11</b>	The impact on the financial statements has not yet been determined until the application date is specified.	This standard must be applied to financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary	This standard must be applied to the financial statements of the entity starting from the beginning of the financial period in which the economy is classified as hyperinflationary according to the decision of Egyptian prime minister.

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