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www.lecico.com

Mr. / Head of Disclosure Sector in the Egyptian Stock Exchange

After Greetings,

According to the standalone financial results of Lecico Egypt S.A.E. for the period ending September 30, 2026, the company achieved a net profit of EGP 198,954,917 million, up from EGP 143,352,172 million in the prior-year period. This profit growth was driven primarily by:

1- An increase in gross profit by 55% compared to the previous year, equivalent to 285 million Egyptian pounds.

2- An increase in operating profit by 63% compared to the previous year, equivalent to 205 million Egyptian pounds.

*The results for the first nine months of 2026 reflect an improvement in earnings for Lecico Egypt, following the successful merger of the three companies (Lecico Ceramics Industries, International Ceramics, and European Ceramics) on March 31, 2026.

Best Regards,

Lecico Egypt
Mohamed Aly Mohamed Hassan
Finance Director
Investor Relations Officer

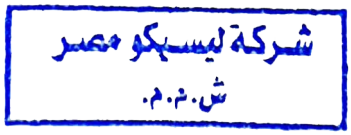
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LECICO EGYPT (S.A.E.)

Separate Interim Financial Statements

for the Financial Period Ended

September 30, 2026, and Auditor's Report on Review of Separate Interim Financial Statements



LECICO EGYPT (S.A.E.)

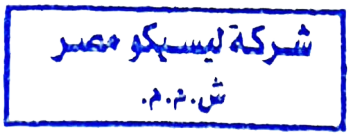
Separate Interim Financial Statements

for the Financial Period Ended

September 30, 2026, and Auditor's Report
on Review of Separate Interim Financial Statements

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KPMG

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Auditors' Report on Review of Separate Interim Financial Statements

To the members of the Board of Directors of Lecico Egypt Company (S.A.E)

Introduction

We have reviewed the accompanying separate interim financial statement of Lecico Egypt (S.A.E.) ("the Company") as of September 30, 2026, which comprises:

- separate statement of financial position as of September 30, 2026;
- separate statements of profit or loss for the three-month and nine-month periods ended September 30, 2026;
- separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2026;
- separate statement of changes in equity for the nine-month period ended September 30, 2026;
- separate statement of cash flows for the nine-month period ended September 30, 2026;
- Notes to the separate interim financial statements, comprising material accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards including the requirements of EAS 30 "Interim Financial Reporting". Our responsibility is to express a conclusion on these separate interim financial statements based on our review.

Scope of Review

Except for what will be discussed in the Basis of Qualified Conclusion paragraph, we conducted our review in accordance with the Egyptian Standard on Review Engagements 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 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 separate interim financial statements.

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Basis for Qualified Conclusion

According to indicators described in detail in notes (16) and (31-1) to the separate interim financial statements, the Company's investment in Lebanese Ceramic Industries company (a subsidiary company) amounting to approximately EGP 71.3 million as of September 30, 2026, representing %1.1 of the Company's total assets, and balance due from the subsidiary company amounting to EGP 181 million as of September 30, 2026, representing %2.7 of the Company's total assets. The Company did not prepare impairment study for investment and its balance due from subsidiary company. Consequently, we were not able to obtain assurance on the valuation of these balances as of September 30,2026.

On February 28, 2026, we issued our audit report with a qualified opinion on the Company's separate financial statements for the financial year ended December 31, 2025, for the same reason mentioned above.

Qualified Conclusion

Based on our review, except for the possible effects of such adjustments, if any, as might have been determined to be necessary if we have obtained with what is described in the Basis of Qualified Conclusion above, nothing has come to our attention that causes us to believe that the accompanying September 30, 2026, separate interim financial statements do not present fairly -in all material respects- the financial position, financial performance and cash flows of Lecico Egypt (S.A.E.) in accordance with the Egyptian Accounting Standards including the requirements of EAS 30 "Interim Financial Reporting".

Emphasis of matter

Without considering the following as an additional qualification on our conclusion mentioned above, as detailed in note (1) and note (34) of the notes to the separate interim financial statements, Company's Extraordinary General Assembly approved the merger of certain group companies into Lecico Egypt Company. The merger was duly registered in the Commercial Register on March 31, 2026.

KPMG Hazem Hassan

Hany Abdelrahman Mostafa Slim
Capital Market Register No. 397

Alexandria on November 14, 2026

KPMG Hazem Hassan
Public Accountants and consultants

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Lecico Egypt (S.A.E.)
Separate statement of Financial Position as at

	Note No.	September 30, 2026 EGP	December 31, 2025 EGP
Assets			
Non-Current Assets			
Property, plant & equipment	(13)	894 909 840	347 496 722
Intangible assets	(14)	428 086	731 217
Projects under construction	(15)	113 932 043	3 161 729
Investment in subsidiaries and other investment	(16)	397 588 041	629 249 279
Total Non-Current Assets		**1 406 858 010**	**980 638 947**
Current Assets			
Inventory	(18)	2 961 408 933	922 371 416
Trade and other receivables	(19)	1 629 276 166	958 604 878
Due from related parties	(31-1)	327 290 095	478 104 039
Investment with fv through profit or loss	(20)	11 138 029	--
Cash and cash equivalents	(21)	263 188 874	181 147 258
Current Assets		**5 192 302 097**	**2 540 227 591**
Total Assets		**6 599 160 107**	**3 520 866 538**
Equity and Liabilities			
Equity			
Issued and paid-up capital	(27-2)	200 000 000	400 000 000
Treasury shares	(28)	(22 283)	--
Reserves	(27-3)	510 416 243	302 826 660
Retained earnings		1 609 761 188	527 951 239
Total Equity		**2 320 155 148**	**1 230 777 899**
Non-Current Liabilities			
loans	(22-2)	140 016 967	--
Deferred tax liabilities	(17-3)	33 904 480	7 599 159
Notes payable	(25)	127 151 473	107 028 751
Total Non-Current Liabilities		**301 072 920**	**114 627 910**
Current Liabilities			
Credit facilities	(22-1)	2 188 816 632	715 326 477
Short term loans	(22-2)	57 006 931	--
Trade and other payables	(23)	1 443 531 646	511 018 977
Due to related parties	(31-2)	47 517 505	741 278 197
Accrued income tax	(17-4)	61 876 786	69 344 343
Provisions	(24)	179 182 539	138 492 735
Total Current Liabilities		**3 977 932 039**	**2 175 460 729**
Total Liabilities		**4 279 004 959**	**2 290 088 639**
Total Equity and Liabilities		**6 599 160 107**	**3 520 866 538**

- Notes from No (1) to No (35) are an integral part of these separate financial statements and are to be read together
- Auditor's Report on review of separate financial statements "attached"

Finance Director — Mohamed Hassan

Managing Director — Taher Gilbert Gargour

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Lecico Egypt (S.A.E.)

Separate statement of Profit or loss for the financial period ended at

	Note No.	2026 From January 1, To September 30, EGP	2026 From July 1, To September 30, EGP	2025 From January 1, To September 30, EGP	2025 From July 1, To September 30, EGP
Net sales	(3)	5 144 166 296	2 147 675 349	2 652 119 638	1 034 985 112
Cost of sales	(4)	(4 342 560 750)	(1 843 630 615)	(2 135 547 661)	(818 936 824)
Gross Profit		**801 605 546**	**304 044 734**	**516 571 977**	**216 048 288**
Other Income	(5)	60 107 904	20 654 923	13 676 699	7 733 130
Selling and distribution Expenses	(6)	(114 593 873)	(47 696 824)	(60 322 139)	(24 273 971)
General and Administrative Expenses	(7)	(169 017 366)	(62 345 614)	(125 990 813)	(46 359 124)
(loss)/ Reversal Expected credit	(8)	(17 432 820)	(4 299 255)	(13 053 283)	2 322 600
Other Expenses	(9)	(32 748 326)	(15 023 815)	(7 567 518)	(10 116 590)
Profit from operating activities		**527 921 065**	**195 334 149**	**323 314 923**	**145 354 333**
Finance income	(10-2)	4 747 180	16 589 628	8 227 262	1 250 835
Finance expenses	(10-1)	(255 046 961)	(116 118 012)	(130 613 882)	(50 954 576)
Income from Investments	(11)	8 123 029	466 612	13 970 000	--
Profit before income tax		**285 744 313**	**96 272 377**	**214 898 303**	**95 650 592**
Income tax expense	(17-1)	(86 789 396)	(17 021 225)	(71 546 131)	(30 350 490)
Net profit for the period		**198 954 917**	**79 251 152**	**143 352 172**	**65 300 102**
Basic and diluted earnings per share profit for period (EGP/Share)	(12)	**1,65**	**0,47**	**1,59**	**0,75**

- Notes from no (1) to no (35) are an integral part of these separate Interim financial statements to be read together.

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Lecico Egypt (S.A.E.)

Separate Statement of Comprehensive Income for the Financial period ended at

	2026		2025	
	From January 1, To September 30, EGP	From July 1, To September 30, EGP	From January 1, To September 30, EGP	From July 1, To September 30, EGP
Net profit for the period	198 954 917	79 251 152	143 352 172	65 300 102
Other Comprehensive Income	--	--	--	--
Total other comprehensive income for the period	**198 954 917**	**79 251 152**	**143 352 172**	**65 300 102**

- The notes from no. (1) to no (35) are an integral part of these separate interim financial statements to be read together.

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Lecico Egypt (S.A.E.)
Separate Statement of Changes in Equity for the financial period ended September 30, 2026

	Note	Issued & Paid up Capital	Treasury shares	Legal Reserve	Capital Increase Reserve	Other Reserves	Share premium Reserve	Land Revaluation Surplus	Merger Reserve	Retained earning/ (loss)	Total
	No	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**
Balance as of January 1, 2025		**400 000 000**	**–**	**50 915 481**	**4 000 000**	**1 571 486**	**181 943 608**	**42 901 149**	**–**	**392 226 334**	**1 073 558 058**
Shareholder's transactions											
Transferred to legal reserve	**(27-3)**	–	**–**	21 494 936	–	–	–	–	–	(21 494 936)	–
Employees' dividends		–	**–**	–	–	–	–	–	–	(25 729 135)	(25 729 135)
Total Shareholder's transactions		–	–	**21 494 936**	–	–	–	–		**(47 224 071)**	**(25 729 135)**
Other Comprehensive income											
Net profit for the period		–	**–**	–	–	–	–	–		143 352 172	143 352 172
Total comprehensive income		–	**–**	–	–	–	–	–	–	**143 352 172**	**143 352 172**
Balance as of September 30, 2025		**400 000 000**	**–**	**72 410 417**	**4 000 000**	**1 571 486**	**181 943 608**	**42 901 149**	**–**	**488 354 435**	**1 191 181 095**
Balance as of December 31, 2022	**(34)**	**400 000 000**	**–**	**50 915 481**	**4 000 000**	**1 571 486**	**181 943 608**	**42 901 149**	**–**	**(201 212 750)**	**480 118 974**
Net profit for the year 2023		**–**	–	**–**	**–**	**–**	–	**–**	–	188 929 355	188 929 355
Net profit for the year 2024		**–**	–	**–**	**–**	**–**	–	**–**	–	429 898 727	429 898 727
Treasury stocks distribution for the year 2024		**–**	–	**–**	**–**	**–**	–	**–**	–	(25 388 998)	(25 388 998)
Net profit for the year 2025		**–**	–	**–**	**–**	**–**	–	**–**	–	182 948 976	182 948 976
Transferred to legal reserve 2025		**–**	**–**	21 494 936	**–**	**–**	**–**	–	–	(21 494 936)	–
Employees' dividends 2025		**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	(25 729 135)	(25 729 135)
Balance as of January 1, 2026 (Before merger)		**400 000 000**	**–**	**72 410 417**	**4 000 000**	**1 571 486**	**181 943 608**	**42 901 149**	**–**	**527 951 239**	**1 230 777 899**
Merge adjustments											
Closing net equity of merged companies on merger date	**(34)**	–	–	–	–	–	–	–	–	325 530 331	325 530 331
Net equity of merged companies for the period 31/12/2022 and up to the date of deregistration from the Commercial Register	**(34)**	–	–	–	–	–	–	–	–	874 770 130	874 770 130
Cost of investment in merged companies		–	–	–	–	**–**	–	–	–	(236 751 731)	(236 751 731)
Net GAFI eliminations		(177 202 770)	–	–	–	**–**	–	–	177 202 770	–	–
Transferred from Merging company's net assets to reserves according to GAFI's decision	**(27-2)**	(22 797 230)	–	–	–	–	–	–	22 797 230	–	–
Transferred to legal reserve		–	–	7 589 583	–	–	–	–	–	(7 589 583)	–
Employees' dividends for 2026		–	**–**	–	–	**–**	–	–	–	(73 126 398)	(73 126 398)
Adjustment of acquisition treasury shares	**(28)**	–	(22 283)	–	–	–	–	–	–	22 283	–
		200 000 000	**(22 283)**	**80 000 000**	**4 000 000**	**1 571 486**	**181 943 608**	**42 901 149**	**200 000 000**	**1 410 806 271**	**2 121 200 231**
Other Comprehensive income											
Net profit for the period		–	–	**–**	–	**–**	–	–	–	198 954 917	198 954 917
Total comprehensive income		–	**–**	**–**	–	**–**	–	–	–	**198 954 917**	**198 954 917**
Balance as of September 30, 2026		**200 000 000**	**(22 283)**	**80 000 000**	**4 000 000**	**1 571 486**	**181 943 608**	**42 901 149**	**200 000 000**	**1 609 761 188**	**2 320 155 148**

- The notes from no. (1) to no. (35) are an integral part of these separate interim financial statements to be read together.

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Lecico Egypt (S.A.E.)

Separate Statements of Cash Flows for the financial Period Ended September 30, 2026

	Note No.	The financial Period Ended September 30, 2026 EGP	September 30, 2025 EGP
Cash Flow from Operating Activities			
Net profit for the period before tax		285 744 313	214 898 303
Adjusted by the following:			
Property, plant and equipment depreciation and intangible asset amortization	(13)، (14)	140 467 655	57 828 860
Unrecognized net foreign currencies exchange differences		2 984 099	(5 020 190)
Impairment of investment in subsidiaries	(16)	(4 615 914)	--
Investment revenues	(11)	(8 123 029)	(13 970 000)
Interest (Income)	(10-2)	(1 813 392)	(2 507 949)
Interest expenses	(10-1)	209 727 638	102 742 185
		624 371 370	**353 971 209**
Change in inventory	(18)	(1 150 039 307)	(194 887 101)
Change in trade, notes and other receivables and due from related parties	(19)،(31-1)	791 804 905	(115 592 413)
Change in trade, notes and other payables and due to related parties	(23)،(31-2)	(471 987 175)	(27 106 419)
Employees dividends Paid		(71 309 812)	(20 978 041)
Change in provisions	(24)	(62 309 221)	704 079
		(339 469 240)	**(3 888 686)**
Interest payments of bank credit facilities		(203 022 060)	(98 265 205)
Income tax paid		(164 064 576)	(122 274 231)
Net cash (used in) operating activities		**(706 555 876)**	**(224 428 122)**
Cash Flow from Investing Activities			
Payments for acquisition of PPE & additions of PUC	(13),(15)	(131 828 273)	(50 611 554)
Credit Interest received	(10-2)	1 813 392	2 507 949
Dividends received from investment in subsidiaries		6 286 500	2 095 500
Net cash (used in) investing activities		**(123 728 381)**	**(46 008 105)**
Cash Flow from Financing Activities			
Net received from banks credit facilities	(22-1)	676 547 576	280 221 516
(Payments) for acquisition financial securities	(20)	(10 000 000)	--
Net change in restricted time deposited	(21)	(43 200)	--
Collection from loans	(22-2)	192 593 319	--
Net cash provided from financing activities		**859 097 695**	**280 221 516**
Net changes in cash and cash equivalents for the period		28 813 438	9 785 289
The effect of foreign currencies exchange rate on cash and cash equivalents		9 651 074	8 233 547
Received from merged companies due to merge		43 533 904	--
Cash and cash equivalents at the beginning of the period	(21)	183 648 454	225 064 456
Cash and cash equivalent at the end of the period	**(21)**	**265 646 870**	**243 083 292**

- The notes from no. (1) to no. (35) are an integral part of these separate interim financial statements to be read together.

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1. Background and activities

Legal entity

- Lecico Egypt (S.A.E.) "the company" was established on November 1st, 1975 according to the resolution of the Ministry of Economics and Economic Co-operation number 142 of 1975. The company is subject to law number 72 of 2017 which superseded law No. 8 of 1997.
- The Company's duration is 75 year starting from the date of registration in the Commercial registry on November 10, 1975 till 9 November 2050 .
- The registered office of the Company is in the Khorshid district in Alexandria, Egypt.
- The company is listed on the Egyptian stock exchange.
- Mr. Gilbert Gargour is the Company's Chairman, and Mr. Taher Gilbert Gargour is the Managing Director.
- The company's fiscal year begins on the first of January and ends on the 31st of December of each year.
- The main Shareholder of the company is Intage Holding Limited.

Merging:

- On September 17, 2024,the Board of Directors of Lecico Egypt (the holding company) approved the decision of the committee formed by GAFI and ratified on July 24, 2024, authorizing the merger of Lecico Egypt (an Egyptian joint-stock company) as the merging company with Lecico for Ceramic Industries (an Egyptian joint-stock company) as a merged company; International Ceramic Company (an Egyptian joint-stock company) as a merged company; and European Ceramic Company (an Egyptian joint-stock company) as a merged company.
- The merger was executed at book values in accordance with the financial statements of the merging company and the merged companies as of December 31, 2022, which were adopted as the basis for the merger.
- On October 29, 2024, the Financial Regulatory Authority approved the publication of the disclosure report. On June 17, 2025, the Extraordinary General Assembly of Lecico Egypt (the merging company) approved the merger resolution. On June 23, 2025, the Extraordinary General Assemblies of the merged companies approved the merger resolution, and the merger was officially recorded in the Commercial Register on March 31, 2026.

Company purpose

- Manufacture and production of all ceramic industries, including the manufacture and production of sanitary ware, all types of tiles and manufacture of porcelain and manufacturing for other.

- The company may have an interest or participate in any way with the authorities that carry out business similar to its business or that may cooperate with it to achieve its purpose in Egypt or abroad, and it may also merge with the previous authorities, buy them or join them, in accordance with law and its executive regulations.

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2. The basis for preparing the separate interim Financial Statements.

a. Compliance with accounting standards and laws

- The separate interim financial statements have been prepared in accordance with the Egyptian accounting standards and the relevant Egyptian laws and regulations.

- Egyptian accounting standards require referring to international financial standards for events and transactions that are not covered by an issued accounting standard or legal requirements
  that clarify how to treat them.

- The Company's standalone financial statements were approved by the Board of Directors on 14 November 2026.

- Details of the Company's Material accounting policies are included in Note (33).

b. Functional and presentation currency

- The separate interim financial statements are presented in Egyptian Pounds (EGP) which is the company's functional currency unless otherwise indicated in the interim financial statements or the accompanying notes.

c. Basis of measurement

The interim financial statements have been prepared on historical cost basis except for the following:

- Financial assets and liabilities recognized at fair value through profits or losses.
- Financial assets and liabilities recognized at fair value through other comprehensive income.
- Financial assets and liabilities recognised at amortized cost.

For presentation purposes, the current and non-current classification was applied in the separate statement of financial position, Expenses in the separate statement of profit or loss were analyzed by function, and the separate statement of cash flows was prepared using the indirect method.

d. Use of Estimates and Judgments

In preparing the separate interim financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. These estimates and assumptions are based on experience and various factors. Actual results may differ from these estimates and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

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e. Judgments

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

- **Revenue recognition**
  Revenue is recognized as detailed in the accounting policies applied.

- **Equity-accounted investees and associates Companies:**
  Determining whether the Company has significant influence over Companies and investees or joint control. Management reviews its assumptions and prudent assessments, including those used in judging the extent to which the firm has absolute or joint control or significant influence over its investee companies, whenever a significant event or significant change occurs to the terms of its contractual agreements.

- **Lease contracts classification.**
  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 Company 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 the intended usage of property as determined by management.

- **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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company 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 asset leased.

  The company cannot easily determine the implicit interest rate in the lease contract, and therefore it uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the company must pay in order to borrow the necessary financing over a similar term and with a similar guarantee to obtain an asset of the same value as the "right of use" asset in a similar economic environment. Therefore, the incremental borrowing rate reflects what the company has to pay, which requires an estimate when published rates are not available or when they need to be adjusted to reflect the terms and conditions of the lease.

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

Income taxes, whether current or deferred, are determined the Company in accordance with the tax law requirements.

The Company's profit is subject to income tax, which requires the use of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the year, the Company 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 year and to be considered as change in accounting estimates.

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

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

f. **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 year, are discussed below. The Company bases its assumptions and estimates on parameters available when the separate 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 Company.

Such changes are reflected in the assumptions when they occur.

- **Measurement of expected credit loss**

The Company assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting year to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments. When measuring ECL, the Company 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, considering cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

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Impairment of non-financial assets

On the date of preparing the separate financial statements, the company evaluates the asset if there is an indication that the asset is impaired. If there is an indication of that, the company evaluates the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset less selling costs or its value in use. Whichever is higher, when assessing the value in use, the estimated future cash flows of the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When determining the fair value less costs to sell, recent market transactions are taken into account. If the recoverable amount of an asset is estimated to be less than its carrying amount, the separate carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized directly in the standalone profit or loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss existed for the carriage amount of asset in prior years, A reversal of an impairment loss is recognized immediately in the standalone statement of profit or loss.

- **The useful life of fixed assets and intangible assets**

The company's management determines the estimated useful life of fixed assets and intangible assets for the purpose of calculating depreciation and amortization, this estimate is made after taking into account the expected use of the asset or actual obsolescence, the management yearly reviews the useful lives on an annual basis, at least, and the depreciation method to ensure that the method and years of depreciation are consistent with the expected pattern of economic benefits of the assets.

- **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 considers the fair value of the property under consideration.

- **Estimation of net realizable value for inventory**

Inventory is stated at the lower of cost or net realizable value ("NRV"). NRV is assessed with reference to sales prices at the end of the reporting year. NRV is determined by the Company having taken suitable external advice and in the light of recent market transactions, where available.

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- **Provisions and contingent liabilities**

  Management assess events and circumstances that might led to a commitment on the Company'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 Company 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.

g. **Fair *value measurement***

A certain number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. 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 Company recognizes transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.
- Further information about the assumptions made in measuring fair values is included in the following :

- Investment with fair value through profit or loss.
- Financial instruments (Note No. 26)

h. **The consolidated interim Financial Statements**

The Company has subsidiaries and according to the Egyptian Accounting Standards No. (42) "consolidated financial statements" and Article 188 of the executive regulations for Companies' law No. 159 of 1981, the Company is preparing consolidated financial statements for the Group which should be used as a reference to understand the financial position, financial performance and cash flows for the group as a whol

3- Sales

Revenue recognition at a point of time

	Note No.	2026 From January 1 To September 30 EGP	2026 From July 1 To September 30 EGP	2025 From January 1 To September 30 EGP	2025 From July 1 To September 30 EGP
Local sales		2 452 150 123	1 077 901 186	1 116 671 930	444 440 516
Export sales		2 692 016 173	1 069 774 163	1 535 447 708	590 544 596
		5 144 166 296	**2 147 675 349**	**2 652 119 638**	**1 034 985 112**

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4- Cost of sales

	Note No.	2026 From January 1 To September 30 EGP	2026 From July 1 To September 30 EGP	2025 From January 1 To September 30 EGP	2025 From July 1 To September 30 EGP
Raw materials and consumables		2 210 062 809	851 333 522	1 388 521 943	508751 875
Salaries and wages		725 003 893	331 912 149	248 994 003	91 554 679
Energy expense		873 783 723	376 889 978	344 378 483	122 710 683
Depreciation	(13)	137 325 520	58 419 476	55 138 742	18 395 097
Change in finished goods and work in process inventory	(18)	(151 941 352)	(30 847 680)	(94 055 746)	(2 592 713)
Write down of inventory	(18)	10 000 000	10 000 000	164 653	164 653
Levy, freight and clearing fees		254 821 076	110 742 625	104 131 357	45 998 658
Other		283 505 081	135 180 545	88 274 226	33 953 892
		4 342 560 750	**1 843 630 615**	**2 135 547 661**	**818 936 824**

5- Other Income

Reversal of expired provision	(24)	39 900 000	13 500 000	--	--
Reversal of impairment in investment	(16)	4 615 914	--	--	--
Export subsidies revenues		--	--	4 276 981	4 276 981
Scrap and other revenues		15 591 990	7 154 923	9 399 718	3 456 149
		60 107 904	**20 654 923**	**13 676 699**	**7 733 130**

6- Selling and distribution expense

Exhibition expenses		11 548 434	6 422 834	14 583 363	6 137 310
Advertising Expenses		17 361 218	7 785 296	100 320	--
Marketing and distribution services	(31)	75 376 453	29 953 677	42 769 444	16 312 156
Other		10 307 768	3 535 017	2 869 012	1 824 505
		114 593 873	**47 696 824**	**60 322 139**	**24 273 971**

7- General and administrative expenses

Administrative salaries		73 376 923	28 144 890	49 725 824	18 895 270
Vehicles and Transportation expenses		16 930 936	6 500 111	14 439 604	4 756 361
Telephone and post expenses		2 208 135	437 448	2 514 732	450 563
Professional and consultation fees		30 893 203	10 218 245	18 364 015	5 764 934
Computer, networking and maintenance expenses		17 470 869	7 578 648	11 907 320	5 210 276
Taxes, fees and contribution health insurance		21 985 876	8 310 948	15 522 008	5 937 221
Admin Depreciation	(13)	2 839 004	1 006 645	2 383 965	819 659
Amortization of intangible assets	(14)	303 131	99 977	306 153	102 051
Other		3 009 289	48 702	10 827 192	4 422 789
		169 017 366	**62 345 614**	**125 990 813**	**46 359 124**

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8- Expected credit loss

	Note No.	2026 From January 1 To September 30 EGP	2026 From July 1 To September 30 EGP	2025 From January 1 To September 30 EGP	2025 From July 1 To September 30 EGP
Expected credit loss on trade and other receivables / (reversal) of Ecl	(19)	17 432 820	4 299 255	13 053 283	(2 322 600)
		17 432 820	**4 299 255**	**13 053 283**	**(2 322 600)**

9- Other Expenses

Formed claims provision	(24)	--	--	2 845 000	9 000 000
Board of directors allowances		6 947 332	3 439 921	45 000	15 000
Other expenses		25 800 994	11 583 894	4 677 518	1 101 590
		32 748 326	**15 023 815**	**7 567 518**	**10 116 590**

10- Finance expenses / income

10-1 Finance Expense

interest expenses -credit facilities	207 468 501	92 942 266	102 742 185	36 028 159
Loans interest expense	2 259 137	2 259 137	--	--
Net foreign currencies exchange differences	--	--	--	5 510 984
Discounting notes payable to it's a present value	45 319 323	20 916 609	27 871 697	9 415 433
Total finance expense	**255 046 961**	**116 118 012**	**130 613 882**	**50 954 576**

10-2 Finance Income

Interest Income	1 813 392	713 750	2 507 949	1 250 835
Net Foreign currency exchange differences	2 933 788	15 875 878	5 719 313	--
Total finance income	**4 747 180**	**16 589 628**	**8 227 262**	**1 250 835**

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11- Income from investments

		2026		2025	
		From January 1 To September 30 EGP	From July 1 To September 30 EGP	From July 1 To September 30 EGP	From July 1 To September 30 EGP
Profits from evaluation investment at fair value through profit or loss	(20)	1 138 029	466 612	--	--
Income from dividends – burg Armaturen Fabrik-subsidiary	(31)	6 985 000	--	13 970 000	--
		8 123 029	**466 612**	**13 970 000**	**--**

12- Basic and diluted earning per share in profit

Basic and diluted earning per share in profit according to profit or loss

The earning per share in profit (basic and diluted) was calculated for the financial period ended as follows:

	2026		2025	
	From January 1 To September 30 EGP	From July 1 To September 30 EGP	From July 1 To September 30 EGP	From July 1 To September 30 EGP
Net profit for the period (EGP)	198 954 917	79 251 152	143 352 172	65 300 102
Less:				
Employees' Dividends (estimated EGP)	(66 631 252)	(41 332 588)	(15 878 836)	(5 244 510)
	132 323 665	**37 918 564**	**127 473 336**	**60 055 592**
Weighted average-Number of shares during the period (share)*	80 000 000	80 000 000	80 000 000	80 000 000
Basic and diluted earnings per share in profit for the period (EGP/share)	**1,65**	**0,47**	**1,59**	**0,75**

- Earnings per share were calculated on the assumption that no dividends were distributed.

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13- Property, plant and equipment

Cost	Land* EGP	Buildings and constructions EGP	Machinery & Equipment EGP	Vehicles EGP	Tools EGP	Furniture &Office Equipment EGP	Computers EGP	Total EGP
As of 01/01/2026	**112 743 016**	**140 960 553**	**708 021 675**	**36 882 368**	**115 576 835**	**18 178 111**	**25 755 284**	**1 158 117 842**
Merge Adjustments**	34 738 551	224 912 291	1 063 449 594	56 005 211	70 363 989	5 707 829	3 143 497	1 458 320 962
Additions during the period	--	--	25 714 996	793 951	14 757 376	2 580 337	5 406 142	49 252 802
As of 30/9/2026	**147 481 567**	**365 872 844**	**1 797 186 265**	**93 681 530**	**200 698 200**	**26 466 277**	**34 304 923**	**2 665 691 606**
Accumulated Depreciation								
As of 01/01/2026	--	**92 934 899**	**552 727 051**	**28 793 461**	**109 857 816**	**10 970 070**	**15 337 823**	**810 621 120**
Merge Adjustments**	--	157 792 582	557 870 240	32 761 766	65 530 427	3 224 195	2 816 912	819 996 122
Depreciation of the period	--	7 355 036	119 080 418	6 454 270	3 609 039	954 373	2 711 388	140 164 524
As of 30/9/2026	**--**	**258 082 517**	**1 229 677 709**	**68 009 497**	**178 997 282**	**15 148 638**	**20 866 123**	**1 770 781 766**
Carrying amounts								
As of 30/9/2026	**147 481 567**	**107 790 327**	**567 508 556**	**25 672 033**	**21 700 918**	**11 317 639**	**13 438 800**	**894 909 840**
As of 31/12/2025	**112 743 016**	**48 025 654**	**155 294 624**	**8 088 907**	**5 719 019**	**7 208 041**	**10 417 461**	**347 496 722**
Fully depreciated assets and still working	**--**	**82 706 440**	**814 274 085**	**40 271 937**	**168 609 508**	**11 387 764**	**13 527 431**	**1 130 777 165**

Land and buildings include properties with the cost of EGP 1.8 million and EGP 6.5 million, respectively, acquired by the group under preliminary unregistered contracts.

Depreciation expense has been charged to profit or loss as follow:

	Note No	30/9/2026 EGP	30/9/2025 EGP
Cost of sales	(4)	137 325 520	55 138 742
General and administrative expense	(7)	2 839 004	2 383 965
		140 164 524	**57 522 707**

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**The balance of merger – related adjustments represents the value of standalone property, plant and equipment transferred from the merged companies to the absorbing company in accordance with the resolution issued by the general authority for investment and free zones dated July 24, 2024 – Notes (1), (35)

Property, plant and equipment (Continued)

Cost	Land EGP	Buildings and constructions EGP	Machinery & Equipment EGP	Vehicles EGP	Tools EGP	Furniture, & Office Equipment EGP	Computers EGP	Total EGP
As of 01/01/2025	**112 743 016**	**140 960 553**	**667 352 041**	**37 136 368**	**112 839 905**	**15 171 647**	**16 291 498**	**1 102 495 028**
Additions during the period	--	--	2 340 347	--	1 701 791	2 377 090	7 089 280	13 508 508
Disposals for the period	--	--	--	(254 000)	--	--	--	(254 000)
As of 30/9/2025	**112 743 016**	**140 960 553**	**669 692 388**	**36 882 368**	**114 541 696**	**17 548 737**	**23 380 778**	**1 115 749 536**
Accumulated Depreciation								
As of 01/01/2025	--	**88 050 618**	**513 090 520**	**26 372 865**	**107 933 391**	**10 151 072**	**12 936 909**	**758 535 375**
Depreciation of the period	--	3 710 270	48 052 219	2 005 947	1 466 471	581 100	1 706 700	57 522 707
Accumulated depreciation for disposals	--	--	--	(254 000)	--	--	--	(254 000)
As of 30/9/2025	**--**	**91 760 888**	**561 142 739**	**28 124 812**	**109 399 862**	**10 732 172**	**14 643 609**	**815 804 082**
Carrying amounts								
As of 30/9/2025	**112 743 016**	**49 199 665**	**108 549 649**	**8 757 556**	**5 141 834**	**6 816 565**	**8 737 169**	**299 945 454**
As of 31/12/2024	**112 743 016**	**52 909 935**	**154 261 521**	**10 763 503**	**4 906 514**	**5 020 575**	**3 354 589**	**343 959 653**
Fully depreciated assets and still working	**--**	**34 789 945**	**411 129 356**	**23 509 531**	**105 603 877**	**8 971 009**	**10 656 570**	**594 660 288**

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* The balance of the land is represented in the following:

	September 30, 2026 EGP	December 31, 2025 EGP
Khorshid land in Alexandria	45 096 000	45 096 000
Maadi land	1 311 000	1 311 000
El awaid land	8 628 751	8 628 751
Lebanon land	57 707 265	57 707 265
Burg elarab	34 738 551	--
	147 481 567	**112 743 016**

- Property, plant and equipment include land and buildings that are purchased with preliminary contracts and unregistered in the company's name as follows:

	September 30, 2026 EGP	December 31, 2025 EGP
land	10 959 606	10 959 606
Buildings	6 513 000	6 513 000
	17 472 606	**17 472 606**

14- Intangible Assets

	Note No.	September 30, 2026 EGP	September 30, 2025 EGP
Cost			
At the beginning of the period		**6 878 231**	**6 878 231**
Merge adjustments		33 450	--
At the end of the period		**6 911 681**	**6 878 231**
Less:			
Accumulated Amortization			
Balance at the beginning of the period		**6 147 014**	**5 738 810**
Merge adjustments		33 450	--
Amortization charge of period	(7)	303 131	306 153
Balance as at the end of the period		**6 483 595**	**6 044 963**
Carrying Amount at the end of the period		**428 086**	**833 268**

15- Projects under construction

	September 30, 2026 EGP	December 31, 2025 EGP
Machinery and buildings under installation and other*	110 632 033	3 161 729
Advance for acquiring fixed assets	3 300 010	--
	113 932 043	**3 161 729**

* The item of machinery, equipment, building under installation and other represent installations specific to the company's factories.

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The following is the movement of projects under implementation during the Period/year: -

	Note No.	September 30, 2026 EGP	September 30, 2025 EGP
Balance at the beg. of the period		**3 161 729**	**4 965 642**
Merge adjustments	(34)	28 194 843	--
Addition during the period		82 575 471	37 763 046
Transferred to fixed assets during the period		--	(660 000)
Balance at the end of the period		**113 932 043**	**42 068 688**

Information related to the value of capital commitments for the acquisition of fixed assets is presented in Note (29).

16- Investment in subsidiaries & Other investment

Company	Notes	Country	Ownership %	Total investments cost EGP	Impairment On investments EGP	Reversal of Impairment on investments EGP	Net investments 30/9/2026 EGP	Net investments 31/12/2025 EGP
Lecico for ceramics industries*	(34)	Egypt	99.99	--	--	--	--	126 297 152
International ceramics *	(34)	Egypt	99.97	--	--	--	--	59 995 000
European ceramics *	(34)	Egypt	99.97	--	--	--	--	49 985 000
Lecico (UK) Ltd		UK	100	303 103 607	--	--	303 103 607	303 103 607
Lebanese ceramics industries co.		Lebanon	94.77	71 269 000	--	--	71 269 000	71 269 000
Burg armaturen Fabric		Egypt	69.85	6 985 000	--	--	6 985 000	6 985 000
Sarreguemines		Egypt	99.85	9 985 000	(4 615 914)	4 615 914	9 985 000	5 369 086
Lecico for trading and distribution ceramics		Egypt	70.00	8 400 000	(8 400 000)	--	--	--
T.G.F for consulting and trading		Egypt	99.83	5 990 000	(2 743 492)	--	3 246 508	3 246 508
Lecico for financial investments		Egypt	99.33	2 980 000	--	--	2 980 000	2 980 000
Total investment in subsidiaries				**408 712 607**	**(15 759 406)**	**4 615 914**	**397 569 115**	**629 230 353**
Other investment								
Aracemco				18 926	--	--	18 926	18 926
Total investment				**408 731 533**	**(15 759 406)**	**4 615 914**	**397 588 041**	**629 249 279**

on June 17, 2025, the Extraordinary General Assembly of Lecico Egypt (an Egyptian joint-stock company) as the merging company approved the merger of both Lecico Ceramics Industries S.A.E (Merged Company), International Ceramic S.A.E (Merged Company) and European Ceramic Company S.A.E (Merged Company) into Lecico Egypt S.A.E and the merger was duly recorded in the Commercial Register on March 31, 2026.

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1- The management of Lecico Egypt assessed the need to form an impairment in the value of investments on March 31, 2026, so it prepared a study for the impairment in the value of the investment in Lecico (UK) Ltd (a subsidiary) amounting to EGP 303 million based on the expected future plan for Lecico (UK) Ltd (a subsidiary) in which it adopts achieving profits and positive results which will reflect positively on the operational and financial indicators in the coming years for the subsidiaries.

The following table illustrates the methods used to assess the fair value of an investment :

Company	Method	Important inputs that cannot be obeserved
Lecico limited UK	Discounted cash flows to equity	Growth Rate 4.4% Discount Rate 10%

2- The group's management decided to make a comprehensive restructuring plan for Lecico Lebanon (one of the group's subsidiaries) during 2019, in light of the negative results and flows achieved by the aforementioned company during the previous years. The restructuring plan for the subsidiary company includes restructuring its financial and operational aspects, making a fundamental change in production, as well as a comprehensive examination of the company's assets and its current value. At the present time, it is not possible to estimate the impact of the final outcome of the subsidiary company's restructuring plan after the recent events that the State of Lebanon is going through, as Lebanon is facing unstable political conditions due to the ongoing war, which had a great impact on its economy and the banking sector, which led to a decline in economic activity in general during the period, that may have a fundamental impact to evaluate the company's assets and liabilities resulting from its future activities.

17- Income tax

17-1 Income tax expense charged to statement of profit or loss

	2026		2025	
	From January 1 To September 30 EGP	From July 1 To September 30 EGP	From January 1 To September 30 EGP	From July 1 To September 30 EGP
Current Income tax expense	106 796 953	39 059 717	70 529 293	30 280 493
Deferred income tax	(20 706 057)	(22 038 492)	(380 162)	(1 327 003)
Dividends tax	698 500	--	1 397 000	1 397 000
	86 789 396	**17 021 225**	**71 546 131**	**30 350 490**

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17-2 Reconciliation of effective tax rate

	30/9/2026 EGP	30/9/2025 EGP
Net Profit before tax	**285 744 313**	**214 898 303**
Tax rate	%22,5	%22,5
Expected Income tax calculated based on the accounting Profit	**64 292 470**	**48 352 118**
Non-deductible tax expenses	28 168 304	22 723 102
provisions and ECL	(3 843 696)	3 614 161
Exemptions / investment income	(1 827 682)	(3 143 250)
Income tax according to statement of profit or loss	**86 789 396**	**71 546 131**
Effective Tax Rate	**%30**	**%33,3**

17-3 Deferred tax assets and liabilities

a- Recognized deferred tax liabilities movement.

In Egyptian Pound	Financial statement 30/9/2026	Financial statement 31/12/2025	Merger – Related adjustment	Profit or loss statement 30/9/2026	Profit or loss statement 30/9/2025
Property, plant and Equipment (liability)	(33 904 480)	(7 599 159)	(47 011 378)	(20 706 057)	(380 162)
Deferred Tax for the period / Year	**(33 904 480)**	**(7 599 159)**	**(47 011 378)**	**(20 706 057)**	**(380 162)**

b- Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	September 30, 2026 EGP	December 31, 2025 EGP
Provisions	40 316 071	31 160 865
Expected credit loss in trades and other receivables	22 403 781	18 481 396
Impairment losses in inventory	5 765 091	2 572 194
Expected credit loss on cash and cash equivalents	670 027	670 027
Expected credit loss on due from related parties	1 085 804	1 085 804
Total	**70 240 774**	**53 970 286**

The deferred tax assets related to net Impairment value on provisions, the impairment in the value of debtors and other debit balances, the impairment in the inventory and Carried forward tax losses have not been recognized due to the conditions of tax deduction have not been met the lack of a appropriate degree to ensure the existence of sufficient future tax profits through which to benefit from these assets.

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17-4 Accrued income tax

	Note No.	September 30, 2026 EGP	December 31, 2025 EGP
Current income tax		106 796 953	89 179 363
Accrued income tax- balance brought forward from previous years		--	830 333
Tax authority-withholding tax		(115 594 273)	(20 665 353)
Accrued income tax for the merged companies (Merge adjustments)	(34)	70 674 106	--
		61 876 786	**69 344 343**

18- Inventories

	September 30, 2026 EGP	December 31, 2025 EGP
Raw materials	415 375 202	130 842 970
Consumables and spare parts	1 168 802 328	267 005 478
Work in progress	216 116 450	84 490 569
Finished goods	877 354 261	370 208 363
	2 677 648 241	**852 547 380**
Less:		
Write down of inventory	(25 622 628)	(11 431 973)
	2 652 025 613	**841 115 407**
Goods In transit	309 383 320	81 256 009
	2 961 408 933	**922 371 416**

The movement of inventory write-down during the period / year is as follows:

	September 30, 2026 EGP	December 31, 2025 EGP
Balance at beginning of the period / year	**11 431 973**	**9 656 745**
Merge adjustments	4 190 655	--
Inventory write down during the period/ year	10 000 000	1 775 228
Balance at ending of the period / year	**25 622 628**	**11 431 973**

19- Trade and other receivables

	September 30, 2026 EGP	December 31, 2025 EGP
Trade Receivables	1 117 558 832	837 424 039
Notes Receivables	25 428 000	12 994 762
Other trade receivables	167 925 163	18 163 231
Prepaid expenses	37 459 185	4 853 132
Deposits held for others	113 735 599	68 941 650
Tax authority – VAT	266 741 746	98 367 603
	1 728 848 525	**1 040 744 417**
Less:		
Expected credit loss in trade and other notes Receivables	(99 572 359)	(82 139 539)
	1 629 276 166	**958 604 878**

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The movement of the expected credit loss in trade and notes receivable during the period / year is as follows:

	September 30, 2026 EGP	December 31, 2025 EGP
Balance at beginning of the period / year	**82 139 539**	**74 833 545**
Formed expected credit loss during the period/ year	17 432 820	7 305 994
Balance at ending of the period / year	**99 572 359**	**82 139 539**

20- Financial investments at fair value through profit or loss

	September 30, 2026 EGP	December 31, 2025 EGP
Cost of purchase during the period / year	**10 000 000**	--
Add:		
Gain from valuation of investment during the period / year*	1 138 029	--
	11 138 029	**--**

*The fund Units (granite fund) consist of 9 360 317 units purchased at a price of EGP 1.06834 per unit on February 15, 2026, with an annual return of 19.53%. The unit price reached EGP 1.19 on September 30, 2026, achieving a return of EGP 1 138 029 during the period – Note No. (11).

21- Cash and cash equivalent

	September 30, 2026 EGP	December 31, 2025 EGP
Banks - Current Accounts	256 137 680	172 976 853
Time deposits	1 769 900	476 700
Cash on hand	8 259 190	10 671 601
	266 166 770	**184 125 154**
Less:-		
Expected credit loss in cash and cash equivalents	(2 977 896)	(2 977 896)
	263 188 874	**181 147 258**
Less:-		
Restricted time deposits*	(519 900)	(476 700)
Cash and cash equivalents in the statement of cash flow statement	**265 646 870**	**183 648 454**

Expected credit loss movement

Beginning balance during period / year	**2 977 896**	**2 977 896**
Formed balance during period / year	--	--
Ending balance during period / year	**2 977 896**	**2 977 896**

* Time deposit balance represents a fixed deposit of USD 10,000 placed with the Arab African international Bank.

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22- Banks credit facilities and loans

22-1 Banks credit facilities

Bank credit facilities represents credit facilities and the total authorized facility limit of overdrafts is EGP 3 090 000 000 as of September 30, 2026 (December 31, 2025: EGP 1 281 250 000) while unutilized facilities amount is EGP 901 183 368 as of September 30, 2026 (December 31, 2025: EGP 565 923 523).

	Utilized from Credit facilities	
	September 30, 2026 EGP	December 31, 2025 EGP
	197 988 400	72 240 615
Qatar national alahli bank	77 263 877	80 228 070
Arab African international bank	526 176 050	76 552 020
Attijari Wafa Bank	123 100 727	8 502 454
Misr Bank	141 645 194	--
Abu Dhabi Islamic Bank- Mudarbah	648 695 851	347 489 886
Al Ahli Bank of Kuwait	--	19 833 184
National Bank of Egypt	473 946 533	110 456 949
Misr Bank-Europe	--	23 299
	2 188 816 632	**715 326 477**

The credit facilities granted by banks to the Company 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.

22-2 loans

	Balance at 1 January,2026 EGP	Collections from Loan during the period/year EGP	Foreign Currencies exchange differencies EGP	Payments of loan during the period/year EGP	Balance at september30,2026 EGP	Installments due within one year EGP	Balances of long term loans at September 30,2026 EGP
The Commercial international Bank The loan amounts to USD 2,000,607, equivalent to EGP 114,998,000. The principal amount and accrued interest are repayable in equal quarterly installments commencing on 31 March 2027 and ending on 31 December 2031, at an interest rate of 3.5% plus the published three-month SOFR rate.	–	71 029 550	1 778 541	--	72 808 091	(15 601 677)	57 206 414
Abu Dhabi Islamic Bank The loan amounts to USD 2,389,225, equivalent to EGP 121,563,768. The principal amount and accrued interest are repayable in equal quarterly installments commencing in October 2026 and ending in September 2029, at an interest rate of 3% plus the published one-month SOFR rate.	–	121 563 768	2 652 039	--	124 215 807	(41 405 254)	82 810 553
	–	**192 593 318**	**4 430 580**	**--**	**197 023 898**	**(57 006 931)**	**140 016 967**

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23- Trade and other payables

	September 30, 2026 EGP	December 31, 2025 EGP
Trade payable	814 155 977	321 904 730
Notes payable	296 744 542	106 171 295
Other trade payable	48 345 872	7 234 955
Accrued expenses	210 750 657	63 309 317
Social insurance authority and tax authority	23 098 792	7 779 616
Dividends payable	50 435 806	4 619 064
	1 443 531 646	**511 018 977**

24- Provisions

	Note No.	September 30, 2026 EGP	December 31, 2025 EGP
Balance at beginning of the period / year		**138 492 735**	**96 658 091**
Formed provisions during the period/year	(9)	--	44 245 000
Used provisions during the period/year		(22 409 221)	(2 410 356)
Reversal of expired provision	(5)	(39 900 000)	--
Merge adjustments	(34)	102 999 025	--
Balance at ending of the period / year		**179 182 539**	**138 492 735**

- Provisions represent the value of claims for obligations that are not specified in timing or amount in relation to the company's activities. The management reviews these provisions annually and adjusts the amount of the provision according to the latest update, discussions and agreements with those parties. The formed provisions are charged to the standalone statement of profit or loss
- The Company did not disclose all of the information required in accordance with revised Egyptian Accounting Standard as the management assumes that the disclosure of such information would seriously affect the final settlement of those potential claims.

25- Long Term Notes Payable

The long term notes payable represent the present value of the notes payable issued in favor of vendors of company , with due dates more than one period from the reporting date, discounted at average effective interest rate of the company 20.11 %.

	September 30, 2026 EGP	December 31, 2025 EGP
Face value of long term notes payables	165 084 810	148 116 713
Deduct:		
Discounting on long term notes payables to its present value	(37 933 337)	(41 087 962)
Present value of long term notes payable	**127 151 473**	**107 028 751**

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26- Objectives and policies for risk management of financial instruments

This note presents information on the Company's financial instruments, including:

- An overview of all financial instruments held by the company.
- Specific information on each type of financial instrument.
- Information about determining the fair value of the instruments, including judgments and estimation uncertainties.

The Company's main financial instruments include term deposits and financial investments in financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise financing for the company's operations. The Company has many other financial instruments such as customers and suppliers which arise directly from operations. The main risks arising from the Company's operations are foreign exchange risk and credit risk.

Financial Assets

All financial assets owned by a company are measured at amortized cost using the effective interest rate method and as a result book values are a reasonable approximation of fair value, except for financial investments measured at fair value.

Financial liabilities

All financial liabilities owned by the company are measured at amortized cost using the effective interest rate method and as a result the book amounts are a reasonable approximation of fair value.

The company has the following financial instruments:

Financial Assets	Note No.	September 30, 2026 EGP	December 31, 2025 EGP
At amortization cost			
Banks current accounts and time deposits	(21)	254 929 684	170 475 657
Trade, notes and other receivables	(19)	1 325 075 235	855 384 143
Due from related parties	(31-1)	327 290 095	478 104 039
		1 907 295 014	**1 503 963 839**
Investment with fv through profit or loss			
Financial asset with fv through profit or loos	(20)	11 138 029	--
		11 138 029	**--**
		1 918 433 043	**1 503 963 839**
Financial liabilities			
Banks credit facilities	(22-1)	2 188 816 632	715 326 477
Trade, Notes and other payables	(25),(23)	1 547 584 327	610 268 112
Due to related parties	(31-2)	47 517 505	741 278 197
loans	(22-2)	197 023 898	--
		3 980 942 362	**2 066 872 786**

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All financial assets and liabilities have been classified and measured at amortized cost, and the fair value of all financial instruments does not differ materially from their book value, except for financial assets that are measured at fair value.
For the purpose of disclosure of financial instruments, non-financial assets amounting to EGP 312 460 121 September 30,2026 (December 31 2025: EGP 98,607,585) have been excluded from other debit balances it was also excluded non-financial liabilities amount EGP 23 098 792 (December 31, 2025: EGP 7,779,616) have been excluded from other credit balances.

26-1 Financial Risk Management

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

A. Credit risk
B. Liquidity risk
C. Market risk
D. Currency risk
E. Interest rate risk
F. 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 separate financial statements.

The Board of Directors of the Parent Company 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.

A- Credit Risk

The Company is exposed to credit risk as a result of the counterparty's failure to fulfill its contractual obligations when due, in respect of the following:

- Trade receivables
- Debtors and other debit balances
- Due from related parties
- Employees' accruals
- Cash in banks and on hand

Credit risk is the risk that a company will suffer financial loss as a result of the failure of the client or counterparty of a financial instrument to fulfill its contractual obligations, arising mainly from customers. The book value of financial assets represents the maximum credit risk.

The company's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, management also takes into account factors that may affect the credit risk of its customer base, including the risk of default associated with the industry and the sector in which customers operate.

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For clients, the company has established a credit policy according to which each new client is individually analyzed according to solvency before submitting the entity's standard payment and delivery terms and conditions, and includes a review of financial statements, information about the business and in some cases bank references. Each customer is assigned a credit limit and reviewed periodically.

When monitoring customer credit risk, clients are grouped according to their credit characteristics, history of dealing with the company and the presence of previous financial difficulties.

B- Liquidity risk

Liquidity risk is the risk that the company will not fulfill its obligations according to the contractual term with third parties. The Company's approach to liquidity management is to ensure - whenever possible - that it has sufficient liquidity to meet its obligations on their maturity date in normal and critical circumstances without incurring unacceptable losses or damaging the Company's reputation.

The ultimate responsibility for liquidity risk management lies with senior management who have developed an appropriate liquidity risk management framework to manage the Company's short, medium and long-term funding and manage liquidity requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and standby borrowing facilities, by continuously monitoring expected and actual cash flows, and by matching asset maturity dates and financial obligations.

Management forecasts cash flows and monitors successive forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs while always maintaining sufficient amount of committed and undrawn credit facilities so that the Company does not violate borrowing limits or undertakings (if any) on any of its borrowing facilities. This forecast considers the company's debt financing plans and compliance with internal rate targets.

C- 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 and expenses 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.

D- Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to a change in the foreign exchange rates.
The Company is exposed to foreign currency risk on purchases from foreign suppliers and loans denominated in foreign currency. The currencies giving rise to this risk are primarily US Dollar, Euro, Sterling Pound and South African Rand.
The following table displays the impact of an acceptable possible change in the exchange rates of the US dollar, the euro, the British pound and the South African rand. With all other variables remaining constant, the impact on the company's profits before taxation is due to changes in the value of monetary assets and liabilities. Changes in the exchange rates of all other foreign currencies are considered immaterial.

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E- Interest rate risk

The Company adopts a policy to limit the Company's exposure to interest risk, therefore the Company's management evaluates the available alternatives for finance and negotiates with banks to obtain the best available interest rates and credit conditions. Borrowing contracts are presented to the Board of Directors. The finance position and finance cost are periodically evaluated by the Company's management. The Company does not enter into hedging contracts for interest rates.

F- Other market price risk

- The company is exposed to risks associated with the pricing of goods from service providers.
- Selling prices exhibit limited volatility
- To manage price risks, the company constantly monitor supply and demand treads in the market to determine the optimal time to enter service agreements.
- The company's management continuously monitors the fluctuations in the prices of key services.

Credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk, the maximum exposure to credit risk at the date of separate financial position as follows:

	Note No.	September 30, 2026 EGP	December 31, 2025 EGP
Bank current accounts and Time deposits	(21)	254 929 684	170 475 657
Trade, notes and other receivables	(19)	1 325 075 235	855 384 143
Fair value			
Investment in financial assets with FV through profit or loss	(20)	11 138 029	--
Due from related parties	(31-1)	327 290 095	478 104 039
		1 918 433 043	**1 503 963 839**

Liquidity risk

This clarification provides the contractual terms for financial obligations

contractual obligation for financial liabilities at September 30, 2026	**Expected cash flow** EGP	**Carrying amount** EGP	**Less than year** EGP	**2-3 years** EGP	**3-4 or more years** EGP
Banks Credit facilities and overdraft	2 188 816 632	2 188 816 632	2 188 816 632	--	--
Trade and Notes payable and other short term credit balance	1 420 432 854	1 420 432 854	1 420 432 854	--	--
Long term notes payable	165 084 810	127 151 473	--	21 722 750	143 362 060
loans	197 023 898	197 023 898	57 006 931	125 715 364	14 301 603
Due to related parties	47 517 505	47 517 505	47 517 505	--	--
Total	**4 018 875 699**	**3 980 942 362**	**3 713 773 922**	**147 438 114**	**157 663 663**

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contractual obligation for financial liabilities at December 31, 2025	Expected cash flow EGP	Carrying amount EGP	Less than year EGP	2-3 years EGP	3-4 or more EGP
Banks Credit facilities and overdraft	715 326 477	715 326 477	715 326 477	--	--
Trade and Notes payable and other short term credit balance	503 239 361	503 239 361	503 239 361	--	--
Long term notes payable	148 116 713	107 028 751	--	81 938 897	91 574 403
Due to related parties	741 278 197	741 278 197	741 278 197	--	--
Total	**2 107 960 748**	**2 066 872 786**	**1 959 844 035**	**81 938 897**	**91 574 403**

Exposure to currency risk

The value of assets and liabilities in foreign currency at the date of the statement of financial position equivalent to EGP 1 247 829 629 and EGP 1 151 786 439 (2025: EGP 1,052,409,056 and EGP 423,290,547) respectively. The amounts in foreign currencies that expose the company to risk on September 30, 2026 are represented in the following, as shown in detail. Balances in foreign currencies, net at the date of the financial position:

Foreign currency	30/9/2026 Surplus / (Deficit)	31/12/2025 Surplus
US Dollar	(4 770 280)	4 248 345
Euro	6 069 637	6 028 345
Sterling Pound	(674 923)	1 046 744
Rand (South Africa)	10 179 608	7 597 112

The following is the average exchange rates during the period / year :

	Average exchange rate during the Period / year		closing rate at the interim Financial Statements date	
	30/9/2026	31/12/2025	30/9/2026	31/12/2025
US Dollar	50.45	49.37	51.99	47.67
Euro	58.74	55.29	59.05	56.01
Sterling Pound	67.90	64.17	69.09	64.15
Rand (South Africa)	3.05	2.75	3.17	2.87

Sensitivity Analysis

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound As of September 30, 2026, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss	
	Increase	(Decrease)
US Dollar	(12 400 344)	12 400 344
Euro	17 920 602	(17 920 602)
Sterling Pound	2 331 520	(2 331 520)
Rand (South Africa)	1 613 468	(1 613 468)

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against Egyptian pound as of December 31, 2025, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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	Profit or Loss	
	Increase	**(Decrease)**
US Dollar	10 125 930	(10 125 930)
Euro	16 882 379	(16 882 379)
Sterling Pound	3 357 431	(3 357 431)
Rand (South Africa)	1 090 186	(1 090 186)

Interest rate risk

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

Financial instruments with fixed interest rate	**September 30, 2026 EGP**	**December 31, 2025 EGP**
Financial assets – time deposit	1 769 900	476 700
Financial liabilities -Notes payable	127 151 473	107 028 751
loans	197 023 898	--
	325 945 271	**107 505 451**
Financial instruments with variable interest rate		
Financial assets – bank current accounts	256 137 680	172 976 853
Financial liabilities -credit facilities	2 188 816 632	715 326 477
	2 444 954 312	**888 303 330**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. The Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the separate financial statements date would not affect the separate statement of profit or loss.

On Thursday April 25, 2025 the Central Bank of Egypt decided in its meeting to decrease the overnight rates by 725 basis points till December25, 2025 , Accordingly, the overnight deposit and lending rates, as well as the Central Bank's main operation rate, were reduced to 20%, 21%, and 20.5% respectively. The credit and discount rate was also lowered by 725 basis points to reach 20.5%.

The Monetary Policy Committee of the Central Bank of Egypt, in its meeting held on February 12, 2026, decided to reduce basic interest rates by 100 basis points, bringing the overnight deposit and lending rates and the Central Bank's main currency rate to 19%, 20%, and 19.5%, respectively. It also decided to reduce the credit and discount rate by 100 basis points to 19.5%.

Assessment of expected credit losses

The Company customizes each credit risk exposure based on a variety of data that is identified as loss risk statements based on forecasting and expertly applying credit judgment. Credit risk scores are defined using qualitative and quantitative factors that indicate the risk of loss.

Exposure risk for each credit risk category is classified by sector according to industry classification and customer classification and the expected credit loss rate for each sector is calculated based on the status of late payment and actual credit loss experience. These rates are multiplied by gradient factors to reflect the differences between economic conditions during the period in which historical data was collected, current conditions, and the company's view of economic conditions over the expected lifespan of customer balances.

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Measurement of Expected Credit Losses for trade receivables

The company assigns each exposure a credit risk rating based on the data identified to predict loss risks (including, but not limited to, external ratings and management accounts).

A simplified approach has been used in measuring credit risk for customer and receivables items by categorizing customers into groups with similar characteristics, determining the historical period used to calculate the loss rate, which ranges from two to five years, and establishing the loss rate based on historical data while considering expected changes in macroeconomic indicators (such as growth rate, inflation rate, and unemployment rate). These rates are then multiplied by numerical factors to reflect the differences between economic conditions during the years in which the historical data was collected and current conditions.

The following table represents information about credit risk & credit loss for trade receivables and other debit balance :

	September 30, 2026			December 31,2025		
Trade and note receivables	**Expected credit loss rate**	**Book value**	**Loss value**	**Expected credit loss rate**	**Book value**	**Loss value**
Not due	--	962 683 808	--	--	723 394 547	--
0-90 days	%12	83 096 580	9 609 311	%6.59	44 413 698	2 925 646
91-180 days	%45	9 029 561	4 018 313	%33.34	3 008 662	1 003 115
181-270 days	%70	6 219 068	4 374 372	%55.74	2 346 601	1 308 044
271-360 days	%73	1 431 638	1 044 186	%50.88	898 885	457 336
More than 360 days	%100	80 526 177	80 526 177	%100	76 445 398	76 445 398
Total		**1 142 986 832**	**99 572 359**		**850 507 791**	**82 139 539**

Category	Company's definition of category	Basic for expected credit loss provision.
Performing	Other receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measures at its expected lifetime.
Under performing	Other receivables which have a significant increase in credit risk a significant increase in credit risk is presumed if repayments are 90 days past due	Lifetime expected losses.
Non-performing	Repayment are 120 days past due.	Lifetime expected losses
Provision	Repayments are 360 days past due and there is no reasonable expectation of recovery.	Asset is written off

Fair Value of Financial Instruments

- "Fair value" is the price that will be received for the sale of an asset or paid for the transfer of an obligation in a structured transaction between market participants on the date of measurement in the asset or, in its absence, in the most advantageous market that the Company has access on that date. The fair value of liabilities reflects the risk of non-performance.

- A number of accounting policies and disclosures require a company to measure the fair values of both financial and non-financial assets and liabilities.

- The company has consistent practices regarding the measurement of fair values. Management is fully responsible for overseeing all significant fair value measurements, including the third fair value level.

- Management regularly reviews significant unnoteworthy inputs and evaluation adjustments. If third party information is used, such as broker quotes or pricing services. To measure fair

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value, management evaluates evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Egyptian Accounting Standards including the level in the fair value hierarchy at which these valuations should be classified.

- When measuring the fair value of an asset or liability, evaluators use market data that is as observable as possible. Fair values are classified into different levels in the fair value sequence based on the inputs used in valuation methods as follows:

Level I: Prices listed (unadjusted) in active markets for similar assets or liabilities
Level II: Inputs other than the prices listed are included in the first level and can be observed for the asset or liability either directly (e.g. prices) or indirectly (i.e. derived from prices)
Level III: Asset or liability inputs that are not based on observable market data (unobserved inputs)

If the inputs used to measure the fair value of an asset or liability fall at different levels of the fair value hierarchy, then the entire fair value measurement is classified at the same level of the fair value hierarchy as the lowest level of input as it is important for the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.
nominal values minus any estimated credit adjustments to assets and liabilities with a maturity of less than one year are expected to approximate their fair value. The fair values of non-current financial obligations are considered to be close to their book values because they carry interest rates, which are based on market interest rates.

27- Share capital and reserves

27-1 Authorized capital

The authorized capital was determined to be EGP 500 million distributed to 100 million shares with par value of EGP 5 per share.

27-2 Issued and paid up capital

The issued capital was determined and to be EGP 400 million (four hundred million Egyptian pounds) divided to 80 million shares (eighty million shares) nominal share with par value of EGP 5 (five Egyptian pounds) per share fully paid.

On October 29, 2024, the Financial Regulatory Authority approved the merger of Lecico for Ceramic Industries (merged company),International Ceramic Company (merged company), and European Ceramic Company (merged company)into Lecico Egypt (the merging company). As a result, the company's capital was amended from EGP 400 million to EGP 200 million, distributed over 80,000,000 shares, with a nominal value of EGP 2.5 per share after amendment following the merger, while allocating EGP 22,797,230 to the reserves account of the merging company.

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On June 17, 2025, the Extraordinary General Assembly of Lecico Egypt (the merging company) approved the merger resolution. On June 23, 2025, the Extraordinary General Assemblies of the merged companies approved the merger resolution, and the merger was duly recorded in the Commercial Register on March 31, 2026.

The company's capital structure consists of:

Shareholder Name	%	No. of Shares
Intage Holding Limited and its related	50 %	40 037 486
Al Olayan Saudi Arabia Investment Limited	19,9 %	15 915 058
Others	30,1 %	24 047 456
Total	**100 %**	**80 000 000**

- The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regards to the Company's residual assets. All rights relating to shares temporarily held by the company (treasury shares) if any are suspended until those shares are reissued.

Capital management

- The policy of the company's board of directors is to maintain a strong capital to maintain the confidence of investors, creditors and the market, as well as to meet future developments of the activity.

The company's board of directors monitors the return on capital, which the company determines as net profit for the year divided by total equity. The company's board of directors also monitors the level of dividends for shareholders.
There are no changes in the company's capital management strategy during the period. The company is not subject to any external requirements imposed on its own capital.

27-3 Reserves

	September 30, 2026 EGP	December 31, 2025 EGP
Legal reserves*	80 000 000	72 410 417
Capital increase reserves	4 000 000	4 000 000
Other reserves	1 571 486	1 571 486
Share premium reserve**	181 943 608	181 943 608
Land revaluation surplus***	42 901 149	42 901 149
Merger reserve	200 000 000	--
	510 416 243	**302 826 660**

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* ***Legal reserve***

According to the Companies Law and the Company's statues the Company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 20% of the issued share capital based on company's statues. The reserve is undistributable; however, it can be used to increase the share capital or offset losses. If the company continuously set aside 5% of the issued share capital till reaches to 20% if, the reserve falls below the defined level (20% of the issued share) .

Legal reserve has been increased with an amount of 7 589 583 EGP from the profit of year 2025 according to the decree of general assembly held on March 31, 2026.

** **Share premium reserve**

The balance of share premium result from issuing shares and GDR from issuing the company at the Egyptian stock exchange and London stock exchange.

*** **Land revaluation surplus**

Land revaluation surplus is represented in the adjusted value of Khorshid & Abou-Quir land that was modified to reevaluate the book value of company's assets with its market value at the date of revaluation in the year 1997. The revaluation result was included in the revaluation surplus in the shareholders' equity. That surplus is undistributable or transferable to capital which was closed at Retained earnings.

28- Treasury shares

Treasury shares consist of 8,913 shares, each with a par value of 2.50 Egyptian pounds. These shares were previously held by Lecico Ceramic Industries (a subsidiary) prior to its merger into Lecico Egypt (the absorbing company). Procedures are currently underway to cancel these shares.

29- Capital commitments

There is capital commitments for the company as of September 30,2026 amounted 86 483 990 EGP (December 31,2025 amounted 35,752,500EGP) to purchase inventory and PUC.

30- Contingent liabilities

	30/9/2026 EGP	31/12/2025 EGP
Uncovered portion of letters of guarantee	58 975 443	21 166 299
Letters of credit	159 266 797	32 175 736
	218 242 240	**53 342 035**

31- Related parties

Related parties are represented in the Company' shareholders, board of directors, executive directors and Companies in which they own directly or indirectly shares giving them significant influence over these Companies. The Company made several transactions during the year with related parties and these transactions have been done in accordance with the terms determined by the Company's management and have been approved by the Company's Ordinary General Assembly

A summary of significant transactions concluded during the period at the separate financial position date were as follows:

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Company	Nature	Nature of transaction	30/9/2026 Transaction amount EGP	30/9/2025 Transaction amount EGP
Lecico PLC	A subsidiary	Sales	397 577 767	241 395 681
Lebanese ceramics industries co.	A subsidiary	Sales	26 700 060	11 718 216
Lecico for trading and distribution ceramics	A subsidiary	Sales	340 504 603	157 700 424
Lecico south Africa	A subsidiary	Sales	83 962 255	27 348 096
Lecico Poland	A subsidiary	Sales	--	3 062 506
Burg armaturen Fabric	A subsidiary	Purchase	34 899 959	7 731 435
Burg armaturen Fabric	A subsidiary	Dividends income from subsidiary	6 985 000	13 970 000
Lecico for ceramics industries*	A subsidiary before merge	Sales	25 384 559	29 370 092
Lecico for ceramics industries*	A subsidiary before merge	Purchase	279 010 969	523 342 102
Sarreguemines	A subsidiary	Sales	140 138 143	29 047 659
European ceramics *	A subsidiary before merge	Sales	20 752 031	13 546 454
European ceramics *	A subsidiary before merge	Purchase	328 514 668	13 289 640
International ceramics *	A subsidiary	Sales	40 054 400	120 560 500
International ceramics *	A subsidiary before merge	Purchase	3 480 847	87 113
Ceramics management and services limited	Related party	Technical consultation	75 376 453	42 769 444

Transactions with Lecico Ceramics Industries (Merged Company), European Ceramic Company (Merged Company), and International Ceramic Company (Merged Company) represent transactions conducted with these entities prior to the merger.

31-1 Due from related partis

	30/9/2026 EGP	31/12/2025 EGP
Lecico PLC	41 273 549	60 391 683
Lebanese ceramics industries co.	181 342 880	147 311 229
Lecico for trading and distribution ceramics	8 852 989	25 273 109
Lecico south Africa	32 853 091	21 803 712
Lecico Poland	1 798 191	5 741 409
International ceramics	--	46 523 383
Sarreguemines	65 995 191	63 030 991
European ceramics	--	112 854 319
Total due from related partis	**332 115 891**	**482 929 835**
Expected credit loss in related parties	(4 825 796)	(4 825 796)
Net due from related parties	**327 290 095**	**478 104 039**

Expected credit loss in due from related parties

	30/9/2026 EGP	31/12/2025 EGP
Balance at the beginning of the year\period	**4 825 796**	**4 825 796**
Formed expected credit loss during the year\period	--	--
Balance at the end of the year\period	**4 825 796**	**4 825 796**

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31-2 Due to related parties

	30/9/2026 EGP	31/12/2025 EGP
Ceramics management and services limited	30 374 813	15 355 755
Lecico for financial investment	2 712 973	2 747 998
T.G.F for consulting and trading	1 923 350	2 206 226
Burg armaturen Fabric	12 506 369	6 371 243
Lecico for ceramics industries co.	--	714 596 975
Total due to related parties	**47 517 505**	**741 278 197**

31-3 The top management payments:

The top management is represented by the Board of Directors and the main managers of the company. The salaries and benefits that were paid to the senior management during the financial year ended September 30, 2026 amounted to:

31-3-1 Top management / BOD payments

	30/9/2026 EGP	30/9/2025 EGP
Board of Directors Benefits and Allowances	6 947 332	45 000
	6 947 332	**45 000**

31-3-2 Non-Executive management payments

	30/9/2026 EGP	30/9/2025 EGP
Salaries and benefits	90 867 033	26 660 562
	90 867 033	**26 660 562**

32- Tax statues

- On September 17, 2024,the Board of Directors of Lecico Egypt (the holding company) approved the decision of the committee formed by GAFI and ratified on July 24, 2024, authorizing the merger of Lecico Egypt (an Egyptian joint-stock company) as the merging company with Lecico for Ceramic Industries (an Egyptian joint-stock company) as a merged company;International Ceramic Company (an Egyptian joint-stock company) as a merged company; and European Ceramic Company (an Egyptian joint-stock company) as a merged company.
- The merger was executed at book values in accordance with the financial statements of the merging company and the merged companies as of December 31, 2022, which were adopted as the basis for the merger.
- On October 29, 2024, the Financial Regulatory Authority approved the publication of the disclosure report. On June 17, 2025, the Extraordinary General Assembly of Lecico Egypt (the merging company) approved the merger resolution. On June 23, 2025, the Extraordinary General Assemblies of the merged companies approved the merger resolution, and the merger was officially recorded in the Commercial Register on March 31, 2026.

The following is the Company's tax status as of September 30, 2026, according to the opinion of the Company's tax administration.

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First: Corporate income tax

The company submits tax returns on the legal dates in accordance with the provisions of the law and pays all tax obligations,

- The final settlement was made, and all tax obligation was paid from inception till 2023, expect part of late charges.
- The company's records were not examined from 2024 to Date.

Second: Payroll tax

The company submits tax returns on the legal dates in accordance with the provisions of the law and pays all tax obligations, if any

- The tax examination was completed and all tax obligations were paid until 2022, Expect late charges.
- The company's records were not examined from 2023 to date.

Third: Stamp tax

- The final settlement was made, and all tax obligation arisen was paid from inception until 2022.
- The company's records were not examined from 2023 to date

Fourth: Sales tax \ Value added tax

The company submits tax returns on the legal dates in accordance with the provisions of the law and pays all tax obligations, if any.

- The tax examination was completed and all tax obligations were paid from inception till 2023, Expect late charges.
- The company's records were not examined from 2024 to date.
-

Fifth: Real estate tax

- All tax obligations were paid until 2021.
- A temporary exemption was issued from real estate tax for industrial companies for 3 years, the agreement has been renewed for another 2 years ending on December 31,2026.

- The company's management believes the tax provisions are sufficient to cover any potential tax liabilities.

- The company is committed to providing the master file, the local file and the report at the country losed for each of its commercial. and financial transactions to modify the transactions in favor of Egyptian tax authority in accordance with the united tax revenue loan no. 206 of 2020 and its amendments.

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33- Material Accounting Policies

The accounting policies mentioned below have been applied to years presented in the separate financial Statements.

33-1 Foreign currency translation

33-1-1 Foreign currency transactions

- Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at preparing periodic financial statements.
- Assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate when the fair value was determined.
- Non - monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- Foreign currency differences are generally recognized in profit or loss, except, foreign currency differences arising from the translation of the following items are recognized in OCI:
- Investment available for sale in equity instruments (except impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss).
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

33-2 Revenue from contracts with Customers

Revenue from contracts with customers is recognized by the company based on five step module 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 Company 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 Company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

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The Company satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met:

a) Company performance does not arise any asset that has an alternative use of the Company and the Company has an enforceable right to pay for completed performance until the date.

b) The Company arise or improves a customer-controlled asset when the asset is arise or improved.

c) The customer receives and consumes the benefits of Company performance at the same time as soon as the Company has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the year in which the Company satisfies performance obligation.
When the Company satisfies performance obligation by delivering the goods and providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Company, 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 Company should assess all contracts with customers to determine whether performance obligations are satisfied over a year or at a point of time in order to determine the appropriate method for revenue recognition. The Company estimated that, and based on the agreement with customers, the Company does not arise asset has alternative use to the Company and usually has an enforceable right to pay it for completed performance to the date.
- In these circumstances, the Company recognizes revenue over a year of time, and if that is not the case, revenue is recognized at a point of time for the sale of goods, and revenue is usually recognized at a point of time.

Determine the transaction price.

- The Company must determine the price of the transaction in its agreement with customers, using this judgement, the Company 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 and transfer of control in contracts with customers.

Control transfer in contracts with customers

- If the Company 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 (EAS) No. 48 has resulted in:

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

The Company selected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a year of time, the Company considers the use of the input method, which requires recognition of revenue based on the Company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Company 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.

b. Other matters to be considered.

c. Variable consideration

if the consideration pledged in a contract includes a variable amount, then the Company 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 Company 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.

d. The significant funding component

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

e. Revenue recognition

f.Product sales

Management evaluated the impact of applying the standard by applying the model referred to above and concluded that the current basis for revenue recognition is still appropriate because the only performance obligation is to deliver the quantities sold to its customers , whether domestic or export at the company’s warehouses or other specified locations in accordance with the agreements , since according to the agreements concluded with customers , the company transfers control over the quantities sold to customers according to the following :

Local sales : The date of authorization for the goods to leaves the company’s gates.
Export Sales : according to shipping term.

The value of revenue is measured by fair value of consideration received or due to the facility. Revenue is realized when there is sufficient economic benefits that will flow to the facility ,and the value of this revenue can be measured accurately No revenue is recognized in the event that not certain that the consideration will be recovered for this or cost associated with it.

g. Dividends Income

Dividends income is recognized in the separated statement of profit or loss on the date the Company’s right to receive payments is established.

h. Gain on sale of investments

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

i.Export subsidy revenue

Export subsidy revenue is recognized in the statement of profit or loss on cash basis. And is presented under other income.

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33-3 Employees benefits

33-3-1 Short term employee benefit

Short term employee benefit are recognize as an expense when the related service is provided .The amount expected to be paid is recognize as a liability when the company has a legal or implicit obligation to pay this amount and the obligation can be changed to a reliable degree.

33-3-2 Workers' pension system

The company contributes to the governmental social insurance system for the benefit of its employees in accordance with the Social Insurance Law. Employees and employers under this law contribute to the system with a fixed percentage of wages. The company's commitment is limited to the value of its contribution, and the company's contributions are charged to the income statement according to the accrual basis.

33-4 Finance income and finance costs

The Company's finance income and finance costs include:
interest income;
interest expense;
Dividends;
Foreign exchange gain or loss on financial assets and liabilities
Net gain or Losses of hedging contracts for foreign exchange rates;
Interest income or expense is recognized using the effective interest method.
Dividends are recognized in the profit or loss statement at the date of declaration of these dividends.

33-5 Income tax

The current tax and the deferred tax are recognized as revenue or as an expense in the profits or losses of the year, except in cases where the tax arises from a process or event that is recognized - in the same year or in a different year - outside the profits or losses, whether in other comprehensive income or within equity. direct or business combination.

33-5-1 Current income tax

Current taxes for the current year and previous years that have not yet been paid are recognized as a liability, but if the taxes that have already been paid in the current year and previous years exceed the value due for these years, then this increase is recognized as an asset. The values of current tax liabilities (assets) for the current and prior years are measured at the value expected to be paid to (recovered from) the tax administration, using tax rates (and tax laws) that are in force or about to be issued at the end date of the financial year. Dividends are taxed as part of the current tax. Offsetting tax assets and liabilities is only made when certain conditions are met.

33-5-2 Deferred tax

Deferred tax is recognized for temporary differences between the accounting basis of assets and liabilities and the tax basis of those assets and liabilities. Deferred tax is recognized for all temporary differences expected to be taxable except for the following:
• First recognition of goodwill,
• Initial recognition of the asset or obligation of the process that:
(1) Not a compilation of works.
(2) does not affect the net accounting profit or tax profit (tax loss).

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•Temporary differences associated with investments in subsidiaries, sister companies and shares in joint ventures to the extent that the timing of reversing these temporary differences can be controlled and it is likely that such differences will not be reversed in the foreseeable future.

A deferred tax asset arising from the carrying forward of tax losses, the right to unused tax deduction and temporary deductible differences are recognized when there is a strong possibility of future taxable profits from which that asset can be used. The future tax profit is determined by the company's future business plan. The position of unrecognized deferred tax assets is reassessed at the end of each fiscal period and deferred tax assets that have not previously been recognized are recognized to the extent that it is likely in the future that there will be a tax profit that allows the value of the deferred tax asset to be absorbed. Deferred tax is measured using the tax rates expected to be applied when temporary differences are realized, using tax rates in force or in the process of being issued.
When measuring deferred tax at the end of the financial period, the tax effects of the procedures followed by the company for recovery or payment of the book value of its assets and liabilities are taken into account.
Tax assets and liabilities are not cleared unless certain conditions are met.

33-6 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average method. The cost also includes other expenses incurred by the company to bring the inventory to its location and its current condition.
The net realisable value is determined on the basis of the expected selling price under normal circumstances, minus the estimated costs required to complete the sale.
Any impairment in the value of the inventory caused by a decrease in the net realisable value of the inventory is recognized in its book value, as are all other inventory losses, as an expense in the year in which the decrease or loss occurs.

33-7 Fixed assets and depreciation

33-7-1 Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.
If significant parts of an item of fixed assets have different useful lives, then they are accounted for as separate items (major components) of fixed assets.
Any gain or loss on disposal of an item of fixed assets is recognised in profit or loss.

33-7-2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

33-7-3 Depreciation

The depreciable value of a fixed asset – which is the cost of the asset – is depreciated according to the straight-line method over the estimated useful life of each type of fixed asset, and depreciation is charged to profits or losses. Land is not depreciated
The estimated useful lives of fixed assets for current and comparative periods are as follows:

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Asset	Estimated useful lives (Years)
Buildings and constructions	20 - 40
Machinery and equipment	3-10
Vehicles	5
Tools	5
Furniture & office equipment	10
Computers	5

The methods of useful lives and the estimated value of assets are reviewed on the date of the financial statements.
Improvements in leased assets are depreciated over the term of the contract or its useful life, whichever is less. The depreciation method and useful lives of fixed assets are reviewed at the end of each fiscal period, and modified if necessary.

Profit or loss arising from disposal of property, pland and equipment are determined by comparing the disposal proceeds with carrying amount of the assets and are recognized in the separate statement of profit and loss under other income and expenses.

33-8 Intangible assets

The recognition and initial measurement

of this item represent the cost of acquiring software expected to be used, either through sale or operation. It is recorded at cost less accumulated amortization and impairment losses. Amortization begins once the software is ready for use, based on an estimate made by the management, which is prepared according to expectations regarding the benefits from the sale or operation of the software. This study should be reviewed periodically to verify the future benefit of such software and its potential for sale or operation. Amortization is calculated using the straight-line method if future benefits are confirmed. If there is no certainty regarding the future benefit of these expenses, amortization is calculated over the remaining useful life of the asset.

The amortization expense if recognized in the income statement as it is incurred and allocated to the operating costs benefiting from the software.

The useful life of intangible assets:

Computer Software	5 years

33-9 Projects under construction

All expenditures directly attributable to bringing the asset to a working condition for its intended use are recorded in projects under construction. Whenever the assets are completed and are ready for their intended use, it will be transferred to fixed assets caption. Projects under construction are recorded at cost and it is not depreciated unless it was transferred to fixed assets.

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33-10 Financial instruments

Financial assets

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 Company 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 fair value through profit or loss, 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.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FAIR VALUE through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 fair value through profit or loss:

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- 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.

On initial recognition of an equity investment that is not held for trading, the Company 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 fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets

The Company 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 Company's management; and

  The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

  Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company'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 fair value through profit or loss.

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

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

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at fair value through profit or loss	Financial assets at fair value through profit or loss are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Equity investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at fair value through other comprehensive income	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 de-recognition, 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 either measured at amortized cost or at fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is designated as held for trading, or if it is a derivative or designated as such upon initial recognition. Financial liabilities measured at fair value through profit or loss recognize gains and losses, including any interest expenses, in the profit or loss statement. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in the profit or loss statement.

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Derecognition from Books

Financial Assets

A financial asset is derecognized by the company when the contractual right to receive cash flows from the financial asset has expired, or when it has transferred the contractual right to receive cash flows from the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset. Alternatively, if the company has not transferred or retained substantially all the risks and rewards of ownership of the financial asset and has not retained control, the asset is also derecognized.

The company may enter into transactions that involve transferring recognized assets in its statement of financial position, while retaining all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities

A financial liability is derecognized when it is extinguished, either through settlement, cancellation, or expiration of the term specified in the contract. The company also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liabilities differ significantly; in this case, a new financial liability is recognized based on the modified terms at fair value.

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

33-11 Share capital

33-11-1 Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised 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”.

33-11-2 Repurchase of share capital (Treasury shares)

When the shares of the issued capital are repurchased, the amount paid for the repurchase, which includes all direct costs related to the repurchase, is recognized as a reduction of equity. Shares repurchased are classified as treasury shares and are shown deducted from equity. When selling or re-issuing treasury shares, the amount collected is recognized as an increase in shareholders' equity, and the surplus or deficit resulting from the transaction is presented within the issuance premium.

33-12 Impairment

Non-derivative financial assets

Financial instruments and assets arising from the contract

The Company recognizes expected credit loss for the following items:

- Financial assets that are measured at amortized cost.
- For investments in debt instruments that are measured at fair value through other comprehensive income.
- Assets arising from the contract.

The Company measures the loss at an amount equal to the lifetime ECL of the financial asset, except for the following, which are measured at an amount equal to the 12-month ECL:

Debt instruments that are determined to have low credit risk at the reporting date.

Other debt instruments and bank balances in which credit risk (ie the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition.

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Commercial customer losses and assets arising from contracts are always measured at an amount equal to their lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyses, based on the company's historical experience and known credit rating including forward-looking information.
The Company assumes that the credit risk of a financial asset has increased significantly if it has been past due for collection for a period of more than 30 days.

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

- It is unlikely that the Borrower will pay its credit obligations to the Company in full, without recourse on the part of the Company to measures such as liquidation of the collateral (if any); or
- The financial asset according to the terms of payment and the nature of each customer sector separately and in light of the study of expected credit losses prepared by the company.

The Company considers debt instruments to have low credit risk when their credit risk rating is equal to the globally understood definition of "investment grade".
Lifetime expected credit losses are the expected credit losses that result from all possible failure events over the expected life of the financial instrument.
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-month period 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 expected credit losses is the maximum contractual period over which the company is exposed to credit risk.

Measure expected credit losses

It is a probability-weighted estimate of credit losses. The present value of all cash shortfalls is measured (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive).
Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt instruments measured at fair value through other comprehensive income are credit impaired. A financial asset is considered “credit-impaired” when one or more events occur that have a detrimental effect on the estimated future cash flows of the financial asset.

Evidence indicating credit impairment of financial assets includes observable data:

Significant financial difficulty for the lender or issuer.
a breach of contract such as defaulting on or being more than 120 days past due and a restructuring of a loan or advance by the Company on terms that the Company will not otherwise observe, and the Borrower is likely to enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

Display expected credit losses in the statement of financial position

The loss allowance for financial assets that are measured at amortized cost is deducted from the total amount of the carrying amount of the assets.
For debt securities that are measured at fair value through other comprehensive income, the loss allowance is charged to profit or loss and recognized in other comprehensive income.

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33-13 Debt write-off

The total gross book value of a financial asset is written off when the company has no reasonable expectations of recovering all or part of the financial asset. For individual clients, the Company has a policy of writing off the gross book value when the financial asset is more than two years due based on previous experience in recovering similar assets. For corporate clients, the Company makes an assessment on its own as to the timing and amount of write-offs based on whether there is a reasonable expectation of recovery. The Company does not expect any significant recovery from the amount written off. However, financial assets that have been written off may still be subject to compliance activities in order to comply with the Company's procedures for recovery of amounts owed.

33-14 Non-Financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, bio logical assets, investment properties, 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-if any.

For impairment testing, assets are grouped together into the smallest Company 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 – if any- 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 years.

33-15 Provisions

Provisions are valued at the present value of expected future cash flows discounted at a before tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. An increase in the carrying amount of a provision resulting from the use of discounting to create a present value that reflects the passage of time is recognized as a borrowing cost

33-16 Cash and cash equivalents

Cash and cash equivalents include cash balances and time deposits. For the purposes of preparing the statement of cash flows, cash and cash equivalents are defined as cash balances in the fund, current accounts with banks, term deposits, and treasury bills, which do not exceed three months. Overdraft bank balance, which is paid upon request, is considered part from the company's management of cash

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33-17 Dividends

The Company distributes not less than 10% of net profits, after deducting the statutory reserve support, as a share of profits to employees, provided that such amount does not exceed the total annual salaries of employees of the Company. This distribution is made in accordance with the rules proposed by the Board of Directors and approved by the General Assembly, in compliance with the provisions of Companies Law.
Employees' share of profits is recognized as profit distributions within the statement of changes in equity and is recognized as a liability during the financial year in which it was approved by the Company's shareholders.

33-18 Loans

Borrowings are initially recognized at fair value, net of transaction costs incurred. They are subsequently measured at amortized cost, with any difference between the proceeds (net of transaction costs) and recoverable value recognized in profit or loss over the life of the loans using the effective interest method.

33-19 Borrowing cost

Borrowing costs related to the acquisition ,construction or production of a qualifying asset , which require a long period of time to prepare it for use for its intended purposes or for sale, are capitalized as part of the cash of the asset . other borrowing costs are charged as an expense in the year in which they are incurred. Borrowing costs are represented by interest costs and other costs that the company spends to borrow money.

33-20 Investments in subsidiaries

Subsidiary companies are the entities in which the "Company" investor has the ability to control its financial and operating policies of the entity this ability exists by possessing half of the voting power or more in the related subsidiary.
Investments in subsidiaries are stated – when acquired – at its acquisition cost. If a decline in the recoverable amount exists for any investment below the carrying amount "Impairment", the carrying amount of the investment will be adjusted by the amount of such impairment and will be charged to the statement of profit or loss for each investment.

33-21 Basic share in profit or (loss)

The company offers basic share price for its common stock. Basic share per share is calculated by dividing the profit and loss related to the shareholders for their contribution to the company's ordinary shares by the weighted average number of ordinary shares outstanding during the period for which the interim financial statements are prepared.

33-22 Statement of cash flows

The statement of separate cash flows is prepared according to the indirect method

33-23 Lease contracts

1- Determine whether the arrangement contains a rental contract or not

At the inception of the arrangement, the company determines whether the arrangement is or contains a lease.
At inception or on reassessment of an arrangement containing a lease, the Company separates the payments and other consideration required by the arrangement into those of the lease and those of other components on the basis of their relative fair values.
If the company concludes in a finance lease that it is not possible to reliably separate the payments, then the asset and liability are recognized at an amount equal to the fair value of the underlying asset; After that, the obligation is reduced when the payments are made, and the financing cost is recognized, calculated on the obligation, using the company's incremental borrowing rate.

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2- Leased assets

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership to the Company are classified as finance leases. Leased assets are initially measured at an amount equal to the lower of the fair value of the fair value and the present value of the minimum lease payments. After initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

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

3- Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of outstanding obligations. Finance expenses are charged for each lease year to reach a constant periodic rate of interest on the remaining balance of the liability.

34- The Merge

The Board of Directors of Lecico Egypt (Holding Company), in its meeting held on September 17, 2024, resolved to approve the decision of the committee formed by the General Authority for Investment and Free Zones, approved on July 24, 2024, authorizing the merger of Lecico Egypt (Egyptian Joint Stock Company) (Acquiring Company) with Lecico Ceramics Industries (Egyptian Joint Stock Company) (Acquiring Company), International Ceramics Company (Egyptian Joint Stock Company) (Acquiring Company), and European Ceramics Company (Egyptian Joint Stock Company) (Acquiring Company). The merger will be based on the book values as per the financial statements of the acquiring and acquired companies as of December 31, 2022, which serve as the basis for the merger. On October 29, 2024, the Financial Regulatory Authority approved the publication of the disclosure report. On June 17, 2025, the Extraordinary General Assembly of Lecico Egypt (Egyptian Joint Stock Company) (Acquiring Company) approved the merger resolution. On June 23, 2025, the Extraordinary General Assembly of companies approved the merger. The merged companies were approved by the merger decision, and this was recorded in the Commercial Register on March 31, 2026.

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The following are the consolidated financial statements for the merged companies as of the Commercial Register registration date of March 31, 2026.

	Note No.	March 31,2026 EGP
Assets		
Non-Current Assets		
Property, plant & equipment	(13)	638 324 840
Projects under construction		28 194 843
Non-Current Assets		**666 519 683**
Current Assets		
Inventories		888 998 210
Trade and other receivables		140 006 049
Due from related parties		1 163 134 334
Current Tax Assets		21 572 540
Cash and cash equivalents		43 533 904
Current Assets		**2 257 245 037**
Total Assets		**2 923 764 720**
Non-Current Liabilities		
Deferred tax liabilities	(17-3)	47 011 378
Notes payable		116 994 048
Non-Current Liabilities		**164 005 426**
Current Liabilities		
Bank credit facilities		783 018 282
Trade and other payables		592 315 041
Due to related parties		10 452 379
Income tax liability	(17-4)	70 674 106
Provisions	(24)	102 999 025
Current Liabilities		**1 559 458 833**
Total Liabilities		**1 723 464 259**
Net equity for merger companies at March 31,2026		**1 200 300 461**
Distributed as follows:		
Net equity for merger companies after December 31,2022 till the date of deregistration from the commercial registry		**874 770 130**
net equity of the merged companies after taking into account the impact of GAFI adjustments	**(35)**	**325 530 331**

Statement of profit or loss	**March 31,2026 EGP**
sales	1 289 153 508
Cost of sales	(1 246 830 729)
Gross Profit	**42 322 779**
Other Income	3 886 827
Selling and Distribution Expenses	(8 292 730)
General and Administrative Expenses	(3 745 281)
Other Expenses	(23 228 998)
Profit from operating activities	**10 942 597**
Finance Expense	(18 131 876)
loss before tax	**(7 189 279)**
Income tax expense	(25 401 711)
Net loss for the period of the merged companies, recognized with retained earnings at March 31, 2026, of the absorbing company	**(32 590 990)**

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35- General Authority for Investment Settlements

The adjustments to the balances of the Merging company as of December 31, 2022 (the merging date), in accordance with the report issued by the committee formed pursuant to the decree of the Minister of Investment and International Cooperation for the purpose of evaluating net equity, amounted to:

EGP	2022/12/31 Before GAFI adjustments at merger date Lecico Egypt	2022/12/31 Before GAFI adjustments at merger date Lecico for ceramics	2022/12/31 Before GAFI adjustments at merger date International ceramics	2022/12/31 Before GAFI adjustments at merger date European ceramics	2022/12/31 GAFI Adjustments	2022/12/31 After GAFI adjustments at merger date Lecico Egypt	2022/12/31 After GAFI adjustments at merger date Lecico for ceramics	2022/12/31 After GAFI adjustments at merger date International ceramics	2022/12/31 After GAFI adjustments at merger date European ceramics
Non-Current Assets									
Property, plant & equipment	198 528 634	46 825 567	115 873 722	42 279 384	(65 586 179)	132 942 455	46 825 567	115 873 722	42 279 384
Projects under construction	1 835 595	--	22 577	--	--	1 835 595	--	22 577	--
Investment in subsidiaries and other investment	345 356 533	--	--	--	(213 716 624)	131 639 909	--	--	--
Investment in subsidiaries (merged companies)	236 751 731	20 000	10 000	15 000	(236 796 731)	--	--	--	--
Long term notes receivables	541 578	--	--	--	--	541 578	--	--	--
Total Non-Current Assets	**783 014 071**	**46 845 567**	**115 906 299**	**42 294 384**	**(516 099 534)**	**266 959 537**	**46 825 567**	**115 896 299**	**42 279 384**
Current Assets									
Inventories	352 816 114	208 786 359	86 785 249	240 369 332	--	352 816 114	208 786 359	86 785 249	240 369 332
Trade and other receivables	532 396 898	111 220 082	16 502 007	45 508 429	(39 818 518)	515 293 200	88 931 880	16 437 930	45 145 888
Due from related parties	355 819 181	120 935 164	308 521 821	140 328 438	(49 894 283)	306 047 035	120 935 164	308 399 684	140 328 438
Cash and cash equivalents	159 976 028	12 417 365	19 701 235	7 896 211	--	159 976 028	12 417 365	19 701 235	7 896 211
Total Current Assets	**1 401 008 221**	**453 358 970**	**431 510 312**	**434 102 410**	**(89 712 801)**	**1 334 132 377**	**431 070 768**	**431 324 098**	**433 739 869**
	2 184 022 292	**500 204 537**	**547 416 611**	**476 396 794**	**(605 812 335)**	**1 601 091 914**	**477 896 335**	**547 220 397**	**476 019 253**
Non-Current Liabilities									
Loans	7 422 000	--	--	--	--	7 422 000	--	--	--
Deferred tax liabilities	7 139 264	518 811	7 967 549	1 602 217	--	7 139 264	518 811	7 967 549	1 602 217
Provisions	7 702 386	--	--	--	--	7 702 386	--	--	--
Notes payable	123 308 857	31 382 059	80 915 958	30 015 262	--	123 308 857	31 382 059	80 915 958	30 015 262
Total Non-Current Liabilities	**145 572 507**	**31 900 870**	**88 883 507**	**31 617 479**	--	**145 572 507**	**31 900 870**	**88 883 507**	**31 617 479**
Current Liabilities									
Bank credit facilities	551 303 949	206 171 242	167 808 279	192 887 747	--	551 303 949	206 171 242	167 808 279	192 887 747
Loans	29 688 000	--	--	--	--	29 688 000	--	--	--
Trade and other payables	933 438 527	142 287 041	115 483 772	125 389 998	39 154 819	933 438 527	142 287 041	122 694 708	157 333 881
Provisions	43 900 335	751 000	31 935 900	1 334 000	--	43 900 335	751 000	31 935 900	1 334 000
Total Current Liabilities	**1 558 330 811**	**349 209 283**	**315 227 951**	**319 611 745**	**39 154 819**	**1 558 330 811**	**349 209 283**	**322 438 887**	**351 555 628**
Total Liabilities	**1 703 903 318**	**381 110 153**	**404 111 458**	**351 229 224**	**39 154 819**	**1 703 903 318**	**381 110 153**	**411 322 394**	**383 173 107**
Net Shareholders' Equity	**480 118 974**	**119 094 384**	**143 305 153**	**125 167 570**	**(644 967 154)**	**(102 811 404)**	**96 786 182**	**135 898 003**	**92 846 146**
						(102 811 404)		**325 530 331**	

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