



مدينة مصر
Madinet Masr

تأسست ١٩٥٩



REIMAGINING THE FUTURE
of Urban Communities

ANNUAL REPORT 2022

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OUR STORY



MADINET MASR AT A GLANCE

We are one of Egypt's leading urban community developers with a heritage that goes back over 60 years. We build distinguished and multi-functional developments that redefine the meaning of community.

We have become a prominent community developer and urban planner in Egypt after our acclaimed work in planning Nasr City, the largest city in Greater Cairo with a population of over three million people. Since then, we have actively taken on large-scale projects to transform sizeable areas of land into contemporary, integrated communities. Today, we are building two mixed-use developments in East Cairo that will reimagine modern living in Egypt. Situated on an 84 million sqm landbank connecting Old and New Cairo, Taj City and Sarai will be home to 32,000 families.

Egypt's ever-growing population requires expansive access to residential and commercial properties. Our developments cater to the varying needs and preferences of homeowners while guaranteeing a one-of-a-kind community lifestyle featuring amenities, services, sport facilities, schools, and retail and entertainment centers. Innovation and customer satisfaction are at the heart of everything we do.

Headquartered in Cairo and listed on the Egyptian Exchange (EGX), we operate under a robust corporate governance structure and are committed to delivering exceptional value to all its stakeholders.



MADINET MASR AT A GLANCE

A top-tier real estate developer serving the housing needs of millions of Egyptians since 1959

63

Years of operation

529

Employees

11,597

Units sold – Active projects

4,125

Deliveries – Active projects

15

Active projects

7.2 ^{BN EGP}

Market cap*

*As of 31 December 2022

A NOTE FROM OUR CHAIRMAN



Dear Shareholders,

I am pleased to introduce Madinet Masr's annual report and present a year of transformation and remarkable growth for our Company. Over the past year, we honored our heritage and reimagined the next chapter as a leading real estate player and responsible developer.

As we reflect on the current global and macroeconomic landscape, numerous challenges seem to be impacting global economy. From political uncertainty and market volatility to persistent inflationary pressures, individuals and businesses are seeking safer investment options. In Egypt, these factors have been compounded by the devaluation of the Egyptian pound (EGP) and soaring domestic inflation. Against this backdrop, we are encouraged by the resilience of the Egyptian real estate market and the fact that, historically, people had always turned to the real estate sector in challenging times to safeguard their financial interests. On that front, we are well-prepared and certain that our diverse range of projects offers a unique value-adding proposition and exceptional customer experience.

Our strategy is distinct and our business outlook is very positive due largely to the steps taken to position Madinet Masr for continued success in the years ahead. Our Company was restructured in 2021,

bringing together new shareholders, industry experts with a wealth of knowledge and expertise to our team, and Abdallah Sallam as our newly appointed CEO. His strategic vision and focus on innovation have already had a positive impact on our Company, and we have full trust and confidence in his ability to lead Madinet Masr to a prosperous future.

Egypt's real estate market has a great deal of untapped potential for growth, and at Madinet Masr, we have an opportunity to unlock its value. With a population of over 100 million, growing nearly 2% a year, demand for high-quality properties continues to exceed supply. Our commitment not only delivers developments that fill the gap but rather builds communities that best serve the dynamic needs of the Egyptian population. Our new strategy envisions a progressive approach to community living that enriches the lives of residents, brings people together, and promotes business growth.

We operate in a sector that has long been an evident contributor to Egypt's economic growth and development. The real estate industry creates significant job opportunities, from engineers to construction workers and sales representatives. We are proud of the role we play on this front; with two large-scale mixed-use

Over the past year, we honored our heritage and reimagined the next chapter as a leading real estate player and responsible developer



developments and a strong pipeline of projects, we are certain that we will continue to stimulate growth for our country and Company in the years ahead.

As a real estate pioneer, we have always sought to be ahead of the curve in preemptively identifying shifting patterns in urban living. In recent years, we have seen a trend of homeowners looking beyond traditional urban centers in search of communities that offer a sense of belonging and modern comfort. We met the change with two full-fledged innovative developments – Taj City and Sarai – both strategically located and catering for a range of customer segments and demographics. Most importantly our developments prioritized state-of-the-art amenities and a strong sense of community.

These are exciting times for Madinet Masr, full of promising changes and reinvention. Leveraging a profound legacy, strong fundamentals, and the unwavering support of the Board of Directors, we ended the year on a high note and are ideally positioned to continue delivering on our vision and growth strategy in 2023.

We are proud of the progress we have made over the past year, and we remain committed to delivering long-term value to our shareholders through prudent

investment and sound business practices. On behalf of the Board, I would like to thank our shareholders and customers for their continued loyalty and trust in us.

Mohamed Hazem Barakat
Chairman

A NOTE FROM OUR CEO



I am delighted to report on a stellar year during which we advanced on our strategic objectives, achieved multiple operational milestones, and delivered record-breaking results for our Company. Most importantly, it was a year where we successfully changed everyone's perception of Madinet Masr. While we are incredibly proud of our heritage, we embarked on an exciting transformation journey in 2022 that presents a wealth of possibilities for Madinet Masr in the future.

It comes as no surprise that a company with Madinet Masr's track record would have a rich pool of knowledge and talent steering it through the decades. As an organization, we took the time this year to learn from the past, assess the present, and plan for the future. Together, we came up with a new growth strategy and a momentum that will guide us onward and set us apart as a community developer. Our strategy is dynamic and designed to capitalize on changing trends and shifting market conditions.

At the heart of our Company's vision is a commitment to building sustainable urban communities that prioritize the wellbeing of our residents. To that end, we have forged collaborations with key partners who share our dream and vision. Thanks to these partnerships, we have been able to bring essential services, such as healthcare,

education, and entertainment, to our developments, reimagining what it means to live in a modern urban community.

Looking ahead, we are cognizant that the challenges faced in 2022 in terms of a turbulent operating environment, inflationary pressures, and impacts on consumer purchasing power will likely persist in the coming period. That being said, our robust business model and incredibly talented team are equipped to navigate challenges and deliver exceptional results. Our performance during the past year is a mere glimpse of the potential we look forward to unleashing. We are confident that our strategies and forward-looking thinking will propel us to new heights. In the coming period, we will be exploring multiple growth and expansion avenues that encompass new service offerings and geographical locations.

Our performance this year has been the biggest testament to the validity of our approach and the attractiveness of our value proposition. Throughout 2022, strong demand, healthy delivery numbers, and ongoing portfolio optimization efforts yielded results that far exceeded our expectations. A deeper dive shows revenue recorded a record-breaking EGP 5.2 billion, up 146% y-o-y, while net profit booked EGP 747 million compared to EGP 283 million in 2021. Our strong

Under our new slogan **Proudly Building for Egypt**, we are excited to grow Madinet Masr and build all-inclusive communities on a national scale



financial performance was supported by an equally impressive operational year, which saw gross contracted sales reach EGP 11.2 billion, up 224% y-o-y, on the back of significant growth in the number of units sold and delivered during the year. One of the most important attributes of our business is that our 9.6 million sqm landbank is owned in freehold, which secures years of sales providing us with strong cash flow visibility and stability for our business.

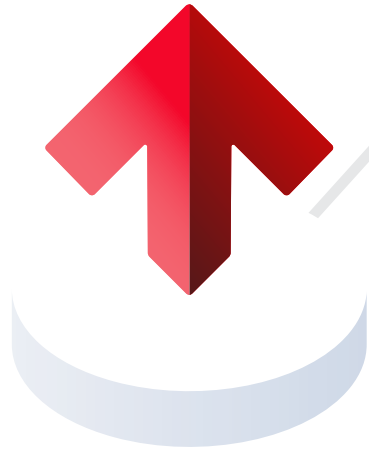
Throughout the year, we made significant investments in marketing, transforming us into a modern and dynamic real estate developer that is well-positioned to meet the changing demands of a growing industry. Our new identity as a modern and dynamic developer has allowed us to expand our customer base, reaffirming our position as a leading real estate company in Egypt. We excel in integrating technology and innovation into our developments, carefully designing residential and commercial spaces that bring people together and foster a sense of belonging. Moreover, we invest in new technologies to enhance the customer experience, implementing digital tools that streamline our internal processes and improve accessibility to services within our communities. This approach represents a fundamental pillar of our business and ensures that we remain at the forefront of the real estate industry.

In early 2023, we unveiled our new branding from Madinet Nasr for Housing & Development to Madinet Masr, in line with our redefined growth-driven strategy. The rebrand reflects our aspirations and vision for the future as we expand beyond East Cairo to develop urban communities across Egypt. Under our new slogan, Proudly Building for Egypt, we are excited to grow Madinet Masr and build all-inclusive communities on a national scale.

I would like to sincerely thank our esteemed Board of Directors for their support, our customers for their unwavering trust, and our employees for being the engine behind our transformation journey. We are just getting started, and together, I am certain we will continue to deliver incredible achievements in the years to come.

Abdallah Sallam
President & Chief Executive Officer

OUR HERITAGE



2009

Madinet Masr's business model is updated to include off-plan sales.

2006

BPE Partners acquires 30% of Madinet Masr, bringing together a team with international experience and extensive local knowhow.

1959

Madinet Masr is established as a governmental institution by order of President Gamal Abdel Nasser with a mandate to develop large-scale master projects for Cairo's Nasr City district.

1996

Madinet Masr is listed on the EGX.

1975

Madinet Masr completes work on the iconic monument of The Unknown Soldiers to honor the martyrs of the 1973 October War. The monument is also the resting place of late President Anwar El Sadat.

2012

- Madinet Masr enters the integrated communities segment with the launch of Taj City, a mega development in New Cairo.
- Madinet Masr's gross contracted sales exceeds EGP 200 MN.

2017

- Madinet Masr launches Sarai, a mixed-use megaproject located Near Egypt's New Administrative Capital.
- Madinet Masr's gross contracted sales records EGP 4.7 BN.



2022

Madinet Masr's gross contracted sales records EGP 11.2 BN.

2021

- Madinet Masr acquires Minka Developments.
- Eng. Abdallah Sallam is appointed as Madinet Masr's CEO.

2020

Madinet Masr's gross contracted sales records EGP 5.1 BN.



2019

Madinet Masr launches Business District, a commercial business park in Taj City.



A TURNAROUND YEAR

OPERATIONAL AND FINANCIAL PERFORMANCE

2022 was a transformative year for Madinet Masr as we delivered outstanding operational and financial results, demonstrating the success of our Company's growth strategy. Results were driven by record-breaking gross contractual sales, new project launches, rapid growth in unit deliveries, and extensive portfolio cleanup measures.

Operational Review

Gross Contracted Sales

In 2022, we delivered record-breaking gross contracted sales of EGP 11,236.0 million, up 224.4% y-o-y. Approximately 56.3% of gross contracted sales for 2022 were recorded at Taj City, while 43.7% were generated at Sarai. In terms of units, we sold a total of 3,215 units in 2022,

up 199.3% y-o-y, of which 1,497 units were in Taj City and 1,718 units were in Sarai. Sales during the year were boosted by the launch of three new projects in Taj City; Taj Ville in April, Elect in July, and Clubside in November, which recorded sales of EGP 1,019 million, EGP 1,335 million, and EGP 714 million, respectively.

Deliveries

During the year, we delivered a total of 2,070 residential units across our two developments, up from the 1,030 deliveries recorded the year before. Deliveries were largely on schedule, and the rapid increase in handovers during the period reflects our ability to deliver efficiently on our construction pipeline. The period's deliveries were led by Sarai and were boosted by sales of ready-to-move inventory. In 2022, we completed 558 handovers at Taj City and 1,488 handovers at Sarai, up 3.0% and 333.8% y-o-y, respectively. Meanwhile, we also booked 24 handovers at Nasr Gardens, a subsidized housing project, down from 145 in 2021.

Cash Collections

In 2022, cash collections reached EGP 3,564.0 million, up 21.3% y-o-y. This saw the cumulative delinquency rate fall to 2.9% in 2022 from 6.0% in 2021, reflecting our continued efforts in purging our receivables portfolio from non-performing contracts.



■ Taj City	56.3%
■ Sarai	43.7%



Ready-to-Move-Inventory

Approximately 25% of gross contracted sales for 2022 were sales of ready-to-move inventory. Sales were primarily driven by Park Residence at Taj City, as well as Taval and Croons at Sarai. Meanwhile, off-plan sales accounted for 75% of gross contracted sales for the year, mainly at Taj City's Shalya, Taj Ville, and Taj Gardens, in addition to Sarai's Croons and Cavana.

CAPEX

We deployed construction and infrastructure CAPEX of EGP 1,800.7 million during 2022 compared to EGP 2,385.9 million in 2021, with construction and infrastructure amounting to EGP 794.6 million at Taj City and EGP 855.4 million at Sarai. Meanwhile, construction and infrastructure at other projects booked EGP 150.7 million during the year. The year-on-year decline in CAPEX compared to 2021 comes following the completion and delivery of several construction projects at Park Residence in Taj City, as well as Taval and Croons in Sarai.

Financial Performance

Revenue

During 2022, we booked a record revenue of EGP 5,155.3 million, up 145.8% y-o-y. Strong top-line growth was primarily driven by a rapid rise in unit deliveries, with further momentum coming from the growth in gross contracted sales. Revenues related to deliveries stood at EGP 2,990.5 million, whereas new sales generated EGP 2,415.3 million in revenue. At the close of the year, we had an unrecognized revenue backlog of EGP 11,942.3 million, calculated at the nominal price of undelivered sales.

Gross Profit

Gross profit recorded EGP 1,996.5 million in 2022, an increase of 170.5% y-o-y, with gross profit growth driven by strong top-line expansion during the year. Gross profit margin reached 38.7% in 2022 up from 35.2% in 2021, despite the higher contribution of unit deliveries relative to new sales in the revenue mix and the lower margins associated with delivery revenues.

EBITDA

Following strong top-line expansion, EBITDA stood at EGP 1,355.7 million in 2022, up 153.0% y-o-y. The EBITDA margin reached 26.3% in 2022 compared to 25.5% one year previously despite the increase in the share of deliveries and their typically lower profit margins in the Company's revenue mix.

Net Profit

Net profit stood at EGP 747.4 million in 2022, climbing 164.5% y-o-y on the back of rapid top-line expansion. Net profit margin reached 14.5% in 2022 up from 13.5% in 2021 despite a higher contribution of unit deliveries in our revenue mix and their lower associated profit margins.

Cash & Cash Equivalents

Our liquidity position is strong, with total cash and cash equivalents at year-end 2022 standing at EGP 1,836.8 million, up 65.3% from the close of 2021. This rise is attributable to the decrease in CAPEX spending and the increase in new sales.

Debt

At the end of 2022, outstanding debt stood at EGP 3,321.9 million, down 11.2% y-o-y due to the partial repayment of sale and leaseback liabilities. In line with the decline in outstanding debt, debt-to-equity ratio stood at 68.2% at year end, down from the 98.8% in 2021. In parallel, net debt came in at EGP 1,485.1 million as at 31 December 2022, down from EGP 2,631.2 million at the close of 2021. Consequently, the net debt-to-EBITDA ratio dropped to 1.1x at year end 2022, down from 4.9x as at 31 December 2021. This comes as part of our strategy to optimize efficient utilization of borrowing to support growth and manage financial risk.

Notes Receivable

We held EGP 3,950.1 million in notes receivable at the close of 2022, of which EGP 1,770.4 million were short-term receivables, EGP 1,759.3 million were long-term receivables, and EGP 420.3 million were due from customers. Our cumulative gross securitized receivables reached EGP 744.4 million as of 31 December 2022. We ended the year with a receivables-to-net debt ratio of 2.7x, up from the 1.3x recorded at year end 2021.

2022 was a transformative year for Madinet Masr as we delivered outstanding operational and financial results



REIMAGINING OUR FUTURE



OUR CULTURE

Our journey has taken us beyond Nasr City and into East Cairo with plans for further expansion and growth. As we broaden our horizons, we are leveraging our heritage and focusing on our core commitments. Our next phase

of growth reimagines community living in Egypt and builds on our solid foundation to maximize value to our shareholders.



Our Purpose

To become the leading real estate developer in Egypt that builds for the future by developing sustainable communities for growth.



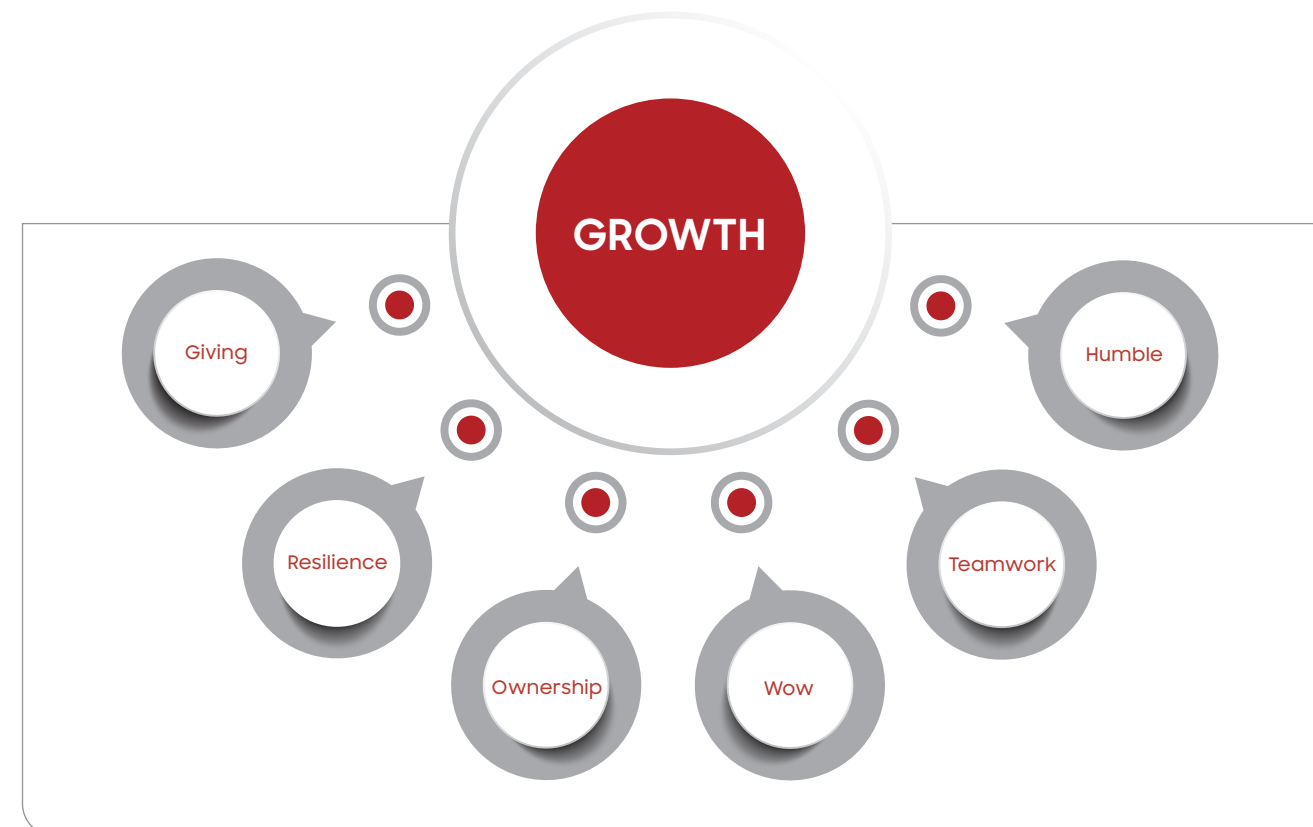
Our Vision

Being the brand of choice for customers by ensuring sustainability, flexibility, and quality in every step we take.



Our Values

Our values serve as the cornerstone of our Company and provide a clear direction for our path forward. By upholding these values, we are able to create a sustainable business and deliver on community development, customer experience, employee satisfaction, and shareholder value. The central theme that underlies our values is growth.



OUR STRATEGY

The real estate market in Egypt is rapidly evolving as it adapts to expansion into new suburbs, prevalent macroeconomic conditions, changing consumer preferences, and technological advancements. Consequently, our strategy is dynamic and we continue to build on it in response to changing trends and market conditions.

Our mission to grow our Company is rooted in developing unique and sustainable urban communities that create long-term value for all stakeholders. In order to realize this goal and achieve our ambitious targets, we underwent a period of operational and structural changes to prepare for the next chapter of growth. A refined strategy was developed with a focus on three key pillars: enhancing our solid fundamentals, maximizing existing resources, and futureproofing our Company.

Enhancing Our Solid Fundamentals

Our business model entails acquiring vast landbanks and developing them from the ground up into well-served communities. Leveraging our expertise and know-how from Nasr City, we are modernizing our approach as we grow our East Cairo developments. Every company process and system has been assessed and ameliorated for the benefit of both employees and customers.

Our commitment to exceeding expectations is reflected in the careful design of our projects and the enhancements we have implemented in the process of becoming a homeowner. We are engaging with customers in every step of their journey, from purchase to handover, to ensure a smooth transition to our developments. Once they become residents, we are dedicated to delivering excellent customer service and support that facilitate living in our communities. Our approach sets us apart from the competition and delivers a distinguished community living experience for our homeowners.

A vital component of our refined strategy, and one that has yielded incredible results this year, is our focus on the Company's financial health. Through a series of

initiatives, including budgeting, cost saving measures, and portfolio optimization, we are ensuring the ongoing success and stability of our Company as it grows, as well as our ability to continue delivering high-quality projects.

Maximizing Existing Resources

Our landbanks are strategically located and owned in freehold, allowing us to extract high-value returns. We are continually growing our portfolio and launching new phases in our developments to drive maximum returns for our shareholders. While our landbank is primarily residential, each of our developments has allocated areas for diverse commercial use. Our value proposition far exceeds building residential compounds. Through collaborations with health, education, and sports partners who are establishing facilities at our developments, we are increasing value for our residents and shareholders while bolstering our role as an all-inclusive community developer.

In addition to our landbanks, our Company's strong brand loyalty and undeniable reputation are drivers for growth. With a well-established community like Nasr City and an over 60-year track record, we have become one of the most trusted developers in Egypt. Our re-branding efforts this year balance staying true to our heritage and looking to the future of our Company as an innovative developer.

Futureproofing Our Company

In a highly competitive and dynamic real estate market, a clear forward-looking strategy has been instrumental in maintaining our market position. To stay ahead, we are constantly exploring new growth opportunities, including developing new property types or catering for specific demographic groups. Identifying changes in consumer behavior, such as young professionals' preference to live in

close proximity to their offices, enables us to capitalize on untapped markets.

Revenue diversification is a material component of our strategy when it comes to mitigating risk and navigating macroeconomic turbulence. It is also an opportunity to explore new verticals for our Company that create value in the long run and strengthen our position as a progressive community developer. We are building mixed-use developments and expanding our model beyond selling residential and commercial properties. Bringing to the market innovative services and

solutions will be an area of deep focus for our Company in the coming years.

Finally, we pride ourselves on building communities and destinations that appeal to a wide range of homebuyers. We are constantly developing projects that offer residents a unique experience, such as waterfront properties, new unit types, and extensive amenities. Building projects with a strong sense of community ensures that we attract customers who are looking to be long-term homeowners and customers of Madinet Masr.



DIGITAL TRANSFORMATION

Digital transformation is a major catalyst for our success. Throughout 2022, we embraced digital innovation, set up new systems, and laid the digital foundation required for strong and sustainable growth.

In 2022, we set out on a company-wide digitalization initiative aimed at completely transforming the way we operate. Our digitalization strategy was established with various targets and objectives in mind to benefit employees and customers alike. On a company level, our efforts focused on reducing costs and minimizing

waste to create a more sustainable business. The new systems also empower our employees to deliver a more streamlined service and increase efficiency across the organization. Most importantly, digital transformation has led to a significantly enhanced customer experience, from sales to delivery to living in our communities.



In 2022, we set out on a company-wide digitalization initiative aimed at completely transforming the way we operate



Madinet Masr's Digitalization Journey

Fixing the Basics

The first step in our digital transformation journey was setting up a modern IT infrastructure network that befits a company of our operations and magnitude. We engaged with global suppliers to enhance our lead, inventory, sales, and CRM software. Furthermore, different software applications were integrated with our SAP/ERP system to centralize operations and facilitate oversight. Equipped with the latest software, we are able to promptly respond to customer and market needs.

Empowering Our Employees

Our people are the engine behind our success. As we grow our Company, our employees continue to play an integral role every step of the way. Their development is our priority, and we ensure that our employees have the latest tools at their disposal to excel at their jobs. In 2022, we began implementing a new SAP SuccessFactors module, which is web-based and highly user-friendly. The system contains the core People and Culture module, as well as a performance management module, serving our key objective to focus on performance-based evaluations. Through the new system, employees are able to measure their performance against listed targets and KPIs, allowing for meaningful evaluations.

Community is at the core of our Company and our developments. In the past year, we set up a digital community to streamline communications and facilitate employee engagement, creating a sense of belonging and boosting employee satisfaction. We also created digital channels

for our employees to contribute to the growth and development of Madinet Masr, fostering a sense of belonging and transparency within the Company.

Digitalizing Our Communities

As we embrace innovation in everything we do, we strive to reimagine digital solutions that connect the families living within our communities and enhance their standard of living. Digitizing our operating cycle enabled us to go paperless, significantly cutting down costs and waste, and created a smoother and more convenient customer experience. In 2022, a mobile app was launched for all families within our communities. The mobile app connects families to various services, including maintenance and housekeeping, at the touch of a button. Through the app, we are also able to curate experiences and activities for our residents and keep them apprised of any updates within their communities in real-time.

Our digitalization efforts in the past year have helped our Company become a more advanced and agile organization that cares about the welfare of its employees and the satisfaction of its clients. Moving forward, we are looking to expand on the progress achieved thus far on the digitalization front and to invest further in value-adding digital solutions. Our goal is to be at the forefront of the Egyptian real estate sector's digital transformation, offering our customers a unique and seamless community living experience.

MARKETING AND ADVERTISING

Marketing and advertising are key drivers behind our new growth strategy, helping us reach new homebuyers, differentiate ourselves from competitors, and strengthen our brand equity through innovative multi-platform campaigns.

Rebranding Campaign

In a year of transformation for our Company, we launched a rebranding campaign that strikes a perfect balance between honoring our heritage while also reflecting our new identity and future. The rebranding includes a new logo, color scheme, and messaging. We created a narrative that reflects our growth and evolution over time, from the foundation upon which we were built to the modern and dynamic company we are today. The rebranding resonates with our customers of tomorrow and the communities we are developing, and it also sets the stage for continued growth and expansion. In a highly competitive industry, we recognize the importance of differentiating ourselves and creating an image that speaks to the next generation of Madinet Masr communities.

Advertising Campaigns

Advertisement campaigns were instrumental in spreading our new identity and attracting both homebuyers and investors. Throughout 2022, we launched seven campaigns that were designed to highlight our brand's evolution and showcase our contemporary image and East Cairo communities. We leveraged digital channels, social media platforms, television advertising, and billboards to reach a wider audience, generating excitement around our new brand and developments. This, in turn, not only appealed to prospective homebuyers but also attracted investors who were drawn to our Company's refreshed and dynamic image. The campaigns also helped differentiate us from our competitors, cementing

our position as a modern, forward-thinking real estate developer that is committed to building enriching communities for people to grow in and businesses to establish a presence. Featuring eye-catching visuals and messaging that highlight the benefits of living in our communities, the advertisements were a great success that reflected positively on our results for the year.

Digital Presence

Growing and strengthening our digital presence is one of our key focus areas. We started by redesigning our website, making it more informative, visually appealing, and user friendly. This allows customers to have all the information they need regarding our properties and developments at their fingertips, and prospective homeowners can easily schedule an appointment with a property consultant through the revamped website. The interface facilitates a smooth customer experience for our future homeowners. We also launched social media channels on Facebook, Instagram, and LinkedIn, which allowed us to engage with our audience and share our story in a more interactive medium. Our content strategy showcases our unique value proposition, new launches, advertisements, events, and athletes we sponsor, in addition to Grow Talks, a series featuring Egyptian success stories sharing words of growth. Growing our digital presence helped us connect with a broader audience, reach a range of homebuyers, and position ourselves as a modern and innovative community developer.



BUILDING VIBRANT COMMUNITIES



OUR DEVELOPMENTS

Our Landbank



At the close of 2022, we held a landbank measuring 9.6 million sqm at various phases of development. Our primary landbank, which is comprised of Taj City and Sarai, is strategically located in East Cairo in close proximity to our original Nasr City community. Our landbank is owned in freehold, a status that imparts significant advantages since we are free to set development timelines independently, as opposed to other real estate players in the market whose projects are bound by state authorities. Additionally, we are legally entitled to parcel and sell plots of

undeveloped land, unlocking further value from our landbank.

As of 31 December 2022, 38% and 57% of our primary landbank is held at Taj City and Sarai, respectively. In addition to our primary landbank, we hold a plot of land of over 437,000 sqm in Assiut, Upper Egypt. As of year-end 2022, all of the land area in Assiut is under development, marking our geographical expansion beyond Greater Cairo.



TAJ CITY



Taj City Landbank



■ Under Development	54.6%
■ Unlaunched Residential	22.7%
■ Unlaunched Commercial	22.6%

Project Segmentation



■ Commercial	20%
■ Residential	80%

Taj City is a 3.6 million sqm mixed-use development strategically located across from Cairo International Airport on one of the city's largest landbanks. A one-of-a-kind community that offers a wide range of residential units,

commercial areas, retail stores, medical facilities, and international academic institutions, Taj City is a reimagined city perfectly designed to cater for a wide segment of individuals and families at different life stages.



Residential

Taj City's prime location allows residents to move out to the suburbs while still being minutes away from Old and New Cairo. With a broad range of unit types across multiple projects, we are able to anticipate and respond to the needs of different homebuyers.



Taj Sultan

Launched in 2012, Taj Sultan is Taj City's inaugural development community and our first expansion outside of Nasr City. With decades of expertise and know-how, we built apartment buildings and villas that target different

customer segments. Today, Taj Sultan is home to over 1,000 diverse families. The compound provides a holistic lifestyle integrating a serene environment, including a 30,000-sqm park with modern-day amenities.

October 2012
Launch date

1,759
Units launched

99%
Sold as at 31 December 2022



Taj Gardens

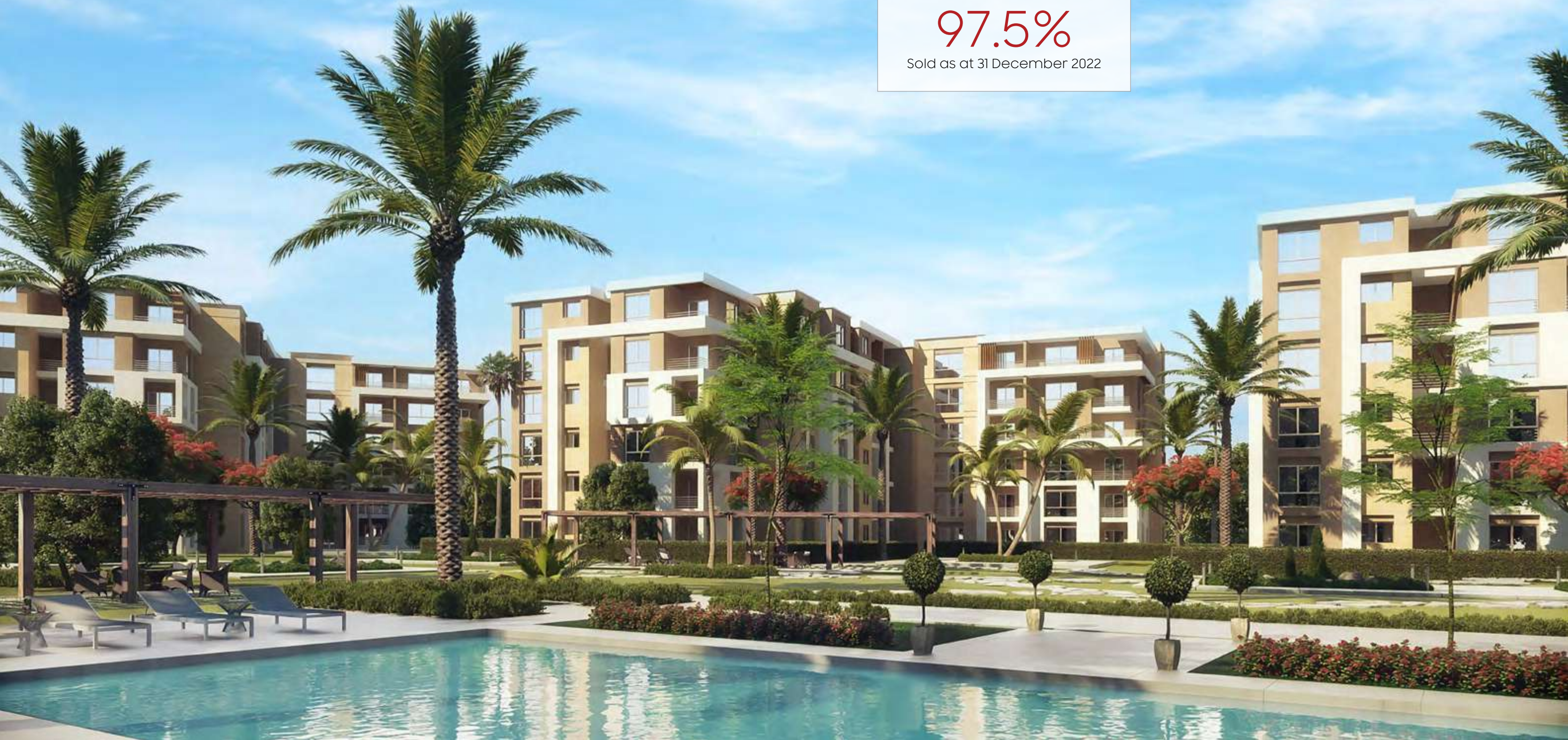
After the successful launch of Taj Sultan, Taj Gardens was established with a different customer segment in mind. Taj Gardens offers sleek and modern apartments designed to accentuate comfort and functionality. The

compound is popular among young homebuyers and small families looking to relocate from congested neighborhoods to East Cairo while maintaining the practicality and affordability of apartment units.

April 2018
Launch date

650
Units launched

97.5%
Sold as at 31 December 2022



Park Residence

Park Residence provides an unparalleled combination of modern architecture, nature, top-notch amenities, and lively entertainment that appeal particularly to young

homeowners. The compound’s diverse portfolio of unit types and sizes attracts customers with different home needs and preferences.

December 2015
Launch date

1,519
Units launched

99.7%
Sold as at 31 December 2022

Shalya

Shalya covers a 289,000-sqm area overlooking Taj City's downtown area. The compound maximizes on its vast area by incorporating green parks and water elements that add value to homeowners' properties. Shalya is a unique community that brings a variety of home sizes, including studios, apartments, duplexes, and villas,

attracting homebuyers who are single, with families, or multi-generational. With its own community center offering recreation and entertainment, Shalya provides residents with a well-rounded experience, eliminating the need to commute often outside the compound.

November 2017

Launch date

941

Units launched

99.8%

Sold as at 31 December 2022



Lake Park Studios

Lake Park Studios provides customizable homes that cater for young and single individuals looking to live in compact yet efficient and versatile studio apartments. The community introduces an affordable proposition for homebuyers eager to live within a compound with parks

and amenities without purchasing large properties. Lake Park Studios has also been particularly popular among Egypt's young workforce demographic eager to live in close proximity to their jobs in East Cairo to avoid long commutes.

March 2018

Launch date

842

Units launched

99.6%

Sold as at 31 December 2022



Taj Ville

Launched in 2022, Taj Ville primarily targets home-buyers with families looking to relocate to a premium villa within a private community that features upscale facilities. The range of villa options available includes a one-story villa layout, which is garnering notable interest from buyers with accessibility needs and those

living in multi-generational households. Taj Ville has its own retail stores complex within the compound, which facilitates the shopping experience for residents and aligns with our purpose to develop all-inclusive sustainable communities.

May 2022
Launch date

126
Units launched

91.3%
Sold as at 31 December 2022



Elect

Following the wide success of Taj Ville's launch, we expanded the same concept and announced Elect. Elevated 9 meters above Taj City, Elect offers residents an even more secluded environment with a wide range of villa options to meet different preferences in terms

of location, size, budget, and layout. The compound's elevation is a key differentiator, which allows residents to enjoy the incredible views of the compound's natural landscape and appeals to homebuyers who are looking to escape a city backdrop.

July 2022
Launch date

273
Units launched

75.1%
Sold as at 31 December 2022



Clubside

Clubside is where luxury meets nature in the heart of the city. With its very own sports club, Clubside promises to deliver a balanced lifestyle that combines practicality, luxury, and premium amenities. Clubside is comprised of five phases; four residential phases and the sports club, covering a total built-up area of over 131,000 sqm. The project caters to different homebuyer needs with units

ranging from lofts to apartments and duplexes. Nested near the sports club, all Clubside units enjoy a unique view of green landscapes and pedestrian routes between the buildings.

415

Units launched

45.8%

Sold as at 31 December 2022

November 2022

Launch date



Kinda

Built by Minka Developments and subsequently acquired by Madinet Masr, Kinda is a Canadian-Egyptian inspired community that combines sustainability with modern-day architecture. Kinda offers fully furnished residential properties for homebuyers looking to move into a new home without undertaking renovating or furnishing tasks. The building materials used at Kinda are thermal insulators, and gardens are watered through an innovative rain drainage system, both features we are keen on implementing at other projects as we focus on sustainability moving forward.

November 2020

Launch date

420

Units launched

31.7%

Sold as at 31 December 2022



Commercial

Taj City's distinguished location makes it a prime destination for offices and commercial spaces. With direct access to the Cairo-Suez Road and Ring Road, and situated within minutes of New Cairo's 90th Street, as well as Nasr City and Heliopolis, we are leveraging Taj City's ideal location for commercial activity. With growing demand for retail space, we are bridging the market gap to deliver a state-of-the-art all-inclusive complex for retail and commercial activity. Furthermore, Egypt's burgeoning startup scene coming online is seeking modern office spaces in strategic areas. Our goal is to build a commercial complex that maximizes value for all stakeholders.

Business District

Launched in 2019, Taj City's Business District boasts a footprint of over 28,000 sqm with immense professional, commercial, and retail prospects. We designed the

Business District with features that support business development and growth, including cutting-edge technology infrastructure, heightened security for businesses to operate safely, as well as modern offices and units.

In a highly populated city, consumers are more inclined to visit commercial complexes where they can easily park and have all their needs met under one roof. To that end, we have designed the Business District to make it lucrative for businesses and attractive for visitors by ensuring there is ample parking space and bringing together a host of shops and services in one place. The amenities at Business District include a state-of-the-art gym, banks, courier services, childcare services, a healthcare facility, and diverse shopping and dining options.



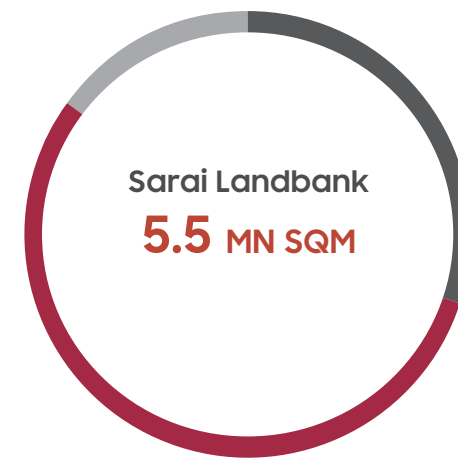


SARAI

Sarai

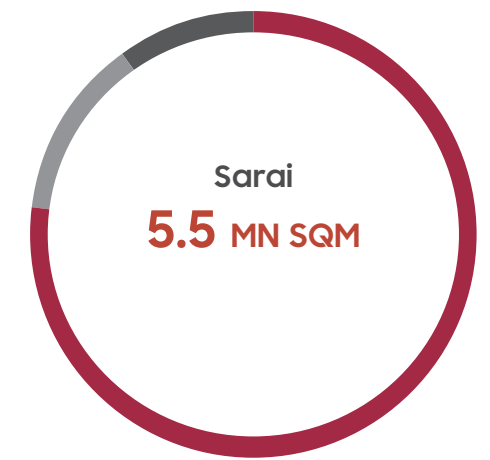
Sarai is a 5.5-million-sqm, mixed-use development located in East Cairo near the New Administrative Capital in a pivotal area that connects the city to other developing and growing areas across the country. Its prime location is appealing to homebuyers looking to move to the suburbs and highly favorable for businesses looking to geographically expand their operations. The mixed-use development is purposely designed to deliver a modern lifestyle and convenience for residents by integrating commercial areas that feature services and entertainment activities.

Sarai Landbank



■ Under Development	30%
■ Unlaunched Residential	55%
■ Unlaunched Commercial	15%

Project Segmentation



■ Residential	77%
■ Commercial	13%
■ Capital Gardens	10%

Residential

Sarai is strategically situated 10 minutes away from the American University in Cairo, 15 minutes from Cairo's Ring Road, and 5 minutes from the New Capital. Situated amid acres of lush landscapes and a 50,000-sqm lagoon, Sarai unlocks an attractive value proposition

for residents to live in the city while enjoying resort-like views and amenities. Designed to reimagine the suburban experience, Sarai is tailored to maximize benefits to a wide range of homebuyers.



Taval

The first compound to be launched at Sarai, Taval targets different segments of homebuyers by offering both villas and apartment units to meet varying needs, budgets, and preferences. Units are customized to each homebuyer's tastes and preferences while retaining a

coherent aesthetic exterior design for the compound. Homes are built around ample green space and cultivate a sense of community where residents have access to a range of amenities, including a clubhouse with sports facilities and dining options.

November 2016
Launch date

1,206
Units launched

99.4%
Sold as at 31 December 2022



Eastwave

With a focus on inclusivity and affordability, Eastwave makes space for everyone through a wide variety of housing options accessible at its two communities: Croons Condos and Varana Houses. Croons Condos offers studios and apartments for individuals and small

families, while Varana Houses offers a variety of villas and townhouses. Eastwave has a 20% buildings-to-lands ratio, stepping away from highly congested and populated developments to foster a community that is centered around wellbeing and the outdoors.

February 2017
Launch date

3,650
Units launched

99.7%
Sold as at 31 December 2022



Cavana Springs

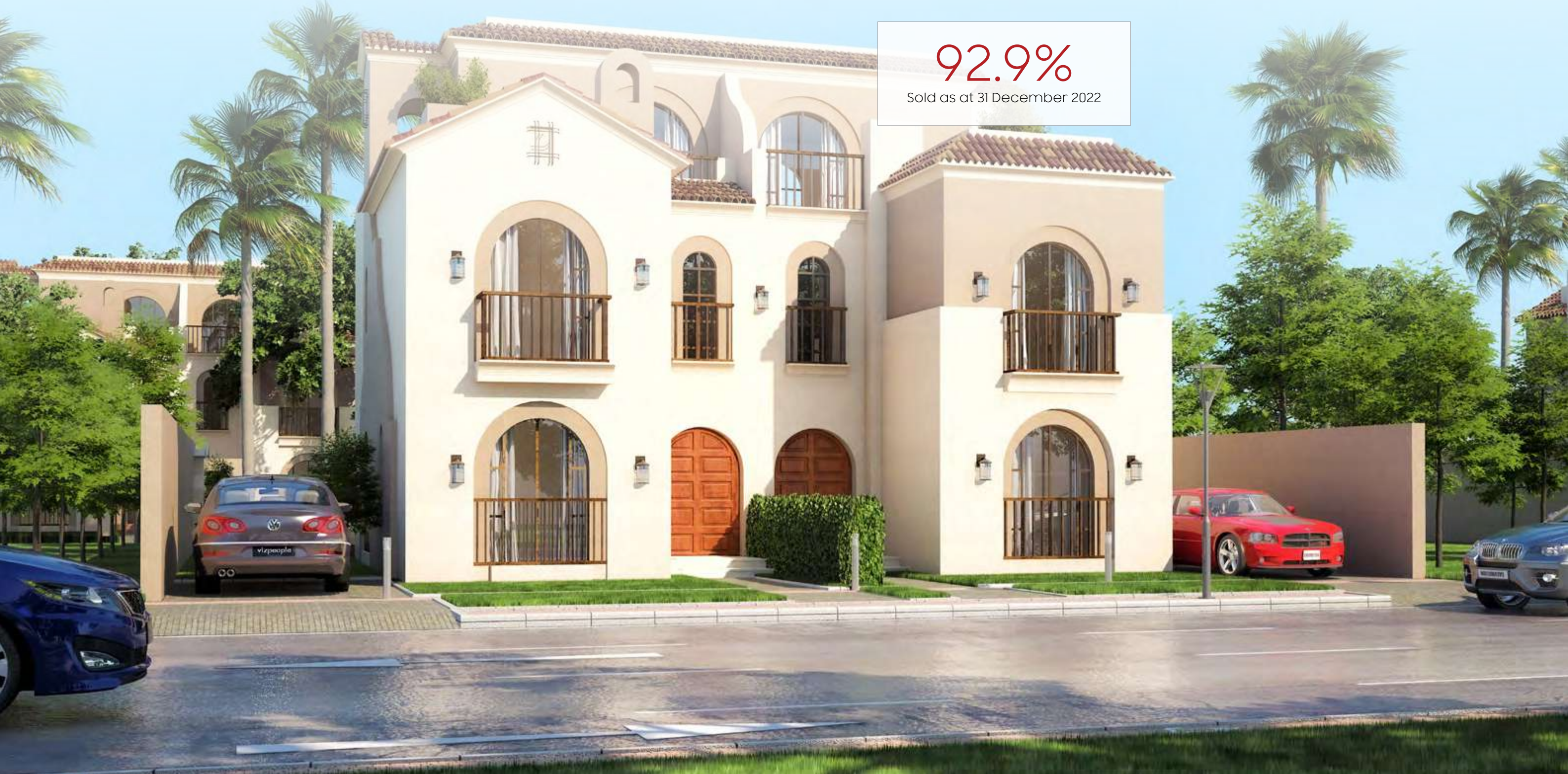
Cavana Springs is a unique and innovative concept that reimagines what a residential compound in a city can offer. We built a resort-like destination where every homeowner overlooks Sarai's swimmable 50,000-sqm lagoon and experiences living on a private beach without leaving Cairo. Cavana Springs has a wide

variety of housing options for different homebuyers, including standalone villas, twin houses, townhouses, and one-level homes. All homes have housekeeping and concierge services, providing residents with an element of luxury and peace of mind that their home upkeep is taken care of within the compound.

July 2018
Launch date

354
Units launched

92.9%
Sold as at 31 December 2022



Commercial

As more people relocate to urban communities, the demand for services, retail stores, and dining options will increase exponentially. Similarly, businesses across different industries are looking to widen their

geographical reach to capitalize on a new market segment of consumers with strong purchasing power. Leveraging Sarai's ideal location, we are bringing businesses closer to new urban communities.



Tajed Strip Mall

Within walking distance from Sarai's residential compounds, Tajed Strip Mall conveniently brings residents closer to everything from vibrant cafes, lounges, and restaurants to shopping stores and supermarkets. The mall's combination of carefully curated restaurants,

international shopping brands, and locally owned boutiques is also attracting visitors from outside of Sarai and has become an entertainment hub in one of Cairo's most sought out suburbs.



OUR COMMUNITY

An Exquisite Community Offering

Reimagining the future of our communities enhances our residents' quality of life and creates an inviting place to call home. Building developments where our residents have convenient access to a wide set of facilities and feel a sense of belonging to an interconnected community is at the core of our service offering. Our ambition is not to merely construct properties but to shape communities and destinations that people long to be a part of. We fulfill this objective by delivering a myriad of services and events that distinguish us from other real estate developers. Furthermore, our facilities will range from commercial areas with premium restaurants and retail stores to world-class educational facilities, state-of-the-art medical services, and sports facilities.

Bespoke Facilities

Facility Management

Our dedicated facility management system delivers high-quality services to our community residents, including top-notch security, maintenance, landscaping, and housekeeping services. The centralized system eliminates the need to resort to third-party providers and ensures our residents have access to onsite services within minutes. When building communities, we set out to deliver solutions that make a tangible difference in residents' lives and reimagine the homeowner's experience.

World-Class Education

We are cognizant of the fact that our city is growing and homeowners are searching for schools closer to home without compromising on the quality of education. With the homeowner's experience at the heart of our community design, we are integrating education options at both our developments. In partnership with

Asten College and Microsoft Egypt, we are establishing the first international school in Taj City. Asten College is an educational institution that focuses on digital transformation and provides a comprehensive suite of IGCSE courses that enable students to experience a consistent high-quality learning process. Similarly, we are building a school district at Sarai and will be cooperating with an educational partner to bring a premium learning experience to our development. We are reimagining communities that allow children to walk or bike to a safe school environment where they can thrive, engage, and excel.

Premium Restaurants

In today's rapidly evolving world, consumers are gaining international exposure through travel and social media and craving variety right here at home. To cater to this growing segment, Taj City will offer a wide range of culinary options and a dining experience that meets their expectations. At Sarai, we are bringing signature eateries from French restaurants and Spanish tapas bars to Lebanese lounges and oriental cafes. The variety of international and local restaurants within our developments make for the perfect outing to connect families, friends, and communities.

Shopping Complexes

Taj City is building a complex with a distinguished collection of supermarkets, cafes, and fashion boutiques, bringing a memorable shopping and entertainment experience to East Cairo. Likewise, Sarai's Tajed Strip Mall will be home to hypermarkets, gourmet grocers, eateries, cafes, as well as local and globally recognized fashion brands. For our community residents, both complexes will promote a hassle-free shopping experience right at home, saving them



hours in commutes elsewhere. Given their prime locations, the complexes will also attract visitors from neighboring communities and become go-to destinations in East Cairo.

Sports Facilities

Our communities are tailored toward a healthy and balanced lifestyle. Taj City's gym is equipped with the latest equipment and is supervised by highly qualified trainers and coaches, promoting a healthy lifestyle for residents. Sarai's Athletics Club will provide members with the opportunity to get fit through a wide range of facilities that include swimming pools; football, handball, basketball, and tennis courts; indoor studios; and a well-equipped gym. Open both to residents and members from outside of the community, we are discovering future sports champions and equipping them with the facilities and training to support their success journey.

Community Centers

Our Company's forte is building prosperous communities, an endeavor that we've excelled in since developing Nasr City. As we expand into East Cairo and beyond,

we aim to carry forward this ideology into our new developments. In our view, the best way to establish a community is to design areas and facilities that bring people together. Taj City's community centers will provide residents with the space to gather for activities and indulge in delicious meals. Residents can also host business meetings and leverage our modern conference rooms. Similarly at Sarai, we are building clubhouses with seating areas and facilities that appeal to all ages and engage our community residents.

Medical Facilities

At Taj City, we are building a state-of-the-art medical park offering world-class emergency facilities, as well as specialized clinics, laboratories, and hospitals, ensuring accessible healthcare to everyone at any time. Protecting the health and wellbeing of our residents is a key component in the fabric of our communities. Establishing a medical park within our development is a critical step in ensuring residents truly live in a community that offers an exhaustive list of services and facilitates an easier living experience. As a developer, we pride ourselves in having the foresight to anticipate our communities' needs at every life stage.

Engaging Community Events

Soccer Match Screenings

Our story begins in Nasr City, our first full-fledged community and home to a number of prominent facilities and landmarks. The Cairo Stadium, which was inaugurated by the late President Gamal Abdel Nasser, was one of our first master projects in the district. Despite our geographical expansion, Nasr City and its facilities continue to be highly treasured by our Company. As such, for the 2022 FIFA World Cup, we chose to set up screenings at our Cairo Stadium.

The World Cup is a sports event that is guaranteed to bring together crowds for every game, and the venue was an optimal choice in terms of seating space and location to host screenings. The event was no doubt highly popular among our Nasr City community and garnered a large number of attendees for every game. Furthermore, we hosted multiple soccer match screenings throughout the year in Taj Sultan for residents.



Ramadan Festivities

In honor of the Holy month of Ramadan, which reinforces a sense of community in Egypt that is echoed across the region, we celebrated with the families

living in our communities. We adorned our compounds with traditional Ramadan decorations and had a Ful Truck throughout the month.



Charity Bazaar

In 2022, we organized our first charity bazaar at Taj City. The event was filled with enjoyable activities and offered a wide range of vendors. Among the participants were breast cancer fighters, down syndrome advocates, and

people with disabilities, raising awareness and supporting our communities. The charity bazaar was an excellent opportunity for people in the community to come together and show their support for a great cause.



Mother's and Father's Day

At our communities, we are always looking for opportunities to celebrate special occasions in a fun and memorable way. This year at Taj City, we hosted Mother's and Father's

Day celebrations for residents. The events gave families a chance to spend quality time together in a festive atmosphere with many activities to create memorable moments.



Mouled El Naby

At Taj Sultan park, we reimagined the traditional Egyptian Mouled celebration into a contemporary experience without compromising its authentic atmosphere. We introduced Mouled-themed carnival games that residents and guests could participate in, and we gave away Mouled souvenirs as part of the

festivities. To make this event even more special, we collaborated with El-Sawy Cultural Wheel, inviting them to perform puppet shows and El Leila El Kebira, among others. This made for a unique and unforgettable experience for everyone.



Christmas Event

At Taj City, we crafted an exceptional Christmas experience that left guests mesmerized. We hosted captivating activities that kept our residents fully engaged, and our show-stopping decorations, installations, and Christmas tree added to the festive ambiance. Our entertainment activities included enchanting Christmas

carols conducted by Dr. Nayer Nagy. To end the day, we treated our residents to an unforgettable firework show by Ahmed Essam, leaving everyone in awe. The result was an unparalleled Christmas experience that created lasting memories for all who attended.



Safety Above All

Our developments are growing into the city's outskirts. Being able to safeguard the communities, families, and children that live within our developments is a responsibility we bear every day. This year, we worked with a security consultant to introduce an upgraded security plan. We also implemented digital access control at all entrances to guarantee that only residents with cards or car passes can enter the compounds. Finally, we continue to install CCTV cameras to support our on-ground security staff. Enhancing our security protocols is an ongoing practice that we are strictly adhering to in order to foster a secure environment for our residents to flourish and for businesses to thrive.



OUR
PEOPLE



OUR PEOPLE

Executive Management

The highly experienced executive management team at Madinet Masr brings a wealth of diverse knowledge to the company's operations.



Abdallah Sallam
President & CEO

A member of one of the most prominent business families in Egypt, and with more than 20 years of experience, Eng. Abdallah Sallam has managed and co-founded several ventures in multiple industries including manufacturing, retail, media, and technology before venturing into real estate. Labeling himself a serial entrepreneur, Eng. Sallam co-founded and managed several businesses throughout his career, including 'Minka Real Estate Investment', a unique property innovator and developer with subsidiaries and interests in a multitude of ventures (construction, consultancy, and renewable energy). In October 2021, Minka was acquired by Madinet Masr and Eng. Sallam was appointed as the new President and CEO. Eng. Sallam brings to his position a wealth of expertise, innovative vision, strategy, and business modeling input across many ventures to help the company fulfill its robust growth strategy being one of the oldest and most influential real estate developers operating in the local market with a legacy of 63 years.

Eng. Sallam is also constantly involved in voluntary consultancy with young entrepreneurs and startups and was chosen as a member of the jury in Shark Tank Egypt. He currently sits on the board of Solarize Egypt, Minlo Trade & Manufacturing, Namaa Real Estate, Paradise Capital, Egyptian Kuwaiti Company for Real Estate Development and Egyptian Food Bank.

Eng. Sallam holds a BSc in Mechanical Engineering from the American University in Cairo and has attended several executive education programs at Harvard Business School and Kellogg of Northwestern University studying consumer marketing, strategy, pricing, and media.



Ahmed El-Azab
Vice President
Finance

Ahmed El-Azab brings over 30 years of experience in finance, investment, auditing, and consulting. He joined Madinet Masr in 2015 and currently serves as Vice President of Finance, a role through which he is responsible for developing and implementing finance and investment plans and setting strategies that will drive the company's growth. Prior to joining Madinet Masr, he was a Director at Ernst & Young where he advised on companies' eligibility to become listed on the Egyptian Exchange (EGX) and London Stock Exchange. He is also a financial advisor and project leader at a number of USAID funded projects, including Chemonics Int., AECOM Int., and DTC.



Dena Habib
Vice President
Corporate Relations

Dena Habib brings over 25 years of business and managerial experience in marketing and communications to her current role. As Vice President of Corporate Relations at Madinet Masr, she leads the company's investor relations, public relations, corporate social responsibility (CSR), and sustainability initiatives. She is also responsible for building the company's communication strategy and maintaining external communications with investors and the media. Prior to joining Madinet Masr, she held various senior-level positions at advertising agencies and companies, including Minka Real Estate Developers.



Karim Ghoneim
Vice President
Leasing

Karim Ghoneim brings over 23 years of experience to his role as Vice President of Leasing. Prior to this, Mr. Ghoneim was CEO of BYC Egypt, a real estate consultancy firm that he founded in 2014. During this period, he was responsible for managing the company's operations, monitoring performance, and setting BYC's strategies. Mr. Ghoneim was also the Business Development Manager at Dolphin Holdings WLL, a Doha-based regional investment group, and held senior-level positions at Vodafone Egypt, Abudawood Group in Saudi Arabia, and World Gym International LLC. Mr. Ghoneim also founded two companies: Invest Gate, a market-leading magazine providing analysis and updates on the real estate sector, and Evolve, a performance development firm delivering specialized real estate training to companies.



Khaled Shaker
Vice President
Clients

Khaled Shaker joined Madinet Masr in 2022 as Vice President of Clients, bringing over 20 years of experience in marketing and business. Prior to joining Madinet Masr, he was the Head of Marketing at Majid Al Futtaim, where he played an integral role in driving the company's marketing agenda and enhancing customer experience across different platforms. He was also Head of Marketing at Dar Almimar Group – Mountain View and held managerial roles at PepsiCo. and Henkel Egypt.



Maged Gabriel
Vice President
Transformation & Culture

Maged Gabriel brings over 25 years of experience in information systems, digital strategy, and business development. He currently serves as the Vice President of Transformation and Culture, where he is responsible for facilitating Madinet Masr's cultural transformation, while ensuring the alignment of employees in this new internal structure. Prior to Madinet Masr, Mr. Gabriel served as Chief Digital Officer (CDO) at Orange Egypt for four years, designing a strategic and digital plan that created value for the company. He spent his six-year tenure at Orange holding many different positions, such as Senior Director of IT and Strategic planning and Director of Product and Services.



Maged Tobgy
Vice President
Commercial

Maged Tobgy brings vast experience in sales and management to his role as Vice President of Commercial at Madinet Masr. He joined the company in 2016 and currently oversees all commercial aspects of the business, while executing strategies that support long-term revenue growth and profitability. Previously, he held a managerial position at Palm Hills Development for over eight years.



Mohamed Lashien
Vice President
Product Development

Mohamed Lashien joined Madinet Masr in 2012 and has held several senior-level positions in the company. Currently, he serves as Vice President of Product Development, where he oversees the product journey from concept ideation all the way to client handover. Previously, Mr. Lashien was a site manager and architect at the Aga Khan Cultural Services (AKCS) for nearly 10 years.



Nihad Soussa
Vice President
Community

Nihad Soussa leverages over 20 years of experience in real estate, specifically in client affairs, community management, and security and facility management. She joined Madinet Masr in 2020 and is currently the Vice President of Community, where she is responsible for supervising livable community projects and corporate offices, as well as handling client affairs. She brings a wealth of expertise, aiming to improve the quality of life in Madinet Masr's communities. Previously, Ms. Soussa worked with several developers, including Emaar Misr, Palm Hills Developments, NEWGIZA, and Inertia Properties.



Rami Heikal
Senior Vice President
Strategy & Operations

Rami Heikal boasts over 20 years of experience in growing brands across the MENA region, specifically in the real estate, food and beverages, sports, and government sectors. In 2021, he joined Madinet Masr as Senior Vice President of Strategy and Operations. Prior to joining Madinet Masr, Mr. Heikal held different positions with Americana, ODH, and SODIC. He also founded two companies: Spring 11, the first Egyptian sports and entertainment management agency to be represented in IMG Worldwide, and Urban Lark for management consultancy, where he was a Chief Consultant for blue-chip brands, such as NHC in Saudi Arabia, Sakani, and INERTIA Egypt.



Shady Sherif
Senior Vice President
Strategy & Ventures

Shady Sherif brings over 20 years of experience in entrepreneurship, media, and startups. He joined Madinet Masr in 2022 as Senior Vice President of Strategy and Ventures. Prior to that, he founded several successful startups, including "LIVE!", a pop-up food court on the beaches of Hacienda Bay, Fouka Bay, and Bianchi in the North Coast, and El Lido, a food snack vendor in sporting clubs. Mr. Sherif also has experience in the media and entertainment sector having created The Glocal, the first online and TV portal in the region, and Ee Entertainment and Events. Earlier in his career, he launched Campus Magazine under Core Publications, one of Egypt's fastest growing and most successful publishing houses.



Wael Nabil
Vice President
Construction Support

Wael Nabil has held several positions at Madinet Masr since 2010 and is currently Vice President of Construction Support. He is responsible for managing the external infrastructure of large-scale projects, ensuring the timely delivery of units at Taj City, Sarai, and Nasr Gardens. Prior to joining Madinet Masr, he was the Senior Project Engineer at ECG Engineering Consultant Group, where he brought together a team to supervise the construction works of compounds and villas in the Madinaty City. Mr. Nabil leverages a solid track record in project engineering, having held senior positions across prominent names in the market, including Dar Al-Handasah Shair & Partners and Amiral.

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Board of Directors



Hazem Barakat
Non-Executive Chairman

Eng. Hazem Barakat co-founded BPE Partners in 2006 with a vision to capitalize on his industry and operational expertise by investing in domestic businesses with growth potential. He is the Chairman of BPE Partners and B Investments and is a member of BPE Partners' investment committee. Prior to founding BPE Partners, he co-founded Miraco-Carrier, one of the region's leading air conditioner manufacturers, as well as Engineering Plastic Manufacturing, a leading plastics manufacturer. In addition to Madinet Masr, Eng. Barakat sits on the board of Total Egypt, and Al-Ismaelia.

Eng. Barakat holds a BSc in Mechanical Engineering from the New York Institute of Technology and is a member of the Egypt-based American Chamber of Commerce, the British Egyptian Business Association, and the Egyptian Businessmen's Association. Previous directorships include the Egypt-US President's Council, the Egyptian Economic Forum, and the Advisory Council of the School of Business, Economics, and Communication at the American University in Cairo.



Abdallah Sallam
President & CEO

A member of one of the most prominent business families in Egypt, and with more than 20 years of experience, Eng. Abdallah Sallam has managed and co-founded several ventures in multiple industries including manufacturing, retail, media, and technology before venturing into real estate. Labeling himself a serial entrepreneur, Eng. Sallam co-founded and managed several businesses throughout his career, including 'Minka Real Estate Investment', a unique property innovator and developer with subsidiaries and interests in a multitude of ventures (construction, consultancy, and renewable energy). In October 2021, Minka was acquired by Madinet Masr and Eng. Sallam was appointed as the new President and CEO. Eng. Sallam brings to his position a wealth of expertise, innovative vision, strategy, and business modeling input across many ventures to help the company fulfill its robust growth strategy being one of the oldest and most influential real estate developers operating in the local market with a legacy of 63 years.

Eng. Sallam is also constantly involved in voluntary consultancy with young entrepreneurs and startups and was chosen as a member of the jury in Shark Tank Egypt. He currently sits on the board of Solarize Egypt, Minlo Trade & Manufacturing, Namaa Real Estate, Paradise Capital, Egyptian Kuwaiti Company for Real Estate Development and Egyptian Food Bank.

Eng. Sallam holds a BSc in Mechanical Engineering from the American University in Cairo and has attended several executive education programs at Harvard Business School and Kellogg of Northwestern University studying consumer marketing, strategy, pricing, and media.



Aladdin Saba
Director

Eng. Aladdin Saba boasts an expansive track record in the financial and investment fields. He founded Beltone Financial in 2002 and co-founded BPE Partners in 2006. Eng. Saba co-founded Hermes Financial, known today as EFG Holding. He is also a founding member of the Egyptian Investment Management Association and the Egyptian Capital Markets Association. Previously, Eng. Saba was a Senior Portfolio Manager at Kidder, Peabody & Co. Inc. in New York. He also served on the Board of Directors of the Central Bank of Egypt, the Egyptian Exchange, and GB Corp.

Eng. Saba holds an MBA from Wharton, a master's degree in biomedical engineering from the University of Pennsylvania, and a Bsc in Biomedical Engineering from Cairo University.



Eskandar Tooma
Director

Dr. Eskandar Tooma is a professional with a strong blend of academic and practical experience in the finance sector. He is a tenured professor of finance at the School of Business at the American University in Cairo. He has also held a visiting professorship position with Imperial College's Business School in London, England. Dr. Tooma previously served as executive board member and the Group Chief Financial Officer (CFO) of Swiss listed Orascom Development Holding, AG (ODH) from 2013-2016. He played a pivotal role in raising and structuring more than \$500 million and restructuring the company's organization, resulting in the successful turnaround from a previous three years of loss to a stable profit making regional real estate and hospitality leader.

Dr. Tooma has sat on the Board of Madinet Masr since 2012 and previously held non-executive board positions in several EGX-listed companies, including Telecom Egypt, Egyptian Resorts Company, Orascom Hotels and Development, Vodafone Egypt, and the HSBC Egypt money market fund oversight board.

He holds a PhD in finance and master's degree in international economics from Brandeis University, a master's degree in finance from Adelphi University, and a BA in business from the American University in Cairo.



Ahmed Omar
Director

Eng. Ahmed Omar founded Egyptian Water Works in 1990 to represent international organizations in Egypt's water treatment and wastewater industry, successfully implementing multiple treatment and desalination projects with Italian Technology. In 1999, Eng. Omar founded Midwater, which develops, owns, and operates water treatment plants treating industrial water and selling it to oil refineries under build-own-operate-transfer (BOOT) contracts. Midwater built its first plant in 2001 and a second one in 2006. Eng. Omar is also the founder and Chairman of EWW Oil & Gas, which represents international organizations in Egypt's power and oil and gas sectors. EWW has successfully launched several projects using Japanese technology. Eng. Omar has sat on the Board of Madinet Masr since 2007, and he sat on the boards of Beltone Financial, TOTAL Egypt, and the El Gouna Red Sea Resort. He holds a BSc in Chemical Engineering from Cairo University.



Salah Katamish
Director

Salah Katamish joined BPE Partners in 2008 after holding a brand manager position at Henkel Egypt, where he was responsible for the Persil (detergent) brand in Egypt. He has been serving on the board of Madinet Masr and Daikin Egypt since 2017. Mr. Katamish holds an MBA from London Business School and a BA in Business Administration from the American University in Cairo.



Hisham Aboul Ata
Director

Eng. Hisham Aboul Ata is CEO and Managing Director at the Holding Company for Construction and Development (HCCD). He has held board memberships at several companies and enjoys many decades of experience in the field of civil engineering in Egypt and abroad. Prior to taking up his role at HCCD, Eng. Aboul Ata was Chairman of the Board and Managing Director at Al Nasr for Housing and Development. Additionally, Eng. Aboul Ata held a number of positions at Al Muntazah for Tourism and Investment, including Head of Engineering Affairs and Projects. He also held positions at Sabbour Consulting and at Cairo University. Eng. Aboul Ata holds a BA in Civil Engineering from Cairo University.



Mushira Al Maghrabi
Director

Eng. Mushira Al Maghrabi has had a long and distinguished career in the field of engineering and construction. She began her career at El Abd Contracting Company where she grew to become Sector Head. Subsequently, she served as the Managing Director of the Egyptian Company for Buildings starting 1996 and took on the role of Managing Director at Maadi For Investment & Development in 2017. Throughout her career, she has been actively involved on the Boards of Directors of various companies, including NUE, Alexandria Construction Company, Zahraa El Maadi Investment and Development, where she has served as Chairperson of the Board and Managing Director since 2012. She has held a position on Madinet Masr's Board of Directors since 2006. Eng. Al Maghrabi holds a bachelor's degree in Architecture.

Shareholder Information

Madinet Masr has been listed on the Egyptian Exchange (EGX) since 1996. As at 31 December 2022, the

Company's 2.1 billion shares had a market capitalization of c. EGP 7.2 billion.

18.1%

Free Float

7.2 BN EGP

*Market Capitalization

*As at 31 December 2022 at a share price of EGP 3.43



EGX: MASR.CA

Share Listing: Cairo, Egypt

No. of Outstanding Shares: 2,100,000,000

Shareholder Structure

BIG Investment Group Ltd	19.90%
B Investment Holding SAE	7.47%
Holding Company for Construction & Development SAE	15.19%
Sallam Family	4.72%
Local Institutions	14.20%
Foreign Institutions	20.40%
Other and Free Float	18.12%

Corporate Governance Report

This report presents the practices taken by the Company relating to the implementation of the corporate governance rules set forth in the rules for listing and delisting securities on the EGX, as well as other rules applied by the Company on a voluntary basis and derived from the guidelines contained within the Egyptian Guide to Corporate Governance issued by the Financial Regulatory Authority (FRA) as part of Resolution 84 for the year 2016. This report was prepared according to the disclosure requirements of

the rules of listing securities on the EGX (Article 40) issued by the FRA as part of Resolution 13 for the year 2018. This is the fifth Corporate Governance Report issued by the Company and relates to the Company's operations for the fiscal year ending 31 December 2022. This report was prepared in accordance with the guidelines and report form prepared by the FRA in line with the current practices applied by the Company for corporate governance.

Company Name		Madinet Masr	
Company Purpose		Taking part in all activities related to real estate development of land, buildings, and establishments, including purchasing land and buildings in Nasr City and other regions in governorates across the country for the purpose of selling, leasing, and partitioning land and equipping it with all facilities necessary for its development. The Company may establish, manage, and invest all residential, administrative, tourism, and entertainment facilities related to these lands.	
Company Term	50 Years	Date of Listing on the EGX	7/5/1995
Governing Law	Law 159 for the year 1981	Face Value of Share	EGP 1
Authorized Capital	EGP 5 billion	Paid-up Capital	EGP 2.1 billion
Paid-in Capital	EGP 2.1 billion	Commercial Registration Date and Number	300874 23/12/1996
Contact Person		Accountant Ramadan Sayed Abdelaziz Zerd	
Address of Main HQ		4 Youssef Abbas Street, Nasr City, Cairo	
Phone Number	24006337	Fax Number	24006359
Website		www.madinetmasr.com	
Email Address		rsayed@madinetmasr.com	

General Assembly of Shareholders

The Ordinary General Assembly of Shareholders shall convene on an annual basis at the invitation of the Chairman of the Board of Directors at the time and place determined by the invitation announcement within

three months of the end of the Company's fiscal year. The Board of Directors may decide to call the General Assembly to convene whenever it is deemed necessary.

Shareholding Structure

Holders of 5% or more of the Company's Shares	Ultimate Beneficiary	Number of Shares as of the Date of Publishing the Company's Financial Statements	Ownership Percentage
BIG Investment Group Ltd.	BIG Investment Group Ltd.	417,883,272	19.90%
Holding Company for Construction & Development SAE	Holding Company for Construction & Development SAE	318,999,182	15.19%
B Investment Holdings	B Investment Holdings	156,909,104	7.47%
Total	-	893,791,558	42.56%



Board of Directors

In accordance with the Company's Articles of Association, the Company is run by a Board of Directors consisting of 3–11 members appointed by the General Assembly of Shareholders. Board members are elected using ballot voting, and it is permissible for the Board to include a maximum of two experienced members, which is to be approved in the first subsequent General Assembly Meeting.

Based on the approval of the Ordinary General Assembly (OGM) meeting held on 13 December 2020, the Company's Board of Directors' term was renewed for an additional three years.

On 13 December 2021, the Company's OGM convened and approved the addition of Eng. Mohamed Abdallah Nabil Sallam to the Board of Directors for a period ending with the expiry of the Board's current term, as well as appointing him as the Company's Managing Director.

The Board of Directors is currently comprised of 10 members, including eight members elected by the General Assembly of Shareholders and two appointed members with experience. The Company separates between the positions of Board Chairman and Managing Director. The Board also includes a female member (Eng. Mushira Kamal Al Maghrabi).

	Member	Role	Number of Shared Held	Joining Date	Representing
1	Eng. Mohamed Hazem Barakat	Chairman of the Board of Directors – Non-executive	260,138	13/12/2020	Shareholders
2	Eng. Mohamed Abdallah Nabil Sallam	Managing Director – Executive	23,329,548	13/12/2021	Shareholders
3	Eng. Hisham Anwar Aboul Ata	Non-executive Member	318,999,182	13/12/2020	Holding Company for Construction & Development SAE
4	Eng. Aladdin Hassouna Mahmoud Saba	Non-executive Member	-	13/12/2020	Shareholders
5	Mr. Salah Hisham Abdelmeguid Katamish	Non-executive Member	-	13/12/2020	Shareholders
6	Eng. Mushira Kamal Abdelmaksoud Al Maghrabi	Non-executive Member	903,605	13/12/2020	Shareholders
7	Dr. Eskandar Adel Eskandar Tooma	Non-executive Member	3,375	13/12/2020	Shareholders
8	Eng. Ahmed Hassan Abdelmeguid Omar	Non-executive Member	2,840,264	13/12/2020	Shareholders
9	Major General Amir Sayed Ahmed Hassan	Independent Member	-	13/12/2020	Experienced Member
10	Major General Yasser Mohamed Kamel Al Mallah	Independent Member	-	13/12/2020	Experienced Member

Article 26 of the Company's Articles of Association states that the Board of Directors and the Board Committees are permitted to convene through the use of

modern methods of communication, including conference calls or video conferences.

Board Role and Responsibilities

1. Running the Company's affairs based on the mandate given by the General Assembly. The Board sets the strategic objectives and monitors the performance of the Executive Management, ensuring the effectiveness of the internal controls system and risk management. The Board also determines the best way to implement corporate governance systems and adopts professional policies and standards to be followed by the Company's employees to reflect on their performance and behavior.
2. Developing mechanisms and systems that guarantee the compliance of all company employees with the Company's internal rules, regulations, and policies. The Board is also responsible for setting in place an early warning system to detect any shortcoming or deviation that may occur and to ensure that appropriate action is taken promptly.
3. Setting in place a succession strategy for senior roles and Board positions in order to guarantee the Company's business continuity.
4. Determining the authority delegated to Board members and committees, the duration of the delegation, and the frequency of reports received from committees and Executive Management, as well as monitoring their performance.
5. Establishing preventative measures, tools, and mechanisms that control the accuracy and integrity of data within the Company and protecting it from internal or external manipulation and penetration, such as securing the use of the Internet and mobile devices against hacking.
6. General supervision of disclosure and communication channels and ensuring the integrity of financial and accounting reports issued by the Company, as well as ensuring the independence of the Company's internal audit function.
7. Appointing a Secretary for the Board of Directors with the necessary skills and knowledge, in addition to establishing an organizational chart.

Chairman of the Board of Directors

The Chairman of the Board of Directors is a non-executive member who is responsible for enhancing the Board's performance through providing guidance and ensuring its effective operations. The Chairman

should have the necessary experience, competencies, and personal characteristics that enable them to fulfill their duties, which include:

- Calling for, setting the agenda of, and presiding over Board meetings.
- Calling for ordinary and extraordinary general meetings to consider the agenda submitted by the Board.
- Ensuring that sufficient and accurate information is made available in a timely manner to shareholders and Board members.
- Receiving reports and recommendations from all committees and submitting them to the Board on a regular basis for necessary action.
- Ensuring that all decisions are made based on rational grounds and based on full awareness of the relevant matters, and that a suitable mechanism is in place to guarantee the effectiveness of implementing these decisions at the right time.
- Promoting discussion and constructive criticism and ensuring the right for presenting opposing views and discussing them in the context of decision-making.
- Ensuring that the Board is fulfilling its duties in a manner that serves the Company's interests while avoiding any conflicts of interest.
- Preserving the trust between all members of the Board, especially among the executive members, and supporting the relationship between the Board and the Company's Executive Management.
- Ensuring the efficiency of the governance system and the effectiveness of the Board Committee's performance.

Managing Director and CEO

- Executing the Company's strategy and annual plan as set and approved by the Board.
- Leading the Company's executive work and day-to-day business, supervising the progress of all departments and divisions of the Company, monitoring the performance of all activities, making decisions as they deem necessary for work to be performed in an orderly manner and objectives to be achieved, as well as seeking to improve customer satisfaction.



- Working on the implementation of all internal policies, rules, and regulations approved by the Board.
- Proposing matters, in consultation with the Chairman, to be presented in the periodic Board meetings.
- Overseeing the preparation of the periodic financial and non-financial reports on the Company's results and performance, as well as the corporate governance report, and reviewing all the answers to the auditor's inquiries before preparing the reports.
- Effectively participating in building and developing a culture of ethical values in the Company and proposing the ESOP plan and succession planning mechanisms that are approved by the Board to ensure employee loyalty and maximize the Company's value.
- Determining the roles and responsibilities of all employees in accordance with the applicable work regulations and Board resolutions.
- Notifying the Board of Directors with all major and material developments related to the Company's activities and presenting items that require Board approval.
- Overseeing the preparation of the Board of Directors annual report and raising it to the Board for approval and publishing.
- Working toward providing the Company with suitable employees and attracting new executive and senior managers in order to achieve the best possible outcomes, while verifying that the Company's rewards and incentives system ensures their loyalty to the Company. In addition to providing them with continued training opportunities to develop their skills and consistently enhance their performance while ensuring the presence of suitable replacement plans.
- Representing the Company before the relevant authorities.
- Arranging for the Board and committee meetings; preparing the matters to be presented at these meetings; assisting the Board Chairman and the Managing Director in preparing the meeting agendas; preparing the information, data, and details relating to the said matters and sending them to the members before the meeting in a timely manner; and managing the logistics of the meetings.
- Monitoring the execution of the Board's resolutions in accordance with the relevant framework.
- Keeping and documenting all that is related to the Board's resolutions and the matters presented to the Board and ensuring that the Board receives important information in a timely manner.
- Liaising with the Managing Director and the Company's departments to present their results to the Board.
- Liaising with all Board Committees, ensuring effective communication between the committees and the Board.
- Providing new Board Members with the necessary information about the Company.
- Recording attendance at all meetings, noting whether attendance is in person or not.
- In the event that a Board Member is attending virtually, the Secretary is responsible for making sure that all documents and the meeting agenda are available to them from the very beginning of the meeting.
- Preparing, recording, and signing the minutes of the Board and general meetings and sending copies of them to Board members for approval.

Board Committees

The Company's Board of Directors sets the rules and procedures necessary to form its committees and determine their responsibilities, authorities, and term length. The Board regularly monitors the performances of its committees to ensure their effectiveness. When forming the committees, the Board considers the experiences of the committee members as they relate to the tasks assigned to each of them, especially in terms of the regulatory, legal, financial, banking, and economic aspects.

Board Secretary

The Company has a Board Secretary who reports to the Financial Controller and is at an appropriate career grade that allows them to act as the liaison between the Board and the Company's top management. The Board Secretary's role includes the following duties:

	Name	Committee Name				Member's Capacity	Position	Joining Date
		Audit Committee	Nomination and Remuneration Committee	Financing, Investment, and Risk Management Committee	Marketing Committee			
1	Eng. Mohamed Hazem Barakat				√	Chairman of the Board of Directors – Non-executive	Chair	13/12/2020
2	Eng. Mushira Kamal Abdelmaksoud Al Maghrabi	√	√			Non-executive	Chair	13/12/2020
3	Dr. Eskandar Adel Eskandar Tooma	√	√	√		Non-executive	Member	13/12/2020
4	Major General Amir Sayed Ahmed Hassan	√				Independent	Member	13/12/2020
5	Eng. Mohamed Abdallah Nabil Sallam				√	Managing Director	Chair	13/12/2020
6	Eng. Aladdin Hassouna Mahmoud Saba		√	√		Non-executive	Chair	13/12/2020
7	Mr. Salah Hisham Abdelme-guid Katamish			√	√	Non-executive	Member	13/12/2020
8	Mr. Ahmed Abdelmoneim Madbouly	√		√		Experienced Member	Member	13/12/2020
9	Major General Yasser Mohamed Kamel Al Mallah	√				Independent	Member	13/12/2020

Convened Board and Board Committee Meetings

Board and Board Committee meetings are held on a periodical basis. The following table shows the meetings held during 2022:

- 13 Board meetings

- 10 Audit Committee meetings

- 2 Nomination and Remuneration Committee meetings
- 5 Financing, Investment, and Risk Management Committee meetings

Board members' attendance at Board meetings and main committees:

	Member Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Financing, Investment, and Risk Management Committee	Marketing Committee
1	Eng. Mohamed Hazem Barakat	13/13				1/1
2	Eng. Mohamed Abdallah Nabil Sallam	13/13				1/1
3	Eng. Aladdin Hassouna Mahmoud Saba	11/13		2/2	5/5	
4	Eng. Hisham Anwar Aboul Ata	13/13				
5	Eng. Mushira Kamal Abdelmaksoud Al Maghrabi	13/13	10/10	2/2		
6	Eng. Ahmed Hassan Abdelmeguid Omar	10/13				
7	Dr. Eskandar Adel Eskandar Tooma	13/13	10/10	2/2	5/5	
8	Mr. Salah Hisham Abdelmeguid Katamish	13/13			5/5	
9	Major General Amir Sayed Ahmed Hassan	13/13	10/10			
10	Major General Yasser Mohamed Kamel Al Mallah	9/13	10/10			
11	Mr. Ahmed Abdelmoneim Madbouly		10/10		5/5	

Audit Committee

The Audit Committee is comprised of four non-executive Board members, two of which are independent, in addition to a fifth member from outside the Board of Directors with financial and managerial experience. The members have the appropriate experience that ensures achieving the required balance in capabilities, knowledge, and sufficient awareness of financial issues and the fields of auditing and accounting, commensurate with the size of the Company and the complexity of its operations.

The committee held 10 meeting during 2022 and carried out the responsibilities entrusted to it throughout the year as stated in the meeting minutes.

Committee Roles and Responsibilities

1. Proposing the appointment of the Company's external auditor, determining their fees, and considering matters related to their resignation or dismissal, in a manner that does not violate the provisions of the law.
2. Expressing an opinion on assigning the external auditor to perform services for the benefit of the Company other than reviewing the financial statements, and on their fees, without prejudice to the requirements of their independence.
3. Agreeing on the scope of the audit with the external auditor.
4. Discussing the issues the committee deems necessary with the person in charge of the internal audit, the external auditor, and the relevant officials, as well as any matter they deem necessary to discuss with the committee.
5. Examining the quarterly and annual financial statements before being presented to the Board for approval.

6. Reviewing the annual financial statements before they are published and ensure that they are in line with the approved financial figures.
7. Coordinating between internal and external audit tasks and ensuring that there are no restrictions that impede the direct communication lines between the Head of Internal Audit, the Company's external auditors, the Board of Directors, and the Audit Committee.
8. Reviewing and approving the annual internal audit plan.
9. Reviewing the internal audit reports, including reports related to the adequacy of the Company's internal control systems and the extent of compliance with the policies and laws in force, and ensuring that the Company's management takes the necessary corrective measures in a timely manner toward any issues identified.
10. Examining any obstacles that could affect the internal or external audit process and suggesting means to remove them.
11. Examining the FRA's remarks on the financial statements and providing them to the Board of Directors along with the committee's recommendations.
12. Examining the external auditor's remarks on the financial statements and other reports sent to the Company's management throughout the year and providing them to the Board of Directors along with the committee's recommendations.

Nomination and Remuneration Committee

The committee is comprised of three non-executive Board members, and its scope of work throughout 2022 was determining compensation and bonuses. The committee's responsibilities are as follows:

- Proposing clear policies for the bonuses and rewards of Board members, committee members, and senior executives, as well as setting and amending the performance-based standards related to determining the bonuses and review these policies on an annual basis.
- Preparing a detailed annual report with all the benefits, bonuses, and privileges received by Board members and Senior Managers to be presented to the General Assembly.
- Regularly and continuously reviewing the required skills necessary for Board membership and Senior Managerial roles and preparing a report with the requirements to implement the Company's continuity strategy.
- Determining the responsibilities of the Board's executive, non-executive, and independent members, as well as reviewing the job descriptions of the Company's Senior Executives.
- Regularly verifying the independence of independent Board members and ensuring that there are no conflicts of interest if a Board member is a member of the Board of Directors of another company.



Financing, Investing, and Risk Management Committee

The committee is comprised of three non-executive Board members and one experienced member from outside the Board of Directors. The committee's responsibilities are as follows:

- Examining and evaluating the Company's liquidity position and its short- and long-term financing needs.
- Examining and evaluating funding sources that best fit the Company's needs.
- Reviewing and evaluating financing terms proposed by financial institutions and amend them when needed.
- Evaluating technical and financial offers submitted by financial institutions and recommending the most suitable offers to the Board of Directors.
- Monitoring the Company's use of available financing and the regularity of loan repayments.
- Reviewing technical, financial, and economic feasibility studies for investment projects presented to the Board of Directors and expressing an opinion and recommendation to the Board in this regard.
- Reviewing the Company's investment plans, following up on their implementation, and reporting on them to the Board of Directors.
- Examining the proposed cash dividend distribution plan in light of the availability of the necessary liquidity.
- Examining and suggesting to the Board the purchase of treasury stock, when necessary.
- Developing executive frameworks, procedures, and rules approved by the Board that are necessary to deal with all types of risks that the Company may face, such as strategic, operational, market, credit, reputational, and information systems and data protection risks, as well as all other types of risks that would affect the Company's operations and sustainability.

- Assisting the Board of Directors in determining and evaluating the level of risk that the Company can accept and ensuring that the Company does not exceed this risk limit.
- Supervising and verifying the effectiveness of the Company's risk management in carrying out the work assigned to it and ensuring that it performs its work adequately within the confines of the responsibilities assigned to it, as well as ensuring the independence of its staff from the Company's Executive Management.
- The committee's recommendations shall be included in the notes of financing decisions for presentation to the Board of Directors, and not in the form of separate meeting minutes, so that the recommendations of the committee are included in the study supporting the decision to approve the financing.

Governance Committee

The responsibilities of the Governance Committee were handed over to the Audit Committee and are as follows:

- Periodically evaluating the Company's governance system and drafting internal guides, charters, and policies on how to apply governance rules within the Company.
- Reviewing the annual report on the extent of the Company's compliance with corporate governance rules and setting in place the appropriate procedures that ensure the complete implementation of those rules.
- Reviewing the Board of Directors' report, especially with regard to disclosure and other items related to corporate governance.
- Examining the remarks of the regulatory authorities on the application of corporate governance within the Company, taking them into consideration, and following up on the actions taken in this regard.

Other Committees

Executive Committee

The Executive Committee is comprised of the Managing Director and the Company's Department Heads, and it carries out the following responsibilities:

- Supervising the development of executive strategies and annual budgets.
- Coordinating operations between the various departments to ensure the execution of the approved strategies and budgets.
- Examining and evaluating the feasibility of new projects offered to the Company.
- Following up on project implementation, identifying obstacles, and working to address them.
- Safeguarding the Company's tangible assets against any possible danger, as well as documenting and recording these assets in the Company's registers.
- Increasing the Company's productive efficiency and achieving its objectives at the lowest cost possible while maintaining the desired level of quality.
- Ensuring the precise implementation of instructions to make sure that they have been carried out properly.
- Ensuring the application of corporate governance rules through the precise implementation of the different requirements.

Marketing Committee

The Marketing Committee is comprised of the Chairman, the Managing Director, and a non-executive Board Member, and it carries out the following responsibilities:

- Requesting and reviewing marketing studies.
- Examining and evaluating marketing and sales strategies.
- Approving the marketing and sales budget.
- Evaluating the performance of the Marketing and Sales Departments.

Regulatory Environment

Internal Control System

The Company implements a set of policies, procedures, manuals, and regulations prepared by the relevant departments and approved by the Board of Directors in order to achieve the following:

- Appropriate delegation of responsibilities and powers for all employees.
- Ensuring the accuracy and quality of the information so that correct and accurate information about the Company is available internally to Company personnel and to others.
- Evaluating the Company's control and risk management systems.
- Developing an internal audit plan based on potential risks.
- Presenting the internal audit plan to the Company's Executive Management and the Audit Committee for approval.
- Preparing and implementing internal audit programs in order to execute the internal audit plan.
- Submitting detailed reports on the internal audit findings and recommendations to the concerned sectors and/or departments and agreeing on corrective measures, if deemed necessary.
- Presenting a summary report with the internal audit's findings, recommendations, and corrective measures that were agreed upon with the concerned sectors and/or departments to Executive Management and the Audit Committee.

The Internal Audit Team conducts its duties with complete objectivity, impartiality, and independence from the activities being audited. The Department's employees are equipped with the necessary skills, experience, and commitment to professional standards.

Risk Management

The Board of Directors is responsible for risk management in a manner consistent with the nature of the Company's activity, and size and the market in which it operates. There is currently no independent organizational risk management unit; however, each Department Head and each Executive Director is responsible for risk management within their scope of business and activities. The following responsibilities fall under their supervision:

- Accurately analyzing the potential risks that the Company could face at an early and appropriate timing.
- Determining the level of acceptable risk depending on its impact and potential of occurring.
- Developing a Risk Policy and specific indicators to measure, follow up, and monitor risks.
- Measuring the sustainability and effectiveness of policies in measuring, monitoring, and following up on risks, in addition to making necessary adjustments in this regard in line with market developments and the internal and external environments surrounding the Company.
- Ensure the availability of appropriate and effective information and communication systems with regard to the process of monitoring risks so as to allow Senior Management and the Risk Committee to receive periodic reports reflecting the extent of the Company's commitment to the set risk limits and clarify the violations of these limits, their causes, and the proposed plans to address them.
- Submit accurate reports that enable stakeholders to take the necessary actions.
- Present findings to the Company's Executive Management and to the Financing, Investment, and Risk Management Committee in order to coordinate on a company-wide level.

Compliance Department

Implementing policies relating to compliance is the responsibility of Senior Management, with the Board of Directors being responsible for approving these policies. All employees are then notified with these policies. Currently, the Company does not have an independent Compliance Department; however, the Legal and Human Resources Departments are responsible for performing the following responsibilities:

- Identifying, assessing, and providing advice on compliance requirements.
- Preparing reports on the risks of non-compliance with the laws, regulations, and regulatory instructions issued by the various relevant authorities in order to avoid harming the Company's reputation or exposing it to penalties resulting from non-compliance.
- Following up regularly and ensuring that all of the Company's employees adhere to the laws, regulations, and guidelines issued by the various relevant authorities.
- Following up regularly and ensuring that all employees comply with the Company's internal regulations and policies.
- Receiving complaints and investigating them in an objective manner.

Corporate Governance Department

Currently, the role of the Corporate Governance Department is being fulfilled by the Company's Finance and Investor Relations Departments, and that includes

- Monitoring the presence of basic principles and elements that aid in developing and enhancing the Company's performance, contributing to the achievement of the Company's strategic objectives set by the Board of Directors.
- Monitoring the presence of the principles of disclosure, transparency, and a culture of governance throughout the Company and its operations.
- Enhancing and developing the Company's general framework and principles of work using its



professional code of conduct, while defining its social responsibility toward workers and society as a whole.

- Monitoring the implementation of the Company's conflict of interest policy.
- Working toward implementing transparency, clarity, and fairness when dealing with all shareholders.
- Working on clarity of relations between the Board of Directors and stakeholders.
- Developing internal governance guides for the Company and drafting internal policies that regulate the relationship between all employees, as well as contributing to the preparation of the report on the extent of the Company's commitment to corporate governance.

External Auditor

- The Company appoints an external auditor who fulfills the conditions stipulated by the law of Profession of Accounting and Auditing, including competence, reputation, and sufficient experience and that their qualifications are commensurate with the size and

nature of the Company's activity and those with whom it deals. The auditor must also be completely independent from the Company and the members of its Board of Directors. For example, they should not be a shareholder or a Board member or be related to any Board member or Senior Management personnel up to the second degree, or perform any technical work, management, or consulting on a permanent basis.

- The external auditor is chosen from the list of auditors registered with the FRA.
- Appointment is confirmed by the General Assembly of Shareholders based on the recommendation of the Board of Directors, following the Audit Committee's recommendation.
- The Board of Directors may not enter a contract with the external auditor to perform any additional work that is not directly or indirectly related to their work as its auditor, except after obtaining the approval of the Audit Committee, and provided that this additional work is not prohibited for auditors. The fees of any additional tasks must be commensurate with the nature and size of the required work. The Audit Committee, when considering the

approval of the auditor performing additional tasks and determining their fees, must ensure that this does not affect their independence, with the need to disclose this to the General Assembly of Shareholders and in the Board of Directors' Annual Report.

- The Company complies with having the external auditor submit a copy of their report in the Company's Governance Report directed to the FRA and the EGX in accordance with the applicable rules of governance and disclosure. This report is also submitted to the General Assembly of Shareholders.

Disclosure and Transparency

Material Information, Financial, and Non-Financial Disclosure

Financial, non-financial, and material information are disclosed to the EGX and published on the Exchange's screens. The Company's financial statements are published on a quarterly basis on the Company's website, which is regularly updated. Material information includes:

- Information on the Company, such as its objectives, vision, business nature, plans, and future strategies.
- Ownership structures of affiliates and subsidiaries.
- Dealings with related parties and related-party transactions.
- Major potential risks and how they can be addressed.
- Changes in investment policies.
- Disclosing to shareholders and supervisory authorities all information regarding treasury shares. In the event of a subsidiary purchasing shares of its holding company, the company applies to such shares all treasury share rules. These shares are not counted in the shareholders' quorum or during votes at general meetings.
- Notifying the FRA and the EGX of the extraordinary and ordinary general meeting resolutions as soon as a meeting is concluded and, in any event, no later than the start time of the first trading session following the meeting. This comes in addition to providing the EGX with the meeting minutes approved by the Chairman of the Board within one week of every general meeting.
- Providing the EGX with the General Assembly meeting minutes certified by the competent administrative authority within three business days of receiving the certified minutes.
- Providing the FRA and the EGX with a summary of the Board resolutions involving material information, no later than the start time of the first trading session following the meeting in which the resolutions are adopted.
- Providing the FRA and the EGX with a statement approved by the Board showing the most important business results compared with the corresponding historical period on the form prepared by the EGX as soon as the Board approves the annual or quarterly interim financial statements. This is in preparation for submitting the financial statements to the auditor to issue his report on them, no later than the start time of the trading session following the meeting.
- Announcing the decision of the competent body regarding the cash and/or stock dividend distributions.

- Disclosing whenever the shareholding percentage of a shareholder or related party in the Company's shares or voting rights exceeds or drops below 5% and its multiples, including shares that were subscribed in through the purchase of subscription rights.
- Disclosing the Company's future investment strategy and the direction of the primary shareholder in the event that their ownership, alongside the ownership percentage of associated parties, is 25% or more of the Company's capital or voting rights.
- Disclosing whenever any arbitration decisions or court rulings are issued at any stage of litigation that affect the Company's financial position or the rights of its securities holders or have an impact on trading prices or on the investment decision of investors.
- Immediately disclosing in the event that any court ruling is issued against a member of the Company's Board of Directors or Senior Officials.

Penalties and Judgments Against the Company During the Year

No penalties or judgments were issued against the Company during the year. An amount of EGP 11,000 was paid as a fine for not submitting the Company's financial statements for the third quarter of the year to the FRA on time after they were submitted on time to the EGX.

Investor Relations

The Head of Investor Relations is appointed by the Board of Directors and attends the General Assembly of Shareholders. The Head of investor Relations is responsible for:

- Communicating with and answering the inquiries of shareholders, in addition to distributing press releases relating to the Company that include data and information specified by the EGX.
- Developing a strategy that includes the Company's disclosure policy and complies with all laws, regulations, rules, listing procedures, disclosure requirements, and decisions issued by the FRA and the EGX.
- Having complete knowledge of Senior Management's strategic plans and all decisions taken by them, especially material decisions, while being committed to maintaining the confidentiality of essential and internal information that is not publicly available.

- Disclosing the Company's plans and activities to financial analysts, current and potential investors, as well as valuation institutions through meetings, conferences, and reports.
- Conveying the circumstances of the market to the top management and assisting in replying to the questions and inquiries of investors, the media, and financial analysts, as well as dealing with the rumors that affect the shares of the Company.

Disclosure Tools

Board of Directors Reports

The Company issues quarterly reports published through the EGX, as well as an annual report in accordance to article 159 of the Companies Law for the year 1981 and its executive regulations to be presented to the General Assembly of Shareholders and is submitted to the FRA and the EGX.

Disclosure Report

The Company prepares a quarterly disclosure report prepared by the Company's management with the assistance of the Investor Relations Department, and it includes:

- The Company's contact details.
- The names of the Investor Relations officers and their contact details.
- Structure of the shareholders possessing 5% or more of the shares.
- Overall shareholding structure, specifying the free float shares.
- Details of the treasury shares, if any.
- Changes in the Board and the last formation of the Board.

Website

The Company's website is available online in both English and Arabic, and financial and non-financial information is disclosed thorough the website in a convenient manner. (www.madinetmasr.com).



Insider, Related Party, and Associated Party Policy

The Company implements a policy that monitors insider trading of the Company's shares in accordance with the laws of the FRA and the EGX and determines the level of compliance of founders, principal shareholders, and associated parties in not partaking in any netting contracts without the approval of the General Assembly. Such transactions are to be presented to the General Assembly in full details, including price and volume, before the transaction is completed, and the involved party shall not have the right to vote during the meeting. The policy ensures that all stakeholders understand the definition of insider trading and its regulations. The policy includes the following statements:

- It is prohibited for any insider or associated party to deal in any type of stock issued by the Company within five days prior to and one day after the publication of any material information.
- It is prohibited for any shareholder with a shareholding of over 20% to trade either individually or through an associated party without notifying the EGX prior to completing the trade.
- It is prohibited for Board Members, regardless of their current shareholding percentage, as well as company officials or individuals with access to material, non-public information, to trade in any stock instrument associated with this information.

Insider Trading on the Company's Shares

No.	Type	Transaction	Transaction Date	No. of Shares
1	Related Group	Purchase	01/02/2022	10,000,000
2	Related Group	Purchase	13/02/2022	1,738,900
3	Related Group	Purchase	14/02/2022	1,761,100
4	Company Management	Purchase	27/04/2022	90,450
5	Related Group	Purchase	28/04/2022	400,000
6	Related Group	Purchase	09/05/2022	536,004
7	Board of Directors	Purchase	09/06/2022	65,000
8	Board of Directors	Purchase	13/06/2022	15,000
9	Company Management	Sale	16/06/2022	75,000
10	Company Management	Sale	19/06/2022	50,000
11	Related Group	Purchase	04/07/2022	3,837,814
12	Related Group	Purchase	18/07/2022	11,764,265
13	Related Group	Purchase	19/07/2022	21,227,075
14	Related Group and Board of Directors	Purchase	20/07/2022	19,257,247
15	Related Group and Board of Directors	Purchase	21/07/2022	6,718,017
16	Board of Directors	Purchase	26/07/2022	50,000
17	Related Group	Sale	26/07/2022	50,000
18	Board of Directors	Purchase	28/08/2022	300,000
19	Board of Directors	Purchase	27/09/2022	3,285,000
20	Related Group	Purchase	03/10/2022	600,000
21	Related Group	Purchase	04/10/2022	285,000
22	Related Group	Purchase	25/10/2022	3,039,000
23	Related Group	Purchase	06/11/2022	423,915
24	Related Group	Sale	06/11/2022	900,000
25	Related Group	Purchase	08/11/2022	4,100,000
26	Related Group	Purchase	09/11/2022	87,000



CONSOLIDATED FINANCIAL STATEMENTS



AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
MADINET NASR FOR HOUSING AND DEVELOPMENT S.A.E.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Madinet Nasr for Housing and Development S.A.E. and its subsidiary, which comprise the consolidated statement of financial position as of 31 December 2022, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of relevant Egyptian laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Madinet Nasr for Housing and Development S.A.E. and its subsidiary as of 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and in the light of relevant Egyptian laws and regulations.

Mohanad T. Khaled

Fellow of ACCA
Fellow of ESAA
R.A.A. 22444
FRA No. 375

Cairo, 12 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Note	2022/12/31 L.E.	2021/12/31 L.E.
Assets			
Non-current assets			
Fixed assets (Net)	4/1	39,354,368	49,049,508
Right of use assets (Net)	24	102,192,609	43,906,991
Assets under constructions	4/2	20,251,779	4,177,351
Intangible assets	5	3,749,628	3,030,151
Paid on account of investments in subsidiaries	41	175,000,000	-
Financial assets at amortized cost	6/1	566,968	566,968
Financial assets at fair value through other comprehensive income	6/2	27,761,257	24,842,675
Investment properties	6/3	2,383,664	3,930,583
Long term notes receivables (Net)	10	1,759,337,388	779,882,151
Deferred tax assets	35	42,197,310	12,963,269
Total non-current assets		2,172,794,971	922,349,647
Current assets			
Inventory	7	52,275,641	50,347,049
Work in progress	8	5,326,466,465	6,154,915,712
Finished properties	9	264,346,499	207,426,355
Short term notes receivable	10	1,770,428,912	2,087,540,425
Accounts receivable (Net)	10	722,708,153	873,350,906
Trade payables - debit balances	11	341,368,887	373,105,599
Debtors and other debit balances (Net)	12	1,460,444,554	730,252,593
Investments at fair value through profit or loss	6/4	2,314,327	2,485,950
Financial assets at amortized cost - Treasury bills	6/5	963,623,158	589,648,774
Debtors of compounds facility management	22	-	10,950,937
Cash and bank balances	13	906,192,128	569,983,906
Total current assets		11,810,168,724	11,650,008,206
Total assets		13,982,963,695	12,572,357,853
Equity and liabilities			
Equity			
Issued and paid up capital	18	2,100,000,000	1,497,600,000
Legal reserve		335,772,345	321,640,687
Retained earnings		1,702,929,034	1,702,438,140
Net profit for the year		736,739,780	282,837,702
Other comprehensive income		23,027,947	20,109,365
Shareholders' equity of parent		4,898,469,106	3,824,625,894
Non-controlling interest	19	96,589,611	107,041,397
Total Equity		4,995,058,717	3,931,667,291

Vice President For Financial Sector

Mr. Ahmed Hussein Elazab

CEO & Managing director

Eng. Mohamed Abdallah Sallam

Chairman

Eng. Mohamed Hazem Barakat

The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued

At 31 December 2022

	Note	2022/12/31 L.E.	2021/12/31 L.E.
Non-Current Liabilities			
Long term notes payable (Net)	17/1	154,348,786	206,933,323
Long term loans	20	1,201,559,682	2,117,384,010
Long term land development liability	42	299,954,005	-
Long term lease liability	36	75,955,603	14,817,965
Total Non-Current Liabilities		1,731,818,076	2,339,135,298
Current Liabilities			
Advance payments from customers for undelivered unites	14	2,764,048,914	2,965,379,264
Creditors – Advance payments		38,820,719	45,284,821
Provisions	15	104,633,148	65,232,619
Trade payables		683,429,398	564,623,369
Infrastructure completion liabilities	16	153,641,750	86,803,890
Dividends payable		-	20,116,238
Creditors and other credit balances	17/2	986,666,537	867,211,624
Creditors of management, operation and maintenance of residential compounds	22	7,507,417	-
Current portion of long-term loans	20	1,112,711,174	106,487,942
Short term loans	21/1	741,032,228	700,000,000
Credit banks (credit facilities)	21/2	173,143,706	47,126,739
Short term lease liability	36	25,058,593	764,292,862
Short term land development liability	42	208,806,577	-
Tax Authority		256,586,741	68,995,896
Total current liabilities		7,256,086,902	6,301,555,264
Total Liabilities		8,987,904,978	8,640,690,562
Total Equity and Liabilities		13,982,963,695	12,572,357,853

Auditor's report "attached".

Vice President For Financial Sector

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CEO & Managing director

Eng. Mohamed Abdallah Sallam

Chairman

Eng. Mohamed Hazem Barakat

The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2022

	Note	From 2022/1/1 to 2022/12/31 L.E.	From 2021/1/1 to 2021/12/31 L.E.
Net revenue	25-a	5,336,202,832	2,230,394,926
Less:			
Cost of revenue	25-b	(3,346,889,755)	(1,479,717,230)
Gross Profit		1,989,313,077	750,677,696
Less:			
Selling and marketing expenses	26	(610,138,769)	(256,289,800)
General and administrative expenses	27	(152,421,649)	(137,839,401)
Other operating expenses	28	(51,839,301)	(37,340,265)
Provisions	15	(49,504,358)	-
Finance cost	29	(478,339,135)	(228,883,683)
Add:			
Provision no longer required		-	12,748,037
Reversal of expected credit loss (Net)		54,785,694	50,131,702
Finance income	30	136,655,496	87,759,089
Relevant to activity income	31	105,319,482	101,027,709
Operating profit		943,830,537	341,991,084
Return on financial assets at fair value through other comprehensive income		222,222	2,223,082
Return on financial assets at amortized cost		41,716	44,267
Other expenses	32	(14,231,990)	(7,301,537)
Net profit for the year before tax		929,862,485	336,956,896
Income tax		(232,808,532)	(46,015,256)
Deferred tax	35	29,234,041	(7,648,474)
Net profit for the year		726,287,994	283,293,166
Add/(Less): Non-controlling interest		10,451,786	(455,464)
Shareholders' equity of parent	33	736,739,780	282,837,702
Earnings per share for the year	38	0,304	0,141

Vice President For Financial Sector

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The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	From 2022/1/1 to 2022/12/31 L.E.	From 2021/1/1 to 2021/12/31 L.E.
Net profit for the year		726,287,994	283,293,166
Other comprehensive income		2,918,582	(1,590,635)
Total comprehensive income for the year		729,206,576	281,702,531
Add/(Less): Non-controlling interest		10,451,786	(455,464)
Shareholders' equity of parent		739,658,362	281,247,067

Vice President For Financial Sector

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Chairman

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The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

	Issued and paid-up capital L.E.	Legal reserve L.E.	Retained earnings L.E.	Net profit for the year L.E.	Treasury shares L.E.	Changes in fair Value L.E.	Total L.E.	Non- controlling interest L.E.	Total L.E.
Balance at 31 December 2021	1,440,000,000	270,705,792	1,757,593,655	1,001,238,048	(20,767,480)	-	4,448,770,015	92,891,011	4,541,661,026
Effect of applying EAS No. 47	-	-	(229,933,342)	-	-	21,700,000	(208,233,342)	956,652	(207,276,690)
Effect of applying EAS No. 48	-	-	39,622,628	-	-	-	39,622,628	-	39,622,628
Balance at 1 January 2021 after amendments	1,440,000,000	270,705,792	1,567,282,941	1,001,238,048	(20,767,480)	21,700,000	4,280,159,301	93,847,663	4,374,006,964
Transferred to retained earnings	-	-	1,001,238,048	(1,001,238,048)	-	-	-	-	-
Dividends 2020	-	-	(764,409,146)	-	-	-	(764,409,146)	-	(764,409,146)
Transferred to legal reserve	-	50,934,895	(50,934,895)	-	-	-	-	-	-
Increase of capital according to BOD on April 7 2021	57,600,000	-	(57,600,000)	-	-	-	-	-	-
Selling of treasury shares	-	-	6,861,192	-	20,767,480	-	27,628,672	-	27,628,672
Cash increase in capital at Al Nasr for Civil Works	-	-	-	-	-	-	-	12,738,270	12,738,270
Comprehensive income for the year	-	-	-	282,837,702	-	(1,590,635)	281,247,067	455,464	281,702,531
Balance at 31 December 2021	1,497,600,000	321,640,687	1,702,438,140	282,837,702	-	20,109,365	3,824,625,894	107,041,397	3,931,667,291
Balance at 1 January 2022	1,497,600,000	321,640,687	1,702,438,140	282,837,702	-	20,109,365	3,824,625,894	107,041,397	3,931,667,291
Transfer to retained earnings	-	-	282,837,702	(282,837,702)	-	-	-	-	-
Dividends 2021	-	-	(40,215,150)	-	-	-	(40,215,150)	-	(40,215,150)
Transfer to legal reserve	-	14,131,658	(14,131,658)	-	-	-	-	-	-
Capital increase according to Extraordinary General Assembly on April 11, 2022	228,000,000	-	(228,000,000)	-	-	-	-	-	-
Capital increase according to Extraordinary General Assembly on December 13, 2022	374,400,000	-	-	-	-	-	374,400,000	-	374,400,000
Comprehensive income for the year	-	-	-	736,739,780	-	2,918,582	739,658,362	(10,451,786)	729,206,576
Balance at 31 December 2022	2,100,000,000	335,772,345	1,702,929,034	736,739,780	-	23,027,947	4,898,469,106	96,589,611	4,995,058,717

Vice President For Financial Sector
Mr. Ahmed Hussein Elazab

CEO & Managing director
Eng. Mohamed Abdallah Sallam

Chairman
Eng. Mohamed Hazem Barakat

The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	From 2022/1/1 to 2022/12/31 L.E.	From 2021/1/1 to 2021/12/31 L.E.
Operating activities			
Net profit for the year before tax		929,862,485	336,956,896
Adjustments for:			
Depreciation of fixed assets and investment properties	4/1, 6/3	19,771,095	22,678,489
Amortization of intangible assets	5	3,800,592	3,193,694
Amortization of right of use assets	24	37,671,014	-
Provisions provided	15	49,504,358	-
Provisions no longer required		-	(9,748,037)
Reverse of expected credit loss		(54,785,694)	(50,131,702)
Return on financial assets at fair value through other comprehensive income		(222,222)	(2,223,082)
Return on financial assets at amortized cost		(41,716)	(44,267)
Gains on foreign currencies	31	(3,727,806)	(376,873)
Finance cost	29	478,339,135	228,883,683
Capital gains		-	(2,140,896)
Reversal of investments properties loss		29,200	-
		1,460,200,441	527,047,905
Work in progress, Finished properties and material		1,279,836,263	(912,791,809)
Notes and Trade receivables, trade payables debit balance, debtors of compound facilities management		(1,138,152,945)	(171,630,340)
Trade payables, suppliers, advance payments from customers for undelivered unites, and projects' advance payment infrastructure completion liabilities		(27,267,441)	827,393,182
Used provisions	15	(10,103,829)	(921,267)
Dividends paid to Board of Directors and employees		(73,794,578)	(123,143,484)
Income tax paid		(43,448,978)	(263,898,553)
Finance expenses paid		(406,351,881)	(137,337,767)
Net cash from/(used) operating activities		1,040,917,052	(255,282,133)
Investing activities:			
Payments for purchase of fixed assets and fixed assets under construction	4/1, 4/2	(26,117,098)	(15,108,496)
Payments for purchasing of intangible assets	5	(4,520,069)	(852,563)
Payments for purchasing of investments in subsidiaries		(175,000,000)	-
Payments for Right of use assets		(95,956,632)	(14,796,164)
Proceeds from sale of fixed assets		-	2,143,366
Return on financial assets at fair value through other comprehensive income		222,222	2,223,082
Return on financial assets at amortized cost		41,716	44,267
Net cash used in investing activities		(301,329,861)	(26,346,508)

Vice President For Financial Sector
Mr. Ahmed Hussein Elazab

CEO & Managing director
Eng. Mohamed Abdallah Sallam

Chairman
Eng. Mohamed Hazem Barakat

The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS – Continued

For the year ended 31 December 2022

	Note	From 2022/1/1 to 2022/12/31 L.E.	From 2021/1/1 to 2021/12/31 L.E.
Financing activities:			
Payments received under capital increase		374,400,000	-
Dividends to share holders		-	(648,000,000)
Payments from lease liabilities		-	750,000,000
Lease contracts liabilities	36	(678,096,631)	-
Selling of treasury bills		-	27,628,672
Non-controlling interest		13,463,190	12,282,806
Payments for long term loans	20	(44,072,502)	(759,328,113)
Proceeds from long term loans	20	28,883,808	682,157,715
Capitalized Interest from long term loans	20	105,587,598	111,671,301
Payments for short term loans	21	-	(1,140,464,702)
Proceeds from short term loans	21	41,032,228	968,242,370
Net cash from (used in) financing activities		(158,802,309)	4,190,049
Change in cash and cash equivalents during the year		580,784,882	(277,438,592)
Cash and cash equivalents at the beginning of the year		1,115,231,583	1,392,293,302
Gain on foreign exchange	31	3,727,806	376,873
Total cash and cash equivalents at the end of the year		1,699,744,271	1,115,231,583
Less: Restricted time deposits against letters of guarantee		(32,787,919)	(37,432,931)
Restricted investment certificates against letters of guarantee		(487,000)	(487,000)
Restricted amounts from accounts at NBE		(336,228)	-
Cash and cash equivalents at the end of the year	21	1,666,133,124	1,077,311,652

Non-cash transactions:

The statement of cash flows does not include the following non-cash transactions

- An amount of L.E. 1,475,170 represents disposal of investment properties and its equivalent within the work in progress.
- An amount of L.E. 508,760,582 represents land development liability and its equivalent within the work in progress.
- Fixed asset disposal amounted to L.E. 9,264 and its equivalent within debtors and other debit balances.

Vice President For Financial Sector

Mr. Ahmed Hussein Elazab

CEO & Managing director

Eng. Mohamed Abdallah Sallam

Chairman

Eng. Mohamed Hazem Barakat

The attached notes from 1 to 44 form part of these summarized consolidated financial statements.

NOTES TO THE SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Company background

1.1 Legal form of the company

Madinet Nasr for Housing and Development S.A.E. was incorporated in accordance with the Presidential Decree No. 815/1959 and was changed to Joint Stock Company according to Presidential Decree No 2908/1964, then became a subsidiary of Public Sector Authority for Housing by Presidential Decree No. 469/1983.

The company was converted under the provisions of Law No. 203 for 1991 issued on 30/06/1996 to an Egyptian Joint Stock Company as a subsidiary to the Holding Company for Housing under the name of Madinet Nasr Housing and Development. The Extraordinary General Assembly of the company held on 30/06/1996 approved the change in the governing laws under which the company was operating from the provisions of Law No. 203 for 1991 to the provisions of Law No. 159 for 1981 and its executive regulations and published in company's journal on January 1997.

The Company was registered in the Commercial Registry under No. (300874) dated 23 December 1996 and Tax Registration No. 095-009-200.

1.2 Activity

The company is engaged in all activities related to real estate development for land, buildings and facilities including acquisition of land and real estate, sale and rental, dividing it and providing all types of facilities necessary for reconstruction and connected to it in Nasr City and other areas nationwide, the purchase and development, utilization, leasing and sale of all buildings and land. The company can establish, manage and invest in all residential, administrative, tourist, recreational and all projects necessary to achieve these purposes, and all real estate operations, financial, commercial and entertainment related to these purposes, as well as carrying out design, and engineering consultancy, and supervision of the execution by others.

BIG Investment Group Limited – Britain – is considered the main shareholder of the company.

1.3 Duration

The company's term is 50 periods starting from 23/12/1996 and ending 22/12/2046.

1.4 Location

The company's Head Office is located at 4, Youssef Abbass, Nasr City, Cairo, Egypt.

The Chairman is Eng. Mohamed Hazem Barakat.

The company's ordinary shares are listed on the Egyptian Exchange (EGX) and, as Global Depositary Receipts (GDRs).

The company's Board of Directors has approved the consolidated financial statements for the year ended 31 December 2022 on 23 February 2023.

1.5
Basis of consolidation

A subsidiary is a company in which the company owns more than 50% of the share capital and the company exercises the right to control the investee when the company is exposed or entitled to variable returns through the company’s contribution to the investee company and has the ability to affect those returns through its authority over the company. Therefore, the company controls the investee company when the company has all the following:

- Power over the investee.
- Exposure or right to variable returns by contributing to the investee company.
- The ability to use the authority on the investee company to influence the amount of proceeds obtained from it.
- Investments in subsidiaries are carried at cost less impairment losses, if any.
- The consolidated financial statements include the financial statements of the company and its subsidiaries.
- The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.
- All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized as assets and liabilities, are eliminated in full.
- Subsidiaries are fully consolidated from date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date such control ceases.
- Non-controlling interests represent the portion of total comprehensive income and net assets not held by the group are presented separately in statement of income and within equity in consolidated financial position, separate from owners of parent’s equity.

The parent company - Madinet Nasr for Housing and Development Company - invests and has control during the period ending on 31 December 2022 over the subsidiary company, which was included in the consolidated financial statements, as follows:

Subsidiary	Legal Form	Percentage Ownership	Activity
Al Nasr for Civil Works S.A.E.	S.A.E	52.46%	Civil construction

2.
Use of estimates and judgments

The preparation of consolidated financial statements in accordance with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable, under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the future periods if it affects future periods.

The following are items on the consolidated financial statements that are affected by judgments, assumptions, and estimates:

- Estimate useful lives of fixed assets, intangible assets and investment properties.
- Provisions and contingent liabilities
- Impairment of financial and non-financial assets
- Taxation
- Cost of sales and cost of completion of infrastructure liability
- Present value (significant financing component)
- Expected credit loss

2.1
Fair value Measurement

The fair value represents the price that the company would receive in exchange for selling the asset or the consideration paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will occur in the principal market for the asset, liability, or market that will yield the most interest on the asset or liability.

The fair value of the asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, on the assumption that market participants will pursue their economic interests.

The measurement at the fair value of the non-financial asset takes into account the market participant’s ability to generate economic benefits by using the asset to the maximum acceptable degree or by selling it to another market participant who would use the asset to its maximum capacity.

For assets traded in an active market, the fair value is determined by reference to the quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates on similar items with similar terms and risk characteristics.

For unlisted assets, fair value is determined by reference to the market value of a similar asset or based on the expected discounted cash flows.

The company uses valuation methods that are appropriate in the surrounding circumstances and for which sufficient data are available to measure the fair value, thus maximizing the use of relevant observable data and minimizing the use of data that cannot be observed to a minimum.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified into significant categories based on the fair value measurement as a whole:

- **The first level:** using trading prices (unadjusted) for fully identical assets or liabilities in active markets.
- **The second level:** by using inputs other than the trading prices contained in the first level, but that can be observed for the asset or liability directly (that is, prices) or indirectly (that is, derived from prices).
- **The third Level:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3.
Summary of significant accounting policies

3.1
Basis of preparation of consolidated financial statements

- The consolidated financial statements were prepared in accordance with the Egyptian Accounting Standards and relevant local laws and regulations.
- The consolidated financial statements are presented in Egyptian Pounds which presents the functional currency of the group.
- According to the company’s Article No. (41) bis to (41) bis of the capital market law promulgated by Law No. 95 of 1992 apply to securitization treatments in the financial statements.

3.2
Summary of significant accounting policies

3.2.1
Fixed assets and depreciation

Recognition and measurement

Fixed assets are recorded on purchase at cost and are presented in the consolidated financial position net of accumulated depreciation and impairment losses (Note 4/1). Historical costs include costs associated with the purchase of the asset. For assets constructed internally, the cost of the asset includes the cost of raw materials, direct labor and other direct costs incurred in bringing each asset to its location and the purpose for which it was acquired, as well as the costs of removal and rearrangement of the site, where the assets are located.

Components are accounted for on an item of fixed assets that have different useful lives as separate items within those fixed assets.

Subsequent costs

The carrying amount of fixed assets includes the cost of replacing a part or component of such assets when it is expected to obtain future economic benefits as a result of spending that cost. Other costs allocated to the consolidated statement of income as an expense when incurred.

Any gain or loss on disposal of an item of fixed assets is recognized in profit or loss.

Depreciation

Depreciation is provided on a straight-line basis to write off the cost less estimated residual value of each asset – other than land. Estimated useful lives are reviewed periodically and on review base useful lives are adjusted and relevant rates as follows:

	MNHD Useful life Periods	NCCW Useful life Periods
Buildings	40	10-40
Improvements- Leasehold building	5 or the duration of the lease whichever is lower	-
Improvements- Building owned	8	-
Machinery & equipment for production	-	2-10
Machinery & equipment	5	-
Vehicles	5	5-10
Computers & servers	5-8	-
Tools & equipment	2	4-10
Furniture & office equipment	2-8	10

Fixed assets under construction

Fixed assets under construction are recorded at cost which includes all the direct costs incurred on the assets to reach its final position (Note 4/2). These are transferred to fixed assets or investment property or intangible assets when the asset is complete and ready for its intended use. Fixed assets under construction are recorded at cost less impairment, if any.

3.2.2 Intangible assets (Software and IT)

Recognition

Assets of a non-monetary nature that are identifiable and have no physical existence and that is held for purposes of use and from which future benefits are expected to flow are treated as intangible assets.

The first measurement at recognition

Intangible assets are measured at cost, which is represented in the monetary price on the date of evidence, and in the event that payment is postponed for periods exceeding the followed credit periods, the difference between the cash price and the total amount paid is recognized as interest. Intangible assets are shown net, net of depreciation and impairment.

Subsequent expenditures

Subsequent expenditures on the acquisition of intangible assets are capitalized only when these expenditures increase the future economic benefits of the related asset, and all other expenditures are charged to the income statement (profits or losses) when incurred.

Amortization

Amortization is charged to the income statement (profits or losses) according to the straight-line method over the life of the useful life of the intangible assets, and this is the amortization of intangible assets from the date in which they are available for use, but if the useful life of the intangible assets is not specified then it is done. Carrying out impairment testing on a regular basis at the date of each financial position for these assets.

	Useful life
Software	1-3 years

3.2.3 Financial instruments

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.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- FVOCI – debt investment and equity investment; or
- FVTPL

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 FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 FVOCI as described above are measured at FVTPL. 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 FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment:

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 FVTPL.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company takes under consideration:

- 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).
- 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 classified at FVTPL

Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss.

Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial Liabilities – Classification, Subsequent Measurement, Profits and Loss

Financial liabilities are classified as at amortized cost or at fair value through profit and loss.

Financial liabilities are classified as fair value through profit or loss if they are classified as held for trading at initial recognition.

Financial liabilities measured at fair value through profit and loss are measured at fair value and net gains and losses, including interest expense, are recognized in profit and loss.

Other financial liabilities are measured at amortized cost using the effective interest method. Interest expense and gains and losses from changes in foreign exchange rates are recognized in profit and loss. Gains and losses resulting from disposal are recognized in profit and loss.

De-recognition

Financial assets

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

Financial liabilities

Financial liabilities are derecognized when the contractual obligations are discharged, canceled or expired.

The company also derecognizes the financial obligations when their terms are modified and the cash flows of the modified obligations differ substantially, in which case the new financial obligations are recognized on the basis of the modified terms at fair value.

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

3.2.4 Investment properties

Investment properties are measured at cost model and depreciation expense carried to the consolidated statement of income according to the straight-line method over the estimated useful life of all investment property except the land. In case of such assets are impaired, the loss is included in the consolidated income statement.

Assets Useful life

Assets	Useful life
Residential	40 years
Non-residential units	40 years

3.2.5 Securitization

The company dispose the notes receivable which were sold through securitization, from the accounting records and recognize the difference between current value and cash value received through securitization as finance cost in the separate statement of profit or loss.

3.2.6 Investments at fair value through profit or loss

Investments at fair value through profit or loss are initially recorded at cost and revaluated at the date of consolidated financial statements at fair value which represents the market price at the valuation date. Changes in fair value are charged to the consolidated statement of income.

3.2.7 Inventories

Inventories are stated at the lower of cost or net realizable value. Costs include expenses incurred in bringing each product to its present location and condition. Cost of raw materials, packing materials, spare parts, fuel and oil is determined on an weighted average basis.

Net realizable value is based on estimated selling price less selling and completion cost.

3.2.8 Lands, unfinished and finished properties

All cost incurred on lands, unfinished and finished properties are included in this account. At point of sale, this account is adjusted based on actual per meter cost of land or units sold. Lands, unfinished and finished properties are measured at the lower of cost and net realizable value. In case of decrease the net realizable value under the cost, the decrease is charged to the consolidated statement of income.

3.2.9 Consolidated statement of cash flows

The consolidated statement of cash flow is prepared according to the indirect method. Earned and paid interest, employees share in profit, and Board of Directors remunerations are being classified in operating activities.

3.2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, time deposits and treasury bills (due within 3 months), investments at fair value through profit and loss, bank current accounts, and short term highly liquid investments, which can be easily converted to cash, less overdrafts (credit banks) and pledged time deposits against letters of guarantee. Cash and cash equivalents does not include the balances of current accounts and bank deposits related to the maintenance deposit of residential compounds that are collected and managed for the benefit of customers and are not considered as cash balances of the company.

3.2.11 Trade receivables, notes receivables and other debit balances

Trade accounts receivable stated at cost net of allowance for doubtful debts, which is estimated for amounts not expected to be collected in full. Other debit balances are being stated at cost less any impairment losses, (if any).

Notes receivable represents the value of the Post-Dated Checks (PDCs) obtained from the customers in payment of the remaining contractual values of the contracted real estate units. The initial recognition of the notes receivable is at fair value at the time the contract is entered into with the customers. At the date of preparation of the consolidated financial statements, notes receivable is re-measured at amortized cost which is determined by discounting the future cash flows of the notes receivable using the rate of return that discounts the nominal value of the instruments to the current cash price for selling the real estate units.

3.2.12 Assets impairment

Non-Financial Assets

At the consolidated financial statements date, the company reviews the carrying amounts of its owned non-financial assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the company estimates the recoverable amount for each asset separately in order to estimate the impairment losses. In case the recoverable amount of the asset cannot be properly estimated, the company estimates the recoverable amounts for the cash-generating unit which is related to the asset.

In case of using a reasonable and consistent basis for allocating of the assets to the cash generating units, the company's general assets would be also allocated to these units. If this is unattainable, the general assets of the company shall be allocated to the smallest group of the cash-generating units, which the company determined using logical and fixed bases.

The asset recoverable amount or the cash-generating unit is represented by the higher of the fair value (less the estimated selling costs) or the estimated amount from the usage of the asset (or the cash generating unit).

The estimated future cash flow from the usage of the assets, or the cash generating unit using a discount rate before tax is discounted in order to reach the present value for these flows which represents the estimated amount from using the asset (or the cash generating unit).

This rate reflects current market assessments of the time value of money and the risks specific to the asset, which were not taken into consideration when estimating the future cash flow generated from it. When the recoverable amount of the asset (cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount with the impairment loss recognized immediately in the consolidated income statement.

In case the impairment on asset (or cash generating unit) decreases subsequently, and this decrease is related in a logical manner to one event or more taking place after the initial recognition of the impairment at the profit or losses, a reversal is done for the revised amount of losses (or a part of it) – which had been previously recognized – in the consolidated income statement, and the carrying amount for the asset is increased (or the cash generating unit) with the new estimated recoverable amount provided that the revised carrying amount of the asset after revising (or the cash generating unit) does not exceed the carrying amount determined for the asset, had the recognized losses resulting from impairment, not been recognized in previous periods

The company applies a three-stage approach to measuring the expected credit losses from financial assets carried at amortized cost and debt instruments at fair value through other comprehensive income. Assets go through the following three phases based on the change in credit quality since their initial recognition.

Stage 1: The expected credit loss over 12 months

Stage one includes financial assets on initial recognition that do not have a significant increase in credit risk since initial recognition or that have relatively low credit risk. For these assets, 12-month ECL is recognized and interest is charged on the total carrying amount of the assets (without deducting the credit provision). 12-month ECL This is the expected credit loss that could result from defaults likely within 12 months after the date of the financial statements.

Stage 2: the expected credit loss over the life - with no impairment of the value of credit

Second stage includes financial assets that have had a significant increase in credit risk since initial recognition but there is no objective evidence of impairment. Lifetime ECL is recognized for those assets, but interest continues to be charged on the total carrying amount of the assets. Lifetime ECL is the expected credit loss arising from all possible defaults over the expected life of the financial instrument.

Stage 3: Lifetime Expected Credit Loss – Credit Impairment

Stage three includes financial assets for which there is objective evidence of impairment at the reporting date; For these assets, a lifetime ECL is recognized.

Financial Assets

At the end of each reporting date, the company determines whether there is any indication that its financial assets may be impaired.

Financial assets are exposed to impairment when an objective evidence that the estimated future cash flow have been affected by the event or more established at a date subsequent to the initial recognition of the financial asset.

The carrying value of all financial assets is reduced directly with the impairment losses except those related to the reduction in the expected value of the collections from the customers debts and other debit balances, where a formed allowance for impairment loss is done on its value. When the debt of the clients or the owner of the debit balance is uncollectible, a written off discount is applied upon this account. All the changes in the book value relating to this account are recognized in the consolidated statement of income.

3.2.13 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate can be made for the obligation. Provisions are reviewed at the consolidated statement of financial position date and adjusted (if necessary) to present the best current estimate.

3.2.14 Treasury shares

Treasury shares are recorded at cost and deducted from shareholders equity. Gain or loss from sale of shares is included in equity.

3.2.15 Dividends

Dividends are recorded as liability during the period when declared.

3.2.16 Revenue recognition

1) Revenue from customer contracts

The Company applied the EAS No. 48 as of January 1, 2021 where the Company recognizes the revenue from contract with customers in accordance with the five steps module as identified in EAS No. 48, as follows:

- Identify Contract with Customers
- Identify separate performance obligations in the contract
- Determine the transaction price
- Allocate Transaction price to the distinct performance obligations based on relative standalone selling price.
- Revenue recognition when/(at) the entity satisfies its performance obligation.

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.

Revenue from customer contracts is recognized over the time if the performance obligations are not fulfilled over a year of time. All remaining benefits, in this case the company must recognize revenue because it has fulfilled its performance obligations.

When the company satisfies the performance obligation by providing the promised goods and services, it creates the principal of the contract based on the amount achieved through performance. When the amount collected from the customer exceeds the amount of revenue recognized, a contract obligation arises.

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractual terms specified for the payments. The Company evaluates revenue contracts against specific criteria to determine whether it is acting as principal or agent. The company concluded that it was acting as a major supplier in all of its revenue contracts.

The Company adjusts the transaction price for the effect of the significant financing component by discounting it using the rate that would be reflected in a separate financing transaction between the Company and its customers on the contract inception date.

The company pays sales commission for contracts it obtains to sell certain units of real estate and capitalizes the additional costs of obtaining a contract that meet the criteria in Egyptian Accounting Standard No. 48. These costs are recognized when revenue is recognized. The capitalized costs of acquiring such contracts are presented separately as a current asset in receivables and other receivables and amortized in selling and marketing expenses in the statement of profit or loss.

Revenue recognition

MNHD

Real Estate sales

Revenue from the sale of contracted residential administrative and commercial units shall be proven upon the transfer of control to customers in accordance with the stages of delivery as sale value in accordance with contracts with customers for such units. The revenues of such units shall be proven at a point of time net of the units that the customers has transferred control over.

Land sales

Land sale revenue are recognized when control transfers from the company to customers when the land is actually delivered to customers provided that the facilities are completed and revenue from the land proven at a point of time for the land that have been transferred to the customers.

Interest income

Interest income is recognized on an accrual basis using the effective interest method is the rate used to deduct future cash payments expected to be made or collected during the financial instruments life expectancy/or if appropriate, a lesser period of time) to fully equal the financial assets book value or financial obligation.

NCCW

Contracting revenues

The company chose to apply the output method in the distribution of the transaction price to performance obligation so the revenue is recognized on the basis of direct measurements of the value of goods and services transferred to the customer considers that the use of the output method that requires revenue proof based on direct measurements of the value of the goods and services transferred to the customers to date provides the best performance for the revenue actually realized, when applying the output method, the company will continue completed performance to date results assessments" assessments of the results achieved any the specific milestone reached, the time selected until the date of each financial statements.

2) Joint arrangement

A joint arrangement is an arrangement in which two or more parties have joint control. It is either a joint operation or a joint venture. A joint arrangement is that the parties are bound by a contractual agreement granting joint control to two or more parties of the arrangement.

The classification of a joint arrangement as a joint operation or a joint venture depends on the rights and obligations (undertakings) of the parties to the arrangement. The joint operation becomes a joint arrangement when its parties have joint control over the rights over the assets and the obligations associated with the arrangement. These parties are called joint operators. A joint venture is a joint arrangement when its parties have joint control over the rights over the net assets associated with the arrangement. These parties are called shareholders in joint ventures. The entity shall apply the judgment in assessing whether the joint arrangement is a joint venture or a joint venture.

The joint operator shall account for assets, liabilities, income and expenses related to its share in the joint operation in accordance with the Egyptian Accounting Standards applicable to such assets, liabilities, revenues and expenses.

On 31 December 2015, the Company adopted a new strategy to execute a joint venture development contract based on a share in the revenue of the sales. The Company receives its share against the land provided for development by the other co-developer who will receive the rest of the sale revenue against incurring the development cost.

3) Other revenue:

- Rental income is recognized on a time-apportioned basis. Interest income on deposits and bonds is recognized on a time basis and using the target rate of return on the financial asset.
- Dividend income is recognized in the separate statement of income when the right to receive dividends from the investee is established and is recognized after the date of acquisition.

3.2.17 Direct and indirect cost

The actual costs of establishing real estate units are capitalized within (a work in progress and finished properties) costs are charged according to contractors and suppliers extracts after the company's technical affairs department has approved those extracts, the costs are appointed among the units on the basis of the actual completion of each phase in accordance with the following bases:

- The units share of attached long cost allocated for the establishment of the units, when is distributed on the basis of the long area of each unit in the residential assembly.
- The units share of the actual construction costs distributed on the basis of contracts and invoices for all units within each phase.
- The units share of actual interest costs and finance expenses based on the units direct costs to the total costs of units for the residential assembly of each phase.

3.2.18 Other operating expenses and residential community measurement

An expense represents the cost of temporary operating activity for residential compounds until delivering the units to the customers.

3.2.19 Lease contracts

Recognition and measurement

At the commencement date, the company recognizes the right of use asset and a lease liability as flows:

Initial measurement of the right of use asset

At the commencement date of lease contract, the right of use assets is measured at "cost" which is:

- The initial measurement of lease contract liability which is presented in the paragraph below.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the lessee.
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease contract, unless those costs are incurred to produce inventories, the lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Initial measurement of the lease liability

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease contract, if that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- Fixed payments, less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Recognition and measurement of the company as lessor:

The company classifies each lease contract as an operating lease or as a financing lease:

Operating lease:

The company recognizes lease payments from operating lease as income either in instalment method or on any other regular basis if that basis is more reflective of the pattern in which the use of the asset under contract decreases.

Sale and leaseback contracts

In the case of sale and leaseback, the transfer of assets shall be evaluated if the sale of the buyer obtains control over the asset, directs its use and obtain the remaining benefits from it or is not a sale as follows:

Asset transfer represent a sale:

The asset is established as a right of utilization in accordance with the requirements of Egyptian Accounting Standard No. (49) on lease against recognized of the lease liability at the present value of lease payments as liability as set out in the policy for initial measurement of the asset of the benefit, where the contract is classified as a lease in this case.

Assets transfer is not a sale:

The asset transferred to the company's books shall be recognized as an asset against a financial obligation equal to the receipts of the transfer of the contract. This obligation shall be accounted for in accordance with Egyptian Accounting Standard No. (47) in this case, the contract shall be classified as a secured financing contract.

Short term lease and leases with lease low value assets

Short term leases are leases with a term of 12 month or less impaired assets are items that do not meet the requirements for capitalization of a company and are considered immaterial to the company's statement of the financial position as a whole. Lease payments for short-term and low value asset lease are recognized as an expenses on straight line basis in the statement of profit or loss.

3.2.20 Employees' benefits

The company contributes to the social insurance scheme for the benefit of its employees in accordance with the Social Insurance Law. No.79 of 1975 and its amendments Contributions of workers and employers are calculated at a fixed rate of wages. The company's commitment is represented in value of its contribution. The company's contributions are charged to the consolidated statement of income. The company gives employees who have reached retirement age, end of service gratuity up to a maximum of 50 thousand Egyptian pounds. At 21 December 2022 BOD decided to increase the amount of end of services gratuity to be L.E. 100,000 instead of L.E. 50,000. The Company also applies an optional early retirement scheme. End of service benefits for employees benefiting from this system are charged to the consolidated statement of income in the year in which they are approved for early retirement.

3.2.21 Taxation

Income tax

Taxation is accounted according to Egyptian laws and regulations.

Income tax expense that is calculated on the profits of the company represents the sum of the tax currently payable (calculated according to the applied laws and regulations and using the tax rates prevailing as of the consolidated financial statements date) and deferred tax. Current and deferred taxes are recognized as income or expenses and included in the profits or losses of the Period except for instances that taxes are established from:

- A transaction or event recognized, in the same period or other period, outside profit or loss either in other comprehensive income or directly in equity, or
- Business combinations.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities according to the accounting basis used in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted at the separate financial statements date.

Deferred tax liabilities are generally recognized (generated from taxable temporary differences in the future) while deferred tax assets recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profits will be available in future years to allow all or part of the asset to be recovered. The balance sheet method is used in accounting for deferred assets and liabilities and they are recognized as non-current assets and liabilities.

3.2.22 Earnings per share

Earnings per share are calculated by dividing the net profit for the period after deducting employees share in profit and Board of Directors remuneration by the weighted average number of outstanding shares during the year.

3.2.23 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualified asset for capitalization of cost of borrowing; are capitalized as part of the cost of the asset. Other borrowing costs are charged as an expense in the consolidated statement of income on a time-apportioned basis using the effective interest rate.

An asset eligible to bear the cost of borrowing necessarily requires a long year of time to process it for use for its intended purposes or to sell it. This applies to land and building facilities items as fixed assets under construction (under construction projects) and incomplete inventory of reconstruction and housing projects.

Capitalization of borrowing costs begins as part of the cost of the qualifying asset to bear the cost of borrowing when:

- Expenditure on the qualified asset.
- The Company incurs a borrowing cost.
- The activities required for the preparation of the asset for use for purposes specified for it or for its sale to others are currently under implementation.

Capitalization of borrowing costs is suspended during periods in which the effective construction of the asset is impaired. Capitalization is contingent upon the completion of all material activities necessary to prepare the qualifying asset to bear the borrowing cost for its intended use or to sell it to third parties.

3.2.24 Legal reserve

As required, by the Companies Law No. 159 of 1981 and the company's Articles of Association 5% of the profit for the period is transferred to the legal reserve. The company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The legal reserve cannot be distributed except in cases stated in the Law.

3.2.25 Foreign currency transactions

The company's functional currency is the Egyptian pound. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated financial statements date are translated at the rate of exchange ruling at that date. Retranslation exchange profit and loss is taken to the consolidated statement of income.

3.2.26 Takaful contribution

Takaful contribution system mandated by Law No. 2 for 2018 has been adopted on 12 July 2018 and is applied on all entities whether individual or corporate regardless of their nature in legal form.

4/1 FIXED ASSETS

31/12/2022	Land (*)	Buildings and constructions	Leasehold improvement (*)	Machinery & equipment	Vehicles	Tools & Equipment	Furniture & office equipment	Computers & software	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost:									
At 1 January 2022	1,659,444	24,762,279	37,663,013	33,928,630	15,475,297	1,404,313	17,285,698	17,883,560	150,062,234
Additions during the year	-	3,547,845	165,000	-	-	-	366,603	5,963,222	10,042,670
Disposals during the year	-	-	-	(7,653)	(744,201)	(38,171)	(644,778)	(167,222)	(1,602,025)
At 31 December 2022	1,659,444	28,310,124	37,828,013	33,920,977	14,731,096	1,366,142	17,007,523	23,679,560	158,502,879
Accumulated depreciation:									
At 1 January 2022	-	9,123,261	23,529,805	31,342,507	13,804,372	1,177,501	13,520,327	8,514,953	101,012,726
Provided during the year	-	1,680,464	10,783,738	1,847,971	612,909	65,110	1,575,064	3,163,290	19,728,546
Disposals during the year	-	-	-	(7,653)	(744,201)	(38,171)	(635,514)	(167,222)	(1,592,761)
At 31 December 2022	-	10,803,725	34,313,543	33,182,825	13,673,080	1,204,440	14,459,877	11,511,021	119,148,511
Net book value:									
At 31 December 2022	1,659,444	17,506,399	3,514,470	738,152	1,058,016	161,702	2,547,646	12,168,539	39,354,368

(*) Lands and buildings include land and building of the social club and the playground for Madinet Nasr for Housing and Development Employees' club, and the book value is approximately L.E. 1.3 million for the land and L.E. 4.5 million for the buildings. There are no guarantees or pledging on fixed assets at the date of the consolidated financial statements.

31/12/2021	Land (*)	Buildings and constructions	Leasehold improvement (*)	Machinery & equipment	Vehicles	Tools & Equipment	Furniture & office equipment	Computers & software	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost:									
At 1 January 2021	1,659,444	22,981,440	40,281,175	35,749,826	16,327,762	1,411,214	17,288,963	14,639,740	150,339,564
Additions during the year	-	1,780,839	3,935,323	123,543	512,418	1,140	1,125,362	4,092,103	11,570,728
Disposals during the year	-	-	(6,553,485)	(1,944,739)	(1,364,883)	(8,041)	(1,128,627)	(848,283)	(11,848,058)
At 31 December 2021	1,659,444	24,762,279	37,663,013	33,928,630	15,475,297	1,404,313	17,285,698	17,883,560	150,062,234
Accumulated depreciation:									
At 1 January 2021	-	7,913,859	15,830,407	31,328,290	14,506,726	1,117,908	12,817,032	6,721,753	90,235,975
Provided during the year	-	1,209,402	14,252,883	1,958,956	662,529	67,634	1,831,922	2,639,013	22,622,339
Disposals during the year	-	-	(6,553,485)	(1,944,739)	(1,364,883)	(8,041)	(1,128,627)	(845,813)	(11,845,588)
At 31 December 2021	-	9,123,261	23,529,805	31,342,507	13,804,372	1,177,501	13,520,327	8,514,953	101,012,726
Net book value:									
At 31 December 2021	1,659,444	15,639,018	14,133,208	2,586,123	1,670,925	226,812	3,765,371	9,368,607	49,049,508

a) Fully depreciated assets and still in use are as follows:

	31/12/2022 L.E	31/12/2021 L.E
Buildings and constructions	1,107,128	916,475
Leasehold improvements	16,678,711	-
Machinery and equipment	28,975,474	19,061,829
Vehicles	11,245,580	11,962,581
Tools and equipment	716,808	752,724
Furniture and office equipment	10,063,551	9,047,005
Computers and software	3,851,715	1,966,054
	72,638,967	43,706,668

b) Depreciation for the year is allocated as follows:

	31/12/2022 L.E	31/12/2021 L.E
Cost of sales	3,890,070	2,540,793
Selling & marketing expenses (Note 26)	12,945,032	16,099,259
General & administrative expenses (Note 27)	2,826,899	3,972,034
Other operating expenses (Note 28)	66,545	10,253
	19,728,546	22,622,339

4/2 FIXED ASSETS UNDER CONSTRUCTION

	31/12/2022 L.E	31/12/2021 L.E
Madinet Nasr for Housing and Development		
Balance at the beginning of the year	3,537,768	-
Additions during the year	16,074,428	3,537,768
Balance at the end of the year (Parent Co.)	19,612,196	3,537,768
Al Nasr Company for Civil Works	639,583	639,583
	20,251,779	4,177,351

5. Intangible assets

Computer software and information technology.

	31/12/2022 L.E	31/12/2021 L.E
Cost at the beginning of the year	24,888,741	24,036,178
Additions during the year	4,520,069	852,563
Cost at the end of the year	29,408,810	24,888,741
Accumulated amortization at the beginning of the year	21,858,590	18,664,896
	3,800,592	3,193,694
Amortization for the year	25,659,182	21,858,590
Net book value	3,749,628	3,030,151

Fully amortized intangible assets and still in use are as follows:

	31/12/2022 L.E	31/12/2021 L.E
Computer software and information technology	20,050,299	17,548,913

Depreciation for the year is allocated as follows:

	31/12/2022 L.E	31/12/2021 L.E
Cost of sales	3,487,600	879,506
Selling & marketing expenses (Note 26)	114,784	103,190
General and administrative expenses (Note 27)	99,379	2,198,280
Other operating expenses (Note 28)	98,829	12,718
	3,800,592	3,193,694

Intangible Assets mainly represents the cost of the ERP system (SAP).

6. Investments and financial assets

6/1 Financial assets at amortized cost

	31/12/2022 L.E	31/12/2021 L.E
Investments in Governmental bonds (Non active market)	566,968	566,968

6/2 Financial assets at fair value through other comprehensive income

	Contribution %	31/12/2022 L.E	31/12/2021 L.E
Egyptian Kuwaiti Real Estate Development	7,503	22,933,722	21,363,475
High Education House (S.A.E.)	1,200	4,608,335	3,260,000
El Nasr Transformers & Electrical Products Co. (El-Maco)	0,01	19,200	19,200
El Nasr Co. for Clay Brick Production	0,8	200,000	200,000
		27,761,257	24,842,675

6/3 Investments properties

	31/12/2022	31/12/2021
	L.E	L.E
Held land ownership on sold properties (*)	2,076,335	3,427,692
Rented building – Net (**)	307,329	502,891
	2,383,664	3,930,583

(*) The movement of lands that the company keep its ownership while the building established upon these lands were sold:

	31/12/2022	31/12/2021
	L.E	L.E
Opening balance	3,427,692	3,427,692
Transfer to work in progress	(1,351,357)	-
Ending balance	2,076,335	3,427,692

(**) Investment property rented building - Net

31/12/2022	Residential units	None residen- tial units	Total
	L.E	L.E	L.E
Cost:			
At 1 January 2022	545,997	2,638,627	3,184,624
Transferred to work in progress	-	(344,405)	(344,405)
Disposals during the year	-	(83,224)	(83,224)
At 31 December 2022	545,997	2,210,998	2,756,995
Accumulated depreciation:			
At 1 January 2022	482,498	2,199,235	2,681,733
Provided during the year (Note 25 B)	39	42,510	42,549
Transferred to work in progress	-	(220,592)	(220,592)
Disposals	-	(54,024)	(54,024)
At 31 December 2022	482,537	1,967,129	2,449,666
Net book value:			
At 31 December 2022	63,460	243,869	307,329

31/12/2021	Residential units	None residen- tial units	Total
	L.E	L.E	L.E
Cost:			
At 1 January 2021	545,997	2,645,758	3,191,755
Disposals	-	(7,131)	(7,131)
At 31 December 2021	545,997	2,638,627	3,184,624
Accumulated depreciation:			
At 1 January 2021	476,541	2,155,981	2,632,522
Provided during the year	5,957	50,193	56,150
Disposals	-	(6,939)	(6,939)
At 31 December 2021	482,498	2,199,235	2,681,733
Net book value:			
At 31 December 2021	63,499	439,392	502,891

- Fully depreciated investment properties and still used are as follows:

	31/12/2022	31/12/2021
	L.E	L.E
Residential units	481,424	481,424
Non-residential units	1,665,218	310,484
	2,146,642	791,908

The fair value of the lands is not less than the book value, but it is difficult to determine it due to the sale of real estate built on these lands to third parties while retaining the company's ownership of the lands.

6/4 Investments at fair value through profit or loss

	31/12/2022	31/12/2021
	L.E	L.E
Investment certificates in:		
Bank Misr Investment Fund (Day-By-Day)	51	378,476
QNB Investment Fund	1,666,452	1,510,818
Banque Du Caire Investment Fund	74,019	74,019
United Bank Investment Fund - Rakhaa (*)	573,805	522,637
	2,314,327	2,485,950

Investments in investment fund certificates are short-term investments for the purpose of managing the company's cash balances by investing in cash investment funds, which are highly liquid investments that can be redeemed daily or weekly and are considered part of the cash and cash equivalents. (Note 21)

(*) United Bank Investment Fund (Rakhaa) includes pledged investment certificates by L.E. 487,000 (2021: L.E. 487,000) against letters of guarantee as of consolidated financial statement date. (Note 21)

6/5 Financial assets at amortized cost - Treasury bills

	31/12/2022	31/12/2021
	L.E	L.E
Treasury Bills – 91 days	228,575,000	-
Treasury Bills - 90 days	25,900,000	-
Treasury Bills - 86 days	-	-
Treasury Bills - 85 days	15,450,000	400,000,000
Treasury Bills - 78 days	30,600,000	-
Treasury Bills - 77 days	356,100,000	-
Treasury Bills - 56 days	10,175,000	-
Treasury Bills - 49 days	65,600,000	-
Treasury Bills - 35 days	231,800,000	-
Treasury Bills - 33 days	-	20,000,000
Treasury Bills – 28 days	4,025,000	180,125,000
	968,225,000	600,125,000
Less:		
Unrealized gain on treasury bills	(4,601,842)	(10,476,226)
	963,623,158	589,648,774

(*) The treasury bills within 90 days from the date of acquisition were classified in cash and cash equivalents. (Note 21)

7. Inventories

	31/12/2022 L.E	31/12/2021 L.E
Materials and supplies	50,285,921	47,482,044
Fuel and oil	25,207	82,769
Spare parts and supplies	1,964,513	2,782,236
	52,275,641	50,347,049

8. Work in progress

	31/12/2022 L.E	31/12/2021 L.E
Tag City (*)	2,636,973,703	2,412,078,653
Sarai City (*)	2,091,508,527	3,261,060,406
West Assuit (**)	465,696,331	424,790,794
Tag ville	79,669,075	9,231,231
Others	-	21,188,168
	5,273,847,636	6,128,349,252

AI Nasr Civil Works	31/12/2022 L.E	31/12/2021 L.E
Work in progress	52,618,829	26,566,460
Total	5,326,466,465	6,154,915,712

(*) Tag City includes the that phases are ready for sale: “Tag sultan”, “Park residence”, “Shalya & Lake park”, “Elect”, and “Coblet”. In addition to the not yet ready for sale, where the balance of 31 December 2022 represents the cost of external and internal facilities & the cost construction works.

Sarai includes the phases that are ready for sale: “Taval”, “Crowns”, “Cavana”, “Strip mall”, and “Mansion”. In addition to the not yet ready for sale, where the balance of 31 December 2022 represents the cost of external and internal facilities & the cost construction works.

Land and real estate units have been recorded at actual cost which shall not be less than its redemption value as at the date of the separate financial statements.

(**) In accordance with New Urban Communities Authority Board of Directors decree no. (134) dated 22 January 2020 to specialize plot of land with area 104.15 Feddan in the new Nasr city (west Assuit) in favor of the company to construct an urban complex, and decree no (138) dated 14 May 2020 with total amount of L.E. 497,309,325 where 15% to be settled as admin. Fees amounted to L.E. 56,297,962, and the remaining of 85% will be paid amounted to L.E. 441,011,367 on installments after grace period for 2 years will start during April 2022, included declared CBE rate + 2%. (Against notes payable” discounted” - Note 17/1,17/2).

The Taj City item includes the cost of extending the Shinzo Abe axis, which passes within the company’s territory (Note 40).

The capitalized interests from the significant financing component with clients as follows:

	31/12/2022 L.E	31/12/2021 L.E
Taj city	2,798,022	614,738
Sarai	3,393,365	2,601,752
Tag ville	39,559	-
	6,230,946	3,216,490

9. Finished properties

	31/12/2022 L.E	31/12/2021 L.E
El Waha, Premira & Nasr City	19,157,261	19,144,566
6th October (Nasr Gardens)	245,189,238	188,281,789
	264,346,499	207,426,355

10. Trade and notes receivable

	31/12/2022 L.E	31/12/2021 L.E
Notes receivables - long term		
Tag City	1,276,819,128	1,222,767,905
Sarai	859,680,826	3,543,157
Other	40,030,245	48,165,776
	2,176,530,199	1,274,476,838
Less: Finance component of contracts with customers	(375,866,034)	(476,130,913)
Less: Expected Credit Loss	(41,326,777)	(18,463,774)
	1,759,337,388	779,882,151
Notes receivables - short term		
Tag City	1,352,151,979	1,131,449,855
Sarai	1,012,420,524	1,256,904,928
	15,707,810	10,180,323
Other	2,380,280,313	2,398,535,106
Less: Expected Credit Loss	(33,715,777)	(34,748,384)
Less: Finance component of contracts with customers	(576,135,624)	(276,246,297)
	1,770,428,912	2,087,540,425
Trade receivables		
Tag City	216,844,494	308,654,782
Sarai	202,704,318	331,815,383
Constructions receivables (NCCW)	316,240,046	308,308,006
Other	65,317,533	80,430,161
	801,106,391	1,029,208,332
Less: Expected Credit Loss	(78,398,238)	(155,857,426)
	722,708,153	873,350,906

The discount of the present value of notes receivable is amortized as revenue in the maturities of these securities according to the effective interest rate.

Movement for expected credit loss for notes receivables and trade receivables during the period is as follows:

	31/12/2022 L.E	31/12/2021 L.E
Balance at the beginning of the year	209,069,584	28,694,066
Effect of adoption EAS 47	-	230,692,072
Provided during the year	-	560,446
Reverse of ECL	(55,628,792)	(50,877,000)
	153,440,792	209,069,584

Post-dated checks (off balance sheet)

The company maintains off balance sheet post-dated checks received from customers for undelivered units and not included in financial position as follows:

	31/12/2022 L.E	31/12/2021 L.E
Notes receivables for undelivered units	9,178,289,027	6,308,844,810

According to the decision of the Financial Supervisory Authority issued on 12 January 2022, the company applied the accounting treatment related to the real estate development activity.

11. Trade payables - debit balances - net

	31/12/2022 L.E	31/12/2021 L.E
Trade payables & contractors	349,264,754	380,711,504
Less: creditors expected credit loss - credit balances	(7,895,867)	(7,605,905)
	341,368,887	373,105,599

Movement for Expected credit loss for trade payables – debit balance during the year as follows:

	31/12/2022 L.E	31/12/2021 L.E
Impairment balance at the beginning of the year	7,605,905	12,538,860
Effect of initial adoption of EAS No. 47	-	(2,209,707)
Transferred to other provisions	-	(3,000,000)
Provided during the year	289,962	276,752
	7,895,867	7,605,905

12. Debtors and other debit balances - net

	31/12/2022 L.E	31/12/2021 L.E
Financial Group for Securitization S.A.E.	840,843,489	294,153,607
Cost of obtaining contracts with customers	511,479,178	351,954,234
Refundable deposits	22,382,148	60,050,024
Prepaid expenses	8,363,769	4,243,230
Accrued interest (deposits interest)	643,364	219,398
Other debit balances	69,820,333	10,916,654
Cash cover of letters of guarantee	2,085,862	2,085,862
Tax Authority	5,107,422	6,876,131
	1,460,725,565	730,499,140
Less: Expected credit loss	(281,011)	(246,547)
	1,460,444,554	730,252,593

Movement for Expected credit loss for debtors and other debit balances during the year is as follows:

	31/12/2022 L.E	31/12/2021 L.E
Balance at the beginning of the year	246,547	83,815
Reverse of effect of adoption EAS 47 "Expected credit losses"	-	(12,663)
Provided during the year	34,464	178,395
Reverse of ECL	-	(3,000)
	281,011	246,547

13. Cash and bank balances

	31/12/2022 L.E	31/12/2021 L.E
Cash on hand	1,484,487	257,078
Bank current accounts (*)	872,384,859	532,533,589
Time deposits (3 months) (**)	33,081,146	37,432,931
	906,950,492	570,223,598
Less: Expected Credit loss	(758,364)	(239,692)
	906,192,128	569,983,906

(*) The banks current accounts include an amount of LE 336 thousand represent the amount that National Bank of Egypt (NBE) blocked from the company's accounts held with NBE.

(**) Time deposits on 31 December 2022 include L.E. 32,781,919 (2021: L.E. 37,432,931) frozen deposits against letters of guarantee. (Note 21).

Movement for Expected credit loss for cash on hand and bank balances during the year as follow:

	31/12/2022 L.E	31/12/2021 L.E
Balance at the beginning of the year	239,692	-
Effect of adoption EAS 47	-	461,642
Provided during the year	518,672	-
Reverse of ECL	-	(221,950)
	758,364	239,692

14. Advance payment from clients for undelivered units

	31/12/2022 L.E	31/12/2021 L.E
Tag City	566,120,888	706,763,327
Sarai	2,197,928,026	2,258,615,937
	2,764,048,914	2,965,379,264

15. Provisions

	Balance at 1/1/2022 L.E	Provided during the year L.E	Used during the year L.E	Balance at 31/12/2022 L.E
Tax provision	609,408	-	(609,408)	-
Claims provision	31,365,245	40,598,358	(9,221,857)	62,741,746
Legal provision	21,586,270	-	(272,564)	21,313,706
Other provisions	11,671,696	8,906,000	-	20,577,696
	65,232,619	49,504,358	(10,103,829)	104,633,148

16. Infrastructure completion liabilities

	Balance at 1/1/2022 L.E	Provided during the year L.E	Used during the year L.E	Balance at 31/12/2022 L.E
Tag City	24,360,784	165,206,058	(131,607,023)	57,959,819
Sarai	62,443,106	190,083,172	(181,844,347)	70,681,931
Operating and maintenance Expenses liability for residential compounds	-	25,000,000	-	25,000,000
	86,803,890	380,289,230	(313,451,370)	153,641,750

This balance represents estimated amounts to complete utilities for projects that have not been completely delivered from the contracting companies.

17. Creditors and other credit balances**17/1 Long Term Notes Payable (Net)**

	31/12/2022 L.E	31/12/2021 L.E
Long term notes payable at face value - West Assuit land	211,315,679	295,965,209
Notes payable (NCCW)	-	1,347,552
Discount: Finance component - West Assuit land	(56,966,893)	(90,379,438)
	154,348,786	206,933,323

17/2 Creditors and other credit balances - current

	31/12/2022 L.E	31/12/2021 L.E
Notes payable – West Assuit Land	84,649,540	145,046,154
Notes payable	305,184,411	141,524,383
Support to National Housing Project	330,000	420,000
Down payment for reservation of land and property sales	274,073,766	334,748,087
Down payment for reservation of 6 Oct. properties sales	508,000	5,268,000
Employees bonus	5,950,130	238,595
Contractors under settlement	12,233,489	6,462,889
Engineering stamp and Building Union stamp	269,456	11,315,386
Customers' balances for cancelled reservations	1,697,584	1,684,836
Proceeds for maintenance expenses and counters	22,867,742	6,909,164
Accrued interest	71,073,940	91,546,156
Governmental authorities	86,206,283	26,651,081
Proceeds from customers under reconciliation	55,372,844	1,918,133
Accrued expenses	29,896,755	83,449,317
Accrued salaries and others	19,241,323	1,293,607
Takaful contribution	15,772,985	7,551,614
Other	1,338,289	1,184,222
	986,666,537	867,211,624

18. Share capital**Authorized capital:**

The authorized capital is five billion Egyptian Pounds.

	31/12/2022 L.E	31/12/2021 L.E
Issued and paid up:		
The value of each share is one Egyptian Pound	2,100,000,000	1,497,600,000

18. Share capital

following are a list of percentage of shares of issued and paid up capital for shareholders:

	No. of shares 31/12/2022	Nominal Value 31/12/2022 L.E	Contribution %
BIG Investment Group Ltd.	417,883,272	417,883,272	19.90
Holding Co. for Construction and Development	318,999,182	318,999,182	15.19
B Investment Holding Co.	156,909,104	156,909,104	7.47
National Investment Bank	77,392,641	77,392,641	3.69
Al Alian Co. for Investments Ltd.	76,196,236	76,196,236	3.63
Other shareholders	1,052,619,565	1,052,619,565	50.12
	2,100,000,000	2,100,000,000	100

The Extraordinary General Meeting (EGM) approved in its meeting dated 13 December 2021, to increase the company's issued & paid up capital by an amount of L.E. 374.4 million to be allocated to old shareholders at nominal value. The subscription was ended on 29 March 2022 after the cash increase was fully subscribed by old shareholders. Accordingly, the issued and paid-up capital was raised to be LE 1,872 billion. This increase was annotated in the Commercial Register on 29 May 2022.

The Extraordinary general assembly meeting (EGM) held on 11 April 2022, had resolved to increase the company's issued & paid-up capital to become LE 2.1 Billion through issuing stock dividends from the net profit recognized for 2021 amounting L.E. 228 million; the nominal value of each share is one LE. This increase was annotated in the Commercial Register on 29 May 2022.

	No. of shares 31/12/2021	Nominal Value 31/12/2021 L.E	Contribution 31/12/2021 % L.E
BIG Investment Group Ltd.	297,761,400	297,761,400	19.88
Holding Co. for Construction and Development	227,491,989	227,491,989	15.19
B Investments Holding S.A.E.	111,649,536	111,649,536	7.46
National Investment Bank	55,192,010	55,192,010	3.69
Al Alian Co. for Investments Ltd.	54,338,802	54,338,802	3.63
Banque Misr	47,452,741	47,452,741	3.17
Other shareholders	703,713,522	703,713,522	46.98
	1,497,600,000	1,497,600,000	100

19. Non-controlling interest

Non-controlling interest right are their share of equity (Net assets) in subsidiary company.

	Non-con- trolling interest in net assets %	Non-con- trolling interest in net assets 1/1/2022 L.E	Non- controlling interest share in net Profit the period L.E	Non-con- trolling interest in net assets L.E
Al Nasr Company for Civil Works	47.54	107,041,397	(10,451,786)	96,589,611

20. Term loans

Madinet Nasr for Housing & Development S.A.E.

	31/12/2022				
	Balance at the beginning of the year L.E.	Capitalized in- terest during the year L.E.	Amounts withdrawn during the year L.E.	Installments paid during the year L.E.	Balance at the end of the year L.E.
a) National Investment Bank	190,389	-	-	(147,541)	42,848
c) Egyptian Gulf Bank	249,661,765	-	28,883,808	-	278,545,573
d) Syndication loan - Sarai compound	785,872,380	105,587,598	-	-	891,459,978
e) Syndication loan – Notes receivable discount	684,624,684	-	-	(10,561,068)	674,063,616
f) Syndication loan – Notes receivable discount	503,522,734	-	-	(33,363,893)	470,158,841
	2,223,871,952	105,587,598	28,883,808	(44,072,502)	2,314,270,856

Classification of loans and interest for each loan are as follows:

	31/12/2022				
	Current por- tion of term loans L.E.	Term loans L.E.	Balance at the end of the year L.E.	Interest and commission capitalized on qualified assets L.E.	Interest and commission recorded in the statement of income L.E.
a) National Investment Bank	42,848	-	42,848	-	11,423
b) Egyptian Gulf Bank	104,454,590	174,090,983	278,545,573	35,733,341	-
c) Syndication loan - Sarai compound	891,459,978	-	891,459,978	108,885,531	-
d) Syndication loan – Notes receivable discount	57,317,350	616,746,266	674,063,616	-	82,884,622
e) Syndication loan – Notes receivable discount	59,436,408	410,722,433	470,158,841	-	59,091,962
	1,112,711,174	1,201,559,682	2,314,270,856	144,618,872	141,988,007

	31/12/2021				
	Balance at the beginning of the year	Capitalized Interest during the year	Withdrawals during the year	Installments paid during the year	Balance at the end of the year
	L.E.	L.E.	L.E.	L.E.	L.E.
a) National Investment Bank	428,569	-	-	(238,180)	190,389
b) Egyptian Gulf Bank	88,165,913	-	161,495,852	-	249,661,765
c) Syndication loan - Sarai compound	657,061,950	111,671,301	17,139,129	-	785,872,380
d) Syndication loan – Notes receivable discount	700,314,391	-	-	(15,689,707)	684,624,684
e) Syndication loan – Notes receivable discount	-	-	503,522,734	-	503,522,734
Commercial International Bank	743,400,226	-	-	(743,400,226)	-
	2,189,371,049	111,671,301	682,157,715	(759,328,113)	2,223,871,952

	31/12/2021				
	Current portion of term loans	Term loans	Balance at the end of the year	Interest and commission capitalized on qualified assets	Interest and commission recorded in the statement of income
	L.E.	L.E.	L.E.	L.E.	L.E.
a) National Investment Bank	147,541	42,848	190,389	-	24,724
b) Egyptian Gulf Bank	62,415,441	187,246,324	249,661,765	23,123,212	-
c) Syndication loan - Sarai compound	-	785,872,380	785,872,380	85,424,573	-
d) Syndication loan – Notes receivable discount	10,561,067	674,063,617	684,624,684	-	83,378,692
e) Syndication loan – Notes receivable discount	33,363,893	470,158,841	503,522,734	-	28,208,148
	106,487,942	2,117,384,010	2,223,871,952	108,547,785	111,611,564

These loans are represented in long term facilities granted from the following banks:

a) National Investment Bank

This balance is represented in the long-term loans granted to the company by the National Investment Bank (shareholder) out of loans amounting to L.E. 9,172,000 and was used in public housing projects of low-cost that were sold several years ago. The interest of the loan is charged to the income statement and is paid annually in June of each year until the loan expires in 2023.

b) Egyptian Gulf Bank

- A medium-term loan contract was signed between the Egyptian Gulf Bank and Madinet Nasr for Housing and Development on February 23, 2020, to finance the cost of establishing and developing the Sarai transformer station.
- The amount of financing is available for withdrawal starting from the date of the first withdrawal of financing, which took place on June 17, 2020, and ends on June 30, 2022.
- The financing period is 74 months, starting from the date of signing the financing documents and ending on April 30, 2026.
- On October 14, 2022 the company reschedule the payments of this loan to start paying loan on July 31, 2022. The related negotiation to reschedule is not finalized till the date of issuance the accompanying financial statements.

c) Syndicated loan – Sarai compound

Purpose: To finance part of the total investment cost for the construction and construction of part of an integrated residential city project under the names Sarai (1) and Sarai (2).

Participating banks:

- The National Bank of Egypt in its capacity as the original main arranger, loan promoter, financing agent, and debt service consumption account bank.
- Arab African International Bank as the original main arranger, finance marketer, general coordinator and account bank.
- Banque Misr in its capacity as the original main arranger, finance marketer and guarantee agent.

Loan amount: 2,100,000,000 including capitalized interest.

Loan period: 8 years from the date of financial closing.

Date of signing loan agreement: May 7, 2020.

The loan and its interest were fully paid in January 2023.

d) Syndicated loan – Notes receivable discount

Long term syndicated financing contract Participating banks:

- 1) The Commercial International Bank in its capacity as the main arranger, loan promoter, financing agent and lending bank.
- 2) The United Bank in its capacity as the lending bank
- 3) The Arab Investment Bank in its capacity as the lending bank
- 4) The Egyptian Gulf Bank in its capacity as the lending bank.
- 5) Contract date August 26, 2020.

Purpose of financing: discounting commercial papers with a nominal value of 1,133,870,000 Egyptian pounds, in order to provide the necessary amounts to finance the construction and development of the company's unfunded projects.

Loan period: Expires on March 9, 2027.

e) Syndicated loan – Notes receivable discount

A long-term syndicated financing contract signed in July 2021

Participating banks:

- Commercial International Bank as the main arranger, finance marketer, financing agent and lending bank.
- National Bank of Kuwait as the lending bank.
- Purpose of financing: discounting commercial papers with a nominal value of 761,108,401 Egyptian pounds, in order to provide the necessary amounts to finance the construction and development of the company's unfunded projects.
- Loan period: ends on November 30, 2028

21. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated financial position amounts:

	31/12/2022	31/12/2021
	L.E	L.E
Cash and bank balances (Note 13)	906,950,492	570,223,598
Investment at fair value through profit and loss (Note 6/4)	2,314,327	2,485,950
Investment held to maturity – Treasury bills (Note 6/5)	963,623,158	589,648,774
Less:		
Credit facilities (Note 21/2)	(173,143,706)	(47,126,739)
Cash and cash equivalents at the end of the year	1,699,744,271	1,115,231,583
Less:		
Pledged investment certificates against letters of guarantee (Note 6/4)	(487,000)	(487,000)
Pledged for time deposits against letters of guarantee	(32,787,919)	(37,432,931)
Pledged time deposits against letters of guarantee (Note 13)	(336,228)	-
Cash and cash equivalents at the end of the year	1,666,133,124	1,077,311,652

21/1 Short term loan

	31/12/2022			
	Balance at the beginning of the year	Withdrawals during the year	Balance at the end of the year	Commissions and interest during the year
	L.E	L.E	L.E	L.E
Kuwait National Bank	700,000,000	-	700,000,000	86,047,324
QNB Al Ahli	-	41,032,228	41,032,228	780,246
	700,000,000	41,032,228	741,032,228	86,827,570

A) NBK

On March 28, 2022, a short-term loan agreement was signed with the National Bank of Kuwait – Egypt, according to this agreement the bank granted a loan amounting EGP 750,000,000 to finance the operating expenses. The loan agreement renewed on 31 March 2023.

B) QNB

On September 7, 2022, a short-term loan agreement was signed with Qatar National Bank to grant the company a loan amounting LE 200 million, to be utilized in financing the working capital of the company.

The duration of this contract is a year and a half starting from the date of the first use of the facility, with a maximum of 18 months from the date of the first use, which is the date that all subsequent returns, commissions and any expenses of this facility will be fully paid, without prejudice to any of the terms of this contract or the bank's other rights prescribed legally or as per the contract.

The withdrawal period is 12 months, and at the end of the withdrawal period, the unused amount of the total loan value is automatically cancelled.

The company is obliged to pay the value of each amount withdrawn from the total amount of this loan in addition to the returns and commissions determined on it within a maximum period of six months from the date of each withdrawal so that the total debt balance of the loan is paid within a maximum of 18 months from the date of first use.

21/2 Credit banks (credit facilities)

The balance of credit banks is summarized as follows:

	31/12/2022	31/12/2021
	L.E	L.E
Madinet Nasr for Housing Development (Parent company) – United Bank	171,129,762	39,426,739
Al Nasr Company for Civil Works (Subsidiary) – QNB Al Ahli	438,944	-
Al Nasr Company for Civil Works – National Bank of Abu Dhabi	1,575,000	7,700,000
	173,143,706	47,126,739

The credit facility from The United Bank with Madinet Nasr for housing and development

The credit facility from The United Bank

A current credit limit amounting 200 million Egyptian pounds without in-kind guarantee for the purpose of financing the payment of checks and transfers to the account of beneficiaries in other dealing banks related to general and administrative expenses. A sub-credit limit of letters of guarantee amounting to 7,572,415 Egyptian pounds.

The Credit facility with Al-Nasr for civil works (Subsidiary)

The credit facilities granted by the bank to the company are as follows;

NBE

- An amount of L.E 10 Million for withdrawals from the current account with a deposits guarantee and with a borrowing rate 90% of the deposits held by the bank for the purpose of financing the current activity of the company.
- An amount of L.E 50 Million for issuing letters of guarantee for the purpose of entering tenders and executing the assigned works.

QNB

- An amount of L.E 50 Million for withdrawals from the current account with a deposits guarantee for the purpose of entering tenders and executing the assigned works.
- An amount of L.E 145 Million for issuing letters of guarantee for the purpose of entering tenders and executing the assigned works.

NBAD

- An amount of L.E 70.3 Million for issuing letters of guarantee for the purpose of entering tenders and executing the assigned works.
- The withdrawal limit granted by NBAD is a maximum of 15,750,000 for the purpose of covering the value of the drawn trading papers on the housing fund of the Arab Contractor's employees which declared to the bank fully declaration, a declaration transferring its ownership to the bank in case that its value is not collected/ Rejected twice for any reason and this without any objection From the company and in this case the bank has the right to terminate this facility (for discounting checks) and demand the company to pay all the accruals from its resources and the used from the facility does not exceed in any time 90% of the value of the postdated checks and when the checks are collected, the remaining 10% is transferred to the company's account with the bank, and the facility is paid in 9 quarterly installments for two years and the first check will be paid on March 29 2021 at a return rate of 2% above the lending rate announced in the Central Bank, in addition to 0.2% commission.
- The above-mentioned credit facilities are subject to returns and commissions at the rates due with each bank separately, according to the facilities contracts.

22. Debtors of compounds facility management

	31/12/2022 L.E	31/12/2021 L.E
Treasury bills	1,155,609,839	847,600,604
Bank current accounts	70,331,733	107,480,900
Cheques under collection	64,265,133	77,062,452
Bank deposits of compounds facility management	1,290,206,705	1,032,143,956
Amounts under settlement	7,507,417	(10,950,937)
Liabilities of compounds facility management	1,297,714,122	1,021,193,019

23. Joint arrangement

	Nature of relationship	Nature of Account	Balance at 31/12/2022 L.E	Balance at 31/12/2021 L.E
Capital Gardens project	Joint operation	Long term notes receivable	216,871,707	126,128,420
	-	Finance compo- nent discount	(61,111,183)	(41,579,328)
		Net	155,760,524	84,549,092
		Short term notes receivable	14,467,526	68,502,908
		Total	170,228,050	153,052,000

24. Right of use assets (net)

	31/12/2022 L.E	31/12/2021 L.E
Cost:		
At the beginning of the year	76,315,365	73,186,386
Additions during the year	95,956,632	14,744,129
Disposals during the year	-	(11,615,150)
At the end of the year	172,271,997	76,315,365
Accumulated amortization:		
At the beginning of the year	32,408,374	-
Amortization during the year	37,671,014	34,435,775
Amortization of disposals of the year	-	(2,027,401)
At the end of the year	70,079,388	32,408,374
Net book value		
At the end of the year	102,192,609	43,906,991

25. Revenues and cost of revenues

25-a Net Revenues

	31/12/2022 L.E	31/12/2021 L.E
Tag City	2,112,874,775	1,128,432,025
Sarai	3,468,775,727	1,320,169,004
Contracting revenue (Al Nasr for Civil Works)	180,868,605	132,632,091
Other	12,628,136	42,128,578
Total revenue	5,775,147,243	2,623,361,698
Less: Sales returns	(759,153,465)	(591,274,149)
Net revenue	5,015,993,778	3,032,087,549
Add:		
Return on Financial component from contracts	316,401,958	196,822,170
Return on investment properties	3,807,096	1,485,207
Net sales revenue	5,336,202,832	2,230,394,926

25-b Cost of Revenues

	31/12/2022 L.E	31/12/2021 L.E
Tag City	1,156,438,083	787,246,019
Sarai	2,124,996,009	633,244,207
Contracting cost of revenue (Al Nasr for Civil Works)	188,062,674	119,996,866
Other	3,688,083	23,063,521
	3,473,184,849	1,563,550,613
Less: Cost of sales returns	(151,337,643)	(83,889,533)
	3,321,847,206	1,479,661,080
Add:		
Obligation of operation and maintenance of residential compounds	25,000,000	-
Depreciation of investment properties (Note 6/3)	42,549	56,150
Cost of revenue	3,346,889,755	1,479,717,230

The contracts of the subsidiary company (Al Nasr Company for Civil Works) with its customers are as follows:

The value of contracts available for the implementation of Civil Utilities and Construction Works as of 31 December 2022 amounted to L.E. 4,015 million (2021: L.E. 3,993 million) of which the executor as of 31 December 2022 amounted to L.E. 3,316 million (2021: L.E. 3,136 million).

26. Selling and marketing expenses

	31/12/2022	31/12/2021
	L.E	L.E
Salaries and wages	30,590,587	19,111,852
Selling and marketing commissions	250,108,901	118,516,687
Advertising expenses (including stamp tax)	260,982,638	37,829,191
Rent	231,891	10,287,605
Professional and marketing fees	6,061,017	8,694,925
Depreciation (Note 4/1)	12,945,032	16,099,259
Amortization of intangible assets (Note 5)	114,784	103,190
Sundry expenses	12,440,580	11,211,316
Amortization of right of use assets (Note 24)	36,663,339	34,435,775
	610,138,769	256,289,800

27. General and administrative expenses

	31/12/2022	31/12/2021
	L.E	L.E
Salaries and wages	80,719,515	53,113,865
Board of Directors salaries and allowances	15,325,771	16,188,990
Depreciation (Note 4/1)	2,826,899	3,972,034
Amortization of right of use assets	99,379	-
Amortization of intangible assets (Note 5)	1,007,675	2,198,280
Other expenses	52,442,410	62,366,232
	152,421,649	137,839,401

28. Residential community management and other operating cost

	31/12/2022	31/12/2021
	L.E	L.E
Salaries and wages	7,618,722	3,953,936
Residential compounds operating expenses	10,746,896	7,983,782
Printing	650,351	-
Advertising expenses (including stamp tax)	18,526	-
Depreciation of fixed assets (Note 4/1)	66,545	10,253
Amortization of intangible assets (Note 5)	98,829	12,718
Maintenance	9,892,561	7,724,757
Rent	46,750	-
Fuel	20,384,716	13,921,977
Security and cleaning	1,849,886	3,711,836
Other services expenses	465,519	21,006
	51,839,301	37,340,265

29. Finance cost

	31/12/2022	31/12/2021
	L.E	L.E
Loans and facilities interest	243,915,583	187,672,151
Securitization and notes receivables interest	169,231,338	36,494,279
Interest on sale and leaseback	58,522,677	-
Lease contract interest	6,669,537	4,717,253
	478,339,135	228,883,683

30. Finance income

	31/12/2022	31/12/2021
	L.E	L.E
Income from investment at fair value through profit or loss	219,138	231,178
Credit interest	54,894,865	47,129,563
Return on treasury bills	81,541,493	40,398,348
	136,655,496	87,759,089

31. Other operating income

	31/12/2022	31/12/2021
	L.E	L.E
Administrative fees from customers (for redemption assignment etc.)	53,129,466	58,752,128
Capital gain	-	2,140,896
Sundry income	16,900	16,517,900
Delay penalty on contractors	44,544,815	21,478,554
Penalties on contracts	3,900,495	1,761,358
Gain on foreign exchange	3,727,806	376,873
	105,319,482	101,027,709

32. Other expenses

	31/12/2022	31/12/2021
	L.E	L.E
Compensations and fines	194,405	248,964
Donations	75,000	1,001,000
Takaful contribution	13,933,385	6,051,573
Losses from disposal of investments properties	29,200	-
	14,231,990	7,301,537

33. Consolidated statement of income

	31/12/2022	31/12/2021
	L.E	L.E
Net profit from Madinet Nasr for Housing & Development S.A.E.	747,436,372	282,633,168
Group portion in net profits / (losses) of subsidiaries companies	(11,532,003)	502,584
Elimination effect of return and costs from investments in subsidiaries	506,411	(304,050)
Expected credit loss – related party	329,000	6,000
	736,739,780	282,837,702

34. Contingent liabilities

• Madinet Nasr for Housing & Development S.A.E.

The letters of guarantees issued amounted to L.E. 9,572,415 by United Bank and Egyptian Gulf Bank as of 31 December 2022 (31 December 2021: L.E. 37,647,415), the letters are secured by cash margin of letters of guarantee by L.E. 2,085,862 (31 December 2021: L.E. 2,058,862), (Note 18) and investment certificates (Rakhaa) in united bank by L.E 487,000 (31 December 2021: L.E 487,000). (Note 6/5)

• Al Nasr Co. for Civil Works – (Subsidiary Company)

On 31 December 2022, contingent liabilities represent letters of guarantee issue by banks on behalf of the company for others against execution contracts amounted to L.E. 187,982,775 (31 December 2021: L.E. 199,142,007).

35. Deferred tax

Madinet Nasr for Housing and Development (Parent company)

	31/12/2022		31/12/2021	
	Assets	(Liabilities)	Assets	(Liabilities)
	L.E	L.E	L.E	L.E
Fixed assets	1,142,755	-	-	(145,042)
Provisions	26,836,774	-	5,058,047	-
Total deferred tax	27,979,529	-	5,058,047	(145,042)
Net deferred tax (assets)	27,979,529	-	4,913,005	-
Total Deferred tax charged to the statement of income	23,066,524	-	-	(7,897,406)

Al Nasr Company for Civil Works – (Subsidiary Company)

	31/12/2022		31/12/2021	
	Assets	(Liabilities)	Assets	(Liabilities)
	L.E	L.E	L.E	L.E
Fixed assets	310,019	-	229,332	-
Provisions	7,573,718	-	7,820,932	-
Deferred tax liabilities	6,334,044	-	-	-
Total deferred tax	14,218,524	-	8,050,264	-
Net deferred tax assets	14,218,524	-	8,050,264	-
Deferred tax charged to the statement of income	6,167,517	-	248,932	-
The effect on consolidated financial statements				
Total deferred tax asset (statement of financial position)	42,197,310	-	12,963,269	-
Total charged to the statement of income	29,234,041	-	-	(7,648,474)

36. Lease liability

	31/12/2022	31/12/2021
	L.E	L.E
Madinet Nasr for Housing and Development (Parent company)		
A) Short term lease liabilities:		
A) Sale and lease back short-term (*)		
Sale and lease back notes payable	-	811,130,965
Less: discounting from sale and lease back	-	(70,505,965)
B)	-	740,625,000
Other lease contracts short-term	23,103,993	23,667,862
Total Short term Lease liabilities	23,103,993	764,292,862
	31/12/2022	31/12/2021
	L.E	L.E
Long term Lease liabilities		
1-5 years	72,382,857	13,584,023
More than 5 years	-	1,233,942
Total Long term Lease liabilities	72,382,857	14,817,965
Al Nasr Company for Civil Works – (Subsidiary Company)		
Short-term lease Liabilities	1,954,600	-
Long-term lease Liabilities	3,572,746	-
	5,527,346	-
Total lease	101,014,196	779,110,827

Impact on the consolidated financial statements

	31/12/2022	31/12/2021
	L.E	L.E
Short-term lease Liabilities	25,058,593	764,292,862
Long-term lease Liabilities	75,955,603	14,817,965
Total lease	101,014,196	779,110,827

(*) The lease commitments included selling a plot of land and renting it back, as follows:

On 10 November 2021, the company sale and leaseback a plot of land; the sale price is amounting EGP 1,164,439,709 and an amount of EGP 750 million was received and the rest of the amount was EGP 414,439,709 representing a down payment of the rental value payable for the leased back land.

The rental value is EGP 811,130,965 and is paid in full in 4 installments starting in February 2022 and ending in November 2022.

On 11 January 2022, an early payment was made of EGP 300 million from the value of the sale and leaseback contract and accordingly the rental value was adjusted to LE 492,096,267 to be fully paid in 4 installments starting in February 2022 and ending in November 2022.

Since this transaction did not meet the requirements of Egyptian Accounting Standard No. (48) to treat it as a transfer of an asset; Therefore, this transaction was dealt with in accordance with paragraph (103) of the Egyptian Accounting Standard No. (49) Lease Contracts, where the company continue to recognize the asset – right of use and liability equal to the proceeds of the contract is recognized.

37. Tax status

Madinet Nasr for Housing and Development S.A.E. (Parent company)

• Corporate tax

The company submitted its tax returns and amended returns on the legally prescribed dates, and the company paid taxes based on these returns after being approved by the company's tax advisor until 2021.

The years from the start of the activity until 2014

The tax dispute between the company and the Tax Authority for those years has been terminated, and the due tax has been paid in full, according to the decisions of the internal committees, the Internal Committee, and the dispute settlement committees, and benefiting from bypassing the delay fee in accordance with Law No. 172 of 2020.

The years from 2015 to 2017

On 29/6/2022, the tax inspection for those years was completed, in direct agreement with the Tax Commission of Senior Taxpayers, to take advantage of the fourth paragraph of Law 16 of 2020 by deducting 30% of the delay fee, and the original due tax differences were paid and benefited from exceeding 65% of the delay fee According to Law No. 153 of 2022.

The years are from 2018 to 2021

The inspection was not conducted by the Tax Authority, and the company did not receive any forms for those years to date, and according to the method of the Tax Authority in the inspection, the estimated provision was formed for the expected points of disagreement.

• Payroll tax

The years from the start of the activity until 2014

The tax dispute between the company and the tax authority for those years has been settled and the tax due has been paid in full.

The years are from 2015 to 2018

The tax inspection for those years was carried out, and the original tax was paid before August 31, 2022, and the law is being used to override late fines.

The years are from 2019 to 2021

The tax inspection for these years has not been carried out, and the company has not been notified of any assessment forms to date, and according to the method of the Tax Authority in the inspection, the estimated provision for points of disagreement has been formed.

• Stamp tax

The years from the start of the activity until 2014

The tax dispute between the company and the tax authority has been terminated and the tax due has been paid in full.

The years are from 2015 to 2021

The tax inspection is in progress for those years, and the company has not been notified any assessment forms to date, and according to the inspection method, a provision for points of disagreement has been provided.

• Real estate tax

The years are from 2013 to 2022

The tax returns were submitted within the specified legal date, and the tax was paid for the real estate for which the tax forms were received, and a provision was made for the tax on the real estate for which no tax forms were received to date.

Al Nasr Company for Civil Works – S.A.E. (Subsidiary company)

The company follows the mission of the Center of Major Financiers File No. 410/3/5/555 and registered under No. 933/396/100 General Tax and Sales.

• Corporate tax

Year to 30 June 2008 The tax dispute between the company and the tax authority for those years has been settled and the tax due has been paid in full.

The years from 01/07/2009 to 31/12/2012 were under inspection on the basis of the Internal Committee and challenged before the Administrative Court.

A request for reconciliation with the Senior Financiers' Centre was submitted and a request was submitted in violation of Law 174 of 2018 for delays.

The years from 2013 to 2016 were assessed and the work of an internal committee re-inspected.

The years from 2017 to 2021 have not yet been inspected and the tax return has been submitted in accordance with the provisions of Law 91 of 2005.

• Payroll tax

The years from the start of the activity until 2004

The tax dispute between the company and the tax authority for those years has been settled and the tax due has been paid in full.

Years 2005 to 2014 were discretionary inspected and the decision of the Internal Committee to re-inspect in the light of annual settlements and documents submitted by the company.

The years 2015 to 2018 have been estimated and are being re-inspected in the light of annual settlements and documents submitted by the company.

The years from 2019 until 2021

The tax inspection for these years has not been carried out, and the company has not been notified of any assessment forms to date.

• Stamp Tax

The period up to 31/12/2015 has been inspected, the dispute has been terminated and payments made from under the tax entitlements.

Periods from 1/1/2016 to 31/12/2021 have not yet been inspected.

• Value Added tax (VAT)

Years until 31/12/2013 were inspected and the outstanding discrepancies paid in full.

Years 2014 and 2015 Inspection and grievance were conducted and the Internal Committee decision was issued to reduce outstanding discrepancies.

Years 2016 and 2017 were inspected, complained and the dispute is under consideration.

Years from 2018 to 2021, the company provides monthly tax returns and reimburses the tax due from the return.

The company registered in VAT issued by Law No. 67 of 2016.

• Real Estate Tax

Tax returns were submitted in accordance with the law and tax due until 31/12/2021 was paid.

38. Earnings per share

	31/12/2022	31/12/2021
	L.E	L.E
Net profit for the year after tax	736,739,780	282,837,702
Less: Board of Directors and employees share in profit	(125,462,265)	(40,215,150)
Shareholders share in net profit	611,277,515	242,622,552
Weighted average numbers of shares outstanding during the year	2,007,682,192	1,723,883,757
Earnings per share	0.304	0.141

39. Financial instruments and related risks

On-balance sheet financial instruments comprise cash and bank balances, financial investments, debtors, creditors, and amounts due from/to related parties. Notes to the financial statements include the accounting policies adopted in the recognition and measurement of financial instruments,

The significant risks associated with the financial instruments and the procedures followed by the company to mitigate these risks are as follows:

- Credit risk**

Credit risk is the risk that debtors fail to settle the amounts due from them, The company seeks to reduce this risk to the minimum by agreeing with the customers to transfer property after settling all of their debts, also the company charges customers for delay penalties calculated on settlement.

- Liquidity risk**

Liquidity risk represents all factors which affect the company's ability to pay part or all of its obligations, according to the company's policy sufficient liquidity is maintained which reduce the risk to the minimum.

The following are due dates of the financial liabilities:

	Less than one year	1-2 years	More than 2 years	Book value
	L.E	L.E	L.E	L.E
31/12/2022				
Term loans	1,112,711,174	234,719,138	966,840,544	2,314,270,856
Creditors and other credit balances	970,893,552	-	-	970,893,552
Short term loans	741,032,228	-	-	741,032,228
Trade payables	683,429,398	-	-	683,429,398
Land development liability by face value	208,806,577	193,687,509	178,568,442	581,062,528
Long term notes payable	-	77,544,045	133,771,634	211,315,679
	3,716,872,929	505,950,692	1,279,180,620	5,502,004,241
31/12/2021				
Term loans	106,487,942	654,210,488	1,463,173,522	2,223,871,952
Creditors and other credit balances	859,660,010	-	-	859,660,010
Short term loans	700,000,000	-	-	700,000,000
Trade payables	564,623,369	-	-	564,623,369
Long term notes payable	-	85,997,082	211,315,679	297,312,761
	2,230,771,321	740,207,570	1,674,489,201	4,645,468,092

- Market risk**

Market risk includes potential gains and losses from the company's financial investments. The company's management applies an investment policy aimed at reducing risk, through investing in various low-risk financial instruments (mainly Egyptian treasury bills).

- Interest rate risk**

Interest rate risk represents the risk of changes in the rate of interest, Time deposits, loans and bank overdrafts are subject to this risk. The company uses most of its deposits in settling its loans and overdraft balances whenever a gap between debit and credit interest rates takes place in order to reduce this risk to the minimum as possible.

The following are the financial assets and liabilities according to interest rate type:

	31/12/2022	31/12/2021
	L.E	L.E
Financial assets instruments with fixed interest rate		
Financial assets (trade and notes receivable)	5,452,848,610	4,442,542,504
Financial liabilities instruments with floating interest rate		
Financial liabilities (Long- and short-term loans and credit banks)	3,228,446,790	2,963,298,691

- Foreign currency risk**

Foreign currency risk represents the changes in the currency rates which affect the receipts and disbursements and the translation of assets and liabilities in foreign currencies. The company policy is not to take a loan in foreign currencies nor keep significant balances in currencies other than Egyptian pound.

- Capital Management**

Regarding capital management, the company's policy is to uphold a strong capital base to safeguard its shareholders' equity, creditors, and market confidence, as well as the continued growth of its future activities.

The company seeks to maintain a balance between the lowest cost of borrowing and the other associated risks and benefits of the finance to keep a strong capital base.

The company has no change in the capital management during the year and it has no external capital requirements.

40. Contractual commitments

The value of the ongoing contracts with contractors to implement housing construction operations amounted to L.E. 6.26 billion, of which, until 31 December 2022, amounted to L.E. 4.94 billion, and the contractors' dues were paid according to the contracts.

Project	Value of current works contracted with contractors to execute residential units	Value of executed works till 31 December 2022	Value of remaining contractual commitment
	L.E	L.E	L.E
Taj Sultan	825 million	820 million	5 million
Park residence	1.74 billion	1.670 billion	70 million
Shalya	1.05 billion	80 million	970 million
Taval	1.06 billion	951 million	109 million
Crowns	1.58 billion	1.420 billion	160 million
	6.26 billion	4.94 billion	1.310 billion

41. Paid under account of acquiring new investments

On July 3, 2022 the company signed an agreement to acquire the whole capital shares of the two companies “Menk for Real-estate Investment (S.A.E.)” & “Egycan for Real-estate Development (S.A.E.)” for LE 200 million, this agreement was signed pursuant to the approval of the general assembly of the company’s shareholders dated 13 December 2021 and the approval of the company’s board of directors dated 29 June 2022. the company paid to the shareholders of the two companies L.E. 175 million consequent to the date of agreement. The company will pay the remaining L.E. 25 million after transferring the shares’ ownership to the company.

According to the agreement; the two companies’ shareholders in lieu of selling their own shares in the two companies, they will buy the shares of “Madeint Nasr For Housing Development” through the Egyptian stock exchange; the shareholders buy no. of 99,061,626 shares till December 31, 2022 accordingly they acquire about 4.72% from the company’s total capital shares.

42. Commitments related to developing land

These commitments comprise of a contractual commitment to finance the execution of a part of the extended axis of “Shinzo Abe” that pass through the company’s land in “Taj City”; these liabilities are amounting LE 871.7 million in addition to the incurred interest amounting LE 151 million. The company paid an amount of LE 442 million out of these liabilities. The counter value will be paid on three installments till July 2025 as follows:

	31/ 12/ 2022 L.E
Contractual commitment of developing land – short term	208,806,577
Contractual commitment of developing land – long term	
Nominal value	372,255,951
Less: Finance component	(72,301,946)
	299,954,005
Total of contractual commitment related developing land	508,760,582

43. Fair value

The fair values of financial assets and liabilities are not materially different from their carrying value as of 31 December 2022.

Measuring the recurring fair value	First level L.E	Second level L.E	Third level L.E	Total L.E
Measuring the recurring fair value as at 31 December 2022				
Financial assets in fair value through the other comprehensive income (equity instruments)	-	4,608,335	-	4,608,335
Total financial assets	-	4,608,335	-	4,608,335
Measuring the recurring fair value as at 31 December 2022				
Financial assets in fair value through the other comprehensive income (equity instruments)	-	24,623,475	-	24,623,475
Total financial assets	-	24,623,475	-	24,623,475

44. Comparative figures

Certain figures of prior year have been reclassified to conform with the presentation of the current year.

	31/12/2021 Before reclassification L.E	Reclassification L.E	31/12/2021 After reclassification L.E
General and administrative expenses	(141,044,207)	3,204,806	(137,839,401)
Residential Compounds and operating expenses	(34,135,459)	3,204,806	(37,340,265)
Long term loans	2,053,374,260	64,009,750	2,117,384,010
Current installments from long term loans	170,497,692	(64,009,750)	106,487,942