

**MADINET MASR FOR HOUSING AND
DEVELOPMENT - S.A.E.**

**INTERIM SEPARATE
FINANCIAL STATEMENTS AND LIMITED
REVIEW REPORT THEREON**

AT 30 SEPTEMBER 2025

INTERIM SEPARATE FINANCIAL STATEMENTS

For the period ended 30 September 2025

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*Translation of the Report
originally issued in Arabic*

**LIMITED REVIEW REPORT
ON THE INTERIM SEPARATE FINANCIAL STATEMENTS**

**TO THE BOARD OF DIRECTORS OF
MADINET MASR FOR HOUSING AND DEVELOPMENT - S.A.E.**

Introduction

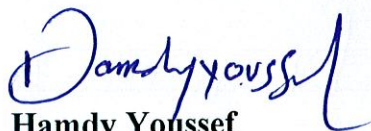
We have carried out a limited review of the accompanying interim separate financial statements of Madinet Masr for Housing and Development - S.A.E. which comprise the interim separate statement of financial position as of 30 September 2025, and the related interim separate statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim separate financial statements based on our limited review.

Scope of the Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly in all material respects, the interim separate financial position of Madinet Masr for Housing and Development - S.A.E. as of 30 September 2025, and its interim separate financial performance and its interim separate cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.



Hamdy Youssef
Member of CPA
Fellow of ESAA
RAA No. 7242
FRA No. 404



Cairo, 11 November 2025

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

At 30 September 2025

	<i>Note</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
NON-CURRENT ASSETS			
Fixed assets	4	69,104,507	77,420,670
Assets under constructions	5	309,927,369	149,914,061
Right of use assets	21	111,717,765	44,496,112
Amounts due from related parties	34	172,371,299	334,013,462
Investments in subsidiaries	6/1	431,179,827	281,473,477
Amounts paid on account of investment in subsidiaries	6/2	96,582,400	139,120,893
Financial assets at fair value through other comprehensive income	6/3	8,326,737	8,326,737
Investment properties	6/4	1,514,949,702	1,514,949,702
Financial assets at amortized cost	6/6	1,191,882	121,962
Long term notes receivables	9	2,171,725,594	968,097,050
Total non-current assets		4,887,077,082	3,517,934,127
CURRENT ASSETS			
Work in progress	7	9,544,518,101	7,094,973,489
Finished properties	8	374,292,655	332,176,455
Inventories		17,011,892	14,799,388
Short term notes receivable	9	2,495,082,871	1,131,534,632
Trade receivables	9	276,217,955	200,516,703
Advances to trade payables		3,968,992,611	3,889,516,886
Debtors and other debit balances	10	6,848,698,649	5,346,591,839
Financial assets at fair value through profit or loss	6/5	3,731,961	3,319,728
Financial assets at amortized cost	6/6	3,383,785,583	625,264,397
Amounts due from related parties	34	1,169,797,816	593,454,870
Debtors for the management, operation and maintenance of residential communities	19	59,115,047	4,849,731
Cash on hand and banks	11	1,308,314,289	2,442,691,876
Total current assets		29,449,559,430	21,679,689,994
Total assets		34,336,636,512	25,197,624,121
EQUITY AND LIABILITIES			
EQUITY			
Issued and paid-up capital	16	2,135,000,000	2,135,000,000
Treasury Shares	16	(386,757,569)	-
Legal reserve		620,672,378	479,260,291
Retained earnings		5,599,877,384	3,809,286,287
Net profit for the period / year		2,206,064,760	2,828,241,728
Employees and executives shares option plan		109,900,000	98,350,000
Change in Fair Value of Financial Assets through Other Comprehensive Income		6,298,222	6,298,222
Investment properties revaluation surplus at fair value (Net)		452,666,481	452,666,481
Total shareholders' equity		10,743,721,656	9,809,103,009

The attached notes 1 to 41 form part of these interim separate financial statements.

Madinet Masr for Housing and Development - S.A.E.

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION - Continued
At 30 September 2025

	<i>Note</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
NON-CURRENT LIABILITIES			
Long-term loans	17	1,578,504,629	717,081,408
Long-term notes payable	15/1	24,821,025	48,564,338
Long-term lease liability	32	84,929,040	14,790,185
Deferred Tax Liability	20	112,442,062	56,927,722
Total non-current liabilities		1,800,696,756	837,363,653
CURRENT LIABILITIES			
Advance payments from customers for undelivered units	12	13,915,022,925	7,089,965,192
Provisions	13	317,863,755	303,751,434
Infrastructure completion liabilities	14	681,252,824	952,000,670
Creditors and other credit balances	15/2	1,811,699,428	2,214,714,464
Current portion of long-term loans	17	258,920,758	315,670,936
Short-term loans	18/1	2,342,663,818	1,650,000,000
Banks overdraft (credit facilities)	18/2	241,135,158	30,000,000
Trade payables		827,752,325	719,924,320
Amounts due to related parties	34	61,273,634	9,030,310
Tax Authority		599,220,236	864,118,083
Short-term lease liability	32	23,774,955	30,377,931
Short-term land development liabilities	39	372,255,951	363,274,370
Dividend Payables		339,382,333	8,329,749
Total current liabilities		21,792,218,100	14,551,157,459
Total liabilities		23,592,914,856	15,388,521,112
Total Equity and Liabilities		34,336,636,512	25,197,624,121

Limited Review report "attached"


Senior Vice President - Finance
Mr. Ahmed Hussein Elazab


CEO & Executive President
Eng. Mohamed Abdallah Sallam


Chairman
Eng. Mohamed Hazem Barakat

The attached notes 1 to 41 form part of these interim separate financial statements.

Madinet Masr for Housing and Development - S.A.E.

INTERIM SEPARATE STATEMENT OF INCOME (PROFIT OR LOSS)
For the period ended 30 September 2025

		From 1/1/2025 to 30/9/2025 L.E.	From 1/1/2024 to 30/9/2024 L.E.	From 1/7/2025 to 30/9/2025 L.E.	From 1/7/2024 to 30/9/2024 L.E.
Net revenue	23-a	6,737,196,618	7,233,871,026	2,429,232,338	2,926,561,889
Less: Cost of revenue	23-b	(1,972,705,992)	(1,798,425,879)	(739,280,918)	(848,614,333)
Gross profit		4,764,490,626	5,435,445,147	1,689,951,420	2,077,947,556
Less:					
Selling and marketing expenses	24	(1,511,677,180)	(1,468,132,178)	(332,916,407)	(407,654,522)
General and administrative expenses	25	(277,268,752)	(268,852,930)	(86,892,464)	(100,441,510)
Management of the residential compound expenses & other operating expenses	26	(76,317,762)	(54,780,118)	(30,540,040)	(22,512,933)
Finance cost	27	(503,898,289)	(409,947,688)	(178,610,665)	(173,049,730)
Provisions	13	(65,934,304)	(242,600,000)	(20,558,682)	(42,900,000)
Expected credit loss No longer required (Net)		(28,174,109)	(50,289,319)	(9,373,327)	(27,493,173)
Add:					
Finance income	28	482,909,144	319,888,807	195,839,858	109,128,781
Income relevant to activity	29	130,855,694	95,523,712	70,555,755	32,689,494
Operating profit		2,914,985,068	3,356,255,433	1,297,455,448	1,445,713,963
Return on financial assets at amortized cost					
Other expenses	30	1,069,920	41,716	1,069,920	-
Net profit for the period before tax		(66,999,895)	(33,963,054)	(19,866,040)	(11,518,418)
Income tax	22	2,849,055,093	3,322,334,095	1,278,659,328	1,434,195,545
Deferred tax	20	(587,475,993)	(851,226,290)	(258,879,412)	(384,060,255)
		(55,514,340)	94,418,007	(29,291,159)	56,960,457
Net profit for the period		2,206,064,760	2,565,525,812	990,488,757	1,107,095,747
Earnings per share for the period	31	0.913	1.031		

Senior Vice President - Finance

Mr. Ahmed Hussein Elazab

CEO & Executive President

Eng. Mohamed Abdallah Sallam

Chairman

Eng. Mohamed Hazem Barakat

Madinet Masr for Housing and Development - S.A.E.

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2025

	<i>From 1/1/2025 to 30/9/2025</i>	<i>From 1/1/2024 to 30/9/2024</i>	<i>From 1/7/2025 to 30/9/2025</i>	<i>From 1/7/2024 to 30/9/2024</i>
	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>
Net profit for the period	2,206,064,760	2,565,525,812	990,488,757	1,107,095,749
Fair value revaluation surplus of investment properties (Net)	-	236,239,225	-	183,015,456
Total comprehensive income for the period	<u>2,206,064,760</u>	<u>2,801,765,037</u>	<u>990,488,757</u>	<u>1,290,111,205</u>


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Madinet Masr for Housing and Development - S.A.E.

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
For the period ended at 30 September 2024

	Issued and paid-up capital L.E.	Treasury stocks L.E.	Legal Reserve L.E.	Retained earnings L.E.	Net profit for the period L.E.	Employees & executives share option plan L.E.	Change in fair value of financial assets through OCI L.E.	Investment property revaluation surplus at fair value L.E.	Total L.E.
Balance at 1 January 2024	2,135,000,000	-	373,144,164	2,497,122,758	2,122,322,538	107,100,000	23,556,267	62,573,200	7,320,818,927
Transferred to retained earnings	-	-	-	2,122,322,538	(2,122,322,538)	-	-	-	-
Transferred to legal reserve	-	-	106,116,127	(106,116,127)	-	-	-	-	-
Dividends of 2023	-	-	-	(704,042,882)	-	-	-	-	(704,042,882)
Revaluation of employees & executives share option plan	-	-	-	-	-	16,100,000	-	-	16,100,000
Comprehensive income for the period	-	-	-	-	2,565,525,812	-	-	236,239,225	2,801,765,037
Balance at 30 September 2024	2,135,000,000	-	479,260,291	3,809,286,287	2,565,525,812	123,200,000	23,556,267	298,812,425	9,434,661,082
Balance at 1 January 2025	2,135,000,000	-	479,260,291	3,809,286,287	2,828,241,728	98,350,000	6,298,222	452,666,481	9,809,103,009
Treasury Stocks	-	(386,757,569)	-	-	(2,828,241,728)	-	-	-	(386,757,569)
Transferred to retained earnings	-	-	-	2,828,241,728	-	-	-	-	-
Transferred to legal reserve	-	-	141,412,087	(141,412,087)	-	-	-	-	-
Dividends of 2024	-	-	-	(896,238,544)	-	-	-	-	(896,238,544)
Revaluation of employees & executives share option plan	-	-	-	-	-	11,550,000	-	-	11,550,000
Comprehensive income for the period	-	-	-	-	2,206,064,760	-	-	-	2,206,064,760
Balance at 30 September 2025	2,135,000,000	(386,757,569)	620,672,378	5,599,877,384	2,206,064,760	109,900,000	6,298,222	452,666,481	10,743,721,656

Mr. Ahmed Hussein Elazab
Senior Vice President - Finance

Eng. Mohamed Abdallah Sallam
CEO & Executive President

Eng. Mohamed Hazem Barakat
Chairman

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Madinet Masr for Housing and Development - S.A.E.

INTERIM SEPARATE STATEMENT OF CASH FLOWS

For the period ended at 30 September 2025

	<i>Note</i>	<i>30/9/2025 L.E.</i>	<i>30/9/2024 L.E.</i>
OPERATING ACTIVITIES			
Net profit for the period before tax		2,849,055,093	3,322,334,094
Adjustments for:			
Depreciation of fixed assets and investment properties	4, 23	15,488,811	9,385,585
Amortization of intangible assets		-	8,171,523
Transferred from intangible assets to Expenses		-	4,806,837
Amortization of Right of use Assets	24	32,519,031	29,222,697
Finance cost	27	503,898,289	409,947,688
Expected credit loss		28,174,109	50,289,319
Provisions	13	65,934,304	242,600,000
Return on financial assets at amortized cost		(1,069,920)	(41,716)
Loss/(Gain) on foreign currencies exchange	30,29	19,225,183	(9,636,266)
		3,513,224,900	4,067,079,761
Work in progress and finished properties and inventories		(2,484,891,735)	(1,031,484,576)
Notes and trade receivables, trade payables debit balance and debtors of compounds facility management and amounts due from related parties		(4,710,050,780)	(2,383,307,128)
Trade payables – advance payment, creditors, projects' infrastructure completion liabilities and amounts due to related parties		6,235,233,515	1,518,730,692
Used provisions	13	(51,821,983)	(4,963,579)
Dividends paid to Board of Directors and employees		(306,560,959)	(259,086,221)
Income tax paid		(852,373,840)	(813,669,356)
Finance cost paid		(451,508,936)	(356,060,607)
Net cash from operating activities		891,250,182	737,238,986
INVESTING ACTIVITIES:			
Payments for purchase of fixed assets and fixed assets under construction	4	(167,185,957)	(129,504,370)
Payments for purchase of intangible assets		-	(2,122,986)
Paid on account of investment in subsidiaries		(107,167,856)	(42,952,385)
Return on financial assets at amortized cost		-	41,716
Purchase of financial assets measured at amortized cost for more than 90 days		(20,000,000)	-
Net cash used in investing activities		(294,353,813)	(174,538,025)

The attached notes 1 to 41 form part of these interim separate financial statements.

Madinet Masr for Housing and Development - S.A.E.

INTERIM SEPARATE STATEMENT OF CASH FLOWS - Continued

For the period ended at 30 September 2025

	Note	30/9/2025 L.E.	30/9/2024 L.E.
FINANCING ACTIVITIES:			
Dividends paid to shareholders		(258,625,000)	(213,500,000)
Purchases of treasury Stocks		(386,757,569)	-
Lease liability payment	32	(36,204,805)	(30,595,151)
Payments of long-term loans	17	(370,846,422)	(187,061,876)
Proceeds from long term loans	17	1,175,519,465	-
Proceeds from short term loans	18/1	692,663,818	1,150,000,000
Net cash from financing activities		815,749,487	718,842,973
Change in cash and cash equivalents		1,412,645,856	1,281,543,934
Cash and cash equivalents at the beginning of the period	18	3,041,276,001	1,933,507,891
Gain on foreign exchange	30,29	(19,225,182)	9,636,266
Total cash and cash equivalents at the end of the period		4,434,696,675	3,224,688,091
Less:			
Deposits to cover the letter of guarantee	11	(12,476,880)	(12,476,880)
Pledged treasury bills to cover letters of guarantee	6/6	(16,116,600)	-
Restricted investment certificates against letter of guarantee	6/5	(487,000)	(487,000)
Cash and cash equivalents at the end of the period	18	4,405,616,195	3,211,724,211

NON-CASH TRANSACTIONS:

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

- Revaluation of the balance of the Employee Stock Incentive Plan and the related expense at fair value, resulting in an increase in equity (share premium) amounting to L.E. 11,550,000.
- Transfer of an amount of L.E. 149,706,350 from the item (Advances paid under investments in subsidiaries – Minka Real Estate Investment Company) to the item "Investments in subsidiaries – Minka Real Estate Investment Company.
- An amount of L.E. 1,069,920 represents investment income from financial assets at amortized cost, and the value of the investment was increased by the same amount.


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1. COMPANY BACKGROUND

1.1 *Legal form of the company*

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

The company transferred to an Egyptian joint stock company under the provisions of Law No. 203 for 1991 issued on 19/06/1991 under the umbrella of the Holding Company for Housing under the name of Madinet Masr Housing and Development. The Extraordinary General Assembly of the company held on 30/6/1996 approved the change to the provisions of Law No. 159 for 1981 and its executive regulations and published in company's journal on January 1997 rather than the provisions of Law No. 203 for 1991.

The company was registered in the Commercial Register No. 300874 on 23 December 1996 under tax card No. 095-009-200.

On 2 May 2023, the Extraordinary General Assembly Meeting has approved the amendments of the company's name in Article (2) of the Articles of Association to become "Madinet Masr for Housing and Development Company", and the amendment has been registered in the company's commercial registry on 13 June 2023.

1.2 *Activity*

The company is engaged in all activities related to real estate development for lands, 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 all residential, administrative, tourists, recreational and all projects necessary to achieve these purposes, and all real estate, financial, commercial and entertainment operations related to these purposes.

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

1.3 *Duration*

According to the company's Articles of Association, the company's term is 50 years starting from 23/12/1996 to 22/12/2046.

1.4 *Location*

The company's head office is located at 4, Youssef Abbass St., 2nd Area, Nasr City, Cairo, Egypt.

The Chairman is Eng. Mohamed Hazem Barakat.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

30 September 2025

1. COMPANY BACKGROUND - *Continued*

The company is listed on Egyptian Stock Exchange and London Stock Exchange on GDR admission system.

The company's Board of Directors has approved the separate financial statements for the period ended 30 September 2025 on 10 November 2025.

2. USE OF ESTIMATES AND JUDGMENTS

The preparation of separate 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 assumption 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 year in which the estimate is revised and the future periods if it affects future periods.

The following estimates and judgments that affect the financial statements:

- Estimate useful lives of fixed assets, intangible assets and investment properties.
- Provisions and contingent liabilities.
- Impairment of financial and non-financial assets.
- Taxation
- Liabilities for utilities completion
- Amortization of the discount of present value for notes receivable (Financing component).
- Expected credit loss

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.

2. USE OF ESTIMATES AND JUDGMENTS - *Continued*

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

3.1.1 Basis of preparation of the separate financial statements

- The separate financial statements are prepared in accordance with the Egyptian Accounting Standards in light of relevant Egyptian laws and regulations.
- The separate financial statements are presented in Egyptian Pounds which presents the functional currency of the group.
- According to the Egyptian Accounting Standard No. 42 (Consolidated Financial Statements) and Article 188 of the Executive Regulations of the Companies Law No. 159 of 1981, the company prepares separate financial statements
- 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.

New issuing and amendments to the Egyptian Accounting Standards

On March 6, 2023, Prime Minister Decision No. (883) of 2023 was issued to amend and issue some provisions of the Egyptian Accounting Standards issued No. 110 of 2015, and amended on March 18, 2019, by a decision of the Minister of Investment and International Cooperation, which includes some new accounting standards and amendments to some existing standards, which were published in the Official Gazette on March 6, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3.2 Summary of significant accounting policies

3.2 Fixed assets and depreciation

Recognition and measurement

Fixed assets are recorded on purchase at cost and are presented in the statement of financial position net of accumulated depreciation and impairment losses (Note 4). 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 separate income statement 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 - over its expected useful life _Except for land. The estimated useful lives of fixed assets are reviewed periodically. Based on the periodic review, the useful lives and depreciation rates for computers and servers were adjusted for the fiscal year 2024 from (5-8) years to (4) years, in accordance with the Board of Directors' approval on February 25, 2024

Based on the periodic review, the aging and depreciations rates of fixed assets are as follows:

<u>Asset Type</u>	<u>Estimated useful life</u>
Buildings	40 years
Improvements - Owned building	8 years
Improvements - Leasehold building	5 years or the duration of the lease which is lower
Machinery and equipment for production	5 years
Motor vehicles	5 years
Computers and servers	4 years
Tools and equipment	2 years
Furniture and office equipment	2-8 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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. 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.

3.2.1 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 & information systems

1 year

3.2.2 Investment in subsidiaries

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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

- 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.

In case of impairment, the carrying amount of the impairment loss is reduced and charged to the separate statement of income for each investment. The impairment loss is reversed in prior periods so that the carrying amount of the investment does not exceed its original net worth before the impairment loss is recognized in value.

3.2.3 Financial instruments

1) Recognition and initial measurement

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

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

2) Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified subsequent to their initial recognition unless the 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.

Financial assets at amortized cost:

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Financial assets at FVOCI (Debt instrument):

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.

Financial assets at FVOCI (Equity instrument):

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.

Financial assets at FVTPL:

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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

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

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 par 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 criteria if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Debt instruments 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 or Loss

Financial liabilities are classified as at amortized cost or at fair value through profit or 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 or loss are measured at fair value and net gains and losses, including interest expense, are recognized in profit or 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 or loss. Gains and losses resulting from disposal are recognized in profit or loss.

Disposals

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 obligations

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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 measured later using the fair value model and the outcome of revaluation of investment properties is charged to the statement of other comprehensive income, and in case of revaluation loss it decrease first from revaluation surplus, and if it exceeds the revaluation surplus it charged to the statement of income. The cost model is used for investment properties which has no reliable fair value in accordance to para 53 of investment properties standard, and depreciation expense charged to the separate 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 separate income statement.

<i>Asset Type</i>	<i>Estimated useful life</i>
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 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 statement of income.

3.2.7 Separate statement of cash flows

The separate 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.

3.2.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank current accounts, and treasury bills due within three months and investments through profit or loss, less pledged time deposits against letters of guarantee and credit banks (credit facilities), bank current accounts and time deposits of compound maintenance deposits which is collected and managed for the favor of customers are not included in cash and cash equivalent of the company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3.2.9 Trade receivables, notes receivable 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)

The notes receivables are the value of 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 separate financial statements; notes receivables are re-measured at amortized cost; which is determined by discounting the future cash flows of the notes using the rate of return that discounts the nominal value of the instruments to the current cash price for selling the real estate units.

3.2.10 Asset's impairment

Non-Financial Assets

At the separate 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 separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 recognized previously- in the separate 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 years

Financial Assets

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.

The company applied Accounting Standard No. (47) on January 1, 2021 using the cumulative effect method by adjusting the opening balance of retained earnings, and accordingly, the comparative information presented for the year 2020 has not been re-presented, that is, it is presented as previously stated in the financial statements for the fiscal year ending on 31 December 2019.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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 separate income statement.

3.2.11 Provisions

Provisions are recognized when there is a present legal or constructive obligation 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 separate financial position date and adjusted (if necessary) to present the best current estimate.

3.2.12 Treasury shares

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

3.2.13 Dividends

Dividends are recorded as liability during the year when declared.

3.2.14 Revenue recognition

1. Revenue from customer contracts

The Company applied the EAS No. 48 as of January 1, 2021. Information about the Company's accounting policies relating to contracts with customers is provided in five steps as identified (in Note No.5-B):

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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 arising 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 at point of time if the performance obligations are not fulfilled over a period 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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

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 rate 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 be fully equal the financial assets book value or financial obligation.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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 operation 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.(Note: This contract type doesn't represent the company's current strategy).

3. *Other revenues*

- Rental income is recognized on a time-apportioned basis.
- 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.

3.2.15 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.

3.2.16 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.

3.2.17 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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 L.E. 50 thousand. 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.

3.2.18 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 separate 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 year except for instances that taxes are established from:

- A transaction or event recognized, in the same year or other year, 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.

3.2.19 Earnings per share

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3.2.20 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 separate 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.

3.2.21 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 year 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.

3.2.22 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 separate financial position date are translated at the rate of exchange ruling at that date. Retranslation exchange profit or loss is taken to the separate statement of income.

3.2.23 Related parties' transactions

Related parties' transactions carried out by the company within its normal course of business, are recognized pursuant to the conditions set out by the Board of Directors on an arm's length basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3.2.24 Takaful contribution

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

3.2.25 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 year.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

- 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 operating lease or as financing lease as follows:

Operating lease

The company recognizes lease payments from operating leases 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 assets, directs its use and obtain the remaining benefits its from it or is not a sale as follows:

Asset transfer represent a sale

The assets is established as a right of utilizations in accordance with the requirements of Egyptian accounting standard No: 49 on right of used against recognized of the lease liability at the present value of the lease payments as liability as set out in the policy for initial measurement of the assets of the benefit, where the contract is classified as a lease in this case.

Asset transfer is not a sale

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

Exemption from recognition:

The company may choose not to recognize right-of-use assets and lease obligations for short-term leases with a lease term of 12 months or less and leases for low-value assets. The Company recognizes the rental payments associated with these contracts as an expense on a straight-line basis over the lease period.

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4. FIXED ASSETS

30/9/2025

Cost:

	Lands (*) L.E.	Buildings (*) and constructions L.E.	Leasehold improvement L.E.	Machinery and equipment L.E.	Motor vehicles L.E.	Tools L.E.	Furniture and office equipment L.E.	Computers L.E.	Total L.E.
At 1 January 2025	1,351,229	23,392,980	38,034,916	6,621,327	31,329,898	3,251,046	15,369,018	46,226,209	165,576,623
Additions during the period	-	-	-	77,500	-	-	896,741	6,198,407	7,172,648
Disposals during the period	-	-	-	-	(618,879)	-	-	-	(618,879)
At 30 September 2025	1,351,229	23,392,980	38,034,916	6,698,827	30,711,019	3,251,046	16,265,759	52,424,616	172,130,392

Accumulated depreciation:

At 1 January 2025	-	13,433,522	36,114,298	6,378,052	3,208,018	1,932,028	12,478,561	14,611,474	88,155,953
Provided during the period	-	1,188,824	483,236	136,497	4,292,547	1,039,205	769,514	7,578,988	15,488,811
Disposals during the period	-	-	-	-	(618,879)	-	-	-	(618,879)
At 30 September 2025	-	14,622,346	36,597,534	6,514,549	6,881,686	2,971,233	13,248,075	22,190,462	103,025,885

Net book value:

At 30 September 2025	1,351,229	8,770,634	1,437,382	184,278	23,829,333	279,813	3,017,684	30,234,154	69,104,507

(*) Lands and buildings include land and building of the social club and the playground which is specified for Madinet Masr for Housing and Development Employees' club, and the book value is approximately L.E. 1.3 million for land and L.E. 1.9 million for buildings. There are no guarantees or pledging on fixed assets at the date of the separate financial statements.

- There are no guarantees or mortgages on the company's fixed assets at the date of the independent financial statements.

Madinet Masr for Housing and Development - S.A.E.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

30 September 2025

4. FIXED ASSETS – Continued

<u>31/12/2024</u>	<u>Lands (*) L.E.</u>	<u>Buildings (*) and constructions L.E.</u>	<u>Leasehold improvement L.E.</u>	<u>Machinery and equipment L.E.</u>	<u>Motor vehicles L.E.</u>	<u>Tools L.E.</u>	<u>Furniture and office equipment L.E.</u>	<u>Computers L.E.</u>	<u>Total L.E.</u>
Cost:									
At 1 January 2024	1,351,229	23,392,980	38,034,916	6,524,294	3,164,898	3,251,046	13,960,175	26,982,114	116,661,652
Additions during the year	-	-	-	97,033	28,165,000	-	1,602,793	23,759,484	53,624,310
Disposals	-	-	-	-	-	-	(193,950)	(4,515,389)	(4,709,339)
At 31 December 2024	<u>1,351,229</u>	<u>23,392,980</u>	<u>38,034,916</u>	<u>6,621,327</u>	<u>31,329,898</u>	<u>3,251,046</u>	<u>15,369,018</u>	<u>46,226,209</u>	<u>165,576,623</u>
Accumulated depreciation:									
At 1 January 2024	-	10,710,018	35,468,214	6,207,281	2,765,850	542,310	11,797,496	11,899,558	79,390,727
Provided during the year	-	2,723,504	646,084	170,771	442,168	1,389,718	875,015	7,227,305	13,474,565
Disposals	-	-	-	-	-	-	(193,950)	(4,515,389)	(4,709,339)
At 31 December 2024	<u>-</u>	<u>13,433,522</u>	<u>36,114,298</u>	<u>6,378,052</u>	<u>3,208,018</u>	<u>1,932,028</u>	<u>12,478,561</u>	<u>14,611,474</u>	<u>88,155,953</u>
Net book value:									
At 31 December 2024	<u>1,351,229</u>	<u>9,959,458</u>	<u>1,920,618</u>	<u>243,275</u>	<u>28,121,880</u>	<u>1,319,018</u>	<u>2,890,457</u>	<u>31,614,735</u>	<u>77,420,670</u>

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

	<u>30/9/2025 L.E.</u>	<u>31/12/2024 L.E.</u>
Leasehold improvement	38,347,264	36,211,665
Elevators	885,932	885,932
Small Tools and Equipment	485,406	471,612
Machinery and Equipment	5,824,025	5,705,494
Vehicles	2,033,601	2,597,760
Furniture and office equipment	10,279,197	9,901,736
Computers	2,737,728	4,354,927
	<u>60,593,153</u>	<u>60,129,126</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

30 September 2025

4. FIXED ASSETS – Continued

b) Depreciation for the period is allocated as follows:

	30/9/2025	30/9/2024
	L.E.	L.E.
Cost of sales	3,327,828	2,729,883
Selling and marketing expenses (Note 24)	3,120,704	3,503,272
General and administrative expenses (Note 25)	8,775,746	2,964,827
Management of the residential compound expenses & other operating expenses (Note 26)	264,533	162,801
	15,488,811	9,360,783

5. ASSETS UNDER CONSTRUCTION

	30/9/2025	31/12/2024
	L.E.	L.E.
New Administrative Headquarters at Taj City Project	282,050,295	149,009,100
Document Storage Equipment	709,633	709,633
New Sales Tent at Taj City Project	27,167,441	195,328
	309,927,369	149,914,061

6. FINANCIAL ASSETS AND INVESTMENTS

6/1 Investments in subsidiaries

	Contribution	30/9/2025	31/12/2024
	%	L.E.	L.E.
Al Nasr Co. for Civil Works – S.A.E.	52.46	78,957,337	78,957,337
Minka Co. for Real Estate Investment (*)	100	154,743,985	5,037,635
EgyCan for Real State Development (*)	100	196,467,745	196,467,745
Doors Real Estate Asset Management	99.98	1,010,760	1,010,760
		431,179,827	281,473,477

6/2 Amounts paid on account of investments in subsidiaries

	Contribution	30/9/2025	31/12/2024
	%	L.E.	L.E.
Mink Co. for Real Estate Investment	100	-	129,699,373
Madinet Masr for Finishing Works	100	1,010,760	1,010,760
Madinet Masr for Project Management	100	6,010,760	1,010,760
Madinet Masr for Sports Club Management	74	7,400,000	7,400,000
Saudi Arabia Doors of Expertise Real Estate Company	100	50,000,000	-
SAFE Real Estate Investment Fund Company	100	5,000,805	-
SAFE Underwriting and Promotion Company	100	10,000,805	-
SAFE International Company	100	16,219,195	-
Cities of the World Company	100	940,075	-
		96,582,400	139,120,893

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

6. FINANCIAL ASSETS AND INVESTMENTS - Continued

6/3 Financial assets through other Comprehensive Income

	<i>Contribution %</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
High Education House (S.A.E.)	1.20	8,326,737	8,326,737
		<u>8,326,737</u>	<u>8,326,737</u>

6/4 Investment properties

	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Rental buildings for others by using FV model	1,512,709,150	1,512,709,150
Lands title held on sold properties (*)	2,076,334	2,076,334
Rental buildings - Net (**)	164,218	164,218
	<u>1,514,949,702</u>	<u>1,514,949,702</u>

(*) Leased Properties to Others – Using the Cost Model (Net).

<i>30/9/2025</i>	<i>Residential units L.E.</i>	<i>None residential units L.E.</i>	<i>Total L.E.</i>
Cost:			
At 1 January 2025	596,163	339,905	936,068
At 30 September 2025	<u>596,163</u>	<u>339,905</u>	<u>936,068</u>
Accumulated depreciation:			
At 1 January 2025	527,894	243,956	771,850
At 30 September 2025	<u>527,894</u>	<u>243,956</u>	<u>771,850</u>
Net book value:			
At 30 September 2025	<u>68,269</u>	<u>95,949</u>	<u>164,218</u>

<i>31/12/2024</i>	<i>Residential units L.E.</i>	<i>None residential units L.E.</i>	<i>Total L.E.</i>
Cost:			
At 1 January 2024	596,163	339,905	936,068
At 31 December 2024	<u>596,163</u>	<u>339,905</u>	<u>936,068</u>
Accumulated depreciation:			
At 1 January 2024	527,474	219,574	747,048
Depreciation for the year	420	24,382	24,802
At 31 December 2024	<u>527,894</u>	<u>243,956</u>	<u>771,850</u>
Net book value:			
At 31 December 2024	<u>68,269</u>	<u>95,949</u>	<u>164,218</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

6. FINANCIAL ASSETS AND INVESTMENTS - Continued

The cost of the fully depreciated investment properties and still in use are as follows:

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Residential units	527,894	527,894
Nonresidential units	243,956	243,956
	<u>771,850</u>	<u>771,850</u>

(*) The revalued investment properties using the fair value model. The fair value of these investments properties has been valued by an independent expert who is registered with the Financial Regulatory Authority, this valuation has been conducted in accordance with paragraph (75) of standard No (34).

(**) The investment properties that has been valued with cost model can not determine their fair value reliably according to paragraph 53 of Egyptian Accounting Standard No (34). This is mainly due to they are residential properties leased under old lease Contracts whose under indefinite an undetermined lease contracts according to the law.

Currently there are no market transactions for comparable properties and alternative estimates of fair value are not available

6/5 Financial Assets at fair value through profit or loss

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Certificates of QNB Investment Fund	2,655,321	2,389,326
Certificates of Banque Du Caire Investment Fund	124,369	113,100
Certificates of United Bank Investment Fund - Rakhaa (*)	952,271	817,302
	<u>3,731,961</u>	<u>3,319,728</u>

Investments in certificates of investment fund 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 banks and cash equivalent (Note 18).

(*) United Bank Investment Fund (Rakhaa) includes pledged investment certificates amounted to L.E. 487,000 (2024: L.E. 487,000) against letters of guarantee as of the date separate financial statements. (Note 18)

6/6 Financial assets at amortized cost

Financial assets at amortized cost – Long term

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Investments in Treasury bonds (not traded on the stock exchange market)	<u>1,191,882</u>	<u>121,962</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

6. FINANCIAL ASSETS AND INVESTMENTS - Continued

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Treasury Bills (*)	3,383,785,583	625,264,397
	<u>3,383,785,583</u>	<u>625,264,397</u>

Treasury bills as of June 30, 2025 also include an amount of EGP 16,116,600 restricted as cover against a letter of guarantee.

6/7 Treasury bills

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Treasury Bills_ 126 days	20,000,000	-
Treasury Bills_ 84 days	573,300,000	-
Treasury Bills_ 65 days	160,000,000	-
Treasury Bills_ 57 days	415,000,000	-
Treasury Bills_ 56 days	550,100,000	-
Treasury Bills_ 54 days	98,775,000	-
Treasury Bills_ 49 days	292,425,000	-
Treasury Bills_ 48 days	285,500,000	-
Treasury Bills_ 42 days	340,000,000	47,050,000
Treasury Bills_ 41 days	740,250,000	-
Treasury Bills – 28 days	-	537,950,000
Treasury Bills – 14 days	-	51,375,000
	<u>3,475,350,000</u>	<u>636,375,000</u>
Less: Unrealized gain on treasury bills	<u>(91,564,417)</u>	<u>(11,110,603)</u>
	<u>3,383,785,583</u>	<u>625,264,397</u>

Treasury Bills less than three months from acquisition date were classified in Cash and cash equivalents. (Note 18)

7. WORK IN PROGRESS

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
<u>Lands and unfinished properties:</u>		
Taj City (*)	4,952,576,322	4,235,673,057
Sarai City (*)	2,917,273,162	1,643,621,963
West Assuit (**)	598,704,753	555,729,299
Taj Ville	967,528,759	659,881,058
Butterfly	64,958,720	-
New Heliopolis	43,476,385	68,112
	<u>9,544,518,101</u>	<u>7,094,973,489</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

7. WORK IN PROGRESS – Continued

- (*) Taj City includes the completed phases that the company started for sale: “Tag sultan”, “Park residence”, “Shalya & Lake Park”, “Elect”, “Coblet” and “club side “Origami””. In addition to the not yet ready for sale, where the balance of 30 June 2025 represents the cost of external and internal utilities, the cost construction works and cost of extension works of the Shinzo Abi corridor that pass through the company’s lands (Note 39).

Sarai includes the phases that are ready for sale: “Taval”, “Crowns”, “Cavana”, “Strip mall”, and “Mansion” Rayi. In addition to the not yet ready for sale, where the balance of 30 September 2024 represents the cost of external and internal facilities & the cost of construction works.

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

- (**) In accordance with the resolution of New Urban Communities Authority’s Board of Directors No. (134) dated 22 January 2020 to allocate a 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. Also, the resolution of the board of directors no (138) dated 14 May 2020 to amend the schedule of payment of amounting L.E. 497,309,325 and a percent of 15% to be paid as administration fees and board of trustees amounting L.E. 56,297,962, and the remaining percent of 85% will be paid amounting L.E. 441,011,367 on installments after grace period of 2 years from Notification date.

The company issued notes payable against these installments in favor of the authority of New Nasser City (West of Assuit) (Notes 15/1 & 15/2).

The capitalized interests from the significant financing component with clients according to EAS (48) revenue from contract with client during the period are as follows:

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Taj City	24,926,115	20,558,108
Sarai	16,116,755	16,012,874
Taj Ville	458,240	318,675
	<u>41,501,110</u>	<u>36,889,657</u>

8. FINISHED PROPERTIES

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
<u>Finished properties:</u>		
El Waha, Nasr City, and Premira	34,486,855	12,863,515
6 th October (Nasr Gardens)	339,805,800	319,312,940
	<u>374,292,655</u>	<u>332,176,455</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

9. TRADE AND NOTES RECEIVABLES

	30/9/2025	31/12/2024
	L.E.	L.E.
<u>Long-term notes receivable</u>		
Taj City	1,011,260,309	660,986,060
Sarai and Capital Gardens	1,755,298,086	775,349,328
Other	10,608,436	16,170,040
	2,777,166,831	1,452,505,428
Less:		
Financial component from contract	(567,891,594)	(449,248,302)
Expected Credit Loss (ECL)	(37,549,643)	(35,160,076)
	2,171,725,594	968,097,050
	30/9/2025	31/12/2024
	L.E.	L.E.
<u>Short-term notes receivable</u>		
Taj City	906,571,764	596,032,247
Sarai and Capital Gardens	1,947,323,262	989,601,087
Other	9,117,909	21,413,824
	2,863,012,935	1,607,047,158
Less:		
Financial component from contract	(329,219,709)	(470,991,629)
Expected Credit Loss (ECL)	(38,710,355)	(4,520,897)
	2,495,082,871	1,131,534,632
<u>Trade receivables</u>		
Taj City	86,715,717	53,110,413
Sarai and Capital Gardens	125,506,831	110,718,304
Other	67,781,296	46,734,639
	280,003,844	210,563,356
Less: Expected Credit Loss	(3,785,889)	(10,046,653)
	276,217,955	200,516,703

The total movement for the expected credit loss deducted from long-term & short-term notes receivables and trade receivables during the year are as follows:

	30/9/2025	31/12/2024
	L.E.	L.E.
Balance at the beginning of the period / year	49,727,626	157,831,329
(Reversed)/Provided during the period / year	30,318,260	(108,103,703)
The balance at the end of the period / year	80,045,886	49,727,626

In light of the decision of the Financial Regulatory Authority (FRA) issued on 12 January 2022, the company applied the accounting treatment related to real estate development activities and postdated checks.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

9. TRADE AND NOTES RECEIVABLES - Continued

Post-dated checks (off balance sheet)

The total amount of checks received from customers in lieu of the sold units and not delivered yet to them are not included in the financial position (off balance sheet transactions) are as follows:

	30/9/2025 L.E.	31/12/2024 L.E.
Notes receivables for undelivered units	<u>68,939,644,109</u>	<u>57,762,253,443</u>

10. DEBTORS AND OTHER DEBIT BALANCES

	30/9/2025 L.E.	31/12/2024 L.E.
Advance payment for Participatory development:		
Masr Elgededa for Development Company (****)	1,100,000,000	1,100,000,000
Medar Investment and Urban Development Company (***)	1,069,827,004	1,069,827,004
Zahraa El Maadi for Investment and Development Company (*****)	200,000,000	200,000,000
	<u>2,369,827,004</u>	<u>2,369,827,004</u>
Tamweel Mortgage Company	21,598,767	21,598,767
Securitization Financial Group	49,427,102	68,153,306
Contract acquisition costs (**)	4,166,298,579	2,638,217,892
Paid on the account of the cost of extending gas networks to residential compounds	24,183,125	39,447,759
Refundable deposits	77,606,247	50,292,347
Employee stock ownership plan (ESOP) (*)	21,314,103	57,149,985
Prepaid expenses	87,952,949	63,518,235
Prepaid lease interest	6,329,077	2,051,399
Cash margin on letters of guarantee (Note 33)	1,039,443	21,039,443
Other debit balances	<u>23,442,236</u>	<u>15,492,452</u>
	6,849,018,632	5,346,788,589
Less: Expected credit loss	<u>(319,983)</u>	<u>(196,750)</u>
	6,848,698,649	5,346,591,839

(*) On April 18, 2023, the company's Ordinary General Assembly approved an increase in the issued and paid-up capital through the issuance of 35 million free ordinary shares, funded from retained earnings, amounting to L.E. 35 million. These shares are to be fully allocated to the reward and incentive program for executive and managing board members, managers, and employees of the company, which was previously approved by the Financial Regulatory Authority in February 2022.

(**) According to paragraph (91) of Egyptian Accounting Standard No. (48) *Revenue from Contracts with Customers*, an entity must recognize the incremental costs of obtaining a contract as an asset if it expects to recover those costs, provided that such costs would not have been incurred if the contract had not been obtained (e.g., sales commission). The mentioned amount represents sales commissions related to unearned revenue from contracts with customers as of 30 June 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

10. DEBTORS AND OTHER DEBIT BALANCES - Continued

- (***) On July 10, 2024, the company signed a revenue-sharing development contract for a fully serviced residential project on a 238-feddan plot in Mostakbal City with *Madar for Investment and Urban Development*. According to the contract, an advance payment of EGP 1.07 billion was made to Madar as part of its share in the project's revenue, to be settled against future revenues.
- (****) On July 10, 2024, the company signed a revenue-sharing development contract for a fully serviced residential project on a 491-feddan plot in *New Heliopolis City* with *Misr El Gedida for Housing and Development*. According to the contract, an advance payment of EGP 1.10 billion was made to Misr El Gedida as part of its share in the project's revenue, to be settled against future revenues.
- (*****) On October 23, 2024, the company signed a revenue-sharing development contract for a fully serviced residential project on a 42-feddan plot in *New Heliopolis City* with *Zahraa El Maadi for Investment and Development*. According to the contract, an advance payment of EGP 200 million was made to Zahraa El Maadi as part of its share in the project's revenue, to be settled against future revenues."

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

	30/9/2025 L.E.	31/12/2024 L.E.
Balance at the beginning of the period / year	196,750	196,750
ECL Provided during the period / year	123,233	-
Balance at the end of the period / year	<u>319,983</u>	<u>196,750</u>

11. CASH ON HAND & AT BANKS

	30/9/2025 L.E.	31/12/2024 L.E.
Cash on hand	4,231,513	3,673,864
Banks' current accounts with return	1,291,582,776	802,018,012
Time deposits in banks	12,500,000	1,637,000,000
	<u>1,308,314,289</u>	<u>2,442,691,876</u>

Time deposits on 30 June 2025 includes an amount of L.E. 12,476,880 Secured deposits for covering letter of guarantees (31 December 2024: L.E. 12,476,880) Restricted deposits against letters of guarantee.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

12. ADVANCE PAYMENT FROM CLIENTS FOR UNDELIVERED UNITS

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Taj City	5,828,126,774	2,687,927,167
Sarai	6,209,755,944	3,490,506,212
Taj Ville	518,056,059	481,947,387
Mostakbal City	1,244,101,026	409,657,388
New Heliopolis	81,809,309	-
West Assuit (Zahw)	33,173,813	19,927,038
	<u>13,915,022,925</u>	<u>7,089,965,192</u>

The unrealized revenue from contracts with customers, including amounts collected from customers and post-dated checks received, as of 30/9/2025, amounts to EGP 82,854,667,034 (31/12/2024: EGP 64,852,218,635).

13. PROVISIONS

	<i>Balance at</i> <i>1/1/2025</i> <i>L.E.</i>	<i>Provided</i> <i>during</i> <i>the period</i> <i>L.E.</i>	<i>Used during</i> <i>the period</i> <i>L.E.</i>	<i>Provisions</i> <i>no Longer</i> <i>Provided</i> <i>L.E.</i>	<i>Balance at</i> <i>30/9/2025</i> <i>L.E.</i>
Club subscription provision for clients	147,000,000	-	(44,750,000)	-	102,250,000
Claims provision	95,195,035	23,000,000	(5,454,571)	-	112,740,466
Legal provision	48,715,712	-	(116,109)	-	48,599,603
Other provisions	12,840,687	42,934,304	(1,501,304)	-	54,273,686
	<u>303,751,434</u>	<u>65,934,304</u>	<u>(51,821,984)</u>	<u>-</u>	<u>317,863,755</u>

14. INFRASTRUCTURE COMPLETION LIABILITIES

	<i>Balance at</i> <i>1/1/2025</i> <i>L.E.</i>	<i>Provided</i> <i>(return)</i> <i>during the</i> <i>period</i> <i>L.E.</i>	<i>Utilized during</i> <i>the period</i> <i>L.E.</i>	<i>Balance at</i> <i>30/9/2025</i> <i>L.E.</i>
Taj City	5,302,028	42,572,240	(43,770,718)	4,103,550
Sarai and capital Garden	372,133,448	150,971,208	(349,093,034)	174,011,622
Residential Maintenance compound liabilities	574,565,194	-	(71,427,542)	503,137,652
	<u>952,000,670</u>	<u>193,543,448</u>	<u>(464,291,294)</u>	<u>681,252,824</u>

This balance represents estimated amounts to complete external main utilities related to residential compounds, which is currently under installation, and the contractors did not complete yet.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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15. CREDITORS AND OTHER CREDIT BALANCES

15/1 Long term notes payable (Net)

	30/9/2025	31/12/2024
	L.E.	L.E.
Long term notes payable at face value		
- West Assuit land (Note 7)	30,778,352	63,333,074
Less: contracts' financial component	<u>(5,957,327)</u>	<u>(14,768,736)</u>
	<u>24,821,025</u>	<u>48,564,338</u>

15/2 Creditors and other credit balances - Current

	30/9/2025	31/12/2024
	L.E.	L.E.
Notes payable – West Assuit Land (Note 7)	102,993,282	70,438,560
Notes payable	303,416,318	1,104,529,061
Outgoing Bank Transfers Under Reconciliation	478,856	28,201,433
Support to National Housing Project	350,000	350,000
Down payment for reservation of land and property sales	184,608,908	86,605,832
Collection from customers (Gas - Electric Risers)	320,094	553,120
Customers' balances for cancelled reservations	11,051,401	10,968,842
Customer Receivables for Canceled Contracts	32,452,080	24,587,518
Proceeds for maintenance expenses and counters	43,625,930	40,681,512
Accrued interest	52,389,353	57,236,972
Governmental authorities	251,609,284	170,652,942
Accrued expenses	-	21,170,982
Commissions due	612,289,602	204,905,925
Accrued salaries and others	37,569	38,113
Accruals for Development Companies	32,883,427	220,333,176
Proceeds from customers under reconciliation	155,134,909	144,416,931
Medical insurance - Takaful contribution	18,380,077	22,176,993
Other	9,678,338	6,866,552
	<u>1,811,699,428</u>	<u>2,214,714,464</u>

16. SHARE CAPITAL

Authorized capital:

The authorized capital is five billion Egyptian Pounds.

30/9/2025	31/12/2024
L.E.	L.E.

Issued and nominal and paid-up capital:

Distributed over 2,135,000,000 cash shares with par value for one Egyptian pound

<u>2,135,000,000</u>	<u>2,135,000,000</u>
<u>(386,757,569)</u>	<u>-</u>

Treasury shares (85,4 million shares)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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16. SHARE CAPITAL - *Continued*

List of percentage of shares of issued and paid-up capital for shareholders as follows:

	<i>No. of shares 30/9/2025</i>	<i>Par Value 30/9/2025 L.E.</i>	<i>Percentage of Contribution %</i>
<u>30/9/2025</u>			
B.I.G. Investment Group Ltd.	417,883,272	417,883,272	19.57
Holding Co. for Construction and Development	318,999,182	318,999,182	14.94
Social Insurance Fund of Governmental Sector Workers	171,551,357	171,551,357	8.04
B Investment Holding S.A.E.	156,909,104	156,909,104	7.35
Al Alian Co. for Investments Ltd.	95,500,002	95,500,002	4.47
National Investment Bank	77,392,641	77,392,641	3.62
Other shareholders / Other nationalities subscribed	896,764,442	896,764,442	42.01
	<u>2,135,000,000</u>	<u>2,135,000,000</u>	<u>100</u>
	<i>No. of shares 31/12/2024</i>	<i>Par Value 31/12/2024 L.E.</i>	<i>Percentage of Contribution %</i>
<u>31/12/2024</u>			
B.I.G. Investment Group Ltd.	417,883,272	417,883,272	19.57
Holding Co. for Construction and Development	318,999,182	318,999,182	14.94
Social Insurance Fund of Governmental Sector Workers	167,639,857	167,639,857	7.85
B Investment Holding S.A.E.	156,909,104	156,909,104	7.35
Al Alian Co. for Investments Ltd.	95,500,002	95,500,002	4.47
National Investment Bank	77,392,641	77,392,641	3.62
Other shareholders / other nationalities subscribed	900,675,942	900,675,942	42.2
	<u>2,135,000,000</u>	<u>2,135,000,000</u>	<u>100</u>

17. LONG-TERM LOANS

	<i>Balance at the beginning of the period L.E.</i>	<i>Amounts withdrawn during the period L.E.</i>	<i>Installments paid during the period L.E.</i>	<i>Balance at the end of the period L.E.</i>
<u>30/9/2025</u>				
a) Egyptian Gulf Bank	167,294,571	-	(167,294,571)	-
b) Syndication loan – Notes receivable discount	517,511,779	-	(167,439,837)	350,071,942
c) Syndication loan – Notes receivable discount	347,945,994	-	(36,112,014)	311,833,980
d) Syndication revolving loan – Medium Term	-	1,175,519,465	-	1,175,519,465
	<u>1,032,752,344</u>	<u>1,175,519,465</u>	<u>(370,846,422)</u>	<u>1,837,425,387</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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17. LONG-TERM LOANS - Continued

Classified in the financial position as follows:

	<i>Current installments for long term loans L.E.</i>	<i>Long term loans L.E.</i>	<i>Balance at the end of the period L.E.</i>	<i>Interest and commission recorded in the income statement L.E.</i>
<u>30/9/2025</u>				
a) Egyptian Gulf Bank	-	-	-	17,295,445
b) Syndicated loan – Notes receivable discount	187,357,497	162,714,444	350,071,942	36,414,426
c) Syndicated loan – Notes receivable discount	71,563,261	240,270,720	311,833,980	26,963,525
d) Syndication revolving loan – Medium Term	-	1,175,519,465	1,175,519,465	-
	<u>258,920,758</u>	<u>1,578,504,629</u>	<u>1,837,425,387</u>	<u>80,673,396</u>

	<i>Balance at the beginning of the year L.E.</i>	<i>Installments paid during the year L.E.</i>	<i>Balance at the end of the year L.E.</i>
<u>31/12/2024</u>			
a) Egyptian Gulf Bank	241,647,714	(74,353,143)	167,294,571
b) Syndication loan – Notes receivable discount	616,746,266	(99,234,487)	517,511,779
c) Syndication loan – Notes receivable discount	410,722,433	(62,776,439)	347,945,994
	<u>1,269,116,413</u>	<u>(236,364,069)</u>	<u>1,032,752,344</u>

	<i>Current installments for long term loans L.E.</i>	<i>Long term loans L.E.</i>	<i>Balance at the end of the year L.E.</i>	<i>Interest and commission recorded in the income statement L.E.</i>
<u>31/12/2024</u>				
a) Egyptian Gulf Bank	74,353,143	92,941,428	167,294,571	57,299,423
b) Syndicated loan – Notes receivable discount	167,439,837	350,071,942	517,511,779	63,960,328
c) Syndicated loan – Notes receivable discount	73,877,956	274,068,038	347,945,994	41,839,509
	<u>315,670,936</u>	<u>717,081,408</u>	<u>1,032,752,344</u>	<u>163,099,260</u>

17. LONG-TERM LOANS - Continued

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

a) Egyptian Gulf Bank

- A medium-term loan contract was signed between the Egyptian Gulf Bank and Madinet Masr 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 March 31, 2023.
- The financing period is 74 months, starting from the date of signing the financing documents and ending on December 31, 2028.
- The outstanding balance was fully paid by the medium-term syndication revolving facility granted by the Commercial International Bank (CIB) Egypt and other participating banks has been fully settled.

b) Syndication loan – Notes receivable discount

Long term syndicated financing contract participating banks:

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

Purpose of financing: discounting commercial papers with a nominal value of L.E. 1,133,870,000, 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.

c) 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 (NBK) as the lending bank.
- Purpose of financing: discounting commercial papers with a nominal value of L.E. 761,108,401, 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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17. LONG-TERM LOANS – Continued

d) Medium-Term Revolving Syndicated Loan

A medium-term revolving syndicated loan agreement with a total amount of 9 billion Egyptian Pounds.

On December 24, 2024, the company signed the loan agreement with each of the following banks: Commercial International Bank (CIB), First Abu Dhabi Bank, Al Baraka Bank, Abu Dhabi Commercial Bank, Egyptian Export Development Bank, Housing and Development Bank, and Industrial Development Bank. The purpose of the loan is to finance several stages of the Taj City and Sarai projects, settle the balance of the bridge loan granted by the Commercial International Bank, and repay the balance of the facility from the Egyptian Gulf Bank. This financing will be used in two tranches as follows:

- **First Tranche - Taj City:** A total amount of 4 billion Egyptian Pounds to finance the stages of Shalia, Lake Park, Taj Gardens, Taj Ville, Elect, Club Side, and Origami.
- **Second Tranche - Sarai:** A total amount of 5 billion Egyptian Pounds to finance the stages of Kronz, Cavana, Ray, Ray Views, and Ilan.

The availability period during which the financing is available for withdrawal begins on the financial closing date (one month from the contract date) and ends as follows:

- **First Tranche:** The date falling 4 years and 10 months from the financial closing date, or August 30, 2029.
- **Second Tranche:** The date falling 7 years and 4 months from the financial closing date, or February 29, 2032.

Final Maturity Date:

- **First Tranche:** The date falling 4 years and 11 months from the financial closing date, or September 30, 2029.
- **Second Tranche:** The date falling 7 years and 5 months from the financial closing date, or March 31, 2032.

18. CASH AND CASH EQUIVALENTS

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

	30/9/2025 L.E.	31/12/2024 L.E.
Cash and bank balances (Note 11)	1,308,314,289	2,442,691,876
Investment at fair value through profit or loss (Note 6/5)	3,731,961	3,319,728
Investment at amortized cost (Note 6/6)	3,363,785,583	625,264,397
Less:		
Bank overdraft and (Credit facilities) (Note 18/2)	(241,135,158)	(30,000,000)
Cash and cash equivalents at the end of the period	<u>4,434,696,675</u>	<u>3,041,276,001</u>
Secured deposits for covering letter of guarantees (Note 11)	(12,476,880)	(12,476,880)
Pledged treasury bills to cover letters of guarantee (Note 6/6)	(16,116,600)	-
Pledged investment certificates against letters of guarantee (Note 6/5)	(487,000)	(487,000)
Cash and cash equivalents at the end of the period / year	<u>4,405,616,195</u>	<u>3,028,312,121</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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18. CASH AND CASH EQUIVALENTS - Continued

18/1 Short term loan

<u>30/9/2025</u>	<i>Balance at the beginning of the period L.E.</i>	<i>Proceeds During the period L.E.</i>	<i>Installment paid during the period L.E.</i>	<i>Balance at the end of the period L.E.</i>	<i>Interest and commission charged to the income statement L.E.</i>
NBK	<u>1,650,000,000</u>	<u>692,663,818</u>	<u>-</u>	<u>2,342,663,818</u>	<u>389,053,796</u>
<u>31/12/2024</u>	<i>Balance at the beginning of the year L.E.</i>	<i>Proceeds During the year L.E.</i>	<i>Installment paid during the year L.E.</i>	<i>Balance at the end of the year L.E.</i>	<i>Interest and commission charged to the income statement L.E.</i>
NBK	<u>700,000,000</u>	<u>1,150,000,000</u>	<u>(200,000,000)</u>	<u>1,650,000,000</u>	<u>357,498,889</u>

National Bank of Kuwait (NBK)

In March 2020, a short-term loan amounting to L.E. 700,000,000 was obtained from the National Bank of Kuwait – Egypt to finance operating expenses. The contract was renewed in March 2024. In June 2024, the credit limit was increased to L.E. 2,400,000,000, with a maturity date of August 31, 2025.

18/2 Bank liabilities – credit facilities

United Bank Credit Facility

An overdraft facility amounting to L.E. 400 M was granted without collateral, for the purpose of financing the settlement of checks and transfers to beneficiaries' accounts in other banks related to general and administrative expenses. The outstanding balance of the facility as of September 30, 2025, was L.E. 241,135,158 (December 31, 2024: L.E. 30 M). A sub-limit for letters of guarantee amounted to L.E. 572,415.

19. COMPOUNDS FACILITY MANAGEMENT

	<u>30/9/2025 L.E.</u>	<u>31/12/2024 L.E.</u>
Treasury bills	2,597,442,181	1,899,295,946
Time Deposits with Banks	-	350,000,000
Bank current accounts	208,266,408	201,281,201
Cheques post-dated checks (note receivable)	<u>2,736,926,207</u>	<u>1,963,281,136</u>
Bank deposits for managing residential compounds	5,542,634,796	4,413,858,283
Amounts under settlement	<u>(59,115,047)</u>	<u>(4,849,731)</u>
Liabilities of compounds facility management	<u>5,483,519,749</u>	<u>4,409,008,552</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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20. DEFERRED TAX

The balance of deferred tax assets and liabilities resulting from temporary tax differences for asset and liability items is as follows:

	<i>30/9/2025</i>		<i>31/12/2024</i>	
	<i>Assets</i>	<i>(Liabilities)</i>	<i>Assets</i>	<i>(Liabilities)</i>
	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>
Tax Differences on Fixed Asset & Intangible Assets Values	-	(2,678,037)	-	(2,106,952)
Tax Differences on Financial Assets Values	-	(1,828,515)	-	(1,828,515)
Tax Differences on Investment Property Values	-	(294,862,027)	-	(295,041,853)
Tax Differences on Right of use Values	2,813,195	-	5,477,921	-
Tax Differences on Provisions	184,113,322	-	236,571,677	-
Total deferred tax	186,926,517	(299,368,579)	242,049,598	(298,977,320)
Net deferred tax assets/(liabilities)	-	(112,442,062)	-	(56,927,722)
Deferred tax charged to the separate statement of income	-	(55,514,340)	63,541,918	-
Deferred tax charged to the separate statement OCI	-	-	-	(296,870,368)

21. RIGHT OF USE ASSETS

	<i>30/9/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Cost:		
At the beginning of the period / year	122,127,516	120,597,850
Additions during the period / year	99,740,684	16,273,795
Disposals during the period / year	(67,723,764)	(14,744,129)
At the end of the period / year	154,144,436	122,127,516
Accumulated amortization:		
At the beginning of the period / year	77,631,404	53,182,073
Amortization provided during the period / year (Note 24)	32,519,031	39,193,460
Disposals during the period / year	(67,723,764)	(14,744,129)
At the end of the period / year	42,426,671	77,631,404
Net book value:		
At the end of the period / year	111,717,765	44,496,112

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

22. RECONCILIATIONS TO CALCULATE THE EFFECTIVE INCOME TAX RATE

	30/9/2025	30/9/2024
	L.E.	L.E.
Net accounting profit before tax	2,849,055,093	3,322,334,095
Less: Return on treasury bills (Note 28)	(341,383,735)	(230,000,941)
Net accounting profit before tax and return of treasury bills	2,507,671,358	3,092,333,154
Reconciliation		
Takaful contribution	18,380,077	19,123,314
Amortization of right of use	32,519,031	29,222,697
Interest of ROU liability	7,530,919	8,182,615
Provisions	65,934,304	242,600,000
Reversal of ECL	28,174,109	50,289,319
Difference of taxable and accounting depreciation	(1,738,929)	(1,459,894)
Board of Directors allowances	2,475,000	2,800,000
Used of infrastructure completion liabilities	(270,747,846)	140,018,230
Lease Liability payment	(63,535,878)	(17,815,142)
Investment income exempted	(1,069,920)	(41,716)
Used provisions	(46,367,413)	(1,402,236)
Exemptions of return of cash fund investment	(412,233)	(268,083)
Non-deductible expenditures	28,739,624	15,200,416
Taxable profit	2,307,552,203	3,578,782,674
Tax rate	22.50%	22.50%
Calculated income tax	519,199,246	805,226,102
Return on treasury bills	341,383,735	230,000,941
Tax on treasury bills	68,276,747	46,000,188
Income tax	587,475,993	851,226,290
Actual tax rate	20.62%	25.62%

23. REVENUES AND COST OF REVENUES

23-a Net revenues

	30/9/2025	30/9/2024
	L.E.	L.E.
<u>Sales revenue</u>		
Taj City	2,574,798,262	2,153,388,322
Sarai	4,131,042,209	5,202,775,073
Other	250,028,985	60,302,042
Total property sales revenue	6,955,869,456	7,416,465,437
Less: Sales returns	(342,528,695)	(264,082,366)
Net sales	6,613,340,761	7,152,383,071
Add:		
Financial component from contracts	99,672,918	75,437,890
Return on investment properties	24,182,939	6,050,065
Net sales revenue	6,737,196,618	7,233,871,026

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

23. REVENUES AND COST OF REVENUES - Continued

23-b Cost of revenues

	30/9/2025	30/9/2024
	L.E.	L.E.
<u>Cost of sold property</u>		
Taj City	1,588,468,739	702,928,438
Sarai	433,935,869	982,867,039
Other	5,742,710	4,240,694
Total cost of properties sales	2,028,147,318	1,690,036,171
Less: Cost of sales returns	(55,441,326)	(41,635,094)
	1,972,705,992	1,648,401,077
Add:		
Obligation of operating and maintenance residential compounds	-	150,000,000
Depreciation of investment properties (Note 6/4)	-	24,802
Cost of Revenue	1,972,705,992	1,798,425,879

24. SELLING AND MARKETING EXPENSES

	30/9/2025	30/9/2024
	L.E.	L.E.
Salaries and wages	24,978,027	32,968,726
Selling and marketing commissions	517,971,809	876,230,084
Advertising expenses (including stamp tax)	844,489,550	482,949,044
Professional fees	6,467,245	2,276,372
Depreciation of fixed assets (Note 4)	3,120,704	3,503,272
Amortization of intangible assets (Note 5)	-	2,736,971
Transportation, sundry expenses	5,211,285	4,209,303
Maintenance and renewal licenses	69,813,414	27,982,039
Rent	1,495,838	1,004,628
Materials, fuels, and spare parts	831,450	1,108,882
security and training	3,518,436	2,574,542
Other service expenses	1,260,391	1,365,618
Lease Amortization (Note 21)	32,519,031	29,222,697
	1,511,677,180	1,468,132,178

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

25. GENERAL AND ADMINISTRATIVE EXPENSES

	30/9/2025	30/9/2024
	L.E.	L.E.
Salaries, wages and equivalent	130,779,629	112,136,572
Board of Directors remuneration	14,665,500	12,770,000
Expense of reward and incentive share option plan for employees	22,932,945	7,537,643
Advertisement expenses	880,126	1,223,751
Transportation and communications expenses	6,758,990	4,391,484
Consulting fees, training and conferences	18,141,829	15,879,612
Depreciation (Note 4)	8,775,746	2,964,827
Amortization of intangible assets (Note 5)	-	1,118,424
Maintenance expenses, and software licenses	37,799,965	79,949,283
Rent	1,698,502	7,885,280
Raw materials, fuel and spare parts	1,985,117	1,564,263
Property tax and stamp tax	111,029	475,703
International deposit certificates at London Stock Exchange expenses	2,721,976	2,242,090
Security, cleaning and training expenses	4,951,452	1,405,521
Bank charges	13,396,031	14,464,207
Other service expenses	11,669,915	2,844,270
	277,268,752	268,852,930

26. RESIDENTIAL COMMUNITY MANAGEMENT & OTHER OPERATING COST

	30/9/2025	30/9/2024
	L.E.	L.E.
Salaries and wages	16,180,986	17,490,651
Residential compound operating expenses	6,083,855	5,221,375
Printing	-	374,796
Transportation and communications expenses	583,634	3,262
Depreciation of fixed assets (Note 4)	264,533	162,801
Amortization of intangible assets (Note 5)	-	29,918
Maintenance of buildings, furniture and computer expense Materials, fuels, and spare parts	45,233,687	21,702,916
Rental Expenses	697,463	1,549,249
Security and training	7,155,396	8,142,550
Other expenses	118,208	102,600
	76,317,762	54,780,118

27. FINANCE COST

	30/9/2025	30/9/2024
	L.E.	L.E.
Loans, facilities and Securitization interest	496,367,370	357,901,113
Benefits of securitization and discount of commercial papers	-	43,863,960
Lease contract interest	7,530,919	8,182,615
	503,898,289	409,947,688

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

28. FINANCE INCOME

	30/9/2025	30/9/2024
	L.E.	L.E.
Income from Financial Assets at fair value through profit or loss	412,233	268,083
Credit interest	141,113,176	89,619,783
Return on treasury bills	341,383,735	230,000,941
	482,909,144	319,888,807

29. INCOME RELEVANT TO ACTIVITY

	30/9/2025	30/9/2024
	L.E.	L.E.
Administrative fees from customers (for redemption assignment etc.)	61,837,126	30,838,911
Delay fines on customers	69,018,568	55,048,535
Gain on foreign exchange	-	9,636,266
	130,855,694	95,523,712

30. OTHER EXPENSES

	30/9/2025	30/9/2024
	L.E.	L.E.
Compensations and fines	19,127,465	7,919,740
Donations	10,267,170	6,920,000
Takaful contribution of Comprehensive medical care	18,380,077	19,123,314
Foreign exchange losses	19,225,183	-
	66,999,895	33,963,054

31. EARNINGS PER SHARE

	30/9/2025	30/9/2024
	L.E.	L.E.
Net profit for the period after tax	2,206,064,760	2,565,525,812
Less: Estimated employees and Board of Directors share in profit	(309,000,000)	(365,000,000)
Shareholders share in net profit	1,897,064,760	2,200,525,812
Weighted average numbers of shares outstanding	2,076,790,167	2,135,000,000
Earnings per share	0.913	1.031

32. LEASE LIABILITIES

	30/9/2025	31/12/2024
	L.E.	L.E.
A) Lease contracts short-term		
Total Short-term Lease liabilities	23,774,955	30,377,931
B) Long term Lease liabilities		
1-5 years	84,929,040	14,790,185

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33. CONTINGENT LIABILITIES

As of September 30, 2025, the value of letters of guarantee amounted to L.E. 235,925,963 (December 31, 2024: L.E. 284,105,163), with a cash margin for letters of guarantee amounting to L.E. 1,039,443 (December 31, 2024: L.E. 21,039,443). (Note 10)

And Treasury Bills collateral amounting to L.E. 16,116,600 (Note 6/6), in addition to investment fund certificates in the Money Market Fund (Rakkah Fund) at Al Ahli United Bank amounting to L.E. 487,000 (December 31, 2024: L.E. 487,000) (Note 6/5), and time deposits amounting to L.E. 12,476,880 with Abu Dhabi Commercial Bank (December 31, 2024: L.E. 12,476,880) (Note 6/6).

34. TRANSACTIONS WITH RELATED PARTIES

Related parties are represented in the shareholders of the company and companies in which the shareholders to exercise control. The company's board of directors identify the policies, prices and terms of transactions.

The company has some transactions with the related parties that include subcontracting of the building, utilities and installation works (EL- NASR Company) and brokerage contracts in real estate units (DOORS Company for managing real estate) according to the following:

	<i>Type of Relationship</i>	<i>Nature of Transaction</i>	<i>30/9/2025 L.E.</i>	<i>30/9/2024 L.E.</i>
Al Nasr Company for Civil Works S.A.E.	Subsidiary	Civil works	<u>23,355,334</u>	<u>59,520,603</u>
DOORS Company form managing real estate	Subsidiary	Real estate	<u>1,638,450,381</u>	<u>977,173,158</u>

Balances of related parties are as follows:

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<u>Amounts due from related parties (current):</u>				
El Nasr for Civil Works	Subsidiary	Finance	93,882,507	93,882,507
		Supplier (Debit)	31,891,856	33,677,414
		Advance Payments	<u>3,523,638</u>	<u>5,859,171</u>
			129,298,001	133,419,092
Less: Expected Credit Loss (Al Nasr for Civil Works)			<u>(51,537)</u>	<u>(279,837)</u>
			<u>129,246,464</u>	<u>133,139,255</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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34. TRANSACTIONS WITH RELATED PARTIES - Continued

Amounts due from related parties - Current:

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Minka Co. (Notes Receivable)	Subsidiary	Client (Debit) Current Account (Debit)	229,000,000	229,000,000
EgyCan	Subsidiary	Finance	163,634,864 678,203,010	- 231,495,000
			1,070,837,874	460,495,000
Less: Present value			(29,859,694)	-
Expected credit loss			(426,828)	(179,385)
			1,040,551,352	460,315,615
Total amounts due from related parties - Current			1,169,797,816	593,454,870

Amounts due from related parties – Non current:

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Minka Co. for Real State Investment	Subsidiary	Client (Debit)	182,070,000	411,070,000
Less: Present value			(9,626,129)	(74,697,438)
Expected credit loss			(72,572)	(2,359,100)
Total amounts due from related parties -Non current			172,371,299	334,013,462

Movement for Expected credit loss for the related parties' balances during the year as follows:

	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Balance at the beginning of the period / year	2,818,322	2,818,322
Provided during the period / year	(2,267,385)	-
Balance at the end of the period / year	550,937	2,818,322

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<u>Amounts due to related parties:</u>				
Al Nasr Co. for Civil Works S.A.E.	Subsidiary	Supplier (Credit) Retentions	3,220,297 5,053,337	4,340,809 3,885,570
Doors Real Estate Asset Management Company	Subsidiary	Supplier (Credit)	50,000,000	803,931
Minka Co. for Real Estate Investment	Subsidiary	Supplier (Credit)	3,000,000	-
			61,273,634	9,030,310

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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35. JOINT ARRANGEMENTS

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>30/9/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<u>Joint operations</u>				
Capital Gardens	Joint operations	Long term notes Receivables	774,844,555	284,123,289
		Present value discount	(499,890,492)	(170,319,501)
		Net	274,954,063	113,803,788
		Short term notes Receivables	146,126,996	84,867,996
			<u>421,081,059</u>	<u>198,671,784</u>

36. TAX POSITION

• ***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 2024.

Years from the start of the activity until 2017

The tax examination 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 appeal committees, and the dispute settlement committees.

Years from 2018 to 2019

A Tax Form 19 for those years was submitted to the company, and the tax office conducted an estimated assessment based on Tax Form 19 issued with number 313 on 8/4/2024. A challenge was filed against the form within the legal deadlines, and preparations are underway to compile the documents for the field inspection with the tax authority. According to the tax authority's inspection method, a provision has been made for the expected points of dispute.

Years are from 2020 to 2024

The examination 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 examination, the estimated provision was formed for the expected points of disagreement.

• ***Payroll tax (employment earning)***

The years from the start of the activity until ٢٠٢٢

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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36. TAX POSITION - Continued

The years are from 2023 to 2024

The tax examination 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 examination, the estimated provision for points of disagreement has been formed.

- **Stamp tax**

The years from the start of the activity until 2020

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 2021 to 26/1/2022

The tax examination was not conducted for that period, and the company has not been notified of any assessment forms to date. According to the previous examination method, the estimated provision for the points of disagreement was formed.

- **Real estate tax**

The years are from 2013 to 2024

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.

37. FINANCIAL INSTRUMENTS AND RELATED RISKS

On-financial position financial instruments comprise cash and bank balances, financial investments, debtors, creditors, and amounts due from/to related parties, Notes to the separate 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 takes delay penalties upon later installments which exceeded their due dates calculated on settlement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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37. FINANCIAL INSTRUMENTS AND RELATED RISKS – Continued

• **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 company heavily relies on cash collection from sales and manages cash balances to ensure the necessary liquidity for operational activities, financing and new expansions in addition timely payment of taxes and distributions, all aimed at reducing financial burdens and minimizing liquidity risk as much as possible.

The following are due dates of the liabilities:

	<i>Less than one year L.E.</i>	<i>1 – 2 years L.E.</i>	<i>More than 2 years L.E.</i>	<i>Book value L.E.</i>
<u>30/9/2025</u>				
Long term notes payables	-	30,778,352	-	30,778,352
Term loans	258,920,758	251,385,329	1,327,119,300	1,837,425,387
Creditors and other credit balances	1,793,319,351	-	-	1,793,319,351
Short term loans	2,342,663,818	-	-	2,342,663,818
Land development liability by face value	372,255,951	-	-	372,255,951
Suppliers, taxes and related parties	889,025,959	-	-	889,025,959
	<u>5,656,185,837</u>	<u>282,163,681</u>	<u>1,327,119,300</u>	<u>7,265,468,818</u>
<u>31/12/2024</u>				
Long term notes payables	-	63,333,074	-	63,333,074
Term loans	315,670,936	343,719,893	373,361,515	1,032,752,344
Creditors and other credit balances	1,987,631,545	-	-	1,987,631,545
Short term loans	1,650,000,000	-	-	1,650,000,000
Land development liability by face value	372,255,951	-	-	372,255,951
Suppliers, taxes and related parties	728,954,631	-	-	728,954,631
	<u>5,054,513,063</u>	<u>407,052,967</u>	<u>373,361,515</u>	<u>5,834,927,545</u>

• **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 balances takes place in order to reduce this risk to the minimum as possible.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

30 September 2025

37. FINANCIAL INSTRUMENTS AND RELATED RISKS – Continued

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

	30/9/2025 L.E.	31/12/2024 L.E.
<u>Financial assets instruments with fixed interest rate</u>		
Financial assets – trade and notes receivable	<u>6,022,271,536</u>	<u>3,356,940,183</u>
<u>Financial liabilities instruments with variable interest rate</u>		
Financial liabilities- short term loans and credit banks	<u>4,421,224,363</u>	<u>2,712,752,344</u>

• **Capital Management**

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 period and it has no external capital requirements.

38. CONTRACTUAL COMMITMENTS

The value of contracts with contractors for the implementation of housing and development projects amounted to L.E. 23.31 billion, the executed works till 30 September 2025 amounted to L.E. 11.31 billion. Contractors' dues have been paid in accordance with the contracts and the remaining amounts of contractual commitments at 30 September 2025 as follows:

Project	Value of current works contracted with contractors to execute residential units L.E.' Billions	Value of executed works till 30/9/2025 L.E.' Billions	Value of remaining contractual commitment at 30/9/2025 L.E.' Billions
Taj Sultan	1,95	1,70	0,250
Park residence	1,77	1,69	0.80
Shalya	1,62	1,54	0.80
Lake Park	0,970	0,663	0.307
Elect- Taj City	0,927	0,106	0,821
Club side – Taj city	3,31	-	3,31
Taj Ville - Joint venture	0,810	0,575	0.235
Zahw	0,176	0,29	0,147
Taval	1,13	0,995	0,135
Croons	5,69	2,95	2,74
Cavana	0,827	0,557	0,270
Rai	1,56	-	1,56
Rai Views	1,20	-	1,20
Rai Vallys	0,444	-	0,444
Strip Mall	0,142	0,139	0,3
Show room (Tajed) B-Tech	0,161	0,158	0,3
Show room (Tajed) Carrefour	0,497	0,99	0,398
Nasr Gardens 6 October	0,123	0,112	0,11
Total	<u>23,31</u>	<u>11,31</u>	<u>12</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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39. COMMITMENTS RELATED TO DEVELOPING LAND

Contractual Obligation to Finance the Implementation of a Section of the 'Shinzo Abe Axis' Extension Passing Through the Company's Land in Taj City, with a Total Cost of L.E. 871.7 million, Plus Accrued Interest of L.E. 151.2 million. The company has already paid L.E. 650.66 million, with the remaining balance to be paid in two annual installments until July 2025, as follows:

	<i>30/9/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
Contractual commitment of developing land – short term	372,255,951	372,255,951
Less: Finance component	-	(8,981,581)
Present value for short term liabilities	<u>372,255,951</u>	<u>363,274,370</u>

40. FAIR VALUE

The financial instruments consist of the financial assets. And the financial assets of the company include the cash in the treasury and the banks, Account Receivables, and some of the other debit balances, the investments at amortized costs, fair value through the profit or loss, fair value through other comprehensive income, and the amounts due from related parties. But the financial liabilities for the group include the credit facilities, Trade payable balances and the credit balances, land development liability, and the financial liabilities by the amortized cost and the financial liabilities through profit and loss. The fair values of financial assets and liabilities are not materially different from their carrying value unless stated otherwise. The methodologies and assumptions used to determine the fair value of assets are presented under the fair value section in Note 3: Summary of Significant Accounting Policies.

Financial Instruments

The group holds the financial assets by fair value through other comprehensive income as follows;

	<i>First level</i> <i>L.E.</i>	<i>Second level</i> <i>L.E.</i>	<i>Third Level</i> <i>L.E.</i>	<i>Total</i> <i>L.E.</i>
Measuring the recurring fair value as at 30 September 2025				
Financial assets in fair value through the other comprehensive income (equity instruments) (3/6)	-	8,326,737	-	8,326,737
Total financial assets	<u>-</u>	<u>8,326,737</u>	<u>-</u>	<u>8,326,737</u>
Measuring the recurring fair value as at 31 December 2024				
Financial assets in fair value through the other comprehensive income (equity instruments) (3/6)	-	8,326,737	-	8,326,737
Total financial assets	<u>-</u>	<u>8,326,737</u>	<u>-</u>	<u>8,326,737</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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41. CURRENT EVENTS

In accordance with the decision of the Central Bank of Egypt's Monetary Policy Committee (MPC) issued at its meeting held on April 17, 2025, the committee decided to reduce the Central Bank of Egypt's (CBE) overnight deposit and lending rates and the rate of the main operation by 225 basis points to 25% and 26%, respectively. The credit and discount rates were also reduced by 225 basis points to 25.50%.

In accordance with the decision of the Central Bank of Egypt's Monetary Policy Committee (MPC) issued at its meeting held on August 28, 2025, the committee decided to reduce the Central Bank of Egypt's (CBE) overnight deposit and lending rates and the rate of the main operation by 200 basis points to 22% and 23%, respectively. The credit and discount rates were also reduced by 200 basis points to 22.50%.