

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

**SEPARATE  
FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT THEREON**

**AT 31 DECEMBER 2025**

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

**SEPARATE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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Tel : +202 3303 0701  
Fax : +202 3303 2228  
www.bdo.com.eg

BDO Khaled & Co.,  
1, Wadi El Nile St.,  
Mohandessin, Giza  
Cairo, Egypt  
P.O.Box 110/12655

*Translation of Auditor's Report  
originally issued in Arabic*

## **AUDITOR'S REPORT**

### **TO THE SHAREHOLDERS OF MADINET MASR FOR HOUSING AND DEVELOPMENT - S.A.E.**

#### **Report on the Separate Financial Statements**

We have audited the accompanying separate financial statements of Madinet Masr for Housing and Development - S.A.E., which comprise the separate statement of financial position as of 31 December 2025, and the separate statements of income, other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Separate Financial Statements*

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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



### *Opinion*

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Madinet Masr for Housing and Development - S.A.E. as of 31 December 2025, and its separate financial performance and its separate cash flows for the financial year then ended, in accordance with Egyptian Accounting Standards and in the light of relevant Egyptian laws and regulations.

### **Report on Other Legal and Regulatory Requirements**

The company maintains proper books of accounts that include all that is required by the Law and the company's Articles of Association, and the separate financial statements are in agreement therewith. The physical count of inventories was carried out by the company's management in accordance with normal procedures.

The financial information included in the Board of Directors' report, which has been prepared in accordance with the requirements of Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the relevant information in the company's books.

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



Cairo, 19 March 2026

**SEPARATE STATEMENT OF FINANCIAL POSITION**

At 31 December 2025

	<i>Note</i>	<i>31/12/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
<b>NON-CURRENT ASSETS</b>			
Fixed assets	4	116,411,127	77,420,670
Assets under constructions	5	434,088,481	149,914,061
Right of use assets	21	129,694,275	44,496,112
Amounts due from related parties	34	161,768,539	334,013,462
Investments in subsidiaries	6/1	440,601,347	281,473,477
Amounts paid on account of investment in subsidiaries	6/2	97,330,229	139,120,893
Financial assets at fair value through other comprehensive income	6/3	8,681,317	8,326,737
Investment properties	6/4	1,722,591,722	1,514,949,702
Financial assets at amortized cost	6/6	1,191,883	121,962
Long term notes receivables	9	2,628,049,687	968,097,050
<b>Total non-current assets</b>		<b><u>5,740,408,607</u></b>	<b><u>3,517,934,127</u></b>
<b>CURRENT ASSETS</b>			
Work in progress	7	9,548,854,171	7,094,973,489
Finished properties	8	303,814,714	332,176,455
Inventories		17,391,029	14,799,388
Short term notes receivable	9	3,361,860,438	1,131,534,632
Trade receivables	9	234,867,950	200,516,703
Advances to trade payables		5,873,720,253	3,889,516,886
Debtors and other debit balances	10	8,865,312,399	5,346,591,839
Financial assets at fair value through profit or loss	6/5	4,075,590	3,319,728
Financial assets at amortized cost	6/7	2,960,727,238	625,264,397
Amounts due from related parties	34	1,301,434,196	593,454,870
Debtors for the management, operation and maintenance of residential communities	19	99,675,818	4,849,731
Cash on hand and banks	11	1,072,008,355	2,442,691,876
<b>Total current assets</b>		<b><u>33,643,742,151</u></b>	<b><u>21,679,689,994</u></b>
<b>Total assets</b>		<b><u>39,384,150,758</u></b>	<b><u>25,197,624,121</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
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 year		3,333,407,520	2,828,241,728
Employees and executives share option plan		113,050,000	98,350,000
Change in Fair Value of Financial Assets through Other Comprehensive Income		6,573,022	6,298,222
Investment properties revaluation surplus at fair value (Net)		613,589,046	452,666,481
<b>Total shareholders' equity</b>		<b><u>12,035,411,781</u></b>	<b><u>9,809,103,009</u></b>

The attached notes 1 to 43 form part of these separate financial statements.

**SEPARATE STATEMENT OF FINANCIAL POSITION - Continued**

At 31 December 2025

	<i>Note</i>	<i>31/12/2025</i> <i>L.E.</i>	<i>31/12/2024</i> <i>L.E.</i>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	17	3,023,750,060	717,081,408
Long-term notes payable	15/1	-	48,564,338
Long-term lease liability	32	98,196,609	14,790,185
Deferred Tax Liability	20	154,429,981	56,927,722
<b>Total non-current liabilities</b>		<b>3,276,376,650</b>	<b>837,363,653</b>
<b>CURRENT LIABILITIES</b>			
Advance payments from customers for undelivered units	12	15,824,035,427	7,089,965,192
Provisions	13	259,327,492	303,751,434
Infrastructure completion liabilities	14	847,797,263	952,000,670
Creditors and other credit balances	15/2	1,830,173,037	2,214,714,464
Current portion of long-term loans	17	269,366,750	315,670,936
Short-term loans	18/1	2,396,583,156	1,650,000,000
Banks overdraft (credit facilities)	18/2	260,034,800	30,000,000
Trade payables		866,101,202	719,924,320
Amounts due to related parties	34	130,489,367	9,030,310
Tax Authority		915,863,481	864,118,083
Short-term lease liability	32	31,642,159	30,377,931
Short-term land development liabilities	39	372,255,951	363,274,370
Dividend Payables		68,692,242	8,329,749
<b>Total current liabilities</b>		<b>24,072,362,327</b>	<b>14,551,157,459</b>
<b>Total liabilities</b>		<b>27,348,738,977</b>	<b>15,388,521,112</b>
<b>Total Equity and Liabilities</b>		<b>39,384,150,758</b>	<b>25,197,624,121</b>

Auditor's report "attached"

  
**Senior Vice President - Finance**  
**Mr. Ahmed Hussein Elazab**

  
**CEO & Executive President**  
**Eng. Mohamed Abdallah Sallam**

  
**Chairman**  
**Eng. Mohamed Hazem Barakat**

**SEPARATE STATEMENT OF INCOME (PROFIT OR LOSS)**

For the year ended at 31 December 2025

	Note	31/12/2025 L.E.	31/12/2024 L.E.
Net revenues	23-a	10,716,584,923	8,186,335,666
<b>Less: Cost of revenues</b>	23-b	<b>(3,816,852,558)</b>	<b>(2,463,842,626)</b>
<b>Gross Profit</b>		<b>6,899,732,365</b>	<b>5,722,493,040</b>
<b>Less:</b>			
Selling and distribution expenses	24	(2,064,054,619)	(1,778,021,779)
General and administrative expenses	25	(431,117,111)	(288,974,695)
Expenses of managing residential compound and other operating expenses	26	(144,323,562)	(108,447,916)
Finance cost	27	(681,983,881)	(560,500,276)
Provided provision	13	(115,453,741)	(100,100,000)
Expected credit loss (Net)		(16,833,034)	-
<b>Add:</b>			
Reversal of Expected credit loss (Net)		-	108,103,703
Provisions no longer required	13	108,050,000	41,321,929
Finance income	28	663,195,391	464,040,814
Other operating revenues	29	190,727,699	170,445,810
<b>Operating profit</b>		<b>4,407,939,507</b>	<b>3,670,360,630</b>
Return on financial assets at fair value through other comprehensive income		-	266,667
Gain on Sale of Available-for-Sale Investments		-	18,944,790
Return on financial assets at amortized cost		1,069,920	41,716
Other expenses	30	(85,129,542)	(39,976,101)
<b>Net profit for the year before tax</b>		<b>4,323,879,885</b>	<b>3,649,637,702</b>
Income tax	22	(939,769,340)	(884,937,892)
Deferred tax	20	(50,703,025)	63,541,918
<b>Net profit for the year</b>		<b>3,333,407,520</b>	<b>2,828,241,728</b>
<b>Earnings per share</b>	31	<b>1.386</b>	<b>1.147</b>



Senior Vice President - Finance  
Mr. Ahmed Hussein Elazab



CEO & Executive President  
Eng. Mohamed Abdallah Sallam



Chairman  
Eng. Mohamed Hazem Barakat

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

For the year ended at 31 December 2025

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Net profit for the year	3,333,407,520	2,828,241,728
Change in financial assets at fair value through OCI	274,800	(17,258,045)
Valuation surplus of investment properties at fair value	160,922,565	390,093,281
Total comprehensive income for the year	<u>3,494,604,885</u>	<u>3,201,076,964</u>

*Ahmed El Azab*

Senior Vice President - Finance  
Mr. Ahmed Hussein Elazab

*Eng. Mohamed Abdallah Sallam*

CEO & Executive President  
Eng. Mohamed Abdallah Sallam

*Eng. Mohamed Hazem Barakat*

Chairman  
Eng. Mohamed Hazem Barakat

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

**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
For the year ended at 31 December 2025

	Issued and paid-up capital L.E.	Treasury shares L.E.	Legal Reserve L.E.	Retained earnings L.E.	Net profit for the year L.E.	Employees & executives share option plan L.E.	Change in financial assets at fair Value through OCI L.E.	Valuation surplus of Investment Properties 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)	-	-	-	-
Transfer to legal reserve	-	-	106,116,127	(106,116,127)	-	-	-	-	-
Declared Dividends of 2023	-	-	-	(704,042,882)	-	-	-	-	(704,042,882)
Revaluation of Reward and Incentive Plan Shares	-	-	-	-	-	(8,750,000)	-	-	(8,750,000)
Comprehensive income for the year	-	-	-	-	2,828,241,728	-	(17,258,045)	390,093,281	3,201,076,964
Balance at 31 December 2024	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
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)	-	-	-	-	-	-	(386,757,569)
Transferred to retained earnings	-	-	-	2,828,241,728	(2,828,241,728)	-	-	-	-
Transfer to legal reserve	-	-	141,412,087	(141,412,087)	-	-	-	-	-
Declared Dividends of 2024	-	-	-	(896,238,544)	-	-	-	-	(896,238,544)
Revaluation of Reward and Incentive Plan Shares	-	-	-	-	-	14,700,000	-	-	14,700,000
Comprehensive income for the year	-	-	-	-	3,333,407,520	-	274,800	160,922,565	3,494,604,885
Balance at 31 December 2025	2,135,000,000	(386,757,569)	620,672,378	5,599,877,384	3,333,407,520	113,050,000	6,573,022	613,589,046	12,035,411,781

*Ahmed Elazab*

Senior Vice President - Finance

Mr. Ahmed Hussein Elazab

*Mohamed Abdallah Sallam*

CEO & Executive President

Eng. Mohamed Abdallah Sallam

*Hazem Barakat*

Chairman

Eng. Mohamed Hazem Barakat

The attached notes 1 to 43 form part of these separate financial statements.

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

**SEPARATE STATEMENT OF CASH FLOWS**

For the year ended at 31 December 2025

	<i>Note</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<b>OPERATING ACTIVITIES</b>			
Net profit for the year before tax		4,323,879,885	3,649,637,702
Adjustments for:			
Depreciation of fixed assets and investment properties	4, 6/4	21,396,161	13,499,367
Amortization of intangible assets	5	-	9,047,074
Transfer from Intangible Assets to Expenses	5	-	4,806,837
Amortization of Right of use Assets	24	45,263,188	39,193,460
Finance cost	27	681,983,881	560,500,276
(Reversal)/ provided Expected credit loss		16,833,034	(108,103,703)
Provisions provided	13	115,453,741	100,100,000
Provisions no longer Required	13	(108,050,000)	(41,321,929)
Gain on sale of financial assets at fair value through OCI		-	(18,944,788)
Dividends from financial assets at fair value through other comprehensive income		-	(266,667)
Return on financial assets at amortized cost		(1,069,920)	(41,716)
Loss/(Gain) on foreign currencies exchange	29, 30	22,790,835	(18,861,550)
		<b>5,118,480,805</b>	<b>4,189,244,363</b>
Work in progress and finished properties and materials		(2,419,129,001)	(1,996,609,088)
Notes and trade receivables, trade payables advances and debtors of compounds facility management and amounts due from related parties		(10,060,247,143)	(4,334,356,062)
Trade payables – advance payment, creditors, projects' infrastructure completion liabilities and amounts due to related parties		8,423,320,166	4,889,619,210
Used provisions	13	(51,827,683)	(5,142,641)
Dividends paid to Board of Directors and employees		(318,626,050)	(268,713,133)
Income tax paid		(888,023,942)	(832,095,235)
Finance cost paid		(640,907,045)	(503,263,303)
<b>Net cash (used in) / generated from operating activities</b>		<b>(836,959,893)</b>	<b>1,138,684,111</b>
<b>INVESTING ACTIVITIES:</b>			
Payments for purchase of fixed assets and fixed assets under construction	4, 5	(344,561,038)	(177,439,030)
Payments for purchase of intangible assets		-	(2,122,986)
Paid on account of investment in subsidiaries		(20,006,976)	(1,010,760)
Amounts paid on account of investments in subsidiaries		(97,330,229)	(137,270,893)
Proceeds from the sale of financial assets at fair value through OCI		-	23,258,898
Return on financial assets at fair value through other comprehensive income		-	266,667
Return on financial assets at amortized cost		-	41,716
Purchase of Financial Assets Measured at Amortized Cost – Over 90 Days		(20,000,000)	-
<b>Net cash used in investing activities</b>		<b>(481,898,243)</b>	<b>(294,276,388)</b>

The attached notes 1 to 43 form part of these separate financial statements.

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

**SEPARATE STATEMENT OF CASH FLOWS - Continued**

For the year ended at 31 December 2025

	Note	31/12/2025 L.E.	31/12/2024 L.E.
<b>FINANCING ACTIVITIES:</b>			
Dividends paid to shareholders		(517,250,000)	(427,000,000)
Purchase of Treasury Stocks		(386,757,569)	-
Payments of lease liabilities	32	(45,790,700)	(42,137,094)
Payments for long term loans	17	(408,612,365)	(236,364,069)
Proceeds from long term loans	17	2,668,976,831	-
Payments from short term loans	18/1	-	(200,000,000)
Proceeds for short term loans	18/1	746,583,156	1,150,000,000
<b>Net cash from/(used in) financing activities</b>		<b>2,057,149,353</b>	<b>244,498,837</b>
Change in cash and cash equivalents during the year		738,291,217	1,088,906,560
Cash and cash equivalents at the beginning of the year	18	3,041,276,001	1,933,507,891
Loss/Gain on foreign exchange	29,30	(22,790,835)	18,861,550
<b>Total cash and cash equivalents at the end of the year</b>		<b>3,756,776,383</b>	<b>3,041,276,001</b>
Less: Deposits to cover letters of guarantee	11	(12,476,880)	(12,476,880)
Less: Pledged treasury bills to cover letter of guarantee	6/6	(16,116,600)	-
Less: Restricted investment certificates against letter of guarantee	6/5	(487,000)	(487,000)
<b>Cash and cash equivalents at the end of the year</b>	18	<b>3,727,695,903</b>	<b>3,028,312,121</b>

**NON-CASH TRANSACTIONS:**

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

- Revaluation of the balance of the Employee Incentive and Reward Share Plan and the related expense at fair value against an increase in equity (share premium) amounting to EGP 14,700,000.
- Transfer of EGP 129,699,373 from "Advances Paid for Investments in Subsidiaries – MNK Real Estate Investment Company" to "Investments in Subsidiaries – MNK Real Estate Investment Company".
- Transfer of EGP 1,010,760 from "Advances Paid for Investments in Subsidiaries – Madinet Masr Project Management Company" to "Investments in Subsidiaries – Madinet Masr Project Management Company".
- Transfer of EGP 1,010,760 from "Advances Paid for Investments in Subsidiaries – Madinet Masr Finishing Company" to "Investments in Subsidiaries – Madinet Masr Finishing Company".
- Transfer of EGP 7,400,000 from "Advances Paid for Investments in Subsidiaries – Madinet Masr Sports Clubs Management Company" to "Investments in Subsidiaries – Madinet Masr Sports Clubs Management Company".
- Investment income from financial assets measured at amortized cost amounting to EGP 1,069,920, whereby the carrying amount of the investment was increased by the same amount.
- Transfer of EGP 195,328 from "Property, Plant and Equipment under Construction – New Sales Tent at Taj City Project" to "Net Additions to Property, Plant and Equipment – Buildings and Constructions".

  
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 43 form part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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., 2<sup>nd</sup> Area, Nasr City, Cairo, Egypt.

The Chairman is Eng. Mohamed Hazem Barakat.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 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 year ended 31 December 2025 on 12 March 2026.

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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><i>Asset Type</i></u>	<u><i>Estimated useful life</i></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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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
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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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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 per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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 have 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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.

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**4. FIXED ASSETS**

<u>31/12/2025</u>	<i>Lands (* L.E.</i>	<i>Buildings (*) and constructions L.E.</i>	<i>Leasehold improvement L.E.</i>	<i>Machinery and equipment L.E.</i>	<i>Motor vehicles L.E.</i>	<i>Tools L.E.</i>	<i>Furniture and office equipment L.E.</i>	<i>Computers L.E.</i>	<i>Total L.E.</i>
<b>Cost:</b>									
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 year	-	33,245,502	-	77,502	6,700,000	-	5,207,507	15,156,107	60,386,618
Disposals	-	-	-	-	(618,879)	-	-	(1,229,278)	(1,848,157)
At 31 December 2025	<u>1,351,229</u>	<u>56,638,482</u>	<u>38,034,916</u>	<u>6,698,829</u>	<u>37,411,019</u>	<u>3,251,046</u>	<u>20,576,525</u>	<u>60,153,038</u>	<u>224,115,084</u>
<b>Accumulated depreciation:</b>									
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 year	-	1,802,005	646,085	161,440	5,771,247	1,319,018	1,073,496	10,622,870	21,396,161
Disposals	-	-	-	-	(618,879)	-	-	(1,229,278)	(1,848,157)
At 31 December 2025	<u>-</u>	<u>15,235,527</u>	<u>36,760,383</u>	<u>6,539,492</u>	<u>8,360,386</u>	<u>3,251,046</u>	<u>13,552,057</u>	<u>24,005,066</u>	<u>107,703,957</u>
<b>Net book value:</b>									
At 31 December 2025	<u>1,351,229</u>	<u>41,402,955</u>	<u>1,274,533</u>	<u>159,337</u>	<u>29,050,633</u>	<u>-</u>	<u>7,024,468</u>	<u>36,147,972</u>	<u>116,411,127</u>

(\*) 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 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 SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**4. FIXED ASSETS – Continued**

<u>31/12/2024</u>	<i>Lands (*) L.E.</i>	<i>Buildings (*) and constructions L.E.</i>	<i>Leasehold improvement L.E.</i>	<i>Machinery and equipment L.E.</i>	<i>Motor vehicles L.E.</i>	<i>Tools L.E.</i>	<i>Furniture and office equipment L.E.</i>	<i>Computers L.E.</i>	<i>Total L.E.</i>
<b>Cost:</b>									
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>
<b>Accumulated depreciation:</b>									
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>
<b>Net book value:</b>									
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>31/12/2025 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	3,251,046	471,612
Machinery and Equipment	6,374,075	5,705,494
Vehicles	2,033,601	2,597,760
Furniture and office equipment	10,940,673	9,901,736
Computers	2,993,226	4,354,927
	<u>64,825,817</u>	<u>60,129,126</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**4. FIXED ASSETS – *Continued***

b) Depreciation for the year is allocated as follows:

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Cost of sales	4,493,246	3,892,739
Selling and marketing expenses (Note 24)	4,510,017	4,680,813
General and administrative expenses (Note 25)	12,027,436	4,669,295
Residential community management and operating expenses (Note 26)	365,462	231,718
	<b>21,396,161</b>	<b>13,474,565</b>

**5. ASSETS UNDER CONSTRUCTION**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
New Administrative Headquarters at Taj City Project	433,378,848	149,009,100
Document Storage Equipment	709,633	709,633
New Sales Tent at Taj City Project	-	195,328
	<b>434,088,481</b>	<b>149,914,061</b>

**6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES**

*6/1 Investments in subsidiaries*

	<i>Contribution</i>	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>%</i>	<i>L.E.</i>	<i>L.E.</i>
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 Estate Development (*)	100	196,467,745	196,467,745
Doors Real Estate Asset Management	99.98	1,010,760	1,010,760
Madinet Masr for SportsClubs Management	74	7,400,000	-
Madinet Masr for Project Management	100	1,010,760	-
Madinet Masr for Finishing Works	100	1,010,760	-
		<b>440,601,347</b>	<b>281,473,477</b>

*6/2 Amounts paid on account of investments in subsidiaries*

	<i>Contribution</i>	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>%</i>	<i>L.E.</i>	<i>L.E.</i>
Mink Co. for Real Estate Investment	100	-	129,699,373
Madinet Masr for Finishing Works	100	5,000,000	1,010,760
Madinet Masr for Project Management	100	5,000,000	1,010,760
Madinet Masr for Sports Club Management	74	-	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	10,085,954	-
SAFE International Company	100	21,303,395	-
Cities of the World Company	100	940,075	-
		<b>97,330,229</b>	<b>139,120,893</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES - *Continued***

**6/3 *Financial assets through other Comprehensive Income***

	<i>Contribution %</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
High Education House (S.A.E.)	1.20	8,681,317	8,326,737
		<u>8,681,317</u>	<u>8,326,737</u>

**6/4 *Investment properties***

	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Rental buildings for others by using FV model	1,720,351,170	1,512,709,150
Lands title held on sold properties (*)	2,076,334	2,076,334
Rental buildings - Net (**)	164,218	164,218
	<u>1,722,591,722</u>	<u>1,514,949,702</u>

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

	<i>Residential units L.E.</i>	<i>None residential units L.E.</i>	<i>Total L.E.</i>
<u><i>31/12/2025</i></u>			
<b>Cost:</b>			
At 1 January 2025	596,163	339,905	936,068
Disposals During the Year	(1,624)	-	(1,624)
At 31 December 2025	<u>594,539</u>	<u>339,905</u>	<u>934,444</u>
<b>Accumulated depreciation:</b>			
At 1 January 2025	527,894	243,956	771,850
Disposals During the Year	(1,624)	-	(1,624)
At 31 December 2025	<u>526,270</u>	<u>243,956</u>	<u>770,226</u>
<b>Net book value:</b>			
At 31 December 2025	<u>68,269</u>	<u>95,949</u>	<u>164,218</u>

	<i>Residential units L.E.</i>	<i>None residential units L.E.</i>	<i>Total L.E.</i>
<u><i>31/12/2024</i></u>			
<b>Cost:</b>			
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>
<b>Accumulated depreciation:</b>			
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>
<b>Net book value:</b>			
At 31 December 2024	<u>68,269</u>	<u>95,949</u>	<u>164,218</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES - *Continued***

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

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Residential units	526,270	527,894
Nonresidential units	243,956	243,956
	<u><b>770,226</b></u>	<u><b>771,850</b></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>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Certificates of QNB Investment Fund	2,935,686	2,389,326
Certificates of Banque Du Caire Investment Fund	137,340	113,100
Certificates of United Bank Investment Fund - Rakhaa (*)	1,002,564	817,302
	<u><b>4,075,590</b></u>	<u><b>3,319,728</b></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>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Investments in Treasury bonds (not traded on the stock exchange market)	<u><b>1,191,883</b></u>	<u><b>121,962</b></u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES - *Continued***

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Treasury Bills (*)	2,960,727,238	625,264,397
	<b>2,960,727,238</b>	<b>625,264,397</b>

Treasury bills as of December 31, 2025 also include an amount of EGP 16,116,600 restricted as cover against a letter of guarantee.

**6/7 Treasury bills**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Treasury Bills_ 349 days	20,000,000	-
Treasury Bills_ 56 days	153,800,000	-
Treasury Bills_ 44 days	257,700,000	-
Treasury Bills_ 42 days	-	47,050,000
Treasury Bills_ 28 days	-	537,950,000
Treasury Bills_ 22 days	360,000,000	-
Treasury Bills_ 21 days	400,000,000	-
Treasury Bills_ 16 days	208,200,000	-
Treasury Bills_ 14 days	1,587,925,000	51,375,000
	2,987,625,000	636,375,000
Less: Unrealized gain on treasury bills	(26,897,762)	(11,110,603)
	<b>2,960,727,238</b>	<b>625,264,397</b>

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

**7. WORK IN PROGRESS**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b><u>Lands and unfinished properties:</u></b>		
Taj City (*)	4,934,228,245	4,235,673,057
Sarai City (*)	3,116,433,430	1,643,621,963
West Assuit (**)	607,044,261	555,729,299
Taj Ville	766,106,301	659,881,058
Victoria Mall	663,024	-
Butterfly	66,909,124	-
New Heliopolis	57,469,786	68,112
	<b>9,548,854,171</b>	<b>7,094,973,489</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 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 31 December 2025 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 clint during the period are as follows:

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Taj City	32,671,043	20,558,108
Sarai	21,935,859	16,012,874
Taj Ville	678,491	318,675
	<b>55,285,393</b>	<b>36,889,657</b>

**8. FINISHED PROPERTIES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b><u>Finished properties:</u></b>		
El Waha, Nasr City, and Premira	11,899,355	12,863,515
6 <sup>th</sup> October (Nasr Gardens)	291,915,359	319,312,940
	<b>303,814,714</b>	<b>332,176,455</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**9. TRADE AND NOTES RECEIVABLES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b><u>Long-term notes receivable</u></b>		
Taj City	1,159,020,589	660,986,060
Sarai and Capital Gardens	2,011,605,854	775,349,328
Other	7,497,153	16,170,040
	<u>3,178,123,596</u>	<u>1,452,505,428</u>
<b>Less:</b>		
Financial component from contract	(525,382,917)	(449,248,302)
Expected Credit Loss (ECL)	(24,690,992)	(35,160,076)
	<u>2,628,049,687</u>	<u>968,097,050</u>
	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b><u>Short-term notes receivable</u></b>		
Taj City	894,608,596	596,032,247
Sarai and Capital Gardens	2,813,565,102	989,601,087
Other	16,813,051	21,413,824
	<u>3,724,986,749</u>	<u>1,607,047,158</u>
<b>Less:</b>		
Financial component from contract	(334,186,713)	(470,991,629)
Expected Credit Loss (ECL)	(28,939,598)	(4,520,897)
	<u>3,361,860,438</u>	<u>1,131,534,632</u>
<b><u>Trade receivables</u></b>		
Taj City	36,889,629	53,110,413
Sarai and Capital Gardens	147,606,980	110,718,304
Other	52,210,328	46,734,639
	<u>236,706,937</u>	<u>210,563,356</u>
Less: Expected Credit Loss	(1,838,987)	(10,046,653)
	<u>234,867,950</u>	<u>200,516,703</u>

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:

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Balance at the beginning of the year	49,727,626	157,831,329
(Reversed)/Provided during the year	5,741,951	(108,103,703)
Balance at the end of the year	<u>55,469,577</u>	<u>49,727,626</u>

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**

31 December 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:

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Notes receivables for undelivered units - Short term	10,315,722,888	7,510,367,910
Notes receivables for undelivered units – Long term	68,223,715,334	50,251,885,533
	<b>78,539,438,222</b>	<b>57,762,253,443</b>

This balance includes an amount of EGP 4,161,799,442 as at 31 December 2025 (31 December 2024: EGP 1,717,561,112), representing the development partners' share of cheques received in respect of undelivered units, which is not recognized in the statement of financial position.

**10. DEBTORS AND OTHER DEBIT BALANCES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b>Advance payment for Participatory development:</b>		
Masr Elgededa for Development Company (****)	2,057,912,103	1,100,000,000
Medar Investment and Urban Development Company (***)	1,259,068,127	1,069,827,004
Zahraa El Maadi for Investment and Development Company (*****)	333,000,000	200,000,000
	3,649,980,230	2,369,827,004
Tamweel Mortgage Company	31,793,541	21,598,767
Securitization Financial Group	49,427,102	68,153,306
Contract acquisition costs (**)	4,783,759,445	2,638,217,892
Paid on the account of the cost of extending gas networks to residential compounds	48,188,748	39,447,759
Refundable deposits	86,517,978	50,292,347
Employee stock ownership plan (ESOP) (*)	22,538,853	57,149,985
Prepaid expenses	78,689,953	63,518,235
Prepaid lease interest	6,873,674	2,051,399
Cash margin on letters of guarantee (Note 33)	1,039,443	21,039,443
Other debit balances	107,431,720	15,492,452
	<b>8,866,240,687</b>	<b>5,346,788,589</b>
Less: Expected credit loss	(928,288)	(196,750)
	<b>8,865,312,399</b>	<b>5,346,591,839</b>

(\*) 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**10. DEBTORS AND OTHER DEBIT BALANCES – *Continued***

- (\*\*) 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 31 December 2025.
- (\*\*\*) 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, in addition to paying an amount of 189,241,123 Egyptian pounds, the guaranteed minimum difference from the partner's share in the sale proceeds until December 31, 2025.
- (\*\*\*\*) 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, in addition to paying the guaranteed minimum difference of 957,912,103 Egyptian pounds from the partner's share in the sale proceeds until December 31, 2025.
- (\*\*\*\*\*) 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, in addition to paying an amount of 133,000,000 Egyptian pounds, the guaranteed minimum difference from the partner's share in the sale proceeds until December 31, 2025.

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

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Balance at the beginning of the year	196,750	196,750
ECL Provided during the year	731,538	-
Balance at the end of the year	<b>928,288</b>	<b>196,750</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**11. CASH ON HAND & AT BANKS**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Cash on hand	5,778,484	3,673,864
Banks' current accounts with return	793,729,871	802,018,012
Time deposits in banks	272,500,000	1,637,000,000
	<u><b>1,072,008,355</b></u>	<u><b>2,442,691,876</b></u>

Time deposits on 31 December 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.

**12. ADVANCE PAYMENT FROM CLIENTS FOR UNDELIVERED UNITS**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Taj City	6,023,585,101	2,687,927,167
Sarai	7,643,860,028	3,490,506,212
Taj Ville	378,631,769	481,947,387
Mostakbal City	1,528,288,925	409,657,388
New Heliopolis	184,217,079	-
West Assuit (Zahw)	50,118,979	19,927,038
Victoria Mall	15,333,546	-
	<u><b>15,824,035,427</b></u>	<u><b>7,089,965,192</b></u>

The unrealized revenue from contracts with customers, including amounts collected from customers and post-dated checks received, as of 31/12/2025, amounts to EGP 90,201,674,207 (31/12/2024: EGP63,134,657,523).

**13. PROVISIONS**

	<i>Balance at</i>	<i>Provided</i>	<i>Used during</i>	<i>Provisions no</i>	<i>Balance at</i>
	<i>1/1/2025</i>	<i>during</i>	<i>the year</i>	<i>Longer Provided</i>	<i>31/12/2025</i>
	<i>L.E.</i>	<i>the year</i>	<i>the year</i>	<i>L.E.</i>	<i>L.E.</i>
Club subscription provision for clients	147,000,000	-	(44,750,000)	(35,000,000)	67,250,000
Claims provision	95,195,035	65,146,717	(5,460,272)	(73,050,000)	81,831,480
Legal provision	48,715,712	-	(116,109)	-	48,599,603
Other provisions	12,840,687	50,307,024	(1,501,302)	-	61,646,409
	<u><b>303,751,434</b></u>	<u><b>115,453,741</b></u>	<u><b>(51,827,683)</b></u>	<u><b>(108,050,000)</b></u>	<u><b>259,327,492</b></u>

**14. INFRASTRUCTURE COMPLETION LIABILITIES**

	<i>Balance at</i>	<i>Provided</i>	<i>Utilized during</i>	<i>Balance at</i>
	<i>1/1/2025</i>	<i>(return)</i>	<i>the year</i>	<i>31/12/2025</i>
	<i>L.E.</i>	<i>during the year</i>	<i>the year</i>	<i>L.E.</i>
Taj City	5,302,028	42,713,238	(43,770,718)	4,244,548
Sarai and capital Garden Residential Maintenance compound liabilities	372,133,448	272,881,197	(484,444,251)	160,570,394
	574,565,194	190,000,000	(81,582,873)	682,982,321
	<u><b>952,000,670</b></u>	<u><b>505,594,435</b></u>	<u><b>(609,797,842)</b></u>	<u><b>847,797,263</b></u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**14. INFRASTRUCTURE COMPLETION LIABILITIES - *Continued***

The balance of the infrastructure completion obligations account represents the value of the estimated amounts to complete the external and main utility networks for residential complexes, as work is underway to implement these networks and they have not been finally received from contracting companies, in addition to the obligation to operate and maintain residential complexes during the period of their delivery to customers.

**15. CREDITORS AND OTHER CREDIT BALANCES**

**15/1 Long term notes payable (Net)**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Long term notes payable at face value		
- West Assuit land (Note 7)	-	63,333,074
Less: contracts' financial component	-	(14,768,736)
	-	<b>48,564,338</b>

**15/2 Creditors and other credit balances - Current**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Notes payable – West Assuit Land (Note 7)	63,333,074	70,438,560
Notes payable	233,983,111	1,104,529,061
Outgoing Bank Transfers Under Reconciliation	1,715,939	28,201,433
Support to National Housing Project	340,000	350,000
Down payment for reservation of land and property sales	183,105,064	86,605,832
Collection from customers (Gas - Electric Risers)	496,433	553,120
Customers' balances for cancelled reservations	11,077,849	10,968,842
Customer Receivables for Canceled Contracts	33,556,630	24,587,518
Proceeds for maintenance expenses and counters	45,401,345	40,681,512
Accrued interest	41,076,836	57,236,972
Governmental authorities	292,621,507	170,652,942
Accrued expenses	1,071,309	21,170,982
Commissions due	677,119,103	204,905,925
Accrued salaries and others	383,672	38,113
Accruals for Development Companies	17,737,714	220,333,176
Proceeds from customers under reconciliation	186,378,222	144,416,931
Medical insurance - Takaful contribution	29,199,070	22,176,993
Other	11,576,159	6,866,552
	<b>1,830,173,037</b>	<b>2,214,714,464</b>

**16. SHARE CAPITAL**

**Authorized capital:**

The authorized capital is five billion Egyptian Pounds.

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>

**Issued and nominal and paid-up capital:**

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

	<b>2,135,000,000</b>	<b>2,135,000,000</b>
<b>Treasury shares (85.4 million shares)</b>	<b>(386,757,569)</b>	<b>-</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**16. SHARE CAPITAL - *Continued***

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

<u>31/12/2025</u>	<i>No. of shares 31/12/2025</i>	<i>Par Value 31/12/2025 L.E.</i>	<i>Percentage of Contribution %</i>
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
	<b><u>2,135,000,000</u></b>	<b><u>2,135,000,000</u></b>	<b><u>100</u></b>

<u>31/12/2024</u>	<i>No. of shares 31/12/2024</i>	<i>Par Value 31/12/2024 L.E.</i>	<i>Percentage of Contribution %</i>
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
	<b><u>2,135,000,000</u></b>	<b><u>2,135,000,000</u></b>	<b><u>100</u></b>

**17. LONG-TERM LOANS**

	<i>Balance at the beginning of the year L.E.</i>	<i>Amounts withdrawn during 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>31/12/2025</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	-	(73,877,957)	274,068,037
d) Syndication revolving loan – Medium Term	-	2,668,976,831	-	2,668,976,831
	<b><u>1,032,752,344</u></b>	<b><u>2,668,976,831</u></b>	<b><u>(408,612,365)</u></b>	<b><u>3,293,116,810</u></b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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 year L.E.</i>	<i>Interest and commission recorded in the income statement L.E.</i>
<b><u>31/12/2025</u></b>				
a) Egyptian Gulf Bank	-	-	-	17,325,351
b) Syndicated loan – Notes receivable discount	187,357,497	162,714,445	350,071,942	47,321,689
c) Syndicated loan – Notes receivable discount	82,009,253	192,058,785	274,068,038	35,208,383
d) Syndication revolving loan – Medium Term	-	2,668,976,830	2,668,976,830	-
	<b><u>269,366,750</u></b>	<b><u>3,023,750,060</u></b>	<b><u>3,293,116,810</u></b>	<b><u>99,855,423</u></b>
		<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>
<b><u>31/12/2024</u></b>				
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
		<b><u>1,269,116,413</u></b>	<b><u>(236,364,069)</u></b>	<b><u>1,032,752,344</u></b>
				<i>Interest and commission recorded in the income statement L.E.</i>
<b><u>31/12/2024</u></b>				
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
	<b><u>315,670,936</u></b>	<b><u>717,081,408</u></b>	<b><u>1,032,752,344</u></b>	<b><u>163,099,260</u></b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**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**

31 December 2025

**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:

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Cash and bank balances (Note 11)	1,072,008,355	2,442,691,876
Investment at fair value through profit or loss (Note 6/5)	4,075,590	3,319,728
Investment at amortized cost (Note 6/6)	2,940,727,238	625,264,397
<b>Less:</b>		
Bank overdraft and (Credit facilities) (Note 18/2)	(260,034,800)	(30,000,000)
Cash and cash equivalents at the end of the period	<u><b>3,756,776,383</b></u>	<u><b>3,041,276,001</b></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 year	<u><u><b>3,727,695,903</b></u></u>	<u><u><b>3,028,312,121</b></u></u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**18. CASH AND CASH EQUIVALENTS - *Continued***

**18/1 *Short term loan***

<u>31/12/2025</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>1,650,000,000</u>	<u>746,583,156</u>	<u>-</u>	<u>2,396,583,156</u>	<u>525,147,973</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, 2026.

**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 December 31, 2025, was L.E. 260,034,800 (December 31, 2024: L.E. 30 M). A sub-limit for letters of guarantee amounted to L.E. 572,415.

**Credit Facility from Commercial International Bank (CIB)**

A revolving overdraft credit facility agreement with a total limit of EGP 1,550,000,000 (Egyptian Pounds One Billion Five Hundred Fifty Million).

On 30 October 2024, the Company obtained a bridge loan in the form of a revolving overdraft facility from Commercial International Bank (CIB) to partially finance the investment costs of certain phases within Taj City and Sarai projects. The facility was structured in two tranches as follows:

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**18. CASH AND CASH EQUIVALENTS - *Continued***

Tranche 1 – Taj City:

In the amount of EGP 1.2 billion, to partially finance the investment costs of the phases: Shalya & Lake Park, Taj Gardens, Taj Ville, Elek, Club Side, and Origami.

Tranche 2 – Sarai:

In the amount of EGP 1.2350 million, to partially finance the investment costs of the phases: Crownz, Cavana, Rae, Rae Views, and Elan.

The outstanding balance of the facility was fully repaid in May 2025 through proceeds from a medium-term syndicated revolving credit facility granted by CIB and a consortium of other banks.

**19. COMPOUNDS FACILITY MANAGEMENT**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Treasury bills	2,884,475,742	1,899,295,946
Time Deposits with Banks	-	350,000,000
Bank current accounts	54,627,689	201,281,201
Cheques post-dated checks (note receivable)	3,001,307,835	1,963,281,136
Bank deposits for managing residential compounds	<b>5,940,411,266</b>	<b>4,413,858,283</b>
Amounts under settlement	(99,675,818)	(4,849,731)
Liabilities of compounds facility management	<b>5,840,735,448</b>	<b>4,409,008,552</b>

**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>31/12/2025</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	-	(4,119,067)	-	(2,106,952)
Tax Differences on Financial Assets Values	-	(1,908,295)	-	(1,828,515)
Tax Differences on Investment Property Values	-	(341,761,307)	-	(295,041,853)
Tax Differences on Right of use Values	1,364,435	-	5,477,921	-
Tax Differences on Provisions	191,994,253	-	236,571,677	-
<b>Total deferred tax</b>	<b>193,358,688</b>	<b>)347,788,669(</b>	<b>242,049,598</b>	<b>(298,977,320)</b>
Net deferred tax assets/(liabilities)	-	(154,429,981)	-	(56,927,722)
Deferred tax charged to the separate statement of income	-	<b>(50,703,025)</b>	<b>63,541,918</b>	-
Deferred tax charged to the separate statement OCI	-	<b>(46,799,235)</b>	-	<b>(296,870,368)</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

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**21. RIGHT OF USE ASSETS**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b>Cost:</b>		
At the beginning of the year	122,127,516	120,597,850
Additions during the year	130,461,351	16,273,795
Disposals	<u>(90,968,185)</u>	<u>(14,744,129)</u>
At the end of the year	<b><u>161,620,682</u></b>	<b><u>122,127,516</u></b>
<b>Accumulated amortization:</b>		
At the beginning of the year	77,631,404	53,182,073
Amortization provided during the year (Note 24)	45,263,188	39,193,460
Disposals	<u>(90,968,185)</u>	<u>(14,744,129)</u>
At the end of the year	<b><u>31,926,407</u></b>	<b><u>77,631,404</u></b>
<b>Net book value:</b>		
At the end of the year	<b><u>129,694,275</u></b>	<b><u>44,496,112</u></b>

**22. RECONCILIATIONS TO CALCULATE THE EFFECTIVE INCOME TAX RATE**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Net accounting profit before tax	4,323,879,885	3,649,637,702
Less: Return on treasury bills	<u>(481,700,820)</u>	<u>(341,307,773)</u>
<b>Net accounting profit before tax and return of treasury bills</b>	<b><u>3,842,179,065</u></b>	<b>3,308,329,929</b>
<b>Reconciliation</b>		
Takaful contribution	29,199,070	22,176,993
Amortization of right of use (ROU)	45,263,188	39,193,460
Interest of ROU	14,484,181	11,016,156
Provision provided	115,453,741	100,100,000
Reversal of ECL	16,833,034	(108,103,703)
Difference of taxable and accounting depreciation and Amortization, for fixed and intangible assets	(8,927,735)	(9,326,995)
Board of Directors allowances	3,175,000	3,475,000
Net provided and used of infrastructure completion liabilities	(104,203,407)	307,696,134
Lease Liability payment	(84,670,651)	(25,863,299)
Return on investments	(1,069,920)	(308,383)
Exemptions	(154,417,412)	(42,903,227)
Return on investments fund	(755,861)	(598,244)
Non-deductible expenditures	<u>36,031,824</u>	<u>24,670,670</u>
Taxable profit	<b><u>3,748,574,117</u></b>	<b><u>3,629,554,491</u></b>
Tax rate	22.50%	22.50%
Calculated income tax	<b><u>843,429,176</u></b>	<b><u>816,649,761</u></b>
Return on treasury bills	<u>481,700,820</u>	<u>341,307,773</u>
Tax on treasury bills	<u>96,340,164</u>	<u>68,261,555</u>
Tax on dividends	-	26,576
Income tax charged to income statement	<b><u>939,769,340</u></b>	<b><u>884,937,892</u></b>
Effective tax rate	<b><u>21.73%</u></b>	<b><u>24.25%</u></b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

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**23. REVENUES AND COST OF REVENUES**

*23-a Net revenues*

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b><u>Revenues from selling Properties</u></b>		
Tag City	3,897,052,184	2,663,953,181
Sarai	6,763,208,366	5,712,359,778
Al Waha, Naser City	421,497,197	62,596,827
<b>Total revenues from selling properties</b>	<b>11,081,757,747</b>	<b>8,438,909,786</b>
<b>Less: properties sales returns</b>	<b>(562,879,994)</b>	<b>(380,209,235)</b>
<b>Net sales</b>	<b>10,518,877,753</b>	<b>8,058,700,551</b>
<b>Add:</b>		
Return on Financial component from contracts	166,633,910	110,786,094
Return on investment properties	31,073,260	16,849,021
<b>Net sales revenues</b>	<b>10,716,584,923</b>	<b>8,186,335,666</b>

*23-b Cost of revenues*

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
<b><u>Cost of sold properties in the following projects</u></b>		
Tag City	2,732,385,805	948,500,244
Sarai	852,154,501	1,095,135,660
Al Waha, Naser City	128,179,044	19,998,755
<b>Total cost of properties sales</b>	<b>3,712,719,350</b>	<b>2,063,634,659</b>
<b>Less: Cost of sales returns</b>	<b>(85,866,792)</b>	<b>(58,209,857)</b>
	<b>3,626,852,558</b>	<b>2,005,424,802</b>
<b>Add:</b>		
Obligation for Operating and Maintenance Expenses of Residential Complexes	190,000,000	458,393,022
Depreciation of investment properties (Note 6/4)	-	24,802
<b>Cost of Revenues</b>	<b>3,816,852,558</b>	<b>2,463,842,626</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**24. SELLING AND MARKETING EXPENSES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Salaries and wages	35,914,777	41,204,778
Selling and marketing commissions	847,218,294	777,411,812
Advertising expenses (including stamp tax)	984,789,974	674,467,011
Club Membership Fees for the Origami Project	-	150,000,000
Professional Fees and Marketing Consultancy	8,245,765	5,339,330
Depreciation of fixed assets (Note 4/1)	4,510,017	4,680,813
Amortization of intangible assets (Note 5)	-	2,846,529
Transportation, Travel, and Communication Expenses	8,080,541	7,084,429
Maintenance Expenses and Software License Renewals	120,779,683	66,824,158
Rent Expenses	2,243,868	1,793,140
Materials, Fuel, and Spare Parts	1,241,923	1,778,670
Security, Guarding, and Cleaning Expenses	4,206,895	3,557,269
Other Service Expenses	1,559,694	1,840,380
Amortization of right of use (Note 21)	45,263,188	39,193,460
	<b><u>2,064,054,619</u></b>	<b><u>1,778,021,779</u></b>

**25. GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Salaries, wages and equivalent	181,891,523	147,505,552
Board of Directors remuneration	19,375,000	16,745,000
Expense for Employee Reward and Incentive Shares	34,145,687	12,704,311
Publication expenses	13,993,416	1,335,756
Transportation and communications expenses	11,823,787	6,499,334
Consulting fees, training and conferences (*)	32,886,996	28,203,336
Depreciation (Note 4/1)	12,027,436	4,669,295
Amortization of intangible assets (Note 5)	-	1,177,264
Maintenance expenses, and software licenses	74,641,002	26,830,893
Rent	2,736,444	10,337,859
Raw materials, fuel and spare parts	3,435,002	2,975,214
Property tax and stamp tax	317,000	559,879
deposit certificates at international Stocks Exchange expenses	2,770,589	2,342,571
Security, cleaning and training expenses	8,610,703	1,936,522
Bank charges	19,080,396	20,669,865
Other service expenses	13,382,130	4,482,044
	<b><u>431,117,111</u></b>	<b><u>288,974,695</u></b>

(\*) The total auditor's remuneration amounted to L.E. 2,055,000 including professional fees and additional services such as, but not limited to, other assurance engagements, corporate governance report, translation services and out of pocket expenses.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**26. RESIDENTIAL COMPOUND MANAGEMENT AND OPERATING EXPENSES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Salaries, wages and equivalent	16,414,569	24,484,964
Residential compounds operating expenses	41,956,382	8,894,599
Publications	-	406,706
Transportation and communications expenses	661,298	40,112
Depreciation (Note 4/1)	365,462	231,718
Amortization of intangible assets	-	29,918
Maintenance Expenses for Buildings, Furniture, Equipment, and Computers	75,447,071	59,713,557
Rent	711,801	3,336,020
Materials, Fuel, and Spare Parts	8,643,770	11,188,995
Other service expenses	123,209	121,327
	<b>144,323,562</b>	<b>108,447,916</b>

**27. FINANCE COST**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Loans and facilities interest	656,351,799	505,620,160
Interest of securitization and discounting of notes receivables	11,147,901	43,863,960
Lease contract interest	14,484,181	11,016,156
	<b>681,983,881</b>	<b>560,500,276</b>

**28. FINANCE INCOME**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Income from Financial Assets at fair value through profit or loss	755,861	598,244
Interest revenue for the current bank accounts and banks deposits	180,738,710	122,134,797
Return on treasury bills	481,700,820	341,307,773
	<b>663,195,391</b>	<b>464,040,814</b>

**29. OTHER OPERATING INCOME**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Administrative fees from customers (for redemption, and waiving ... etc.)	104,098,659	46,824,298
Delay fines on customers	86,629,040	74,944,288
Delay penalty imposed on contractors	-	29,815,675
Foreign exchange differences - Gain	-	18,861,549
	<b>190,727,699</b>	<b>170,445,810</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**30. OTHER EXPENSES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Compensations and fines	21,872,467	9,254,108
Donations	11,267,170	8,545,000
Takaful contribution	29,199,070	22,176,993
Foreign Exchange Losses	22,790,835	-
	<b>85,129,542</b>	<b>39,976,101</b>

**31. EARNINGS PER SHARE**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Net profit for the year after tax	3,333,407,520	2,828,241,728
Less: Estimated employees and Board of Directors share in profit	(454,373,136)	(378,988,543)
Shareholders' share in net profit	<b>2,879,034,384</b>	<b>2,449,253,185</b>
Weighted average numbers of shares outstanding during the year	<b>2,076,790,167</b>	<b>2,135,000,000</b>
Earnings per share	<b>1.386</b>	<b>1.147</b>

**32. LEASE LIABILITIES**

	<i>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</i>	<i>L.E.</i>
Balance at the beginning of the year	45,168,116	71,031,416
Lease liabilities during the year	130,461,351	16,273,795
Finance interest during the year	14,484,181	11,016,156
Installments paid during the year	(60,274,880)	(53,153,251)
Balance at the end of the year	<b>129,838,768</b>	<b>45,168,116</b>
Short-term lease liabilities	31,642,159	30,377,931
Long-term lease liabilities (1 - 5 years)	98,196,609	14,790,185
	<b>129,838,768</b>	<b>45,168,116</b>

**33. CONTINGENT LIABILITIES**

As of December 31, 2025, the value of letters of guarantee amounted to L.E. 230,925,963 (December 31, 2024: L.E. 284,105,163), secured by a cash margin for letters of guarantee amounting to L.E. 1,039,443 (December 31, 2024: L.E. 21,039,443) (Note 10).

The letters of guarantee are further secured by Treasury Bills pledged as collateral amounting to L.E. 16,116,600 (Note 6/6), in addition to investment fund certificates in the Money Market Fund (Rokhaa Fund) held with The 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 placed with Abu Dhabi Commercial Bank (December 31, 2024: L.E. 12,476,880) (Note 6/6).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**34. TRANSACTIONS WITH RELATED PARTIES**

Related parties include the shareholders, senior management of the company, and companies in which they are principal owners. The company's board of directors determines the policies, prices, and terms of these transactions.

The company has significant transactions with related parties, which include the assignment of certain building, utilities, and installation works to the subsidiary (El-Nasr Company for Civil Works) and brokerage contracts for the sale of real estate units (Doors Company for Real Estate Asset Management) as follows:

	<i>Type of Relationship</i>	<i>Nature of Transaction</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Al Nasr Company for Civil Works S.A.E.	Subsidiary	Civil works	<u>53,195,055</u>	<u>59,520,603</u>
DOORS Company for Managing Real Estate	Subsidiary	Real estate Administrative headquarters services	<u>2,520,328,231</u>	<u>977,173,158</u>
Madinet Misr for Projects	Subsidiary		<u>135,948,436</u>	<u>-</u>

Balances of related parties are as follows:

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<b><u>Amounts due from related parties (current):</u></b>				
El Nasr for Civil Works	Subsidiary	Finance	106,506,695	93,882,507
		Supplier (Debit) Advance Payments	27,832,131	33,677,414
			<u>28,886,809</u>	<u>5,859,171</u>
			<b><u>163,225,635</u></b>	<b><u>133,419,092</u></b>
Less: Expected Credit Loss (Al Nasr for Civil Works)			<u>(1,288,836)</u>	<u>(279,837)</u>
			<b><u>161,936,799</u></b>	<b><u>133,139,255</u></b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**34. TRANSACTIONS WITH RELATED PARTIES - *Continued***

**Amounts due from related parties - Current:**

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Minka Co. (Notes Receivable)	Subsidiary	Client (Debit) Current Account	229,000,000	229,000,000
EgyCan	Subsidiary	(Debit) Finance	218,781,122	-
Madinet Misr for Finishing Works	Subsidiary	Current account (debit)	712,552,246	231,495,000
			7,001	-
			<u>1,160,340,369</u>	<u>460,495,000</u>
<b>Less: Present value</b>			(10,512,082)	-
<b>Expected credit loss</b>			(10,330,890)	(179,385)
			<u>1,139,497,397</u>	<u>460,315,615</u>
<b>Total amounts due from related parties - Current</b>			<u>1,301,434,196</u>	<u>593,454,870</u>

**Amounts due from related parties – Non current:**

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>31/12/2025 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
<b>Less: Present value</b>			(18,743,320)	(74,697,438)
<b>Expected credit loss</b>			(1,558,141)	(2,359,100)
			<u>161,768,539</u>	<u>334,013,462</u>
<b>Total amounts due from related parties -Non current</b>			<u>161,768,539</u>	<u>334,013,462</u>

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

	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Balance at the beginning of the year	2,818,322	2,818,322
Provided during the year	10,359,545	-
<b>Balance at the end of the year</b>	<u>13,177,867</u>	<u>2,818,322</u>

	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<b><u>Amounts due to related parties:</u></b>				
Al Nasr Co. for Civil Works S.A.E.	Subsidiary	Supplier (Credit) Retentions	10,696,892	4,340,809
			158,400	3,885,570
Doors Real Estate Asset Management Company	Subsidiary	Supplier (Credit)	50,000,000	803,931
Madinet Misr for Projects	Subsidiary	Supplier (Credit)	69,144,075	-
Madinet Misr for Sports Club Management	Subsidiary	Supplier (Credit)	490,000	-
			<u>130,489,367</u>	<u>9,030,310</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

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**5. JOINT ARRANGEMENTS**

<u>Joint operations</u>	<i>Nature of relationship</i>	<i>Nature of Transactions</i>	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
Capital Gardens	Joint operations	Long term notes Receivables	851,479,375	284,123,289
		Present value discount Net	<u>(531,307,204)</u>	<u>(170,319,501)</u>
		Short term notes Receivables	124,789,877	84,867,996
			<u><b>444,962,048</b></u>	<u><b>198,671,784</b></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 2020 to 2022*

The company has been notified of the tax inspection, and the required documents are currently being prepared for the field examination by the Tax Authority. Based on the Tax Authority's approach in examining prior years, an estimated provision has been recognized for the expected disputed items.

*Years 2023 to 2024*

No inspection has been conducted by the Tax Authority for these years, and the company has not received any assessment forms for such years to date. Based on the Tax Authority's usual examination approach, an estimated provision has been recognized for the expected disputed items.

- ***Payroll tax (employment earning)***

*The years from the start of the activity until 2022*

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 2025

The tax inspection for that period has not yet been conducted, and the company has not been notified of any tax assessment forms to date. Based on the previous examination approach, an estimated provision has been recognized for the expected disputed items.

- **Real estate tax**

The years are from 2013 to 2025

The tax returns were submitted within the legally prescribed deadlines, and the tax due was paid for the properties for which the relevant tax assessment forms were received. A provision has been recognized for the tax relating to properties for which no tax assessment forms have been 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.

- **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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2025

**37. FINANCIAL INSTRUMENTS AND RELATED RISKS – *Continued***

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>
<b><u>31/12/2025</u></b>				
Term loans	269,366,750	253,749,957	2,770,000,103	3,293,116,810
Creditors and other credit balances	1,800,973,967	-	-	1,800,973,967
Short term loans	2,396,583,156	-	-	2,396,583,156
Land development liability by face value	372,255,951	-	-	372,255,951
Suppliers, taxes and related parties	996,590,569	-	-	996,590,569
	<b><u>5,835,770,393</u></b>	<b><u>253,749,957</u></b>	<b><u>2,770,000,103</u></b>	<b><u>8,859,520,453</u></b>
<b><u>31/12/2024</u></b>				
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	-	-	2,192,537,471
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
	<b><u>5,054,513,063</u></b>	<b><u>407,052,967</u></b>	<b><u>373,361,515</u></b>	<b><u>6,039,833,471</u></b>

• ***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.

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

	<i>31/12/2025 L.E.</i>	<i>31/12/2024 L.E.</i>
<b><u>Financial assets instruments with fixed interest rate</u></b>		
Financial assets – trade and notes receivable	<b><u>7,334,806,423</u></b>	<b><u>3,356,940,183</u></b>
<b><u>Financial liabilities instruments with variable interest rate</u></b>		
Financial liabilities- short term loans and credit banks	<b><u>5,949,734,766</u></b>	<b><u>2,712,752,344</u></b>

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**37. FINANCIAL INSTRUMENTS AND RELATED RISKS – *Continued***

• ***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. 22.25 billion, the executed works till 31 December 2025 amounted to L.E. 12.27 billion. Contractors' dues have been paid in accordance with the contracts and the remaining amounts of contractual commitments at 31 December 2025 as follows:

<b>Project</b>	<i>Value of current works contracted with contractors to execute residential units L.E. ' Billions</i>	<i>Value of executed works till 31/12/2025 L.E. ' Billions</i>	<i>Value of remaining contractual commitment at 31/12/2025 L.E. ' Billions</i>
Taj Sultan	1,96	1.81	0.149
Park residence	1,77	1.69	0.80
Shalya	1,62	1.60	0.20
Lake Park	0,970	0.698	0.272
Elect- Taj City	0,927	0.198	0.729
Club side – Taj city	3,31	-	3.31
Taj Ville - Joint venture	0,810	0.638	0.172
Zahw	0,198	0.30	0.168
Taval	1,13	0.995	0.135
Croons	4,60	3.15	1.45
Cavana	0,827	0.630	0.197
Rai	1,56	-	1.56
Rai Views	1,20	-	1.20
Rai Vallys	0,444	-	0.444
Strip Mall	0,142	0.138	0.4
Show room (Tajed) B-Tech	0,161	0.163	-
Show room (Tajed) Carrefour	0,497	0.417	0.80
Nasr Gardens 6 October	0,123	0.114	0.9
<b>Total</b>	<b><u>22,25</u></b>	<b><u>12.27</u></b>	<b><u>9.98</u></b>

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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>31/12/2025</i>	<i>31/12/2024</i>
	<i>L.E.</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	<b>372,255,951</b>	<b>363,274,370</b>

**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>Second level</i>	<i>Third Level</i>	<i>Total</i>
	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>	<i>L.E.</i>
<b>Measuring the recurring fair value as at 31 December 2025</b>				
Financial assets in fair value through the other comprehensive income (equity instruments) (6/3)	-	8,681,317	-	8,681,317
Total financial assets	<b>-</b>	<b>8,681,317</b>	<b>-</b>	<b>8,681,317</b>
<b>Measuring the recurring fair value as at 31 December 2024</b>				
Financial assets in fair value through the other comprehensive income (equity instruments) (6/3)	-	8,326,737	-	8,326,737
Total financial assets	<b>-</b>	<b>8,326,737</b>	<b>-</b>	<b>8,326,737</b>

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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%.

**42. SUBSEQUENT EVENTS**

Due to the current geopolitical shifts and regional tensions in the Middle East, a combination of rising global commodity prices, supply chain disruptions, and increased shipping costs has emerged. These factors, coupled with financial market volatility in emerging economies, have reignited global inflationary pressures that have impacted numerous countries, including the Arab Republic of Egypt.

In accordance with the decision of the Monetary Policy Committee of the Central Bank of Egypt (CBE) issued at its meeting held on 12 February 2026, the Committee decided to reduce the overnight deposit and lending rates, as well as the main operation rate, by 100 basis points to 19% and 20%, respectively. The credit and discount rate also reduced by 100 basis points to 19.50%.

**43. COMPARATIVE FIGURES**

Certain comparative figures for the prior year have been reclassified to conform with the presentation adopted in the current year, as follows:

	<i>31/12/2024 Before Reclassification L.E.</i>	<i>Reclassification L.E.</i>	<i>31/12/2024 After Reclassification L.E.</i>
Trade and Other Receivables – Costs of Obtaining Contracts with Customers	2,433,311,967	204,905,925	2,638,217,892
Cash on Hand and at Banks	805,691,876	1,637,000,000	2,442,691,876
Financial Assets at Amortized Cost – Short-Term Treasury Bills	2,662,264,397	(1,637,000,000)	625,264,397
Creditors and other credit balances - Accrued commission	-	204,905,925	(204,905,925)