BDO خالد وشركاه
١ شارع وادى النيل
المهندسين - الجيزة
القاهره - جمهورية مصر العربية
ص.ب : ١١٠ / ١٢٦٥٥

تليفون: ٣٣٠٣٠٧٠١ (٢٠٢)
فاكس: ٣٣٠٣٢٢٢٨ (٢٠٢)
www.bdo.com.eg

القاهرة في ١٥ نوفمبر ٢٠٢٦

السيد الأستاذ/ أحمد حسين العزب
نائب الرئيس التنفيذي المالي
شركة مدينة نصر للاسكان والتعمير – ش.م.م.
٤ شارع يوسف عباس – المنطقة الثانية
مدينة نصر - القاهرة

تحية طيبة .. وبعد

الموضوع: القوائم المالية المستقلة للشركة عن الفترة المالية المنتهية في ٣٠ سبتمبر ٢٠٢٦

يسرنا أن نرفق لكم طيه عدد (٦) نسخة (عدد ٣ نسخ باللغة العربية، عدد ٣ نسخ باللغة الإنجليزية) من القوائم المالية المستقلة لشركتكم الموقرة عن الفترة المالية المنتهية في٣٠ سبتمبر ٢٠٢٦ مع تقريرينا عليها.

برجاء التوقيع على نسخة واحدة من القوائم المالية المستقلة المنوه عنها أعلاه باللغتين العربية والإنجليزية وإعادتهما إلينا للحفظ.

وتفضلوا بقبول فائق الاحترام،،،

تامر مهيا – شريك

مدينة مصر - خطاب تسليم سبتمبر ٢٠٢٦
MAA

BDO Khaled & Co, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

MMHD Sep 30 2026E (003)

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

INTERIM SEPARATE FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT THEREON

AT 30 SEPTEMBER 2026

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

INTERIM SEPARATE FINANCIAL STATEMENTS

For the period ended 30 September 2026

Contents **Page Number**

- Limited Review Report 1
- Interim Separate Statement of Financial Position 2-3
- Interim Separate Statement of Income (Profit or Loss) 4
- Interim Separate Statement of Other Comprehensive Income 5
- Interim Separate Statement of Changes in Equity 6
- Interim Separate Statement of Cash Flows 7-8
- Notes to the Interim Separate Financial Statements 9-57

BDO

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 Review Report originally issued in Arabic

LIMITED REVIEW REPORT ON THE SEPARATE INTERIM FINANCIAL STATEMENTS

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

Introduction

We have carried out a limited review of the accompanying separate interim financial position of Madinet Masr for Housing and Development - S.A.E. as of 30 September 2026, and the related separate interim statements of income, other comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these separate interim financial statements based on our limited review.

Scope of the Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly in all material respects, the separate interim financial statements of Madinet Masr for Housing and Development - S.A.E. as of 30 September 2026, and its separate financial performance and its separate cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

BDO Khaled & Co. BDO Public Accountants & Advisors

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

Cairo, 11 November 2026

BDO Khaled & Co, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

At 30 September 2026

	Note	30/9/2026 L.E.	31/12/2025 L.E.
NON-CURRENT ASSETS			
Fixed assets	4	196,874,922	116,411,127
Assets under constructions	5	627,149,149	434,088,481
Right of use assets	21	102,922,068	129,694,275
Amounts due from related parties	34	-	161,768,539
Investments in subsidiaries	6/1	440,601,347	440,601,347
Amounts paid on account of investment in subsidiaries	6/2	147,683,655	97,330,229
Financial assets at fair value through other comprehensive income	6/3	13,681,317	8,681,317
Investment properties	6/4	1,724,563,248	1,722,591,722
Financial assets at amortized cost	6/6	1,191,883	1,191,883
Long term notes receivables	9	3,053,226,602	2,628,049,687
Total non-current assets		**6,307,894,191**	**5,740,408,607**
CURRENT ASSETS			
Work in progress	7	12,414,366,633	9,548,854,171
Finished properties	8	80,296,744	303,814,714
Inventories		18,977,591	17,391,029
Short term notes receivable	9	3,774,265,106	3,361,860,438
Trade receivables (Net)	9	764,807,966	234,867,950
Advances to trade payables	41/a	7,947,129,474	5,873,720,253
Debtors and other debit balances	10	11,726,200,814	8,865,312,399
Financial assets at fair value through profit or loss	6/5	4,656,677	4,075,590
Financial assets at amortized cost - Short-term Treasury Bills	6/6	3,481,886,442	2,960,727,238
Amounts due from related parties	34	1,961,835,189	1,301,434,196
Debtors for the management, operation and maintenance of residential communities	19	-	99,675,818
Cash on hand and banks	11	1,385,241,232	1,072,008,355
Total current assets		43,559,663,868	33,643,742,151
Total assets		**49,867,558,059**	**39,384,150,758**
EQUITY AND LIABILITIES			
EQUITY			
Issued and paid-up capital	16	2,135,000,000	2,135,000,000
Treasury Shares	16	(301,803,863)	(386,757,569)
Legal reserve		787,342,754	620,672,378
Retained earnings		7,606,269,224	5,599,877,384
Net profit for the period		1,603,238,369	3,333,407,520
Employees and executives share option plan		124,927,009	113,050,000
Change in Fair Value of Financial Assets through Other Comprehensive Income		6,573,022	6,573,022
Investment properties revaluation surplus at fair value (Net)		613,589,046	613,589,046
Total shareholders' equity		**12,575,135,561**	**12,035,411,781**

The attached notes 1 to 42 form part of these interim separate financial statements.

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

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION - *Continued*

At 30 September 2026

	Note	*30/9/2026* *L.E.*	*31/12/2025* *L.E.*
NON-CURRENT LIABILITIES			
Long-term loans	17	4,008,640,205	3,023,750,060
Long-term lease liability	32	70,762,262	98,196,609
Deferred Tax Liability	20	238,018,736	154,429,981
Total non-current liabilities		**4,317,421,203**	**3,276,376,650**
CURRENT LIABILITIES			
Advance payments from customers for undelivered units	12	23,974,087,179	15,824,035,427
Provisions	13	231,752,512	259,327,492
Infrastructure completion liabilities	14	436,886,687	847,797,263
Creditors and other credit balances	15	1,841,185,827	1,899,484,573
Payables for Management, Operation and Maintenance of Residential Compounds	19	55,570,093	-
Current portion of long-term loans	17	245,144,351	269,366,750
Short-term loans	18/1	3,160,379,827	2,396,583,156
Banks overdraft (credit facilities)	18/2	348,663,881	260,034,800
Trade payables	41/b	1,758,013,182	866,101,202
Amounts due to related parties	34	130,522,538	130,489,367
Tax Authority		305,855,196	846,551,945
Short-term lease liability	32	34,598,169	31,642,159
Short-term land development liabilities	39	372,255,951	372,255,951
Dividend Payables		80,085,902	68,692,242
Total current liabilities		**32,975,001,295**	**24,072,362,327**
Total liabilities		**37,292,422,498**	**27,348,738,977**
Total Equity and Labilities		**49,867,558,059**	**39,384,150,758**

Limited Review report "attached"

Ahmed El Azab		
Senior Vice President - Finance	**President & CEO**	**Chairman**
Mr. Ahmed Hussein Elazab	**Eng. Mohamed Abdallah Sallam**	**Eng. Mohamed Hazem Barakat**

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

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

INTERIM SEPARATE STATEMENT OF INCOME (PROFIT OR LOSS)

For the period ended 30 September 2026

	Note	*From 1/1/2026 to 30/9/2026 L.E.*	*From 1/1/2025 to 30/9/2025 L.E.*	*From 1/7/2026 to 30/9/2026 L.E.*	*From 1/7/2025 to 30/9/2025 L.E.*
Net revenue	23-a	6,771,864,728	6,737,196,618	2,735,513,550	2,429,232,338
Less: Cost of revenue	23-b	(2,740,798,728)	(1,972,705,992)	(1,288,501,464)	(739,280,918)
Gross profit		**4,031,066,000**	**4,764,490,626**	**1,447,012,086**	**1,689,951,420**
Less:					
Selling and marketing expenses	24	(1,407,374,773)	(1,511,677,180)	(418,370,158)	(332,916,407)
General and administrative expenses	25	(483,633,761)	(277,268,752)	(126,342,116)	(86,892,464)
Management of the residential compound expenses & other operating expenses	26	(69,431,341)	(76,317,762)	(29,555,664)	(30,540,040)
Finance cost	27	(577,141,552)	(503,898,289)	(206,853,208)	(178,610,665)
Provisions	13	(44,755,397)	(65,934,304)	(4,300,000)	(20,558,682)
Expected credit loss (Net)		(79,094,862)	(28,174,109)	(25,754,908)	(9,373,327)
Add:					
Provisions no longer required	13	70,034,156	-	316,104	-
Finance income	28	540,729,429	482,909,144	212,657,774	195,839,858
Income relevant to activity	29	173,139,952	130,855,694	65,193,794	70,555,755
Operating profit		**2,153,537,851**	**2,914,985,068**	**914,003,704**	**1,297,455,448**
Dividends from financial assets at fair value through other comprehensive income		355,556	-	-	-
Dividends from subsidiaries		161,482	-	-	-
Return on financial assets at amortized cost		41,716	1,069,920	-	1,069,920
Other expenses	30	(84,801,179)	(66,999,895)	(21,778,929)	(19,866,040)
Net profit for the period before tax		**2,069,295,426**	**2,849,055,093**	**892,224,775**	**1,278,659,328**
Income tax	22	(382,468,302)	(587,475,993)	(181,742,262)	(258,879,412)
Deferred tax	20	(83,588,755)	(55,514,340)	(15,705,873)	(29,291,159)
Net profit for the period		**1,603,238,369**	**2,206,064,760**	**694,776,640**	**990,488,757**
Earnings per share for the period	31	**0.655**	**0.913**		

Senior Vice President - Finance	President & CEO	Chairman
Mr. Ahmed Hussein Elazab	Eng. Mohamed Abdallah Sallam	Eng. Mohamed Hazem Barakat

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

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

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2026

	From 1/1/2026 to 30/9/2026	*From 1/1/2025 to 30/9/2025*	*From 1/7/2026 to 30/9/2026*	*From 1/7/2025 to 30/9/2025*
	L.E.	*L.E.*	*L.E.*	*L.E.*
Net profit for the period	1,603,238,369	2,206,064,760	694,776,640	990,488,757
comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**1,603,238,369**	**2,206,064,760**	**694,776,640**	**990,488,757**

Senior Vice President - Finance	**President & CEO**	**Chairman**
Mr. Ahmed Hussein Elazab	**Eng. Mohamed Abdallah Sallam**	**Eng. Mohamed Hazem Barakat**

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

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

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period ended at 30 September 2026

	Issued and paid-up capital L.E.	*Treasury stocks L.E.*	*Legal Reserve L.E.*	*Retained earnings L.E.*	*Net profit for the period L.E.*	*Employees & executives share option plan L.E.*	*Change in fair value of financial assets through OCI L.E.*	*Investment property revaluation surplus at fair value L.E.*	*Total L.E.*
Balance at 1 January 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)	-	-	-	-
Transferred to legal reserve	-	-	141,412,087	(141,412,087)	-	-	-	-	-
Dividends of 2024	-	-	-	(896,238,544)	-	-	-	-	(896,238,544)
Revaluation of employees & executives share option plan	-	-	-	-	-	11,550,000	-	-	11,550,000
Comprehensive income for the period	-	-	-	-	2,206,064,760	-	-	-	2,206,064,760
Balance at 30 September 2025	**2,135,000,000**	**(386,757,569)**	**620,672,378**	**5,599,877,384**	**2,206,064,760**	**109,900,000**	**6,298,222**	**452,666,481**	**10,743,721,656**
Balance at 1 January 2026	**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**
Distribution of treasury stocks to shareholders (*)	-	386,757,569	-	(385,722,168)	-	-	-	-	1,035,401
Purchase of treasury stocks (**)	-	(301,803,863)	-	-	-	-	-	-	(301,803,863)
Transferred to retained earnings	-	-	-	3,333,407,520	(3,333,407,520)	-	-	-	-
Transferred to legal reserve	-	-	166,670,376	(166,670,376)	-	-	-	-	-
Dividends of 2025	-	-	-	(774,623,136)	-	-	-	-	(774,623,136)
Revaluation of employees & executives share option plan	-	-	-	-	-	11,877,009	-	-	11,877,009
Profit for the period	-	-	-	-	1,603,238,369	-	-	-	1,603,238,369
Balance at 30 September 2026	**2,135,000,000**	**(301,803,863)**	**787,342,754**	**7,606,269,224**	**1,603,238,369**	**124,927,009**	**6,573,022**	**613,589,046**	**12,575,135,561**

(*) An amount of L.E. 85,400,000 represents treasury shares were distributed to shareholders on 9 March 2026 in accordance with the resolution of the Ordinary General Assembly held on 15 February 2026.

(**) An amount of L.E. 38,300,000 represents treasury shares were purchased up to 30 September 2026.

Senior Vice President - Finance	President & CEO	Chairman
Mr. Ahmed Hussein Elazab	Eng. Mohamed Abdallah Sallam	Eng. Mohamed Hazem Barakat

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

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

INTERIM SEPARATE STATEMENT OF CASH FLOWS
For the period ended 30 September 2026

	Note	*30/9/2026 L.E.*	*30/9/2025 L.E.*
OPERATING ACTIVITIES			
Net profit for the period before tax		2,069,295,426	2,849,055,093
Adjustments for:			
Depreciation of fixed assets	4	25,854,132	15,488,811
Amortization of Right of use Assets	24	40,605,946	32,519,031
Finance cost	27	577,141,552	503,898,289
Expected credit loss		79,094,862	28,174,109
Provisions	13	44,755,397	65,934,304
Provisions no longer required	13	(70,034,156)	-
Dividends from financial assets at fair value through other comprehensive income		(355,556)	-
Dividends from subsidiaries		(161,482)	-
Return on financial assets at amortized cost		(41,716)	(1,069,920)
(Gain)/Loss on foreign currencies exchange	30,29	(31,096,857)	19,225,183
		2,735,057,548	**3,513,224,900**
Work in progress and finished properties and inventories		(2,645,552,581)	(2,484,891,735)
Notes and trade receivables, trade payables debit balance and debtors of compounds facility management and amounts due from related parties		(6,711,388,229)	(4,710,050,780)
Trade payables – advance payment, creditors, projects' infrastructure completion liabilities and amounts due to related parties		8,534,224,236	6,258,155,295
Used provisions	13	(2,296,221)	(51,821,983)
Dividends paid to Board of Directors and employees		(442,979,476)	(306,560,959)
Income tax paid		(923,165,051)	(875,295,620)
Finance cost paid		(538,578,207)	(451,508,936)
Net cash from operating activities		**5,322,019**	**891,250,182**
INVESTING ACTIVITIES:			
Payments for purchase of fixed assets and fixed assets under construction	4	(299,378,595)	(167,185,957)
Investments in subsidiaries		-	(107,167,856)
Paid on account of investment in subsidiaries		(50,353,427)	-
Investments in financial assets at fair value through other comprehensive income		(5,000,000)	-
Dividends received from financial assets at fair value through other comprehensive income		355,556	-
Dividends received from subsidiaries		161,482	-
Return on financial assets at amortized cost		41,716	-
Purchase of financial assets measured at amortized cost for more than 90 days		-	(20,000,000)
Net cash used in investing activities		**(354,173,268)**	**(294,353,813)**

The attached notes 1 to 42 form part of these interim separate financial statements.

INTERIM SEPARATE STATEMENT OF CASH FLOWS - *Continued*
For the period ended at 30 September 2026

	Note	*30/9/2026* *L.E.*	*30/9/2025* *L.E.*
FINANCING ACTIVITIES:			
Dividends paid to shareholders		(320,250,000)	(258,625,000)
Purchases of treasury Stocks		(301,803,863)	(386,757,569)
Lease liability payment	32	(38,312,076)	(36,204,805)
Payments of long-term loans	17	(227,395,794)	(370,846,422)
Proceeds from long term loans	17	1,188,063,540	1,175,519,465
Repayment of short-term loans	18/1	(540,975,496)	-
Proceeds from short term loans	18/1	1,304,772,167	692,663,818
Net cash from financing activities		**1,064,098,478**	**815,749,487**
Change in cash and cash equivalents		715,247,229	1,412,645,856
Cash and cash equivalents at the beginning of the period	18	3,756,776,383	3,041,276,001
Gain on foreign exchange	30,29	31,096,858	(19,225,182)
Total cash and cash equivalents at the end of the period		**4,503,120,470**	**4,434,696,675**
Less:			
Deposits to cover the letter of guarantee	11	(10,000,000)	(12,476,880)
Pledged treasury bills to cover letters of guarantee	6/6	(16,116,600)	(16,116,600)
Restricted investment certificates against letter of guarantee	6/5	(487,000)	(487,000)
Cash and cash equivalents at the end of the period	18	**4,476,516,870**	**4,405,616,195**

NON-CASH TRANSACTIONS:

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

- Revaluation of the balance of the Employee Stock Incentive Plan and the related expense at fair value, resulting in an increase in equity (share premium) amounting to L.E. 11,877,009.
- Distribution of 85,400,000 treasury shares to shareholders at a market value of L.E. 463 million.

Senior Vice President - Finance	President & CEO	Chairman
Mr. Ahmed Hussein Elazab	**Eng. Mohamed Abdallah Sallam**	**Eng. Mohamed Hazem Barakat**

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 September 2023.

1.2 Activity

The company is engaged in all activities related to real estate development for lands, buildings and facilities including acquisition of land and real estate sale and rental, dividing it and providing all types of facilities necessary for reconstruction and connected to it in Nasr City and other areas nationwide, the purchase and development, utilization, leasing and sale of all buildings and land. The company can establish, manage and invest all residential, administrative, tourists, recreational and all projects necessary to achieve these purposes, and all real estate, financial, commercial and entertainment operations related to these purposes.

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

1.3 Duration

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

1.4 Location

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

The Chairman is Eng. Mohamed Hazem Barakat. 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 issuance of the separate financial statements for the period ended 30 September 2026 on 9 November 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

2.1 Fair value Measurement

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

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

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

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

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

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

2. USE OF ESTIMATES AND JUDGMENTS - *Continued*

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of the separate financial statements

- The separate financial statements are prepared in accordance with the Egyptian Accounting Standards in light of relevant Egyptian laws and regulations.
- The separate financial statements are presented in Egyptian Pounds which presents the functional currency of the group.
- According to the Egyptian Accounting Standard No. 42 (Consolidated Financial Statements) and Article 188 of the Executive Regulations of the Companies Law No. 159 of 1981, the company prepares separate financial statements
- According to the company's Article No. (41) bis to (41) bis of the capital market law promulgated by Law No. 95 of 1992 apply to securitization treatments in the financial statements.

New issuing and amendments to the Egyptian Accounting Standards

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

3.2 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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:

Asset Type	***Estimated useful life***
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

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.

3.2.2 Intangible assets (Software and IT)

Recognition

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

The first measurement at recognition

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

Subsequent expenditures

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

Amortization

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

	Useful life
Software & information systems	1 year

3.2.3 *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:

- 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.

3.2.4 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Financial assets- Business Model Assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company 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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.
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.

3.2.5 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.

Asset Type	*Estimated useful life*
Residential	40 years
Non-residential units	40 years

3.2.6 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3.2.7 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.

3.2.8 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.

3.2.9 Cash and cash equivalents

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

3.2.10 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.

3.2.11 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

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

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

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

3.2.12 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.

3.2.13 Treasury shares

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

3.2.14 Dividends

Dividends are recorded as liability during the year when declared.

3.2.15 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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

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

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

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

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

3.2.16 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.

3.2.17 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.

3.2.18 Employees' benefits

The company contributes to the social insurance scheme for the benefit of its employees in accordance with the Social Insurance Law. No.79 of 1975 and its amendments Contributions of workers and employers are calculated at a fixed rate of wages. The company's commitment is represented in value of its contribution.

The company's contributions are charged to the separate 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 separate statement of income in the year in which they are approved for early retirement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

3.2.19 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.

3.2.20 Earnings per share

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

3.2.21 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

3.2.22 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.

3.2.23 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.

3.2.24 Related parties' transactions

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

3.2.25 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.

3.2.26 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

- 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.
- 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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

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.

4. FIXED ASSETS

30/9/2026	*Lands (*) L.E.*	*Buildings (*) and constructions L.E.*	*Leasehold improvement L.E.*	*Machinery and equipment L.E.*	*Motor vehicles L.E.*	*Tools L.E.*	*Furniture and office equipment L.E.*	*Computers L.E.*	*Total L.E.*
Cost:									
At 1 January 2026	1,351,229	56,638,482	38,034,916	6,698,829	37,411,019	3,251,046	20,576,525	60,153,038	224,115,084
Additions during the period	-	16,710,888	-	-	22,925,000	-	15,685,884	50,996,155	106,317,927
At 30 September 2026	1,351,229	73,349,370	38,034,916	6,698,829	60,336,019	3,251,046	36,262,409	111,149,193	330,433,011
Accumulated depreciation:									
At 1 January 2026	-	15,235,527	36,760,383	6,539,492	8,360,386	3,251,046	13,552,058	24,005,066	107,703,957
Provided during the period	-	4,807,015	483,238	34,156	6,251,244	-	1,910,897	12,367,582	25,854,132
At 30 September 2026	-	20,042,542	37,243,621	6,573,648	14,611,630	3,251,046	15,462,954	36,372,648	133,558,089
Net book value:									
At 30 September 2026	1,351,229	53,306,828	791,295	125,181	45,724,389	-	20,799,455	74,776,545	196,874,922

(*) 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.

4. FIXED ASSETS – *Continued*

31/12/2025	*Lands (*) L.E.*	*Buildings (*) and constructions L.E.*	*Leasehold improvement L.E.*	*Machinery and equipment L.E.*	*Motor vehicles L.E.*	*Tools L.E.*	*Furniture and office equipment L.E.*	*Computers L.E.*	*Total L.E.*
Cost:									
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	**1,351,229**	**56,638,482**	**38,034,916**	**6,698,829**	**37,411,019**	**3,251,046**	**20,576,525**	**60,153,038**	**224,115,084**
Accumulated depreciation:									
At 1 January 2025	-	13,433,522	36,114,298	6,378,052	3,208,018	1,932,028	12,478,561	14,611,474	88,155,953
Provided during the 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	-	15,235,527	36,760,383	6,539,492	8,360,386	3,251,046	13,552,057	24,005,066	107,703,957
Net book value:									
At 31 December 2025	**1,351,229**	**41,402,955**	**1,274,533**	**159,337**	**29,050,633**	-	**7,024,468**	**36,147,972**	**116,411,127**

4. FIXED ASSETS – *Continued*

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

	30/9/2026 L.E.	*31/12/2025 L.E.*
Leasehold improvement	38,676,625	38,347,264
Elevators	885,932	885,932
Small Tools and Equipment	3,251,046	3,251,046
Machinery and Equipment	6,489,410	6,374,075
Vehicles	2,546,019	2,033,601
Furniture and office equipment	11,572,984	10,940,673
Computers	6,053,563	2,993,226
	69,475,579	**64,825,817**

b) Depreciation for the year is allocated as follows:

	From 1/1/2026 to 30/9/2026 L.E.	*From 1/1/2025 to 30/9/2025 L.E.*
Cost of sales	2,881,452	3,327,828
Selling and marketing expenses (Note 24)	7,891,216	3,120,704
General and administrative expenses (Note 25)	14,794,108	8,775,746
Management of the residential compound expenses & other operating expenses (Note 26)	287,356	264,533
	25,854,132	**15,488,811**

5. ASSETS UNDER CONSTRUCTION

	30/9/2026 L.E.	*31/12/2025 L.E.*
New Administrative Headquarters at Taj City Project	620,035,588	433,378,848
Document Storage Equipment	709,633	709,633
Audio and visual systems – New Administrative Headquarters	6,403,928	-
	627,149,149	**434,088,481**

6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES

6/1 Investments in subsidiaries

	Contribution %	*30/9/2026 L.E.*	*31/12/2025 L.E.*
Al Nasr Co. for Civil Works – S.A.E.	52.46	78,957,337	78,957,337
Minka Co. for Real Estate Investment	100	154,743,985	154,743,985
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 Sports Clubs Management	74	7,400,000	7,400,000
Madinet Masr for Project Management	100	1,010,760	1,010,760
Madinet Masr for Finishing Works	100	1,010,760	1,010,760
		440,601,347	**440,601,347**

6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES - *Continued*

6/2 Amounts paid on account of investments in subsidiaries

	Contribution %	*30/9/2026 L.E.*	*31/12/2025 L.E.*
Madinet Masr for Finishing Works	100	5,000,000	5,000,000
Madinet Masr for Project Management	100	5,000,000	5,000,000
Saudi Arabia Doors of Expertise Real Estate Company	100	100,000,000	50,000,000
SAFE Real Estate Investment Fund Company	100	5,071,172	5,000,805
SAFE Underwriting and Promotion Company	100	10,156,384	10,085,954
SAFE International Company	100	21,435,094	21,303,395
Cities of the World Company	100	940,075	940,075
U Fund Capital Company	100	80,930	-
		147,683,655	**97,330,229**

6/3 Financial assets through other Comprehensive Income

	Contribution %	*30/9/2026 L.E.*	*31/12/2025 L.E.*
High Education House (S.A.E.)	1.20	8,681,317	8,681,317
Loop Micromobility Co.	22.5	5,000,000	-
		13,681,317	**8,681,317**

6/4 Investment properties

	30/9/2026 L.E.	*31/12/2025 L.E.*
Rental buildings for others by using FV model	1,722,322,696	1,720,351,170
Lands title held on sold properties	2,076,334	2,076,334
Rental buildings - Net (*)	164,218	164,218
	1,724,563,248	**1,722,591,722**

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

30/9/2026	*Residential units L.E.*	*None residential units L.E.*	*Total L.E.*
Cost:			
At 1 January 2026 and at 30 September 2026	594,539	339,905	934,444
Accumulated depreciation:			
At 1 January 2026 and at 30 September 2026	526,270	243,956	770,226
Net book value:			
and at 30 September 2026	68,269	95,949	164,218

6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES - *Continued*

31/12/2025	*Residential units L.E.*	*None residential units L.E.*	*Total L.E.*
Cost:			
At 1 January 2025	596,163	339,905	936,068
Disposals	(1,624)	-	(1,624)
At 31 December 2025	**594,539**	**339,905**	**934,444**
Accumulated depreciation:			
At 1 January 2025	527,894	243,956	771,850
Depreciation for the Period (Note 23 (b))	(1,624)	-	(1,624)
At 31 December 2025	**526,270**	**243,956**	**770,226**
Net book value:			
At 31 December 2025	**68,269**	**95,949**	**164,218**

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

	30/9/2026 L.E.	*31/12/2025 L.E.*
Residential units	526,270	526,270
Nonresidential units	243,956	243,956
	770,226	**770,226**

(*) 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) as at 31 December 2025.

The investment properties that has been valued with cost model cannot 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 which 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

	30/9/2026 L.E.	*31/12/2025 L.E.*
Carrying value of investment certificates in money market funds		
Certificates of QNB Investment Fund	3,370,927	2,935,686
Certificates of Banque Du Caire Investment Fund	137,340	137,340
Certificates of United Bank Investment Fund - Rakhaa (*)	1,148,410	1,002,564
	4,656,677	**4,075,590**

6. FINANCIAL ASSETS AND INVESTMENT PROPERTIES - *Continued*

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 (2025: 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

	30/9/2026 L.E.	*31/12/2025 L.E.*
Investments in Treasury bonds (not traded on the stock exchange market)	1,191,883	1,191,883

	30/9/2026 L.E.	*31/12/2025 L.E.*
Treasury Bills (*)	3,481,886,442	2,960,727,238

(*) Treasury bills as of 30 September 2026 include an amount of L.E. 16,116,600 (31/12/2025: L.E. 16,116,600) restricted as cover against a letter of guarantee.

6/7 Treasury bills

	30/9/2026 L.E.	*31/12/2025 L.E.*
Treasury Bills 363 days	20,000,000	-
Treasury Bills 349 days	-	20,000,000
Treasury Bills 57 days	176,125,000	-
Treasury Bills 56 days	-	153,800,000
Treasury Bills 43 days	1,096,000,000	-
Treasury Bills 44 days	-	257,700,000
Treasury Bills 28 days	898,050,000	-
Treasury Bills 22 days	-	360,000,000
Treasury Bills 21 days	1,335,000,000	400,000,000
Treasury Bills 16 days	-	208,200,000
Treasury Bills 14 days	-	1,587,925,000
	3,525,175,000	2,987,625,000
Less:		
Unearned interest on treasury bills	(43,288,558)	(26,897,762)
	3,481,886,442	**2,960,727,238**

Treasury Bills maturing within three months from acquisition date were classified in Cash and cash equivalents by L.E. 3,461,886,442 (31/12/2025: L.E. 2,940,727,238). (Note 18)

7. WORK IN PROGRESS

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Lands and unfinished properties:		
Taj City (*)	7,207,637,678	4,934,228,245
Sarai City (**)	3,873,953,773	3,116,433,430
West Assiut (***)	646,027,770	607,044,261
Taj Ville	471,191,852	766,106,301
Victoria Mall	1,099,155	663,024
Butterfly	69,452,682	66,909,124
New Heliopolis	145,003,723	57,469,786
	12,414,366,633	**9,548,854,171**

(*) 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 September 2026 represents the cost of external and internal utilities, the cost construction works and cost of extension works of the Shinzo Abi corridor that pass through the company's lands (Note 39).

(**) Sarai includes the phases that are ready for sale: "Taval", "Crowns", "Cavana", "Strip mall", and "Mansion" Rayi. In addition to the not yet ready for sale, where the balance of 30 September 2026 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).

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:

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Taj City	19,433,363	32,671,043
Sarai	14,682,453	21,935,859
Taj Ville	574,348	678,491
	34,690,164	**55,285,393**

8. FINISHED PROPERTIES

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Finished properties:		
El Waha, Nasr City, and Premira	4,791,889	11,899,355
6th October (Nasr Gardens)	75,504,855	291,915,359
	80,296,744	**303,814,714**

9. TRADE AND NOTES RECEIVABLES

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Long-term notes receivable		
Taj City	1,077,111,997	1,159,020,589
Sarai and Capital Gardens	2,135,891,865	2,011,605,854
Other	353,950,349	7,497,153
	3,566,954,211	**3,178,123,596**
Less:		
Financial component from contract	(459,775,274)	(525,382,917)
Expected Credit Loss (ECL)	(53,952,335)	(24,690,992)
	3,053,226,602	**2,628,049,687**

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Short-term notes receivable		
Taj City	718,389,486	894,608,596
Sarai and Capital Gardens	3,347,686,845	2,813,565,102
Other	167,961,441	16,813,051
	4,234,037,772	**3,724,986,749**
Less:		
Financial component from contract	(395,730,290)	(334,186,713)
Expected Credit Losses (ECL)	(64,042,376)	(28,939,598)
	3,774,265,106	**3,361,860,438**
Trade receivables		
Taj City	42,246,964	36,889,629
Sarai and Capital Gardens	207,256,634	147,606,980
Other	527,050,213	52,210,328
	776,553,811	**236,706,937**
Less:		
Expected Credit Losses	(11,745,845)	(1,838,987)
	764,807,966	**234,867,950**

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

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Balance at the beginning of the period/year	55,469,577	49,727,626
Provided during the period/year	74,270,979	5,741,951
Balance at the end of the period/year	**129,740,556**	**55,469,577**

9. TRADE AND NOTES RECEIVABLES - *Continued*

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.

Post-dated checks (off balance sheet)

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

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Notes receivables for undelivered units - Short term	10,737,619,140	10,315,722,888
Notes receivables for undelivered units – Long term	79,411,746,338	68,223,715,334
	90,149,365,478	**78,539,438,222**

This balance includes an amount of L.E. 7,730,516,600 as at 30/9/2026 (31 December 2025: L.E. 4,161,799,442), 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

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Advance payment for Participatory development:		
Masr Elgededa for Development Company (****)	2,057,912,103	2,057,912,103
Medar Investment and Urban Development Company (***)	2,385,223,146	1,259,068,127
Zahraa El Maadi for Investment and Development Company (*****)	-	333,000,000
		3,649,980,230
	4,443,135,249	
Tamweel Mortgage Company	26,953,686	31,793,541
Securitization Financial Group	49,427,102	49,427,102
Contract acquisition costs (**)	6,806,053,276	4,783,759,445
Paid on the account of the cost of extending gas networks to residential compounds	44,934,285	48,188,748
Refundable deposits	70,113,287	86,517,978
Employee stock ownership plan (ESOP) (*)	2,765,900	22,538,853
Prepaid expenses	66,792,084	78,689,953
Prepaid lease interest	-	6,873,674
Cash margin on letters of guarantee (Note 33)	1,039,443	1,039,443
Other debit balances	216,851,193	107,431,720
	11,728,065,505	8,866,240,687
Less: Expected credit loss	(1,864,691)	(928,288)
	11,726,200,814	**8,865,312,399**

10. DEBTORS AND OTHER DEBIT BALANCES – *Continued*

(*) 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. The number of shares remaining in the reward and incentive program as at 30 September 2026 amounted to 369,279 shares (31 December 2025: 5,328,334 shares).

(**) 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 until September 30, 2026.

(***) 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 L.E. 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 L.E. 1.201 billion, the guaranteed minimum difference from the partner's share in the sale proceeds until September 30, 2026, in addition, an amount of L.E. 114,624,322 represents the first installment of maintenance.

(****) 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 L.E. 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 September 30, 2026.

(*****) On 27 September 2026, the Company agreed with Zahraa El Maadi for Investment and Development on the amicable termination of the revenue-sharing development contract for the fully serviced residential project in New Heliopolis City, and the advance payment previously paid was recovered.

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

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Balance at the beginning of the period/year	928,288	196,750
ECL Provided during the period/year	936,403	731,538
Balance at the end of the period/year	**1,864,691**	**928,288**

11. CASH ON HAND & AT BANKS

	30/9/2026 L.E.	*31/12/2025 L.E.*
Cash on hand	5,038,653	5,778,484
Bank current accounts with return	1,122,447,859	793,729,871
Time deposits in banks	257,754,720	272,500,000
	1,385,241,232	**1,072,008,355**

Time deposits at banks as at 30 September 2026 include an amount of L.E. 10,000,000 (31/12/2025: L.E. 12,476,880) representing restricted deposits against letters of guarantee.

12. ADVANCE PAYMENT FROM CLIENTS FOR UNDELIVERED UNITS

	30/9/2026 L.E.	*31/12/2025 L.E.*
Taj City	8,519,817,320	6,023,585,101
Sarai	11,384,914,262	7,643,860,028
Taj Ville	140,863,848	378,631,769
Mostakbal City	2,459,177,596	1,528,288,925
New Heliopolis	1,273,828,643	184,217,079
West Assuit (Zahw)	79,218,494	50,118,979
Victoria Mall	32,392,959	15,333,546
D2N	16,824,258	-
El Nasr Gardens	67,049,799	-
	23,974,087,179	**15,824,035,427**

The unrealized revenue from contracts with customers, including amounts collected from customers and post-dated checks received, as of 30/9/2026, amounted to L.E. 106,392,936,055 (31/12/2025: L.E. 90,201,674,207).

13. PROVISIONS

	Balance at 1/1/2026 L.E.	*Provided during the period L.E.*	*Used during the period L.E.*	*Provisions no Longer required L.E.*	*Balance at 30/9/2026 L.E.*
Club subscription provision for clients	67,250,000	-	-	(67,250,000)	-
Claims provision	81,831,481	-	(1,946,221)	-	79,885,260
Legal provision	48,599,603	44,755,397	(350,000)	-	93,005,000
Other provisions	61,646,408	-	-	(2,784,156)	58,862,252
	259,327,492	**44,755,397**	**(2,296,221)**	**(70,034,156)**	**231,752,512**

14. INFRASTRUCTURE COMPLETION LIABILITIES

	Balance at 1/1/2026 L.E.	*Provided (return) during the period L.E.*	*Utilized during the period L.E.*	*Balance at 30/9/2026 L.E.*
Taj City	4,244,547	(1,379,797)	-	2,864,750
Sarai and capital Garden	160,570,395	96,885,810	(229,640,055)	27,816,150
Residential Maintenance compound liabilities	682,982,321	-	(276,776,534)	406,205,787
	847,797,263	**95,506,013**	**(506,416,589)**	**436,886,687**

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 – CURRENT

	30/9/2026 L.E.	*31/12/2025 L.E.*
Notes payable – West Assuit Land (Note 7)	30,778,352	63,333,074
Notes payable	257,857,560	233,983,111
Outgoing Bank Transfers Under Reconciliation	-	1,715,939
Support to National Housing Project	340,000	340,000
Down payment for reservation of land and property sales	108,335,481	183,105,064
Collection from customers (Gas - Electric Risers)	866,967	496,433
Customers' balances for cancelled reservations	11,064,494	11,077,849
Customer Receivables for Canceled Contracts	47,728,651	33,556,630
Proceeds for maintenance expenses and counters	48,827,878	45,401,345
Accrued interest	38,563,345	41,076,836
Governmental authorities	411,403,093	361,933,043
Accrued expenses	-	1,071,309
Commissions due	594,097,673	677,119,103
Accrued salaries and others	3,080	383,672
Accruals for Development Companies	69,086,599	17,737,714
Proceeds from customers under reconciliation	189,431,237	186,378,222
Medical insurance - Takaful contribution	18,890,414	29,199,070
Other	13,911,003	11,576,159
	1,841,185,827	**1,899,484,573**

16. SHARE CAPITAL

Authorized capital:

The authorized capital is five billion Egyptian Pounds.

	30/9/2026 L.E.	*31/12/2025 L.E.*
Issued and nominal and paid-up capital:		
Distributed over 2,135,000,000 cash shares with par value for one Egyptian pound	2,135,000,000	2,135,000,000
Treasury shares (38,300,000 shares)	(301,803,863)	(386,757,569)

- (85,400,000) treasury shares were distributed to shareholders on 9 March 2026, in accordance with the resolution of the Ordinary General Assembly held on 15 February 2026.
- A total of (38,300,000) treasury shares were purchased up to 30 September 2026.

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

	No. of shares	*Par Value L.E.*	*Percentage of Contribution %*
30/9/2026			
B.I.G. Investment Group Ltd.	435,295,072	435,295,072	20,39
Holding Co. for Construction and Development	332,290,813	332,290,813	15,56
Social Insurance Fund of Governmental Sector Workers	178,699,327	178,699,327	8,37
B Investment Holding S.A.E.	163,446,982	163,446,982	7,66
Al Alian Co. for Investments Ltd.	99,479,163	99,479,163	4,66
National Investment Bank	80,617,333	80,617,333	3,78
Other shareholders / Other nationalities subscribed	845,171,310	845,171,310	39,58
	2,135,000,000	**2,135,000,000**	**100**

	No. of shares	*Par Value L.E.*	*Percentage of Contribution %*
31/12/2025			
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
	2,135,000,000	**2,135,000,000**	**100**

17. LONG-TERM LOANS

	Balance at the beginning of the period L.E.	*Amounts withdrawn during the period L.E.*	*Installments paid during the period L.E.*	*Balance at the end of the period L.E.*
30/9/2026				
a) Syndication loan – Notes receivable discount	350,071,942	-	(187,357,497)	162,714,445
b) Syndication loan – Notes receivable discount	274,068,038	-	(40,038,297)	234,029,741
c) Syndication revolving loan – Medium Term	2,668,976,830	1,188,063,540	-	3,857,040,370
	3,293,116,810	**1,188,063,540**	**(227,395,794)**	**4,253,784,556**

Classified in the financial position as follows:

	Current installments for long term loans L.E.	*Long term loans L.E.*	*Balance at the end of the period L.E.*	*Interest and commission recorded in the income statement L.E.*
30/9/2026				
a) Syndicated loan – Notes receivable discount	162,714,445	-	162,714,445	20,359,911
b) Syndicated loan – Notes receivable discount	82,429,906	151,599,835	234,029,741	20,799,988
c) Syndication revolving loan – Medium Term	-	3,857,040,370	3,857,040,370	-
	245,144,351	4,008,640,205	4,253,784,556	41,159,899

	Balance at the beginning of the period L.E.	*Amounts withdrawn during the period L.E.*	*Installments paid during the period L.E.*	*Balance at the end of the period L.E.*
31/12/2025				
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
	1,032,752,344	**2,668,976,831**	**(408,612,365)**	**3,293,116,810**

17. LONG-TERM LOANS - *Continued*

	Current installments for long term loans L.E.	*Long term loans L.E.*	*Balance at the end of the period L.E.*	*Interest and commission recorded in the income statement L.E.*
31/12/2025				
a) Egyptian Gulf Bank	-	-	-	17,325,351
b) Syndication loan – Notes receivable discount	187,357,497	162,714,445	350,071,942	47,321,689
c) Syndication loan – Notes receivable discount	82,009,253	192,058,785	274,068,038	35,208,383
d) Syndication revolving loan – Medium Term	-	2,668,976,831	2,668,976,831	-
	269,366,750	**3,023,750,060**	**3,293,116,810**	**99,855,423**

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

a) Syndication loan – Notes receivable discount

A long-term syndicated loan agreement was signed on 26 August 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.

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 26 August 2020.

Loan period: Expires on 9 March 2027.

b) 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 30 November 2028.

c) Medium-Term Revolving Syndicated Loan

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

17. LONG-TERM LOANS - *Continued*

On 24 December 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 in addition to settling the outstanding balance of the bridge loan provided by the Commercial International Bank (CIB) for financing the first tranche project.
- **Second Tranche - Sarai**: A total amount of 5 billion Egyptian Pounds to finance the stages of Kronz, Cavana, Ray, Ray Views, and Ilan In addition to the repayment of the outstanding balance of the bridge loan granted by the Commercial International Bank (CIB) to finance the second tranche projects, as well as the loan provided by the Egyptian Gulf Bank (EGBANK).

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

Final Maturity Date:

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

18. CASH AND CASH EQUIVALENTS

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

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Cash and bank balances (Note 11)	1,385,241,232	1,072,008,355
Investment at fair value through profit or loss (Note 6/5)	4,656,677	4,075,590
Investment at amortized cost (Note 6/6)	3,461,886,442	2,940,727,238
Less:		
Bank overdraft and (Credit facilities) (Note 18/2)	(348,663,881)	(260,034,800)
Cash and cash equivalents at the end of the period	**4,503,120,470**	**3,756,776,383**
Secured deposits for covering letter of guarantees (Note 11)	(10,000,000)	(12,476,880)
Pledged treasury bills to cover letters of guarantee (Note 6/6)	(16,116,600)	(16,116,600)
Pledged investment certificates against letters of guarantee (Note 6/5)	(487,000)	(487,000)
Cash and cash equivalents at the end of the period	**4,476,516,870**	**3,727,695,903**

18/1 Short term loan

30/9/2026	*Balance at the beginning of the period L.E.*	*Proceeds During the period L.E.*	*Installment paid during the period L.E.*	*Balance at the end of the period L.E.*	*Interest and commission charged to the income statement L.E.*
NBK	2,396,583,156	114,624,322	-	2,511,207,478	372,865,067
QNB	-	1,190,147,845	(540,975,496)	649,172,349	84,531,192
	2,396,583,156	**1,304,772,167**	**(540,975,496)**	**3,160,379,827**	**457,396,259**

31/12/2025	*Balance at the beginning of the year L.E.*	*Proceeds During the year L.E.*	*Installment paid during the year L.E.*	*Balance at the end of the year L.E.*	*Interest and commission charged to the income statement L.E.*
NBK	1,650,000,000	746,583,156	-	2,396,583,156	525,147,973
QNB	-	-	-	-	-
	1,650,000,000	**746,583,156**	-	**2,396,583,156**	**525,147,973**

a) 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, June 2024 and August 2025, and the credit limit was increased to L.E. 3,000,000,000. The contract was renewed in September 2026 to mature on 30 September 2027. The loan balance as at 30 September 2026 amounted to L.E. 2,511,207,478.

b) Qatar National Bank (QNB)

In April 2026, the Company obtained an unsecured short-term loan from Qatar National Bank amounting to L.E. 1.3 billion for the purpose of financing operating expenses. The loan balance as at 30 September 2026 amounted to L.E. 649,172,349.

18. CASH AND CASH EQUIVALENTS - *Continued*

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 30 September 2026 amounted to L.E. 348,663,881 (December 31, 2025: L.E. 260,034,800). A sub-limit for letters of guarantee amounted to L.E. 572,415.

19. COMPOUNDS FACILITY MANAGEMENT

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Treasury bills	2,587,129,596	2,884,475,742
Bank current accounts	496,832,372	54,627,689
Cheques post-dated checks (note receivable)	11,826,546,122	9,562,098,098
Bank deposits for managing residential compounds	14,910,508,090	12,501,201,529
Amounts under settlement	55,570,093	(99,675,818)
Liabilities of compounds facility management	**14,966,078,183**	**12,401,525,711**

20. DEFERRED TAX

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

	30/9/2026		*31/12/2025*	
	Assets *L.E.*	*(Liabilities)* *L.E.*	*Assets* *L.E.*	*(Liabilities)* *L.E.*
Tax Differences on Fixed Asset & Intangible Assets Values	-	(7,798,937)	-	(4,119,067)
Tax Differences on Financial Assets Values	-	(1,908,295)	-	(1,908,295)
Tax Differences on Investment Property Values	-	(341,761,307)	-	(341,761,307)
Tax Differences on Right of use Values	1,880,555	-	1,364,435	-
Tax Differences on Provisions	111,569,248	-	191,994,253	-
Total deferred tax	**113,449,803**	(351,468,539)	193,358,688	(347,788,669)
Net deferred tax assets/(liabilities)	-	(238,018,736)	-	(154,429,981)
Deferred tax charged to the separate statement of income	-	(83,588,755)	-	(50,703,025)
Deferred tax charged to the separate statement OCI	-	-	-	(46,799,235)

21. RIGHT OF USE ASSETS

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Cost:		
At the beginning of the period/year	161,620,682	122,127,516
Additions during the period/year	13,833,739	130,461,351
Disposals	(8,759,822)	(90,968,185)
At the end of the period/year	**166,694,599**	**161,620,682**
Accumulated amortization:		
At the beginning of the period/year	31,926,407	77,631,404
Amortization provided during the period/year (Note 24)	40,605,946	45,263,188
Disposals	(8,759,822)	(90,968,185)
At the end of the period/year	**63,772,531**	**31,926,407**
Net book value:		
At the end of the period/year	**102,922,068**	**129,694,275**

22. RECONCILIATIONS TO CALCULATE THE EFFECTIVE INCOME TAX RATE

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Net accounting profit before tax	2,069,295,426	2,849,055,093
Less: Return on treasury bills (Note 28)	(410,899,821)	(341,383,735)
Net accounting profit before tax and return of treasury bills	**1,658,395,605**	**2,507,671,358**
Reconciliation		
Takaful contribution	-	18,380,077
Amortization of right of use	40,605,946	32,519,031
Interest of ROU liability	22,414,918	7,530,919
Provisions	44,755,397	65,934,304
Reversal of ECL	79,094,863	28,174,109
Difference of taxable and accounting depreciation	(16,354,976)	(1,738,929)
Board of Directors allowances	3,010,000	2,475,000
Used of infrastructure completion liabilities	(410,910,576)	(270,747,846)
Lease Liability payment (Note 32)	(60,726,993)	(63,535,878)
Investment income exempted	(355,556)	(1,069,920)
Used provisions	(70,384,156)	(46,367,413)
Exemptions of return of cash fund investment	(742,571)	(412,233)
Non-deductible expenditures	45,654,908	28,739,624
Taxable profit	**1,334,456,809**	**2,307,552,203**
Tax rate	22.50%	22.50%
Calculated income tax	**300,252,782**	**519,199,246**
Return on treasury bills	410,899,821	341,383,735
Tax on treasury bills	82,179,964	68,276,747
Tax on dividends	35,556	-
Income tax	**382,468,302**	**587,475,993**
Actual tax rate	18.48%	20.62%

23. REVENUES AND COST OF REVENUES

23-a Net revenues

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Revenue		
Taj City	1,231,092,712	2,467,956,845
Sarai	4,348,928,350	3,895,420,523
El Waha, Nasr City, Nasr Gardens and others	849,657,920	249,963,394
Net sales	**6,429,678,982**	**6,613,340,762**
Add:		
Financial component from contracts	314,891,808	99,672,918
Return on investment properties	27,293,938	24,182,938
Net sales revenue	**6,771,864,728**	**6,737,196,618**

23-b Cost of revenues

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Cost of revenue		
Taj City	992,214,959	1,564,747,988
Sarai	1,482,008,666	402,215,294
El Waha, Nasr City, Nasr Gardens and others	266,575,103	5,742,710
Net cost of revenue	**2,740,798,728**	**1,972,705,992**

24. SELLING AND MARKETING EXPENSES

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Salaries and wages	32,725,858	24,978,027
Selling and marketing commissions	373,802,390	517,971,809
Advertising expenses (including stamp tax)	856,326,312	844,489,550
Professional fees	1,557,976	6,467,245
Depreciation of fixed assets (Note 4)	7,891,216	3,120,704
Transportation, sundry expenses	6,534,697	5,211,285
Maintenance and renewal licenses	81,727,127	69,813,414
Rent	1,732,351	1,495,838
Materials, fuels, and spare parts	2,006,790	831,450
security and training	862,104	3,518,436
Other service expenses	1,602,006	1,260,391
Lease Amortization (Note 21)	40,605,946	32,519,031
	1,407,374,773	**1,511,677,180**

25. GENERAL AND ADMINISTRATIVE EXPENSES

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Salaries, wages and equivalent	144,945,883	130,779,629
Board of Directors remuneration	15,160,000	14,665,500
Expense of reward and incentive share option plan for employees	44,558,736	22,932,945
Advertisement expenses	9,565,825	880,126
Transportation and communications expenses	13,635,229	6,758,990
Consulting fees, training and conferences	112,938,944	18,141,829
Depreciation (Note 4)	14,794,108	8,775,746
Maintenance expenses, and software licenses	84,806,372	37,799,965
Rent	958,532	1,698,502
Raw materials, fuel and spare parts	2,558,052	1,985,117
Property tax and stamp tax	173,223	111,029
International deposit certificates at London Stock Exchange expenses	3,892,097	2,721,976
Security, cleaning and training expenses	11,212,390	4,951,452
Bank charges	14,072,219	13,396,031
Other service expenses	10,362,151	11,669,915
	483,633,761	**277,268,752**

26. RESIDENTIAL COMMUNITY MANAGEMENT & OTHER OPERATING COST

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Salaries and wages	11,507	16,180,986
Residential compound operating expenses	10,482,319	6,083,855
Transportation and communications expenses	14,460	583,634
Depreciation of fixed assets (Note 4)	287,356	264,533
Maintenance of buildings, furniture and computer expense Materials, fuels, and spare parts	55,955,505	45,233,687
Rental Expenses	186,895	697,463
Security and training	2,492,399	7,155,396
Other expenses	900	118,208
	69,431,341	**76,317,762**

27. FINANCE COST

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Loans, facilities and Securitization interest	554,726,634	496,367,370
Lease contract interest	22,414,918	7,530,919
	577,141,552	**503,898,289**

28. FINANCE INCOME

	30/9/2026 *L.E.*	*30/9/2025* *L.E.*
Income from Financial Assets at fair value through profit or loss	581,088	412,233
Credit interest	129,248,520	141,113,176
Return on treasury bills	410,899,821	341,383,735
	540,729,429	**482,909,144**

29. INCOME RELEVANT TO ACTIVITY

	30/9/2026 L.E.	*30/9/2025 L.E.*
Administrative fees from customers (for redemption assignment etc.)	96,667,928	61,837,126
Delay fines on customers	45,375,167	69,018,568
Gain on foreign exchange	31,096,857	-
	173,139,952	**130,855,694**

30. OTHER EXPENSES

	30/9/2026 L.E.	*30/9/2025 L.E.*
Compensations and fines	47,774,750	19,127,465
Donations	18,136,015	10,267,170
Takaful contribution of Comprehensive medical care	18,890,414	18,380,077
Foreign exchange losses	-	19,225,183
	84,801,179	**66,999,895**

31. EARNINGS PER SHARE

	30/9/2026 L.E.	*30/9/2025 L.E.*
Net profit for the period after tax	1,603,238,369	2,206,064,760
Less: Estimated employees and Board of Directors share in profit	(224,453,372)	(309,000,000)
Shareholders share in net profit	1,378,784,997	1,897,064,760
Weighted average numbers of shares outstanding	**2,103,264,605**	**2,076,790,167**
Earnings per share	0.656	0.913

32. LEASE LIABILITIES

	30/9/2026 L.E.	*31/12/2025 L.E.*
Balance at the beginning of the period	129,838,768	45,168,116
Add:		
Lease liabilities during the period	13,833,739	130,461,351
Finance interest during the period	22,414,918	14,484,181
Less:		
Lease Interest Payments Made During the Period	(22,414,918)	(14,484,181)
Installments paid during the period	(38,312,076)	(45,790,699)
Balance at the end of the period	**105,360,431**	**129,838,768**
Short-term lease liabilities	**34,598,169**	**31,642,159**
Long-term lease liabilities (1 - 5 periods)	**70,762,262**	**98,196,609**

33. CONTINGENT LIABILITIES

The value of letters of guarantee amounted to L.E. 210,925,963 as at 30 September 2026 (31 December 2025: L.E. 230,925,963). These guarantees are covered by cash collateral amounted to L.E. 1,039,443 (31 December 2025: L.E. 1,039,443) (Note 10), treasury bills collateral amounted to L.E. 16,116,600 (Note 6/6), in addition to investment fund certificates (Rakha Money Market Fund) held at The United Bank amounted to L.E. 487,000 (31 December 2025: L.E. 487,000) (Note 6/5), and time deposits amounted to L.E. 10,000,000 held at Abu Dhabi Commercial Bank (31 December 2025: L.E. 12,476,880) (Note 11).

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:

	Type of Relationship	*Nature of* Transaction	*30/9/2026 L.E.*	*30/9/2025 L.E.*
Al Nasr Company for Civil Works S.A.E.	Subsidiary	Civil works	16,793,607	23,355,334
DOORS Company form managing real estate	Subsidiary	Real estate	2,645,345,272	1,638,450,381
Madinet Masr for Projects	Subsidiary	Administrative headquarters services	154,223,995	-
Minka Co. for Real Estate Investment	Subsidiary	Purchase of real estate shares	5,400,000	-

Balances of related parties are as follows:

Amounts due from related parties (current):

	Nature of relationship	*Nature of Transactions*	*30/9/2026 L.E.*	*31/12/2025 L.E.*
El Nasr for Civil Works	Subsidiary	Finance	106,506,695	106,506,695
		Supplier (Debit)	29,293,660	27,832,131
		Advance Payments	46,097,636	28,886,809
			181,897,991	163,225,635
Less: Expected Credit Loss (Al Nasr for Civil Works)			(1,558,145)	(1,288,836)
			180,339,846	**161,936,799**

34. TRANSACTIONS WITH RELATED PARTIES – *Continued*

Amounts due from related parties - Current:

	Nature of relationship	*Nature of Transactions*	*30/9/2026 L.E.*	*31/12/2025 L.E.*
Minka Co. (Notes Receivable)	Subsidiary	Client (Debit)	182,070,000	229,000,000
EgyCan	Subsidiary	Current Account (Debit) Finance	310,905,284 1,210,171,924	218,781,122 712,552,246
Madinet Misr for Finishing Works	Subsidiary	Current account (debit)	103,481,466	7,001
			1,806,628,674	1,160,340,369
(Less):				
Present value			(9,626,129)	(10,512,082)
Expected credit loss			(15,507,202)	(10,330,890)
			1,781,495,343	1,139,497,397
			1,961,835,189	**1,301,434,196**

Amounts due from related parties – Non-current:

	Nature of relationship	*Nature of Transactions*	*30/9/2026 L.E.*	*31/12/2025 L.E.*
Minka Co. for Real Estate Investment	Subsidiary	Client (Debit)	-	182,070,000
Less: Present value			-	(18,743,320)
Expected credit loss			-	(1,558,141)
			-	161,768,539

Movement for expected credit losses for the related parties' balances during the year as follows:

	30/9/2026 L.E.	*31/12/2025 L.E.*
Balance at the beginning of the period/year	13,177,867	2,818,322
Provided during the period/year	5,445,621	11,160,504
Provisions no longer provided	(1,558,141)	(800,959)
Balance at the end of the period/year	**17,065,347**	**13,177,867**

	Nature of relationship	*Nature of Transactions*	*30/9/2026 L.E.*	*31/12/2025 L.E.*
Amounts due to related parties:				
Al Nasr Co. for Civil Works S.A.E.	Subsidiary	Supplier (Credit)	5,931,636	10,696,892
		Retentions	351,827	158,400
Doors Real Estate Asset Management Company	Subsidiary	Supplier (Credit)	100,000,000	50,000,000
Madinet Misr for Projects	Subsidiary	Supplier (Credit)	24,239,075	69,144,075
	Subsidiary	Supplier (Credit)	-	490,000
			130,522,538	**130,489,367**

35. JOINT ARRANGEMENTS

	Nature of relationship	*Nature of Transactions*	*30/9/2026 L.E.*	*31/12/2025 L.E.*
Joint operations				
Capital Gardens	Joint operations	Long term notes Receivables	802,026,477	851,479,375
		Present value discount	(417,172,489)	(531,307,204)
		Net	384,853,988	320,172,171
		Short term notes Receivables	106,979,305	124,789,877
			491,833,293	**444,962,048**

36. TAX POSITION

- **Corporate Tax**

The company has submitted its tax returns and amended tax returns, where applicable, within the legal deadlines. The taxes due based on these returns have been paid after review and approval by the company's tax advisor, up to the year 2025.

Years From the start of activity until 2017

The tax inspection for these years has been finalized and the company's tax position has been settled with the Egyptian Tax Authority. All assessed taxes have been fully paid in accordance with the decisions of the Internal Committees, Tax Appeal Committees, and Dispute Resolution Committees.

Years from 2018 to 2019

The tax inspection for these years has been completed, and the company is currently settling the outstanding tax liabilities arising from the inspection results.

Year 2020

The company has appealed the tax inspection assessment, and the matter is currently under review by the Internal Committee. The company is awaiting the committee's final decision.

Years from 2021 to 2022

The tax inspection for these years has been finalized, and the company's tax position has been settled with the Egyptian Tax Authority. Any additional tax liabilities arising from the inspection have been fully paid.

- ***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.

Tax Year 2023

The Company has been notified of a tax examination for the year 2023 and is currently preparing the necessary documentation and supporting records required for the examination.

36. TAX POSITION - *Continued*

Tax Years 2024 to 2025

The tax examination for the years 2024 to 2025 has not yet been conducted, and the Company has not received any tax assessment notices up to the date of these financial statements. Based on the prevailing practices of the Egyptian Tax Authority in conducting tax examinations, management has recognized a provision for the estimated tax exposures relating to potential disputed matters.

- ***Stamp tax***

Years From the start of activity until 2020

The tax dispute between the company and the Egyptian Tax Authority has been fully resolved, and all assessed stamp tax liabilities have been settled and paid in full.

Years from 2021 to 2023

The company has been notified of a tax assessment form covering the years 2021 through 2023, and is currently preparing the documentation and supporting records required for the tax inspection.

Years from 2024 to 2025

No tax inspection has been conducted for this period, and the company has not received any tax assessment notices up to the date of this report. Based on the results and approach of previous tax inspections, a provision has been recognized for the estimated exposures arising from potential 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.

37. FINANCIAL INSTRUMENTS AND RELATED RISKS – *Continued*

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.

  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:

	Less than one year L.E.	*1 – 2 years* L.E.	*More than 2 years* L.E.	*Book value* L.E.
30/9/2026				
Term loans	245,144,351	98,853,872	3,909,786,333	4,253,784,556
Creditors and other credit balances	1,822,295,822	-	-	1,822,295,822
Short term loans	3,160,379,827	-	-	3,160,379,827
Land development liability by face value	372,255,951	-	-	372,255,951
Suppliers, taxes and related parties	1,888,535,720	-	-	1,888,535,720
	7,459,917,671	98,853,872	3,909,786,333	11,468,557,876
31/12/2025				
Term loans	269,366,750	253,749,957	2,770,000,103	3,293,116,810
Creditors and other credit balances	1,870,285,502	-	-	1,870,285,502
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
	5,905,081,928	253,749,957	2,770,000,103	8,928,831,988

- ***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).

37. FINANCIAL INSTRUMENTS AND RELATED RISKS – *Continued*

- ***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:

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Financial assets instruments with fixed interest rate		
Financial assets – trade and notes receivable	8,865,549,717	7,334,806,423
Financial liabilities instruments with variable interest rate		
Financial liabilities- short term loans and credit banks	7,762,828,264	5,949,734,766

- ***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. 29.21 billion, the executed works till 30/9/2026 amounted to L.E. 14.93 billion. Contractors' dues have been paid in accordance with the contracts and the remaining amounts of contractual commitments at 30 September 2026 as follows:

Project	*Value of current works contracted with contractors to execute residential units* *L.E.*	*Value of executed works till 30/9/2026* *L.E.*	*Value of remaining contractual commitment at 30/9/2026* *L.E.*
Taj Sultan	1.95 billion	1.91 billion	41 million
Park Residence	1.77 billion	1.69 billion	79 million
Shalya & Lake Park	2.85 billion	2.65 billion	215 million
Elect – Taj City	856 million	440 million	416 million
Club Side – Taj City	3.24 billion	384 million	2.85 billion
Origami – Taj City	1.38 billion	-	1.38 billion
Taj Ville – Joint venture	719 million	716 million	3 million
Zahw Assiut	510 million	58 million	452 million
Tavai	1.04 billion	1.04 billion	-
Croons	4.61 billion	3.82 billion	790 million
Cavana	1.14 billion	775 million	366 million
Sarai – Rai	1.65 billion	105 million	1.54 billion
Sarai – Rai Views	1.25 billion	121 million	1.13 billion
Sarai – Rai Valleys	538 million	36 million	502 million
Sarai – Elan	4.44 billion	246 million	4.19 billion
Strip Mall – Sarai	194 million	156 million	38 million
Show room (Tajed)	973 million	686 million	287 million
Victoria Gardens – 6th October	135 million	128 million	7 million
Total	**29.25 billion**	**14.96 billion**	**14.29 billion**

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:

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Contractual commitment of developing land – short term	372,255,951	372,255,951

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:

	First level *L.E.*	*Second level* *L.E.*	*Third Level* *L.E.*	*Total* *L.E.*
Measuring the recurring fair value as at 30 September 2026				
Financial assets in fair value through the other comprehensive income (equity instruments) (6/3)	-	13,681,317	-	13,681,317
Total financial assets	-	13,681,317	-	13,681,317
Measuring the recurring fair value as at 31 December 2025				
Financial assets in fair value through the other comprehensive income (equity instruments) (6/3)	-	8,681,317	-	8,681,317
Total financial assets	-	8,681,317	-	8,681,317

41. SUPPLIERS

a- Suppliers – Debit Balances

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Advances to suppliers	3,996,938,410	3,150,249,425
Materials on site	601,894,636	482,872,018
Contractors' receivables and advances	3,348,296,428	2,240,598,810
	7,947,129,474	**5,873,720,253**

b- Suppliers – Credit Balances

	30/9/2026 *L.E.*	*31/12/2025* *L.E.*
Suppliers (Trade payables)	850,400,255	293,986,509
Performance guarantees	374,174,202	308,476,389
Additional works (Cost variations / extras)	383,802,690	154,116,960
Final retention	149,636,035	109,521,344
	1,758,013,182	**866,101,202**

42. CURRENT EVENTS

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

The current geopolitical developments in the region and the associated instability may lead to global inflationary pressures. The Company's management continues to monitor these developments and assess their potential impact on the Company's operations. As of the date of issuance of these financial statements, no direct material impact on the Company's financial position or results of operations has been identified. However, due to the uncertainty surrounding these events, it is currently not possible to accurately determine any potential future effects that may arise in subsequent periods.