



**SIXTH OF OCTOBER FOR DEVELOPMENT  
AND INVESTMENT SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)**

**AUDITOR'S REPORT  
AND THE CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2024**



SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)

**Consolidated financial statements - For the financial year ended 31 December 2024**

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**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY - SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)**

**Statement of consolidated financial position – As of 31 December 2024**

(All amounts are shown in Egyptian Pounds)	Note	2024	2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property plant and equipment	(29)	648,473,192	680,881,965
Property, plant and equipment under construction	(30)	497,749,583	171,350,925
Investment properties	(33)	1,527,933,294	387,485,576
Investment properties under development	(31)	78,574,672	875,213,535
Investment in associates and joint ventures	(32)	-	-
Right of use assets		38,447,925	63,327,176
Trade and notes receivable	(23-2)	5,261,736,875	3,960,337,054
Deferred tax assets	(18-2)	514,078,016	497,722,579
<b>Total non-current assets</b>		<b>8,566,993,557</b>	<b>6,636,318,810</b>
<b>Current assets</b>			
Inventory	(20)	26,581,742	29,484,710
Completed real estate properties	(21)	2,816,790,168	1,090,386,404
Works in process	(22)	25,209,597,778	17,571,221,017
Trade and notes receivable	(23-1)	3,327,957,157	2,754,416,839
Debtors and other debit balances	(24)	11,011,344,244	7,973,372,209
Loans to joint ventures	(25)	-	-
Financial investments at amortized cost	(26)	55,546,905	784,485,236
Cash and cash equivalents	(27)	3,348,973,933	1,875,574,106
Current assets excluding assets classified as held for sale		45,796,791,927	32,078,940,521
Assets classified as held for sale	(28-1)	8,370,419	-
<b>Total current assets</b>		<b>45,805,162,346</b>	<b>32,078,940,521</b>
<b>Total assets</b>		<b>54,372,155,903</b>	<b>38,715,259,331</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued & paid in capital	(34-1)	1,424,789,472	1,424,789,472
Legal reserve	(34-2)	247,658,774	224,840,771
Special reserve - share premium	(34-3)	1,690,069,708	1,483,154,057
Retained earnings		7,992,415,961	5,488,021,516
Profit from sale of treasury shares		1,725,456	1,725,456
<b>Equity attributable to equity holders of the Parent Company</b>		<b>11,356,659,371</b>	<b>8,622,531,272</b>
Non-controlling interests	(35)	62,846,377	61,168,199
<b>Total equity</b>		<b>11,419,505,748</b>	<b>8,683,699,471</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans	(36-1)	2,430,045,490	2,052,606,780
Land liabilities	(37)	6,447,002,121	6,555,945,549
Lease contracts liabilities		26,843,770	42,981,970
<b>Total non-current liabilities</b>		<b>8,903,891,381</b>	<b>8,651,534,299</b>
<b>Current liabilities</b>			
Bank facilities	(36-2)	898,011,273	693,677,735
Loans	(36-1)	461,152,897	478,270,271
Advances - from customers	(38)	21,679,299,472	12,428,609,713
Contractors, suppliers and notes payable	(39)	679,125,219	448,989,648
Income tax liabilities		855,444,749	548,830,336
Land liabilities	(37)	881,096,901	548,640,457
Creditors and other credit balances	(40)	5,951,771,765	4,287,595,852
Lease contracts liabilities		28,413,847	24,718,517
Provisions	(41)	2,613,659,406	1,920,693,032
Current liabilities excluding liabilities classified as held for sale		34,047,975,529	21,380,025,561
Liabilities classified as held for sale	(28-2)	783,245	-
<b>Total current liabilities</b>		<b>34,048,758,774</b>	<b>21,380,025,561</b>
<b>Total liabilities</b>		<b>42,952,650,155</b>	<b>30,031,559,860</b>
<b>Total equity and liabilities</b>		<b>54,372,155,903</b>	<b>38,715,259,331</b>

- The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and to be read therewith.
- Auditors' report attached.

**Mohamed Samir**  
Financial Director

**Ahmed Hegazi**  
Group Financial Controller

**Ashraf Hamdy**  
Chief Financial Officer

**Ayman Amer**  
General Manager



## *Auditor's report*

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*To the shareholders of Sixth of October for Development and Investment Company SODIC "S.A.E."*

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### *Report on the consolidated financial statements*

We have audited the accompanying consolidated financial statements of Sixth of October for Development and Investment Company SODIC "S.A.E." (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as of 31 December 2024 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

### *Management's responsibility for the consolidated financial statements*

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

### *Auditor's responsibility*

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

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

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



## Auditor's report (continued)

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#### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sixth of October for Development and Investment Company SODIC "S.A.E." and its subsidiaries as of 31 December 2024, and their financial performance and their cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.



9 February 2025  
Cairo




**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY - SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)**


**Statement of consolidated financial position – As of 31 December 2024**

(All amounts are shown in Egyptian Pounds)	Note	2024	2023
<b>Assets</b>			
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<b>Equity</b>			
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Retained earnings		7,992,415,961	5,488,021,516
Profit from sale of treasury shares		1,725,456	1,725,456
<b>Equity attributable to equity holders of the Parent Company</b>		<b>11,356,659,371</b>	<b>8,622,531,272</b>
Non-controlling interests	(35)	62,846,377	61,168,199
<b>Total equity</b>		<b>11,419,505,748</b>	<b>8,683,699,471</b>
<b>Liabilities</b>			
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Loans	(36-1)	2,430,045,490	2,052,606,780
Land liabilities	(37)	6,447,002,121	6,555,945,549
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<b>Current liabilities</b>			
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Current liabilities excluding liabilities classified as held for sale		34,047,975,529	21,380,025,561
Liabilities classified as held for sale	(28-2)	783,245	-
<b>Total current liabilities</b>		<b>34,048,758,774</b>	<b>21,380,025,561</b>
<b>Total liabilities</b>		<b>42,952,650,155</b>	<b>30,031,559,860</b>
<b>Total equity and liabilities</b>		<b>54,372,155,903</b>	<b>38,715,259,331</b>

- The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and to be read therewith.

Auditors' report attached.

  
Mohamed Samir  
Financial Director

  
Ahmed Hegazi  
Group Financial Controller

  
Ashraf Hamdy  
Chief Financial Officer

  
Ayman Amer  
General Manager



**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY - SODIC**  
**(AN EGYPTIAN JOINT STOCK COMPANY)**

**Statement of consolidated profit or loss - For the financial year ended 31 December 2024**

(All amounts are shown in Egyptian Pounds)	Note	2024	2023
<b>Operation Revenues</b>			
Real estate sales	(9)	7,526,628,223	9,101,277,901
Interest income from installments	(9)	1,192,374,174	549,033,135
<b>Total revenues related to real estate</b>	(9)	<b>8,719,002,397</b>	<b>9,650,311,036</b>
Revenues of services of managing cities and resorts		675,795,947	489,920,463
Rental income		125,249,880	63,771,266
Revenues from clubs and golf course		233,987,418	125,988,457
<b>Total operation revenues</b>		<b>9,754,035,642</b>	<b>10,329,991,222</b>
<b>Operation Cost of sales</b>			
Cost of real estate sold	(10)	(3,181,824,618)	(6,135,556,244)
Costs of services of managing cities and resorts		(605,955,501)	(408,676,573)
Rental cost		(73,902,012)	(36,605,382)
Cost of clubs and golf course		(481,249,965)	(181,394,072)
<b>Total operation cost of sales</b>		<b>(4,342,932,096)</b>	<b>(6,762,232,271)</b>
<b>Gross profit</b>		<b>5,411,103,546</b>	<b>3,567,758,951</b>
Other operating income	(11)	146,616,934	158,185,156
Selling and marketing expenses	(12)	(851,565,444)	(750,662,189)
General and administrative expenses	(13)	(1,023,370,371)	(919,632,487)
Other operating expenses	(14)	(288,792,639)	(102,946,973)
Expected credit losses	(15)	(84,483,339)	(89,475,789)
<b>Operating profit</b>		<b>3,309,508,687</b>	<b>1,863,226,669</b>
Finance income	(16)	663,653,944	406,521,319
Finance cost	(17)	(612,982,636)	(452,929,389)
<b>Net finance income/(cost)</b>		<b>50,671,308</b>	<b>(46,408,070)</b>
<b>Profit before tax</b>		<b>3,360,179,995</b>	<b>1,816,818,599</b>
Income tax	(18-2)	(826,502,910)	(439,752,414)
<b>Profit from continuing operations</b>		<b>2,533,677,085</b>	<b>1,377,066,185</b>
Profit from discontinued operations		2,178,470	1,751,119
<b>Profit for the Year</b>		<b>2,535,855,555</b>	<b>1,378,817,304</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		2,527,212,448	1,373,013,190
Non-controlling interests		8,643,107	5,804,114
<b>Profit for the Year</b>		<b>2,535,855,555</b>	<b>1,378,817,304</b>
<b>Earnings per share</b>	(19-1)	<b>7.09</b>	<b>3.85</b>

- The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and to be read therewith



**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY - SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)**

**Statement of consolidated comprehensive income - For the financial year ended 31 December  
2024**

(All amounts are shown in Egyptian Pounds)	<b>2024</b>	<b>2023</b>
<b>Profit for the year</b>	<b>2,535,855,555</b>	<b>1,378,817,304</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,535,855,555</b>	<b>1,378,817,304</b>
<b>Total comprehensive income is attributable to:</b>		
Equity holders of the Parent company	2,527,212,448	1,373,013,190
Non-controlling interests	8,643,107	5,804,114
<b>Total comprehensive income for the year</b>	<b>2,535,855,555</b>	<b>1,378,817,304</b>

- The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and to be read therewith





**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY - SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)**

**Statement of consolidated changes in equity - For the financial year ended December 2024**

(All amounts are shown in Egyptian Pounds)

	Issued & paid in capital	Legal reserve	Special reserve- share premium	Retained earnings	Profit from selling of treasury shares	Total Equity attributable to the Parent Company	Non- Controlling interests	Total equity
<b>Balance at 1 January 2023</b>	1,424,789,472	224,840,771	1,483,154,057	4,115,008,326	1,725,456	7,249,518,082	61,608,729	7,311,126,811
Profit for the year	-	-	-	1,373,013,190	-	1,373,013,190	5,804,114	1,378,817,304
Other comprehensive income items	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	1,373,013,190	-	1,373,013,190	5,804,114	1,378,817,304
<b>Transactions with owners of the Company</b>								
Dividends to non-controlling interest in subsidiaries	-	-	-	-	-	-	(6,244,644)	(6,244,644)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	-	(6,244,644)	(6,244,644)
<b>Balance at 31 December 2023</b>	1,424,789,472	224,840,771	1,483,154,057	5,488,021,516	1,725,456	8,622,531,272	61,168,199	8,683,699,471
<b>Balance at 1 January 2024</b>	1,424,789,472	224,840,771	1,483,154,057	5,488,021,516	1,725,456	8,622,531,272	61,168,199	8,683,699,471
Profit for the year	-	-	-	2,527,212,448	-	2,527,212,448	8,643,107	2,535,855,555
Other comprehensive income items	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	2,527,212,448	-	2,527,212,448	8,643,107	2,535,855,555
<b>Transactions with owners of the Company</b>								
Transfer to legal reserve	-	22,818,003	-	(22,818,003)	-	-	-	-
Selling /Acquisition of shares in subsidiaries without change in control	-	-	-	-	-	-	29,817	29,817
Selling ESOP shares at a premium	-	-	206,915,651	-	-	206,915,651	-	206,915,651
Dividends to NCI	-	-	-	-	-	-	(6,994,746)	(6,994,746)
<b>Total transactions with owners of the Company</b>	-	22,818,003	206,915,651	(22,818,003)	-	206,915,651	(6,964,929)	199,950,722
<b>Balance at 31 December 2024</b>	1,424,789,472	247,658,774	1,690,069,708	7,992,415,961	1,725,456	11,356,659,371	62,846,377	11,419,505,748

- The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and to be read therewith.



**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY - SODIC  
(AN EGYPTIAN JOINT STOCK COMPANY)**

**Statement of consolidated cash flows - For the financial year ended December 2024**

(All amounts are shown in Egyptian Pounds)	Note	2024	2023
<b>Cash flows from operating activities</b>			
Profit for the year before tax		3,360,179,995	1,816,818,599
<b>Adjustments for:</b>			
Depreciation of fixed assets, investment properties and right of use assets		175,888,452	139,715,359
Gain/(loss) on sale of property, plant and equipment		(101,104)	391,163
Interest on lease contract liabilities		9,025,714	7,784,947
Net return on investments at amortized cost		(57,754,142)	(187,557,337)
ECL on investments at amortized cost		1,567,579	(3,130,930)
ECL on Trade and notes receivables	(15)	11,994,037	35,052,993
Reversal of impairment of property, plant and equipment	(29)	(1,822,572)	(1,822,590)
Provisions formed	(41)	1,502,460,571	1,570,481,784
Provisions no longer required	(41)	-	(100,991,234)
Write down to NRV to DWIP		(340,586,194)	-
Interest income	(16)	(334,065,698)	(108,404,965)
Interest expense	(17)	603,956,922	445,144,442
Gain of Selling /Acquisition of shares in subsidiaries without change in control		(6,853)	-
Gain on disposal of right of use		(3,683)	(924,868)
Profit from discontinued operations Net of tax		2,810,929	2,236,864
<b>Operating profit before changes in working capital</b>		<b>4,933,543,953</b>	<b>3,614,794,227</b>
<b>Change in working capital</b>			
Inventory		2,902,968	(6,214,416)
Completed real estate properties		45,048,324	828,081,922
Works in process		(6,383,901,752)	(2,027,232,246)
Trade and notes receivables		(1,886,934,177)	(2,703,731,074)
Debtors and other debit balances		(3,055,858,815)	(3,479,917,118)
Provisions used	(41)	(809,494,197)	(672,210,036)
Advances - from customers		7,372,962,375	3,209,056,608
Contractors, suppliers and notes payable		230,135,571	(42,676,372)
Land liabilities and creditors and other credit balances		932,334,405	1,535,744,102
Paid income tax		(536,138,118)	(366,204,269)
Restricted cash & Bank time deposits maturity over three months		(6,000,000)	542,831
<b>Net cash flows generated from / (used in) operating activities</b>		<b>838,600,537</b>	<b>(109,965,841)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment and projects under construction		(89,108,687)	(59,320,385)
Payments for investments properties under development		(520,481,855)	(16,356,271)
Payments for investments at amortized cost		(822,935,252)	(4,624,620,560)
Proceeds from investments at amortized cost		1,620,085,725	5,311,609,486
Proceeds from sale of property, plant and equipment		617,537	201,164
<b>Net cash flows generated from investing activities</b>		<b>188,177,468</b>	<b>611,513,434</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank loans and facilities		1,310,274,657	1,028,589,846
Payment to bank loans and facilities		(757,804,538)	(976,162,611)
Finance cost paid		(633,754,700)	(445,144,442)
Proceeds from credit interests		351,883,328	108,404,965
Payment for operating lease contracts liabilities		(21,527,412)	(24,847,398)
Selling ESOP shares at a premium		206,915,652	-
Dividends to non-controlling interests in subsidiaries		(6,994,746)	(6,244,644)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>448,992,241</b>	<b>(315,404,284)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,475,770,246</b>	<b>186,143,309</b>
Cash and cash equivalents at the beginning of the year		1,868,167,259	1,675,508,145
Effect of movement in expected credit loss on cash and cash equivalents	(15)	11,386,237	6,515,805
<b>Cash and cash equivalents at the end of the year</b>		<b>3,355,323,742</b>	<b>1,868,167,259</b>

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**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY SODIC  
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**Notes to the consolidated financial statements for the financial year ended 31 December 2024**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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**1. Corporate information**

Sixth of October for Development and Investment Company SODIC– An Egyptian Joint Stock Company – was incorporated in accordance with the provisions of Law No. 159 of 1981 and its Executive Regulations and considering the provisions of Law No. 95 of 1992 and its Executive Regulations and by virtue of the decree of the Minister of Economy and International Cooperation No. 322 of 1996 issued on May 12, 1996. The Company was registered in Giza Governorate Commercial Registry under No. 625 on May 25, 1996.

The registered office of the Parent Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City, Egypt.

The parent company is Aldar Ventures International holding RSC Limited , and the ultimate parent company is Aldar Properties PJSC which is listed in the Abu Dhabi Securities Exchange, and not closely held.

Mr. Talal Al Dhiyebi is the Chairman of the Parent Company and Mr. Ayman Amer, is the General Manager of the Group.

Since inception in 1996, SODIC has operated with a deep-rooted belief that there is infinite untapped potential in the outskirts, away from ever-congested Cairo. There lies the opportunity for us to provide the residents with a radically improved quality of life and deliver to the investors all at once. The group is well-diversified landbank, prime assets portfolio and its strong financial position provides the group solid footings to deliver to all the stakeholders.

The Company and its subsidiaries (together referred to as the “Group”) have various businesses primarily the development, investment, construction, sales and leasing–residential/commercial, management and associated services of real estate. In addition, the Group is also engaged in development, construction, management and operation of cities, hotels, educational buildings, restaurants, clubs and golf courses.

The Company's duration is 50 years starting from the date of registration in the Commercial Registry.

The consolidated financial statements have been approved for issuance by the Board of Directors on 6 February 2025 taking into consideration that the General Assembly of Shareholders for each entity has the authority to amend the financial statements after being issued.

The Company is listed on the Egyptian Stock Exchange.

The consolidated financial statements of Sixth of October for Development & Investment Company “SODIC” (the Parent Company) for the financial year ended December 31, 2024, comprise the financial information of the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in the profit or loss of associates and joint ventures.

The Group’s financial year starts on 1 January and ends on 31 December each year.



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**2. Operating Environment of the Group**

The Monetary Policy Committee of the Central Bank of Egypt decided to raise the deposit and lending interest rates by 200 basis points on 1 February 2024, then by 600 basis points on 6 March 2024. The credit and discount rates were also raised by 600 basis points on 6 March 2024.

Note No. 8 on financial risks shows the sensitivity of profits or losses and other components of equity to changes in interest rates and foreign currencies in light of the instruments held by the Group at the end of the financial period. The foreign exchange rate of USD against EGP has changed from EGP 30.75 as at 1 January 2024 to EGP 50.79 as at 31 December 2024.

**3. Group information**

**Information about subsidiaries**

The consolidated financial statements of the Group include the following entities which are all considered subsidiaries to the parent company:

Company	Principal activities	Country of Incorporation	% Equity interest		Non-Controlling interest	
			2024	2023	2024	2023
Sixth of October for Development and Real Estate Projects Company "SOREAL" - S.A.E.	Real estate developer (Project East town)	Egypt	100%	99.99%	-	0.01%
Beverly Hills for Management of Cities and Resorts Co. - S.A.E Note (6.1)	Facility Management	Egypt	44.46%	44.46%	55.54%	55.54%
SODIC Garden City for Development and Investment Co. S.A.E. Note (6.1)	Investment properties (Strip I)	Egypt	50%	50%	50.0%	50.0%
Al Yosr for Projects and Real Estate Development Co. - S.A.E.	Real estate developer (project Estates)	Egypt	100%	99.99%	-	0.01%
SODIC for Development and Real Estate Investment Co. - S.A.E.	Real estate developer	Egypt	100%	99.99%	-	0.01%
SODIC Polygon for Real Estate Investment Co. - S.A.E.	Real estate developer (Project Polygon)	Egypt	100%	100%	-	-
Fourteen for Real Estate Investment Co. - S.A.E.	Real estate developer	Egypt	100%	99.99%	-	0.01%
La Maison for Real Estate Investment Co. - S.A.E.	Investment properties	Egypt	100%	99.99%	-	0.01%
Tegara for Trading Centers Co. S.A.E.	Dormant - under liquidation	Egypt	99.99%	99.99%	0.01%	0.01%
Edara for Services of Cities and Resorts Co. -S.A.E.	Facility Management	Egypt	100%	99.97%	-	0.03%
Soreal for Real Estate Investment	Real estate developer (Project Velett)	Egypt	100%	99.99%	-	0.01%
SODIC for Securitization	Securitization	Egypt	100%	99.99%	-	0.01%
SODIC Syria L.L.C.	Real estate developer	Syria	100%	100%	-	-
Tabrouk Development Company	Real estate developer (Projects June and Ceaser)	Egypt	100%	100%	-	-
SODIC for Clubs Company	Clubs Management	Egypt	100%	100%	-	-

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**3. Group information (continued)**

**Non-Controlling interest**

Non-Controlling Interest is measured at the proportionate share basis. The share of the parent entity in the total assets and liabilities in the statement of consolidated financial position and the statement of consolidated profit or losses is more than 99% of the group.

**4. Basis of preparation**

**4.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.

**4.2 Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis.

**4.3 New standards and interpretations adopted**

The Group has assessed the following amendments for the first time for their annual reporting period commencing 1 January 2024:

Standard- change	Impact
EAS 13 – Lack of exchangeability of foreign exchange currencies	No material impact on the group
EAS 17 – Measurement model for of investments in associates and joint controlled entities in the separate financial statements	No material impact on the group
EAS 34 – Introduction of Investment properties using the fair value model through the profit or losses	As this is not a mandatory change, The group decided not to apply the fair value model and continued to apply the cost model for the year ended 31 December 2024.

**4.4 New standards and interpretations to be adopted by the group**

EAS 50 – Insurance contracts is effective for annual financial periods starting on or after July 1, 2024, the group didn't early adopt the standard as of 31 December 2024. The group initial assessment is that no impact is expected on the consolidated financial position of the group as they don't have insurance contracts that fall into the scope of the standard.

EAS 51– "Financial Statements under Hyperinflationary Economies". The date of application of the standard will be determined later in accordance with the requirements of the standard. There is no impact on the group for this standard during the year ended 31 December 2024.

No new other standards and interpretations are to be adopted by the group not yet adopted.



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**4. Basis of preparation (continued)**

**4.5 Going concern**

These consolidated financial statements have been prepared on the going concern basis.

**4.6 Current versus non-current classification for assets and liabilities**

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**4.7 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 December 2024. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.





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**4. Basis of preparation (continued)**

**4.7 Basis of consolidation (continued)**

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are ceasing the consolidation of a subsidiary from the date of losing the control.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss, comprehensive income, changes in equity and financial position respectively.

**b) Changes in ownership interests**

The group accounts for transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the group.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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**4. Basis of consolidation (continued)**

**4.7 Basis of consolidation (continued)**

**C) Joint operations**

The Group assess the nature of its contractual arrangements with the other parties to conclude whether it is a joint operation or an asset acquisition, the assessment is based on multiple criteria's, including but not limited to, the power over the relevant activities, approving budgets, appointment of key management personal, pricing of the units and the rights and obligations arising from those arrangements. If the group assessment concluded it's a joint operation, the group shall recognize in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly.
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the EASs applicable to the particular assets, liabilities, revenues and expenses.

**d) Investment in associates**

Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates.

Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows:

- (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates,
- (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately,
- (iii) all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.





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**5. Significant accounting policies**

The accounting policies set out below have been consistently applied to all the years presented in these consolidated financial statements unless otherwise stated.

**5.1 Fair value measurement**

The Group measures financial instruments such as non-derivative financial instruments and contingent consideration assumed in a business combination at fair value at each financial position date.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The fair value less any estimated credit adjustments for financial assets and liabilities with maturity dates less than one year is assumed to approximate their carrying value.

**5.2 Revenue recognition:**

The group has multiple revenue streams

The Group recognises revenue from contracts with customers based on a five-step model as set out in EAS 48:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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**5. Significant accounting policies (continued)**

**5.2 Revenue recognition: (continued)**

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. For performance obligations where any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

**i) Real estate sales**

The Group enters contracts with customers to sell real estate properties.

- Revenue from sale of real estate properties, offices, commercial shops, service, and villas and for which contracts were concluded is recorded when upon transferring control to customers whether the said units have been completed or semi – completed (finished or semi-finished) at a value that reflects the expected value of the group in exchange for those units. To reflect those real estate properties / lands at a certain point of time.
- Revenues from sale of real estate properties /lands is recognized net after deducting the value of sales returns and deducting discounts granted to customers for early payment of future installments of the real estate properties over which control has transferred to customers.
- Revenues from sale of real estate properties /lands also includes the value of interest on installments collected during the financial year / period from previous years' sales.

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(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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5. Significant accounting policies (continued)

5.2 Revenue recognition: (continued)

i) Real estate sales (continued)

**The significant financing component**

- The Group collects advance payments and installments from customers, before the transfer of control over contracted real estate properties to customers as agreed in the contract, accordingly there is a significant financing component in these contracts, taking into account the length of time between the customer's payments and the transfer of control to him, and the interest rate prevailing in the market.
- The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing in the state at the time of the contract.

The Group uses the exception of the practical application for short-term payments received from customers. This means the amounts collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service or payment is a year or less.

**Commissions**

The Group pays sales commission to its employees or external brokers for contracts that they obtain to sell certain real estate properties and capitalizes the incremental costs of obtaining a contract that meet the criteria in EAS 48. These costs are recognized in the consolidated statements of profit or loss as the same time that the units are delivered and cost of real estate properties recognized (At point in time). Capitalized costs to obtain such contracts are presented separately as a current asset in debtors and other debit balances in the statement of financial position and expensed selling and marketing in the consolidated statement of profit or loss.

ii) Revenue from services

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.



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**5. Significant accounting policies (continued)**

**5.2 Revenue recognition: (continued)**

**iii) Rental income**

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

**iv) Contracting revenue**

Contract revenue includes the initial amount agreed in the contract plus any variations orders in contract work, claims and incentive payments to the extent that is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized according to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. For construction contracts under process a provision for expected losses, if any, is immediately formed whenever such losses are determined. The revenue is recognised over time.

Construction contract costs include all direct costs such as material cost, supplies, equipment depreciation and labor cost also include indirect costs incurred by Group such as indirect labor and maintenance. Also, the cost includes general and administrative expense directly attributable to such work.

The difference between the estimated revenue calculated based on the percentage of completion and the amount collected from the actual billing to the customer is recognized as "due from customers" within the current assets caption. In case that the actual collection from customers is exceeding the estimated revenues calculated based on percentage of completion the difference is recognized as a due to customers within the current liabilities.



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**5. Significant accounting policies (continued)**

**5.2 Revenue recognition: (continued)**

**iv) Contracting revenue (continued)**

**Contract assets and contract liabilities**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of EAS 47.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the Group performs its obligation under the contract (i.e. transfers control of the related goods or services to the customer).

Unlike the method used to recognize contract revenue related to sale of completed property, the amounts billed to the customer for the contracting services are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to and certified by the customer.

In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed to and certified by the customer, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to and certified by the customer (i.e., when a payment is due or a payment is received before the Group transfers the remaining goods or services), the difference is recognized (as a contract liability) and presented in the statement of financial position under "Contract liabilities".



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**5. Significant accounting policies (continued)**

**5.3 Income Taxes**

Current tax and deferred tax are recognized as income or expense in the profit or loss for the year, except in cases in which the tax results from a process or an event that is recognized - at the same time or in a different year - outside the profit or loss, whether in other comprehensive income or in equity directly or business combination.

**i. Current income tax**

The current tax for the current year and prior years and that have not been paid are recognized as a liability, but if the taxes that have already been paid in the current year or prior years are excess of the value payable for these years, this increase is recognized as an asset. The taxable current liabilities (assets) for the current year and prior years are measured at expected value paid to (recovered from) the tax authority, using the current tax rates (and tax laws) or in the process to be issued by the end of the financial year. Dividends are subject to tax as part of the current tax. Tax assets and liabilities are set-off only when certain conditions are met.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- The initial recognition of goodwill.
- The initial recognition of assets or liabilities in a transaction that:
  - a. Is not a business combination.
  - b. Does not affect neither accounting nor taxable profit (or loss).
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the company's future business plans. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilised.



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**5. Significant accounting policies (continued)**

**5.3 Income Taxes (continued)**

**ii) Deferred tax (continued)**

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are set-off only if certain conditions are met.

**5.4 Foreign currency translation**

**5.4.1 i) Functional and presentation currency**

Each of the Group's entities is using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Egyptian Pounds, being the reporting currency of all subsidiaries within the Group and the primary economic environment in which the Group entities operate.

**5.4.2 ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of profit or loss, within finance income/cost.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.



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**5. Significant accounting policies (continued)**

**5.5 Property, plant and equipment**

All property and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation expense is calculated using the straight-line method to allocate the cost or to their residual value over their estimated useful lives, Land is not depreciated, as follows:

<b><u>Asset</u></b>	<b><u>Years</u></b>
Buildings and construction work	5-20
Caravans	5-10
Vehicles and transportation	5
Furniture and fixtures	4-10
Beach Furniture and fixtures	3-5
Office and communications equipment	5
Computer software	3
Solar power stations	25
Generators, machinery and equipment	2-5
Kitchen utensils	10
Wells, pumps and networks	4
Leasehold improvements	5 years or lease term whichever is lower
Solar stations	25
<b><u>Golf course assets</u></b>	
Constructions	20
Irrigation networks	15
Equipment and tools	15

The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other operating income/expenses in the consolidated statement of profit or loss.



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**5. Significant accounting policies (continued)**

**5.6 Completed real estate properties**

Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Cost incurred includes all costs related have been transferred from work in process and the provision for cost to complete (if any).

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When a real estate property is delivered, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised.

**5.7 Work in process**

All costs relating to uncompleted works are recorded in work in process account until the completion of the works, then transferred to completed real estate properties. Cost incurred includes (The cost of the units includes land, utilities, construction, construction related professional fees, labor cost , other direct and indirect expenses and borrowing cost) and determined with reference to the directly attributable costs incurred on the real estate property and an allocation of any common costs based on the relative sales value of the property.

Work in process is stated in the consolidated financial position at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status.

**5.8 Accounting for land variable or contingent acquisition consideration**

Land is initially recognized, at the date of acquisition, at the amount of consideration paid, plus agreed additional payments contingent on future events, outcomes or the ultimate sale of the acquired asset at a threshold price. The Group will usually be contractually or statutorily obligated to make the additional payment if the future event or condition occurs. This is often described as variable or contingent consideration for asset properties, Variable payments contingent on future events are not included in the carrying amount of the asset at acquisition date, and no liability is recognized for these payments, Judgement is therefore required to ensure that the most appropriate accounting policy is selected.

The management has selected cost accumulation model as an accounting policy for land variable or contingent acquisition consideration.



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**5. Significant accounting policies (continued)**

**5.9 Investment properties**

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in administrative functions.

Investment property is measured initially at cost, including transaction costs. Transaction costs include professional fees for legal services.

Subsequently investment property is stated at cost less accumulated depreciation and provision for impairment.

Investment properties carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated statement of profit or loss.

Depreciation is charged to statement of profit or loss on a straight-line basis over the estimated useful lives of each component of the investment properties. The estimated useful lives are as follows:

<b>Assets</b>	<b>Years</b>
Building	10-20
Roads	20
Elevators	10
Agriculture and landscape	10
Air-conditions	5
Sound systems and cameras	2
Fit out improvements	Lease contract term

The investment properties useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the consolidated statement of profit or loss.



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**5. Significant accounting policies (continued)**

**5.10 Investments properties under development**

Investments properties under development are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Investments properties under development are transferred to Investments properties caption when they are completed and ready for their intended use.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the Investments properties under development item will flow to the Group, and the cost can be measured reliably.

**5.11 Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a) Financial assets**

**i) Recognition and initial measurement**

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

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

**ii) 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.

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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**a) Financial assets (continued)**

**ii) Classification and subsequent measurement (continued)**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Notes receivables is initially measured at the present value of the future installments checks at the delivery date of the units delivered, discounted using the interest rate implicit in the contract. Generally, the Group use its estimated yield rate as the discount rate for the receivables after the delivery of the contracted units.

The financing component of uncollected receivables of delivered units is presented separately in the consolidated statement of profit or loss under "interest income from installments".



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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**a) Financial assets (continued)**

**ii) Classification and subsequent measurement (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.

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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**a) Financial assets (continued)**

**ii) Classification and subsequent measurement (continued)**

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

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

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

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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**a) Financial assets (continued)**

**ii) Classification and subsequent measurement (continued)**

**Financial assets – Subsequent measurement and gains and losses**

<b>Financial assets classified at FVTPL</b>	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	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.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
<b>Debt investments at FVOCI</b>	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.

**Impairment**

**Financial instruments and contract assets**

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Group applied the Prime Minister's Decree No. (4575) of 2023 that was issued amending some provisions of the Egyptian Accounting standards, by exempting debt instruments issued by the Egyptian government in local currency at banks operating in Egypt with a maturity of one month or less from recognizing and measuring the expected credit loss starting from the date of the financial position.





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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**a) Financial assets (continued)**

**ii) Classification and subsequent measurement (continued)**

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).



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5. Significant accounting policies (continued)

5.11 Financial instruments – initial recognition and subsequent measurement (continued)

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Evidence that a financial asset is credit-impaired includes the following observable data:**

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**a) Financial assets (continued)**

**ii) Classification and subsequent measurement (continued)**

**Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expenses are recognised in profit or loss.

At the reporting period there are no financial liabilities measured at FVTPL.

All of the Group's financial liabilities are classified as financial liabilities carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Group does not use derivative financial instruments or hedge account for any transactions. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.



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**5. Significant accounting policies (continued)**

**5.11 Financial instruments – initial recognition and subsequent measurement (continued)**

**b) Financial liabilities**

The Group's financial liabilities include Land liabilities and notes payable, Creditors and other payables and borrowings.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**5.12 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**5.13 Impairment of non-financial assets**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for use of judgement and estimates
- Investment properties /under development
- Property, plant and equipment

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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**5. Significant accounting policies (continued)**

**5.13 Impairment of non-financial assets (continued)**

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and indefinite lived intangible assets (if any), an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

**5.14 Cash and cash equivalent**

Cash and cash equivalent in the statement of financial position comprise cash at banks and on hand, checks under collection and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalent and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management



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**5. Significant accounting policies (continued)**

**5.15 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**5.16 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**i) Provision for completion of work**

A provision for completion of work is formed at the estimated value of the completion of the projects' utility works (relating to the real estate property delivered to customers and the completed real estate property according to the contractual terms and conditions and the completed units for which contracts were not concluded) in their final form as determined by the Group's technical department. The necessary provision is reviewed at the end of each reporting year until finalization of all the project works.



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**5. Significant accounting policies (continued)**

**5.16 Provisions (continued)**

**ii) Onerous contracts provision**

If the Group has a contract that is onerous, the present obligations under onerous contracts are recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

**5.17 Interest income**

Interest income is recognized using the accrual basis, considering the period of time and effective interest rate.

**5.18 Dividends**

Dividends income is recognized in the consolidated statement of profit or loss on the date the Group's right to receive payments is established.

**5.19 Share capital**

Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS No. (24) "Income Tax".

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

**5.20 Share premium**

Any excess of the fair value of consideration received over the par value of shares issued is recorded and presented as share premium in equity.





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### 5. Significant accounting policies (continued)

#### 5.21 Earnings per share

Earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

#### 5.22 Segmentation

Currently the Group's main business segment is developing projects and selling the developed units. Revenues, profits and investments in other business segments are currently immaterial. Accordingly rental, service & managing cities and clubs business segments do not meet the criteria of reportable segments under EAS (41), and as such, are not separately disclosed in the consolidated financial statements. All revenues of the Company in the Year ended 31 December 2024 were reported under one segment in the consolidated financial statements. The financial information about the projects are aggregated and disclosed based on its geographical locations in the related notes of revenues, cost of sales , investment properties under development , completed units, work in progress, advances from customers and the land liabilities notes.

### 6. Use of judgment and estimates

In preparing the consolidated financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.

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



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**6. Use of judgment and estimates**

**6.1 Judgments**

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

**a) De facto control**

Under EAS 42 an entity (the parent) is required to consolidate its subsidiaries when it has control over those entities. Control is defined as the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Control can exist through ownership of voting rights, power over the board of directors, or through contractual arrangements.

SODIC group controls 50% or less of the voting rights of some subsidiaries, however the control is achieved because of the following reasons:

- The non-controlling interest of the subsidiary is widely spread. With SODIC's share, it is more likely it will have the rights needed to direct the investee's relevant activities.
- Because of the nature of the other investors, it is unlikely that the other investors will act together to outvote SODIC.
- There is no historical precedent that the other shareholders' participation in the assembly meetings of the subsidiary is more than SODIC's participation.
- There are no contractual arrangements between the other shareholders that may impact the voting process.
- Since the formation of the entity, SODIC has the ability to take the decisions, the board member formation and appointment, appointing the key management personnel, and forming the major contracts.

**b) Review of contractual agreements**

The Group defines control and determine whether all the parties, or a group of the parties, are exposed, or have rights, to variable returns from their involvement with the arrangement and have the ability to affect those returns through their power over the arrangement.

Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control



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**6. Use of judgment and estimates (continued)**

**6.1 Judgments (continued)**

**b) Review of contractual agreements (continued)**

**Examples of relevant activities include, but are not limited to, the following:**

- Establishing budgets, Selling and purchasing goods and services, managing financial assets during their life (including on default), Selecting, acquiring or disposing of assets, Researching and developing products or processes.
- Determining or managing capital and obtaining funding.
- Appointing/terminating and remunerating key management personnel.
- Sharing rights to assets and obligations for liabilities, Sharing revenues, expenses, profit or loss.

The Group reviews its judgmental assumptions and estimates, including what used in determining the extent to which the Group enjoys absolute or joint control or influential influence over the projects whenever a material event or an effective amendment occurs to the terms contained in its contractual agreements as it establishes a decision-making process over relevant activities.

**c) Property lease classification – the Group as lessor**

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases

**d) Measurement of work in process/ completed real estate properties**

Inventories include properties intended for sale in the ordinary course of business (i.e., real estate properties ready for sale), properties in the process of construction or development for such a sale (i.e., work-in-process) and land to be consumed in the construction or development process of the real estate properties intended for sale (i.e., materials). In accordance with the Group's accounting policy, inventories in the course of their development are measured at cost. At the end of each reporting period, inventories are stated at the lower of cost or net realizable value. In accumulating costs over the real estate properties during their development and in applying the lower of cost or net realizable value as a basis for measuring inventories at the end of each reporting period, management uses the following critical judgments:



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### 6. Use of judgment and estimates (continued)

#### 6.1 Judgments (continued)

(i) *Allocation of common costs and other development costs with similar nature to inventories*

Costs, including direct development costs and an appropriate portion of common and other similar costs incurred in bringing the inventories to their present location and condition, are assigned to the real-estate properties on the basis of their relative sales values (depending on factual selling prices for sold real estate properties and expected selling prices for unsold real estate properties). Assigning development and other construction costs to real estate properties of inventories using the relative sales value method is believed to reflect more faithfully the pattern in which the real estate properties being developed for sale are expected to benefit from the entity's economic resources/or expenditures and to more align the allocation of costs with the Group's business model.

Developer-entities in the Group often launch projects with multiple phases each of which may be accounted for separately. The costs of these phases are usually allocated to determine how much profit (or loss) will be made in each phase. This lets developers decide which phases should be completed first and what incentives may be offered to convince buyers to purchase real estate properties from those phases in light of the change in market circumstances. Historically, management had used the square footage method, as a surrogate for the relative sales value method, to allocate costs to real estate properties under development due to its simplicity and because the cost of each unit resulting from its application was not materially different from that had the relative sales value been the applicable method. However, the group reassessed the methodology during the year ended 31 December 2024 and decided to apply the model aligning with the business model of the projects.

#### 6.2 Assumptions and estimation

a) **Discount rate applied in present value of notes receivables calculation**

As majority of the revenues is done on installments, the determination of whether a financing component is significant is made on the contract level.

Before delivery of the real estate properties

The advances collected from customers before delivery are subject to the significant financing component using the interest rate implicit in the contract or, if that rate cannot be readily determined, the Group uses its estimated incremental borrowing rate at contract inception.



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**6. Use of judgment and estimates (continued)**

**6.2 Assumptions and estimation**

**a) Discount rate applied in present value of notes receivables calculation (continued)**

After delivery of the real estate properties

The notes receivables are initially measured at the present value of the future installments checks at the delivery date of the real estate properties delivered, discounted using the interest rate implicit in the contract. Generally, the Group use its estimated yield rate at contract inception as discount rate for receivables of delivered real estate properties, the yield rate represents the credit risk of the counterparty considering the number of years of collecting the installments.

**b) Classification of properties**

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Group develops criteria in order to exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of assets as set out in EAS 2, EAS 49, and EAS 10, and in particular, the intended usage of property as determined by the management.

**c) Provisions for cost to complete related to real estate projects**

The Group assess events and circumstances that might led to a commitment on the Group's side from performing its normal economic activities, The Group uses in this primary estimates and assumptions to judge the extend on which the provision's recognition conditions have been met at the financial statement date, and analyze information to assume whether past events lead to current liability against the Group and estimate the future cash outflows and timing to settle this obligation, in addition, selecting the method which enable the Group to measure the value of the commitment reliably.



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**6. Use of judgment and estimates (continued)**

**6.2 Assumptions and estimation**

**d) Provision for expected credit losses of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, property type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in a customer segment, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**e) Recognition of current and deferred tax assets and liabilities and their measurement**

Income taxes, whether current or deferred, are determined by each subsidiary of the Group in accordance with the tax law requirements of each country in which the subsidiary of the Group operates.

The Group's profit is subject to income tax, which requires using of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the year, the Group record current tax liability according to its' best estimate about the taxable treatment of that transactions and the possibility of incurring of additional tax charges that may result from the tax inspection. And when a difference arising between the final tax liability and what is being recorded, such difference is recorded as income tax expense and current tax liability in the current year and to be considered as change in accounting estimates.

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**6. Use of judgment and estimates (continued)**

**6.2 Assumptions and estimation**

**e) Recognition of current and deferred tax assets and liabilities and their measurement (continued)**

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

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

**f) Estimation of net realizable value for completed real estate properties, and work in progress**

Completed real estate properties, and work in process are stated at the lower of cost or net realizable value ("NRV"). NRV is assessed with reference to sales prices, costs of completion and advances received, development plans and market conditions existing at the end of the reporting year. For certain properties, NRV is determined by the Group having taken suitable external advice and in the light of recent market transactions, where available.

NRV for completed real estate properties is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same geographical market serving the same real estate category.

NRV in respect of work in process is assessed with reference to market prices at the reporting date for similar completed real estate properties, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

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**6. Use of judgment and estimates (continued)**

**6.2 Assumptions and estimation**

**g) Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of sales and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are generating separately cash inflows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period by the Group. Impairment losses recognized in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Reversal of loss of impairment should not exceed the carrying amount that would have been determined (net of depreciation). Such reversal is recognized in the statement of profit or loss.

**h) Useful lives of property, plant and equipment/Investment properties**

Management reviews the residual values and estimates useful lives of property, plant and equipment and investment properties at the end of each annual reporting year. Management determined that the current year's expectations do not differ from previous estimates based on its review.

**i) Change in estimate of the cost allocation method**

During the year ended 31 December 2024, the group decided to change methodology of the common costs from the footage (square meter) methodology to the relative sales value methodology (RSV), the common costs are allocated over the real estate properties based on their sales prices, The group believes that the new methodology is presenting a better representation in comparison to the old methodology for the following reasons:

- i. The launch of each project is done in phases or sub-phases, the increased costs related to the construction of each phase are reflected in the prices of the real estate properties being sold.
- ii. The management assesses the business model and the performance of each project/phase in comparison to the actual sales value of the real estate properties,
- iii. The marketing model associated with the projects tends to start with lower prices at the early stages of the projects, and it increases towards the end of the project. As a result, the allocation of these costs to the relative sales values is a better representation for the sold real estate properties.





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**6. Use of judgment and estimates (continued)**

**6.2 Assumptions and estimation**

**i) Change in estimate of the cost allocation method (continued)**

The management new costing allocation methodology is based on the following:

- i. The management reviewed the costs being incurred and identified the project common costs or the costs incurred to a group of real estate properties within the project/phase.
- ii. The management excluded from the assessment the costs for the delivered real estate properties which impacted the profit or losses statements of the group in the prior years, the management assessment was extended to the non-delivered real estate properties at the time of the assessment.
- iii. The expected unit prices/contractual dates for the uncontracted real estate properties in the coming years were based on the approved business plan for the projects

That change in the management technique is considered as a change in the accounting estimate and is treated prospectively.

The impact of the change in estimate to the new methodology on the statement of profit or losses during the year end 31 December 2024 is positively EGP 1.127 billion.

**j) Determining the unit of account**

In applying the lower of cost or net realizable value for measurement of real-estate inventory at the reporting date, management uses the measurement exception in paragraph 29 of EAS 2 which allows an entity to group related or similar items and run that test on a group-level. In the real-estate development industry, determining the appropriate unit of account to run the NRV test and reassessing its continued relevance is inevitable for the proper measurement of all types of inventories at the reporting date. Management believes that it is more appropriate to apply the NRV test to a group of real estate properties which share similar characteristics such as type, delivery year and geographical location of each unit because this provides more meaningful information about performance of the real estate projects carried out by the Group entities.



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**6. Use of judgment and estimates (continued)**

**6.2 Assumptions and estimation**

**j) Determining the unit of account (continued)**

In management view, a group of real estate properties within, for example, a specific launch can be defined as a contractually or physically distinguishable portion of a real estate project. That portion is distinguishable from other portions based on shared characteristics as indicated above. Thus, each group of real estate properties can be viewed as related to a separate product line. Real estate properties within each group have similar end-uses or purposes to the entity as all such real estate properties have been already or will be sold to individual or corporate customers for residential or non-residential use. Additionally, real estate properties within each group for which sales contracts are or are not readily available, are constructed, developed, and marketed in the same geographical area on which the whole project is being developed.

**6.3 Measurement of fair values**

**Assets and liabilities carried at fair value**

To provide an indication of the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities measured at fair value into the three levels prescribed under EAS 45 "Fair value measurement". The following is an explanation of each level.

1. Level 1 is measurements at quoted (unadjusted) prices in active markets for identical assets or liabilities.
2. level 2 is measurements of evaluation techniques with all observable material inputs to the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices);
3. Level 3 measurements are evaluations that are not based on observable market data (i.e. unobservable inputs).

The Group assesses the need for transfers between levels in the hierarchy, given the changes in economic conditions and considering whether a lack of observable information existed for factors relevant to the value of certain instruments. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

The Group does not have any financial assets or liabilities measured at fair value as of 31 December 2024 and 31 December 2023.



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**7. Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may propose the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board of Directors of the Parent Company monitors the return on capital, which the Company defines as net profit for the year divided by total equity. The Board of Directors of the Parent Company also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year. In addition, The Company is not subject to externally imposed capital requirements.

The Group monitors capital on the basis of the leverage ratio. This ratio is calculated as interest bearing external borrowings debt divided by total equity. The ratio reached 33% as at December 31, 2024 (37% as at December 31, 2023), refer to borrowing note for loan covenant details.

For further details refer to the consolidated statement of cash flows for the changes in liabilities arising from the financing activities.

**8. Financial risk management**

The Group's principal financial liabilities are Land liabilities and notes payable, loans borrowings and other financial liabilities. The Group's principal financial assets include trade and notes receivables, financial assets at amortised cost and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.



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**8. Financial risk management (continued)**

- **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and deposits.

The sensitivity of the relevant consolidated statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2024 and 31 December 2023.

- **Interest rate risk**

The Group is trying to minimize its interest rate exposure as the market has seen several interest rate spikes over the last two years. Minimising interest rate exposure has been achieved partially by utilising different sources of financing for its projects.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the group is as follow:

	<b>2024</b>	<b>2023</b>
<b>Financial instruments with a fixed rate</b>		
Financial assets	10,677,775,075	8,429,687,604
Financial liabilities	(7,502,836,534)	(7,171,993,094)
	<b>3,174,938,541</b>	<b>1,257,694,510</b>
<b>Financial instruments with variable rate</b>		
Financial liabilities	(3,789,209,660)	(3,224,554,786)
	<b>(3,789,209,660)</b>	<b>(3,224,554,786)</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonable possible change of 200 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP 76 million (2023: EGP 64 million). This analysis assumes that all other variables, remain constant.



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**8. Financial risk management (continued)**

- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group has a limited exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euros, and British Pounds. Foreign exchange risk is limited as majority of the Group's operating activities are in Egypt, the management aims to minimize open positions in foreign currencies to the extent that is necessary to conduct its activities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The devaluation of the Egyptian pound in 2024 and 2023 resulted in an increase in income denominated in foreign currencies. The total amount of these gains in 2024 amounted to 271M EGP (in 2023: amounted to 94 M EGP)

At year end, major financial assets denominated in foreign currencies were as below, there are no liabilities dominated in foreign currencies.

	31 December 2024			31 December 2023		
	Cash & cash equivalents	Other assets	Total exposure	Cash & cash equivalents	Other assets	Total exposure
US	20,218,683	-	20,218,683	13,383,499	-	13,383,499
Euros	22,739	-	22,739	27,583	-	27,583
GBP	36,899	-	36,899	36,917	-	36,917

The following is the exchange rates applied:

	Average exchange rate during the year		Spot rate at the financial statements date	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
US Dollars	48.37	29.23	50.79	30.75
Euros	51.58	31.83	52.87	33.93
GBP	62.12	36.27	63.80	39.05

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**8. Financial risk management (continued)**

- Foreign currency risk (continued)

At 31 December 2024, if the Egyptian Pound had weakened/strengthened by 10% against the other currencies with all other variables held constant, total equity for the year would have increased/decreased by EGP (103 M) (2023: EGP (21 M)), mainly as a result of foreign exchange gains/losses in the statement of consolidated profits or losses.

- Price risk

The group has no exposure to equity securities price risk as they are classified as financial assets at amortised cost in the financial position.

- Credit risk

Credit risk is the risk a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and it arises principally from under the Groups receivables. The Group is exposed to credit risk from its operating activities (primarily trade and notes receivables) and financial assets at amortised cost, such as bank balances, term deposits and treasury bills.

The Group maintains their bank balances with highly rated financial institutions governed by the CBE.

The ECL in respect of bank balances is immaterial. For the other financial assets held by the group, an assessment has been done and the ECL associated with these balances is immaterial.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. The Group obtains advance payments and cheques that cover the full sales value in advance and before the delivery of real estate properties to customers. No previous losses were observed from transactions with customers. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The financial assets are subject to credit risk are disclosed in Trade and notes receivables, Debtors and other debit balances and Cash and cash equivalent notes and the maximum exposure to credit risk is the carrying value of each class of financial assets.

Notes and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the demographics of the Group's customer base, which includes the default risk of the industry which has less influence on credit risk.

All of the Group's revenues is attributable to sales transactions with a vast group of customers. Therefore, demographically, there is no concentration of credit risk.



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**8. Financial risk management (continued)**

Notes and other receivables (continued)

Sales of real estate properties are made subject to retention of title clauses and the ownership title is transferred only after the collection of the full sales value. In the event of non-payment, the unit is returned to the Group and the amounts collected from customers are repaid on the date of the default after deducting a 10% to 15% of this value. As for the leased real estate properties, an insurance is obtained for the unit equivalent to the value of three months of the unit rent at the beginning of the contract, and this insurance applies to the terms of termination of the contract mentioned in the contract (the twelfth clause of the contract), where the insurance is refunded to the customer in the event of his commitment to the terms of termination. Also, quarterly checks are obtained from customers at the rental value, including maintenance expenses, according to the financial clause of the contract.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data and expected future credit losses. The Group holds the unit sold as a collateral for its note receivables.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents as of the financial position date.

- Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and loans.

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**8. Financial risk management (continued)**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual discounted cashflows:

	<b>1 year or less</b>	<b>1 to 5 years</b>	<b>more than 5 years</b>	<b>Total</b>
<b>31 December 2024</b>				
Land liabilities and notes payables	1,282,872,291	1,970,296,558	4,476,705,563	<b>7,729,874,412</b>
Borrowings	1,359,164,170	260,967,445	2,169,078,045	<b>3,789,209,660</b>
Lease contract liability	28,413,847	13,415,336	13,428,434	<b>55,257,617</b>
Creditors and other credit balances	7,084,566,346	-	-	<b>7,084,566,346</b>
<b>31 December 2023</b>				
Land liabilities and notes payables	828,968,530	1,389,720,004	5,166,225,545	<b>7,384,914,079</b>
Borrowings	1,171,948,006	520,361,253	1,532,245,527	<b>3,224,554,786</b>
Lease contract liability	24,718,517	20,675,418	22,306,554	<b>67,700,489</b>
Creditors and other credit balances	4,965,885,911	-	-	<b>4,965,885,911</b>

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the group's compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The group's management retain cash balances in order to allow repayment of obligations in due dates, without taking into account any unusual effects which it cannot be predicted such as natural disasters.





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**9. Real estate sales**

	<b>2024</b>	<b>2023</b>
Revenues from real estate sale of Sodic projects in West Cairo	3,695,977,273	4,314,224,051
Revenues from real estate sale of Sodic projects in East Cairo	4,116,329,188	5,405,907,761
Revenues from real estate sale of Sodic projects in North Coast	-	91,885,009
	<b>7,812,306,461</b>	<b>9,812,016,821</b>
Sales return	-	(14,066,143)
Discounts	(285,678,238)	(696,672,777)
	<b>7,526,628,223</b>	<b>9,101,277,901</b>
Interest Income for the year*	1,192,374,174	549,033,135
	<b>8,719,002,397</b>	<b>9,650,311,036</b>

- i. Includes an amount of EGP 538,754,415 representing the financing component on installments collected from customers of delivered real estate properties prior to delivery in compliance with the Egyptian accounting standard No. 48.
- ii. All the real estate sales are recorded at a point in time.
  - \* This amount of EGP 1,192,374,174 represents the financing component on notes receivables due from customers of delivered real estate properties in compliance with the Egyptian accounting standard No. 48.

**10. Cost of real estate sales**

	<b>2024</b>	<b>2023</b>
Cost of real estate sales of Sodic projects in West Cairo	1,609,960,523	2,550,951,078
Cost of real estate sales of Sodic projects in East Cairo	2,092,905,107	3,591,411,269
Cost of real estate sales of Sodic projects in North Coast	-	20,943,327
	<b>3,702,865,630</b>	<b>6,163,305,674</b>
Cost of sales returns	-	(6,402,547)
	<b>3,702,865,630</b>	<b>6,156,903,127</b>
Reversal of onerous contract provision (Reversal) / write down to NRV*	-	(97,491,234)
	(521,041,012)	76,144,351
	<b>3,181,824,618</b>	<b>6,135,556,244</b>



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**10. Cost of real estate sales (continued)**

Includes an amount of EGP 538,754,415 interest capitalized on installments received on advance from customers on delivered real estate properties. in compliance with the Egyptian accounting standard No. 48.

\*The write down of the work in process has been reversed by EGP 521,041,012, mainly due to the management re assessment of the NRV provision.

**11. Other operating income**

	<b>2024</b>	<b>2023</b>
Cancellations and delay penalties	86,431,300	105,488,779
Gain on sale of Property, Plant, and Equipment	101,104	-
Subscription fees	14,520,672	7,666,145
Provisions no longer required	-	3,500,000
Income from termination of lease contracts	-	924,868
Investment revenues	29,023	-
Other income	45,534,835	40,605,364
	<b>146,616,934</b>	<b>158,185,156</b>

**12. Selling and marketing expenses**

	<b>2024</b>	<b>2023</b>
Salaries and wages	83,176,628	75,408,604
Sales commissions	333,643,692	365,554,143
Advertising and events	336,193,587	223,560,080
Rent expenses for short term /low value	10,869,645	10,267,340
Maintenance, security, cleaning, and agriculture	8,157,005	6,308,696
Travel, transportation, and cars	3,086,148	3,760,199
Professional and consultants' fees	2,100,737	17,733,105
Programs and computer supplies	-	11,512,464
Tips and gifts	789,192	815,248
Fixed assets depreciation and amortization of right of use assets	18,596,830	18,611,107
Employees vacations	362,248	-
Fees, stamps and licenses	9,544,100	3,807,788
Printing and photocopying	1,469,035	1,244,066
Communication, electricity, telephone, and water	5,057,719	4,993,757
Other	38,518,878	7,085,592
	<b>851,565,444</b>	<b>750,662,189</b>



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**13. General and administrative expenses**

	<b>2024</b>	<b>2023</b>
Salaries, wages, and bonuses	400,647,091	370,948,074
Board of Directors' remunerations and allowances	16,000,000	14,000,000
Medical care, training, meals & uniforms	30,088,148	27,765,884
Specific employee's benefits	470,885	1,451,494
Maintenance, security, cleaning, and agriculture	167,167,445	139,785,303
Professional and consultancy fees	113,922,405	131,482,884
Exhibitions, and conferences	3,694,559	1,082,359
Donations	7,462,000	6,937,600
Gifts and tips	4,760,676	4,205,257
Fixed assets depreciation and amortization of right of use assets	25,915,458	24,240,286
Reception and hospitality	15,061,123	6,842,195
Programs and computer supplies	115,162,307	71,014,135
Stationery and printing supplies	2,049,028	2,129,191
Communication, electricity, telephone, and water	14,330,667	21,486,435
Subscriptions and governmental dues	21,242,223	13,718,526
Rent expenses for short term – low value	6,236,890	5,587,672
Travel and transportation	9,251,584	6,372,311
Bank charges	15,208,795	10,372,970
Employees vacations	6,262,968	5,299,540
Insurance installments	3,795,438	4,744,267
Tafakul contribution	24,720,642	25,953,345
Other	19,920,039	24,212,759
	<b>1,023,370,371</b>	<b>919,632,487</b>

**14. Other operating expenses**

	<b>2024</b>	<b>2023</b>
Provision for claims	130,181,499	101,697,653
Provisions for compensation	150,000,000	-
Discount for early payment - maintenance expenses	-	781,681
Loss on disposal of Property, Plant, and Equipment	-	391,163
Others	8,611,140	76,476
	<b>288,792,639</b>	<b>102,946,973</b>

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**15. Expected credit losses**

	<b>Balance in 1 January 2024</b>	<b>Movement during the year</b>	<b>Balance in 31 December 2024</b>
Loans to joints ventures (Note 25)	210,069,108	1,817,073	211,886,181
Cash at banks (Note 27)	7,959,630	11,386,237	19,345,867
Financial investments at amortized cost (Note26)	-	1,567,579	1,567,579
Trade and notes receivable* (Note 23)	64,353,210	11,994,037	76,347,247
Debtors and other debit balances (Note24)	158,213,553	57,718,413	215,931,966
	<b>440,595,501</b>	<b>84,483,339</b>	<b>525,078,840</b>
	<b>Balance in 1 January 2023</b>	<b>Movement during the year</b>	<b>Balance in 31 December 2023</b>
Loans to joints ventures (Note 25)	208,204,153	1,864,955	210,069,108
Cash at banks (Note 27)	1,443,825	6,515,805	7,959,630
Financial investments at amortized cost (Note 26)	3,130,930	(3,130,930)	-
Trade and notes receivable (Note 23)	29,300,217	35,052,993	64,353,210
Debtors and other debit balances (Note 24)	109,040,587	49,172,966	158,213,553
	<b>351,119,712</b>	<b>89,475,789</b>	<b>440,595,501</b>

The Group applied the Prime Minister's Decree No. (4575) of 2023 that was issued amending some provisions of the Egyptian Accounting standards, by exempting debt instruments issued by the Egyptian government in local currency and balances at banks operating in Egypt in local currency with a maturity of one month or less from recognizing and measuring the expected credit loss starting from the date of the financial position.

\*For the loss rates applied along with the sensitivity analysis, please refer to note 23.



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**16. Finance income**

	<b>2024</b>	<b>2023</b>
Interest income on current accounts and short-term deposits	334,065,698	108,404,965
Return on investment at amortized cost	57,754,142	185,740,044
Foreign exchange gains from balances denominated in foreign currencies (*)	271,834,104	94,030,441
Securitization profits	-	18,345,869
	<b>663,653,944</b>	<b>406,521,319</b>

(\*) As the Group has a surplus of foreign currencies at the date of the financial position, the Group recognized gain from foreign exchange from balances dominated in foreign currencies because of the increase in the exchange rate of the USD against the EGP during the year from EGP 30.75 /USD to EGP 50.79 /USD at the date of the financial position.

**17. Finance cost**

	<b>2024</b>	<b>2023</b>
Interest expense	603,956,922	445,144,442
Interest on lease contracts	9,025,714	7,784,947
	<b>612,982,636</b>	<b>452,929,389</b>

**18. Income tax**

**18.1 Items recognized in the profit or loss**

	<b>2024</b>	<b>2023</b>
Current income tax expense	842,858,347	551,148,378
Deferred income tax expense / (benefit)	(16,355,437)	(111,395,964)
	<b>826,502,910</b>	<b>439,752,414</b>



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**18. Income tax (continued)**

**18.2 Deferred tax assets and liabilities movement**

**December 31, 2024**

	Balance as at 1 January 2024 asset / (liability)	Charged to profit or loss	Deferred tax resulted in asset	Deferred tax resulted in (liability)	Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(1,797,900)	(4,393,397)	-	(6,191,297)	(6,191,297)
Foreign exchange differences	(28,920,967)	(45,302,731)	-	(74,223,698)	(74,223,698)
Provisions	529,383,142	66,376,903	595,760,045	-	595,760,045
EAS application differences	(941,696)	(325,338)	-	(1,267,034)	(1,267,034)
	<b>497,722,579</b>	<b>16,355,437</b>	<b>595,760,045</b>	<b>(81,682,029)</b>	<b>514,078,016</b>

**December 31, 2023**

	Balance as at 1 January 2023 asset / (liability)	Charged to profit or loss	Deferred tax resulted in asset	Deferred tax resulted in (liability)	Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(4,429,907)	2,632,007	-	(1,797,900)	(1,797,900)
Foreign exchange differences	(27,897,382)	(1,023,585)	-	(28,920,967)	(28,920,967)
Provisions	351,136,622	178,246,520	529,383,142	-	529,383,142
EAS application differences	(1,130,444)	188,748	-	(941,696)	(941,696)
Carry forward losses	68,647,725	(68,647,725)	-	-	-
	<b>386,326,614</b>	<b>111,395,965</b>	<b>529,383,142</b>	<b>(31,660,563)</b>	<b>497,722,579</b>



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**18. Income tax (continued)**

**18.2 Deferred tax assets and liabilities movement (continued)**

**Reconciliation of effective income tax rate**

	<b>2024</b>	<b>2023</b>
Profit before income tax	3,360,179,995	1,816,818,599
Tax rate	<b>22.50%</b>	<b>22.5%</b>
Income tax using the domestic corporation tax rate	<b>756,040,499</b>	<b>408,784,185</b>
Special tax pool (financial investment at amortized cost)	10,214,670	22,538,339
Non- deductible expenses	55,854,344	11,360,468
Deductible temporary differences not recognized as deferred tax assets	-	-
Differences in amortization and interest on lease obligations	4,393,397	(2,632,007)
Other tax adjustments	-	(298,571)
Tax as per consolidated statement of profit or loss	<b>826,502,910</b>	<b>439,752,414</b>
Effective tax rate	<b>24.60%</b>	<b>24.20%</b>

**18.3 Unrecognized deferred tax assets**

	<b>2024</b>	<b>2023</b>
Temporary deductible differences - ECL	208,469,259	239,386,762
Carried forward tax losses	-	3,156,000
	<b>208,469,259</b>	<b>242,542,762</b>

Deferred tax assets have not been recognized in respect of the above-mentioned items because of uncertainty associated with the benefit of these tax assets.





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**19. Earnings per share**

**19.1 Consolidated earnings per share**

Earnings per share as of December 31, 2024, is calculated based on the Group's share in earnings for the year using the weighted average number of outstanding shares during the year as follows:

	<b>2024</b>	<b>2023</b>
Net profit for the year (parent company share)	2,527,212,448	1,373,013,190
	<b>2,527,212,448</b>	<b>1,373,013,190</b>
Weighted average number of shares outstanding during the year	356,197,368	356,197,368
<b>Earnings per share (EGP / share)</b>	<b>7.09</b>	<b>3.85</b>

**19.2 Separate earnings (loss) per share**

Earnings per share as at December 31, 2024, is calculated based on the Parent Company's share in earnings for the year according to the separate financial statements using the weighted average number of outstanding shares during the year as follows:

	<b>2024</b>	<b>2023</b>
Net profit / (loss) for the year	87,062,811	456,360,065
	<b>87,062,811</b>	<b>456,360,065</b>
Weighted average number of shares outstanding during the year	356,197,368	356,197,368
<b>Earnings per share (EGP / share)</b>	<b>0.24</b>	<b>1.28</b>

**20. Inventory**

	<b>2024</b>	<b>2023</b>
Maintenance, operation, and communication supplies	26,581,742	29,484,710
	<b>26,581,742</b>	<b>29,484,710</b>



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**21. Completed real estate properties**

Details for the balance of the completed real estate properties during the year are as follows:

	<b>2024</b>	<b>2023</b>
West Cairo projects costs	629,305,675	702,942,647
East Cairo projects costs	2,175,288,209	375,247,473
North Coast projects costs	12,196,284	12,196,284
	<b><u>2,816,790,168</u></b>	<b><u>1,090,386,404</u></b>

**22. Work in process**

	<b>2024</b>	<b>2023</b>
West Cairo projects costs (22-1)	14,771,136,447	10,633,702,544
East Cairo projects costs (22-2)	2,245,118,750	3,316,668,739
North Coast projects costs (22-3)	8,193,342,581	3,620,849,734
	<b><u>25,209,597,778</u></b>	<b><u>17,571,221,017</u></b>

The work in process balance includes the following:

- Land cost amounting 9 billion (2023: 8.4 billion), and amount of EGP 6.1 billion representing the value of total capitalized interest on work in process including 3.2 billion representing the value of capitalized interest installments collected from customers before delivery in accordance with EAS 48 (EGP 3.3 billion including EGP 1.3 billion respectively on 31 December 2023).

The following present the movement of the work in process during the year:

	<b>2024</b>	<b>2023</b>
Beginning balance	17,571,221,017	15,170,646,943
Net Additions	11,923,268,399	7,060,742,592
Transferred to completed real estate properties	(4,447,300,543)	(4,588,823,337)
Transferred to investment properties /IPUD	(178,177,289)	(20,799,641)
Net write down	340,586,194	(50,545,540)
	<b><u>25,209,597,778</u></b>	<b><u>17,571,221,017</u></b>



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**22. Work in process (continued)**

**22.1 West Cairo projects costs**

**A) The Estates project**

The Balance includes the value of two plots of land owned by Al-Yosr Company for Projects and Real Estate Development, one of the subsidiaries, on which the The-Estates and The-Estates residences projects are developed.

The purchase of the Front plot with a total area of 150 acres, according to the agreement was concluded On 11 July 2019 between Al Yosr and the New Urban Communities Authority (NUCA).

The back plot with a total area of 115.34 acres, according to the contract annex signed in May 2022, accordingly the total land area allocated to the Group became 265.34 acres.

**B) VYE and Karmel Projects**

On 21 March 2019 SODIC development agreement was signed between SODIC and the Urban Communities Authority "NUCA" to establish an integrated urban project with an area of 464.81 acres, according to the contract.

**22.2 East Cairo projects costs**

**A) SODIC East Project**

On March 16,2016 SODIC entered into a joint arrangement contract with Heliopolis Housing and Development Company, according to the contract SODIC will act as a real estate developer for the land plot owned by Heliopolis Housing and Development Company with an area of 655 acres in New Heliopolis City. Heliopolis Housing and Development Company will earn a share of the revenue, with minimum guarantee.

On December 21,2020 an appendix to the contract was signed between the two parties where some of the terms and conditions of the co-development contract were amended including increasing the minimum guarantee to be EGP 5.9 billion.

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**22. Work in process (continued)**

**22.2 East Cairo projects costs (continued)**

**A) SODIC East Project (continued)**

The Group considered that the payment of the minimum guarantee is not expected on the basis that the approved budgeted revenue exceeds the revenue share of Heliopolis Housing and Development Company. The Group will only recognize a liability which they expect to pay off expected shortfalls over the life of the contract which is not likely to take place. The two parties have agreed that the Group at its own expense and under its responsibility will implement, finance, market and sell the real estate properties of the project and all its inclusions and components.

The balance in note (24) includes an amount of EGP 47.7 million, represents the company's share of the collected amounts from customers in the joint accounts - escrow bank account held by the banks for SODIC East project. These balances are restricted unless agreed upon by both the developer and the owner in accordance with the contract terms of the joint bank accounts between the company as a developer, the bank, and the owner (70% for the developer and 30% for the owner).

And the amount paid as a down payment to Heliopolis Housing and Development Company, amounting to EGP 261 million note (24), this amount will be settled with Heliopolis Housing and Development Company's revenue share in the co-development contract.

The Group conclusion to a joint arrangement is supported by the following information:

- 1) The purpose, activity and duration of the joint arrangement is set in the contractual arrangement between the parties.
- 2) The agreement establishes a decision-making process over relevant activities, where the key decisions are to be made over all Project plans by the two parties.
- 3) Arbitration procedures are set in the arrangement in case the parties cannot agree on decisions related to relevant activities, for example, amendments to the plans. It is important that neither party has the right to make a decision unilaterally and obtain control over the arrangement as a result of a resolution process, including by means of terminating the participation of the other party in the project. The parties will either have to adhere to the initial plans and agreements or follow the expert opinion of the independent bodies involved in the arbitration process in accordance with the procedures set in the contractual agreement.



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**22. Work in process (continued)**

**22.2 East Cairo projects costs (continued)**

**A) SODIC East Project (continued)**

- 4) The contributions required from the parties, where New Heliopolis contributes land for the project development and SODIC contributes development and other project related costs, appear to reflect the parties share of the revenue from the sale of the joint operation's output.

**B) Villette Project**

On 9 June 2014 a purchase of land agreement was signed between one of the subsidiaries, and the New Urban Communities Authority "NUCA" to establish an integrated urban project with an area of 301.48 acres under deficit or increase, according to the contract.

**22.3 North Cost projects costs**

**A) June Project**

On August 25, 2021, a development contract was concluded between one of the subsidiaries and the Owners Union – Shahin, to include the area of land belonging to Owners Union – Shahin after increasing it to 1 182 004 sqm according to the Master plan for the North Coast and as per the contract signed between the Owners Union – Shahin and the New Urban Communities Authority on September 12, 2021.

Under the development contract, the Group at its expense, is responsible to develop all the components of the project, including the internal infrastructure and facilities, except for the licensing and construction of 200 hotel rooms, including internal facilities and infrastructure, with the commitment of the Group, to deliver the facilities to The boundaries of the hotel plot.

The land cost as per the development contract is as follows:

- a. A fixed payments with a total amount of EGP 2 659 509 000 to be paid over 24 equal semi-annual installments of EGP 110 812 875 each.
- b. A variable cost representing the Owners Union – Shahin's percentage of the project's revenues as per the terms of the contract.



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**22. Work in process (continued)**

**22.3 North Cost projects costs (continued)**

**B) Ceaser Project backplot**

On May 15, 2023, the Group signed the minutes of meeting of negotiation with the New Urban Communities Authority to acquire a plot of land of approximately 180 acres, which is an extension of its "Caesar" project on the north coast. On August 1<sup>st</sup>, 2023 the contract was signed with the New Urban Communities Authority, and the remaining down payment amount was paid, the rest of the price and interests will be paid over 10 consecutive semi-annual installments.

**C) Ogami Project**

On July 11, 2023, a development contract was concluded between SODIC and Al-Safi Real Estate Development Company and one of its related parties to establish and develop a tourist and residential project for two adjacent plots of land with a total area of approximately 440 acres on the North Coast near the Caesar project at kilo 83 Alexandria/Marsa Matrouh road with a façade on the sea of more than 800 meters, on July 18, 2024 a 336 acres of the total plot area was handed over to SODIC.

The land cost as per the co-development contract is variable consideration representing a percentage of the project's revenues as per the terms of the contract

**23. Trade and notes receivable**

**23.1 Trade and notes receivable current**

	<b>2024</b>	<b>2023</b>
Trade receivable	341,846,010	239,586,600
Notes receivable – real estate properties	3,438,936,486	2,711,483,483
Notes receivable – others	13,532,780	22,287,124
	<b>3,794,315,276</b>	<b>2,973,357,207</b>
Unamortized interest – notes receivable	(433,336,011)	(190,893,298)
	<b>3,360,979,265</b>	<b>2,782,463,909</b>
Expected credit losses	(33,022,108)	(28,047,070)
	<b>3,327,957,157</b>	<b>2,754,416,839</b>



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**23. Trade and notes receivable**

**23.2 Trade and notes receivable non-current**

	<b>2024</b>	<b>2023</b>
Trade receivable	16,239,569	9,531,077
Notes receivable – real estate properties’ installments	8,399,415,710	6,271,900,477
	<b>8,415,655,279</b>	<b>6,281,431,554</b>
Unamortized interest	(3,110,593,265)	(2,284,788,360)
	<b>5,305,062,014</b>	<b>3,996,643,194</b>
Expected credit losses	(43,325,139)	(36,306,140)
	<b>5,261,736,875</b>	<b>3,960,337,054</b>

The off-balance sheet notes receivables (Post dated checks) are amounted to EGP 74.5 billion have been disclosed in note No. (46).

Trade and notes receivables are backed by the real estate properties sold as collateral and therefore the Group has applied a loss given default (LGD) of 10% in the calculation of the ECL taking into account this collateral.

The Group’s exposure to credit, and currency risks related to trade and notes receivable is disclosed in note No. (8).

**Sensitivity analysis**

If the loss rates increased by 10%, the total expected credit losses will increase by 7.6 million (31 December 2023: 6.4 million)



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**24. Debtors and other debit balances**

	<b>2024</b>	<b>2023</b>
Contractors and suppliers – advance payments	4,040,468,757	3,081,668,538
Due from related parties – Joint Venture (Note 42)	35,191,620	35,191,620
Accrued Revenues	80,643,605	107,898,888
Due from related parties (Note 42)	1,042,141	323,417
Prepaid sales commissions on undelivered real estate properties	2,220,210,057	1,282,591,337
Deposits with others	28,048,007	23,069,720
Tax Authority other than income tax	206,265,736	157,648,755
Due from the bonus and incentives plan to employees and managers fund	-	6,852,365
Heliopolis Development and Housing Company (22-2A)	260,802,472	260,802,472
Escrow bank accounts – Joint arrangements (24-1)	202,518,192	77,230,494
Bank current accounts & deposits - Maintenance (24-2)	3,666,158,427	2,700,809,225
Maintenance receivables	402,980,099	325,156,820
Other debit balances	82,947,097	72,342,111
	<b>11,227,276,210</b>	<b>8,131,585,762</b>
Expected credit losses*	(215,931,966)	(158,213,553)
	<b>11,011,344,244</b>	<b>7,973,372,209</b>

(24-1) This balance represents the company's share of the collected amounts from customers in the joint escrow bank accounts held by the banks for Group projects. These balances are restricted unless agreed upon by both the developer and the owner in accordance with the contract terms of the joint bank accounts between the company as a developer, the bank, and the owner.

(24-2) The balance represents maintenance deposits collected from customers, which have been invested in time deposits and interest-bearing current accounts for the purpose of financing the regular maintenance expenses related to the delivered real estate properties and cannot be used for any other purpose.



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**25. Loans to joint ventures**

	<b>2024</b>	<b>2023</b>
This item represents the loan granted to the Joint Venture project in the Syrian Arab Republic by the Group on August 16, 2010 for a total amount of USD 19.5 Million. The loan carries an interest rate of 8.5% per annum. The principal together with interest were scheduled for payment before December 31, 2011. The loan was renewed with an interest rate of 12.5% per annum.	135,485,961	135,485,961
This item represents the utilized amount of the bridge loan granted to the Joint Venture project in the Syrian Arab Republic on October 28, 2010 for a total amount of USD 8,445,674. The loan carries an interest rate of 8.5% per annum.	76,400,220	74,583,147
	<b>211,886,181</b>	<b>210,069,108</b>
Expected credit losses	(211,886,181)	(210,069,108)
	<b>-</b>	<b>-</b>

**26. Financial Investments at amortized cost**

	<b>2024</b>	<b>2023</b>
Treasury bills at par value	8,200,000	806,200,000
Bonds at par value	50,000,000	-
Unearned return on treasury bills	(1,085,516)	(21,714,764)
	<b>57,114,484</b>	<b>784,485,236</b>
Expected credit losses	(1,567,579)	-
	<b>55,546,905</b>	<b>784,485,236</b>

The Group's exposure to market & interest risk related to the trading investments is disclosed in note No. (8).



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**27. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
Bank - time deposits *	2,032,534,137	930,448,475
Bank - current accounts	1,301,514,488	796,325,053
Checks under collection	28,667,223	152,385,202
Cash on hand	5,603,952	4,375,006
	<b>3,368,319,800</b>	<b>1,883,533,736</b>
Expected credit losses	(19,345,867)	(7,959,630)
	<b>3,348,973,933</b>	<b>1,875,574,106</b>

For the purpose of preparing the consolidated statement of cash flows, cash and cash equivalents items are represented as follows:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents before ECL	3,368,319,800	1,883,533,736
Cash and cash equivalents classified as held for sale	8,370,419	-
Time deposits Maturing after three months	(7,000,000)	-
Restricted deposits *	(14,366,477)	(15,366,477)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>3,355,323,742</b>	<b>1,868,167,259</b>

\* Deposits include an amount of EGP 14.4 million restricted as a guarantee for the credit facility granted to the Parent Company and one of its subsidiaries from commercial banks.

The average interest rate on EGP time deposits was at commercial rate.

The Group's exposure to interest rate risk and currency risk for cash and cash equivalents, which is disclosed in note No. (8).

**28. Assets classified as held for sale**

On March 7, 2024, The Ordinary general assembly meeting of SODIC approved the sale of the group share in SODIC for Securitization company one of the Group subsidiaries to Belton financial holding company "a related party"

In August 2024, an agreement was signed with Belton determining the acquisition value to be the total equity of SODIC for Securitization at the time of share transfer plus an additional amount of EGP one million

The sale Transaction was not executed as of 31 December 2024, and all necessary legal requirements to complete the sale procedures are expected to be finalized during year 2025.



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**28. Assets classified as held for sale (continued)**

The assets of SODIC for Securitization are presented as assets held for sale as of December 31, 2024.

There are no impairment losses on the re-measurement of the investment to the lower of its carrying amount and its fair value less costs to sell.

**28.1 Assets classified as held for sale**

	<b>EGP</b>
Cash and cash equivalents	8,370,419
	<b>8,370,419</b>

**28.2 Liabilities classified as held for sale**

	<b>EGP</b>
Creditors and other credit balances	(150,786)
Deferred tax liabilities	(632,459)
	<b>(783,245)</b>

The Assets of SODIC for Securitization were not classified as held for sale or a discontinued operation as at December 31, 2023 and the comparative figures of the consolidated profit or loss have been re-presented to show the discontinued operation separately from continuing operations.

Profit from discontinued operation is represented as follows:

	<b>2024</b>	<b>2023</b>
Revenues	3,114,304	2,483,333
Expenses	(303,375)	(246,469)
<b>Profit from operating activities</b>	<b>2,810,929</b>	<b>2,236,864</b>
Income tax expense/(benefit)	(632,459)	(485,745)
<b>Profit from operating activities, net of income tax</b>	<b>2,178,470</b>	<b>1,751,119</b>

Cash flows from discontinued operation

	<b>2024</b>	<b>2023</b>
Net cash from operating activities	689,159	(650,139)
Net cash used in investing activities	2,008,760	13,999,331
Net cash from financing activities	(7,765,419)	-
<b>Net cash used /from discontinued activities</b>	<b>(5,067,500)</b>	<b>13,349,192</b>



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**29. Property, plant and equipment**

Cost	Golf Course	Lands	Buildings & Constructions	Vehicles	Furniture and fixtures	Office equipment & communications	Computer software	Generators, machinery & equipment	Solar power stations	Leasehold & owned properties improvements	Total
<b>Cost at January 1, 2023</b>	93,628,961	50,183,086	647,385,659	74,925,399	89,293,836	59,535,566	25,621,055	87,585,573	11,218,810	93,640,401	1,233,018,346
Additions during the year	-	-	7,342,340	4,415,640	4,020,999	6,425,808	1,256,818	6,772,066	-	2,414,219	32,647,890
Disposals during the year	-	-	(449,219)	(147,165)	(3,988,477)	(425,006)	(863,468)	(1,165,609)	-	(4,406,523)	(11,445,467)
<b>Cost at December 31, 2023</b>	93,628,961	50,183,086	654,278,780	79,193,874	89,326,358	65,536,368	26,014,405	93,192,030	11,218,810	91,648,097	1,254,220,769
<b>Cost at January 1, 2024</b>	93,628,961	50,183,086	654,278,780	79,193,874	89,326,358	65,536,368	26,014,405	93,192,030	11,218,810	91,648,097	1,254,220,769
Additions during the year	-	-	13,332,197	4,716,756	15,160,915	11,385,801	-	11,723,761	-	780,962	57,100,392
Disposals during the year	-	-	-	(42,867)	(1,184,553)	(2,124,099)	-	(2,161,546)	-	(179,809)	(5,692,874)
<b>Cost at December 31, 2024</b>	93,628,961	50,183,086	667,610,977	83,867,763	103,302,720	74,798,070	26,014,405	102,754,245	11,218,810	92,249,250	1,305,628,287
<b>Accumulated depreciation and impairment losses</b>											
<b>Accumulated depreciation and impairment losses at January 1, 2023</b>	93,628,961	-	116,973,279	42,807,835	54,905,453	41,230,698	20,838,250	51,256,645	1,306,979	70,878,758	493,826,858
Depreciation during the year	1,822,590	-	34,328,651	10,676,403	12,259,141	7,947,076	2,594,393	13,214,685	448,753	8,895,984	92,187,676
Accumulated depreciation of disposals during the year	-	-	-	(147,165)	(3,587,984)	(395,056)	(863,195)	(1,103,094)	-	(4,307,427)	(10,853,140)
Reversal of impairment losses during the year	(1,822,590)	-	-	-	-	-	-	-	-	-	(1,822,590)
<b>Accumulated depreciation and impairment losses at December 31, 2023</b>	93,628,961	-	150,852,711	53,337,073	63,576,610	48,782,718	22,569,448	63,368,236	1,755,732	75,467,315	573,338,804
<b>Accumulated depreciation and impairment losses at January 1, 2024</b>	93,628,961	-	150,852,711	53,337,073	63,576,610	48,782,718	22,569,448	63,368,236	1,755,732	75,467,315	573,338,804
Depreciation during the year	1,822,572	-	35,262,266	10,176,893	12,015,183	8,272,076	2,292,476	13,782,778	448,752	6,742,308	90,815,304
Accumulated depreciation of disposals during the year	-	-	-	(42,863)	(1,013,599)	(2,030,098)	-	(1,901,685)	-	(188,196)	(5,176,441)
Reversal of impairment losses during the year	(1,822,572)	-	-	-	-	-	-	-	-	-	(1,822,572)
<b>Accumulated depreciation and impairment losses at December 31, 2024</b>	93,628,961	-	186,114,977	63,471,103	74,578,194	55,024,696	24,861,924	75,249,329	2,204,484	82,021,427	657,155,095
<b>Carrying amount</b>											
Carrying amount at January 1, 2023	-	50,183,086	530,412,380	32,117,564	34,388,383	18,304,868	4,782,805	36,328,928	9,911,831	22,761,643	739,191,488
Carrying amount at December 31, 2023	-	50,183,086	503,426,069	25,856,801	25,749,748	16,753,650	3,444,957	29,823,794	9,463,078	16,180,782	680,881,965
Carrying amount at December 31, 2024	-	50,183,086	481,496,000	20,396,660	28,724,526	19,773,374	1,152,481	27,504,916	9,014,326	10,227,823	648,473,192

- Fixed assets included fully depreciated assets amounted to EGP 196,432,668 at December 31, 2024.

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**29. Property, plant and equipment (continued)**

Depreciation expense is allocated in the statement of profit or loss, as follows:

	<b>2024</b>	<b>2023</b>
Operation cost of sales	67,174,193	67,546,842
Selling and marketing expenses (Note 12)	2,879,807	3,408,382
General and administrative expenses (Note 13)	20,761,304	21,232,452
	<b>90,815,304</b>	<b>92,187,676</b>

**30. Property, plant, equipment under construction**

	<b>2024</b>	<b>2023</b>
Hotels buildings under constructions	403,574,319	104,398,714
Administrative buildings and caravans under construction	91,295,348	66,777,069
Advance payments -fixtures and purchasing of fixed assets	2,879,916	175,142
	<b>497,749,583</b>	<b>171,350,925</b>

**31. Investment properties under development**

	<b>2024</b>	<b>2023</b>
<b>At 1 January</b>	875,213,535	838,790,791
Development cost incurred	133,814,582	15,623,103
Transfer to PP&E	(294,390,363)	-
Transfer from WIP	-	20,799,641
Transfer to completed investment property	(636,063,082)	-
	<b>78,574,672</b>	<b>875,213,535</b>
	<b>2024</b>	<b>2023</b>
Projects in West Cairo	78,574,672	108,330,135
Projects in East Cairo	-	766,883,400
	<b>78,574,672</b>	<b>875,213,535</b>

The investment properties under development are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has recent experience in valuing similar properties in Egypt. The fair value as at 31 December 2024 is EGP 183.5 million.



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**32. Investments in associates and joint ventures**

The Group has the following investments in associates and joint ventures:

	Legal Form	Ownership Percentage		Carrying amount	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		%	%	EGP	EGP
Royal Gardens for Investment Property Co.	SAE	20	20	-	-
Palmyra SODIC Real Estate Development*	Syrian Ltd.	50	50	-	-
				-	-

- (\*) Due to the current political circumstances in the Syrian Arab Republic and the confiscation of assets and documents related to Palmyra - SODIC Real Estate Development Co by the state government, the management of SODIC addressed the Embassy of the Syrian Arab Republic in Egypt and commissioned a law firm to handle the issue and protect the interest of SODIC's shareholders. This situation coupled with the unstable political environment witnessed in Syria led SODIC's Board of Directors to take the view that the invested amounts in Syria are non-recoverable. As such, SODIC recognized a loss arising from the inability to recover its investments.





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**33. Investment properties**

Investment properties include commercial, administrative and residential real estate properties leased out to others.

The movement of the investment properties and its depreciation is as follows: -

<u>Description</u>	<u>EGP</u>
<b>Cost</b>	
<b>At January 1, 2023</b>	<b>469,949,620</b>
Additions during the year	733,169
Transferred to completed real estate properties ready for sale	-
<b>At December 31, 2023</b>	<b>470,682,789</b>
<b>At January 1, 2024</b>	<b>470,682,789</b>
Additions during the year	1,200,907,645
<b>At December 31, 2024</b>	<b>1,671,590,434</b>
<b>Less accumulated depreciation</b>	
<b>At January 1, 2023</b>	<b>57,640,060</b>
Depreciation for the year	25,557,153
<b>At December 31, 2023</b>	<b>83,197,213</b>
<b>At January 1, 2024</b>	<b>83,197,213</b>
Depreciation for the year	60,459,927
<b>At December 31, 2024</b>	<b>143,657,140</b>
<b>Net carrying amount as of January 1, 2023</b>	<b>412,309,560</b>
<b>Net carrying amount as of December 31, 2023</b>	<b>387,485,576</b>
<b>Net carrying amount as of December 31, 2024</b>	<b>1,527,933,294</b>

The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has recent experience in valuing similar properties in Egypt. The fair value as at 31 December 2024 is EGP 2.9 billion and EGP 1.4 billion as at 31 December 2023.



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**34. Share capital and reserves**

**34.1 Share capital**

The authorized capital is EGP 2.8 billion and issued share capital of the Company as at 31 December 2024 and 31 December 2023 and paid in capital is EGP 1,424,789,472 distributed over 356,197,368 shares with a par value of EGP 4 per share.

The current capital structure for the holding company:

Shareholder	Number of shares	Share Value EGP	Ownership percentage %
ALDAR VENTURES INTERNATIONAL HOLDING RSC LIMITED	213,240,140	852,960,560	59.87
GAMMA FORGE LIMITED	91,388,632	365,554,528	25.66
EKUIITY Holding for Investments	17,114,933	68,459,732	4.80
Olayan Saudi Investment Company	9,289,580	37,158,320	2.61
Other shareholders	25,164,083	100,656,332	7.06
	<b>356,197,368</b>	<b>1,424,789,472</b>	<b>100</b>

**34.2 Legal reserve**

In accordance with the Companies' Law No.159 for 1981, 5 % of the net profit for the year shall be transferred to the legal reserve at year end once the financial statements are approved and until the reserve reached 50% of the issued share capital.

The balance as of December 31, 2024 is represented as follows: -

Legal reserve of the Company's till year 2022	224,840,771
Legal reserve 2023 Movement of 2022 net profit	-
Legal reserve 2024 Movement of 2023 net profit	22,818,003
	<b>247,658,774</b>

**34.3 Special reserve – share premium**

The balance as of December 31, 2024 is represented as follows: -

Description	EGP
Total value of the capital increase share premiums collected for the years 2006 and 2022	1,483,154,057
Share premium 2023 movement	-
The value received from the sale of all of non-vested Employees Stock Option shares which had been sold during year 2024.	206,915,651
	<b>1,690,069,708</b>



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**35. Non-controlling interest**

Non-controlling interest balance as of December 31, 2024, represents the interest shares in subsidiary's equity as follows:

	Non-controlling interest				
	Percentage %	Profit / (loss) for the year	Excluding profit / (loss) for the year	Balance as of 31 December 2024	Balance as of 31 December 2023
Sixth of October for Development and Real Estate Projects Co. "SOREAL"	0.01	12,624	358,267	370,891	462,290
Beverly Hills for Management of Cities and Resorts Co Note (6.1A)	55.54	312,144	30,445,966	30,758,110	30,312,127
SODIC Garden City for Development and Investment Co. Note (6.1A)	50	8,258,316	23,360,165	31,618,481	30,354,911
Al Yosr for Projects and Real Estate Development Co	0.001	59,309	33,237	92,546	33,237
SODIC for Development and Real Estate Investment Co.	0.001	0	20	20	20
Edara for Services of Cities and Resorts Co.	0.003	715	5,610	6,325	5,610
Fourteen for Real Estate Investment Co.	0.004	0	2	2	2
La Maison for Real Estate Investment Co.	0.004	0	2	2	2
		8,643,108	54,203,269	62,846,377	61,168,199



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**36. Borrowings**

**36.1 Loans**

	Nominal interest rate	31 December 2024			31 December 2023		
		Current portion	Non-current portion	Total Loan	Current portion	Non-current portion	Total Loan
On October 13, 2021, Sixth of October for Development and Investment Company "SODIC" signed a medium-term syndicated loan contract with the Arab African International Bank "facility and guarantee agent" and Banque Misr (in its capacity as the account bank) with a total amount of EGP 1 570 million according to the previous syndicated loan contract signed on April 4, 2017 on two tranches: First tranche amount to finance the total debt outstanding & Second tranche to finance "SODIC West" projects. ( The interest rate is CBE corridor plus margin )	Floating	112,763,153	1,079,304,464	1,192,067,617	77,323,305	1,192,067,617	1,269,390,922

**Debt covenant:**

- The company pledges to deposit all proceeds from the sale of the project.
- The company is obligated to conclude a mortgage and assignment of a right of the first degree on the account of the project in favor of the bank.
- The company is obligated to conclude a mortgage procurement that allows to inquire about the possibility of registering the land and buildings constructed on the financed project in the name of the borrower and completing a first-class mortgage on the leased assets and buildings only.



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	Nominal interest rate	31 December 2024			31 December 2023		
		Current portion	Non-current portion	Total Loan	Current portion	Non-current portion	Total Loan
<p>- The company is obligated to conclude an insurance policy on the construction work of the project in favor of the bank, with a coverage rate of 120%. As of 31 Dec 2024, no breaching to the debt covenant.</p> <p>On December 26, 2019, one of the subsidiaries signed a medium-term loan contract with Commercial International Bank "CIB" with a total amount of EGP one Billion to finance technical investment cost of EDNC Project except any payments for the project land. ( The interest rate is CBE corridor plus margin )</p> <p><b>Debt covenant:</b></p> <ul style="list-style-type: none"> <li>- The Company committed to deposit all revenues from the sale of the project.</li> <li>- The Company shall sign a mortgage and a first-degree right of transfer on the project in favor of the bank.</li> <li>- The Company shall get insurance cover 110% the project's constructions in favor of the bank.</li> </ul> <p>As of 31 Dec 2024, no breaching to the debt covenant.</p>	Floating	350,000,000	-	350,000,000	220,000,000	330,000,000	550,000,000
<p>On January 22, 2023, a Group's subsidiary signed a medium-term facility agreement with the Arab African International Bank for the purpose of obtaining a loan of 2.75 billion Egyptian pounds, to finance the cost of completing and developing the Estates project including the land cost.</p>	Floating	-	460,000,000	460,000,000	-	460,000,000	460,000,000



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Nominal interest rate	31 December 2024			31 December 2023		
	Current portion	Non-current portion	Total Loan	Current portion	Non-current portion	Total Loan

**Debt covenant:**

- Pledge of project accounts in favor of the escrow agent
- Issuing a power of attorney in favor of the guaranteed agent authorizing the guarantee agent to pledge the unsold and recovered project units immediately after the start of the project. ( The interest rate is CBE corridor plus margin )

As of 31 Dec 2024, no breaching to the debt covenant.

On September 20, 2020, a Group's subsidiary signed a medium-term facility agreement with the Arab African International Bank in its capacity as the first lender, principal arranger, bank account, facilitating agent and guarantee agent for the purpose of obtaining a loan of 2.57 billion Egyptian pounds on two tranches , tranche (A) at an amount of 620 million Egyptian pounds To refinance the outstanding debt of the Arab African International Bank, and tranche (B), at an amount of 1.95 billion Egyptian pounds, to finance the cost of completing and developing the Vilette project through a financing model for real estate development.

Floating

191,825,356 82,714,761 274,540,117

**Debt Covenant:**

Pledge of project accounts in favor of the escrow agent



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	Nominal interest rate	31 December 2024			31 December 2023		
		Current portion	Non-current portion	Total Loan	Current portion	Non-current portion	Total Loan
-Issuing a power of attorney in favor of the guaranteed agent authorizing the guarantee agent to pledge the unsold and recovered project units immediately after the start of the project.							
-Issuing a power of attorney in favor of the guaranteed agent authorizing the guarantee agent to sell the unsold and recovered units of the project immediately after starting the implementation of the project and starting customers reservations							
As of 31 Dec 2024, no breaching to the debt covenant. ( The interest rate is CBE corridor plus margin )							
On September 8, 2024, SODIC signed a long-term syndicated facility with Bank Misr and commercial international bank CIB for a total amount of EGP 4.14 billion, to Partially finances remaining development cost along with other expenses related to Sodic 464 acres project, the loan will be repaid on 12 unequal quarterly installments	Floating	900,000,000	900,000,000	-	-	-	-
<b>Debt Covenant:</b> Pledge of project accounts to the guarantee agent All insurance policy in favor of the guarantee agent As of 31 Dec 2024, no breaching to the debt covenant.							
<b>unamortized borrowing cost</b>		(1,610,256)	(9,258,974)	(10,869,230)	(10,878,390)	(12,175,598)	(23,053,988)
<b>Total</b>		<b>461,152,897</b>	<b>2,430,045,490</b>	<b>2,891,198,387</b>	<b>478,270,271</b>	<b>2,052,606,780</b>	<b>2,530,877,051</b>





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**36. Borrowings (continued)**

**36.2 Bank facilities**

	<b>Nominal interest rate</b>	<b>2024</b>	<b>2023</b>
On November 13, 2023, SODIC signed a revolving credit facility agreement with Commercial International bank for a total amount of EGP 1.2 billion for the purpose of financing the ongoing operations of Sodic projects, the facility has a tenure of seven years and is supported by receivables, representing future installments for units delivered across SODIC's diverse projects	Floating	800,303,274	471,089,237
On June 13, 2022, one of the subsidiaries signed a facility contract with Ahli united bank ,to discount the checks of some delivered units in Eastown project issued from unit owners in favor of the company, the facility amount is not to exceed six hundred million Egyptian pounds of the net present value after calculating the discount rate and restricting 5% of each discount process be held on account for the service of default, with the bank's full right to recourse	Floating	97,707,999	222,588,498
		<b>898,011,273</b>	<b>693,677,735</b>

**37. Land liabilities**

	<b>2024</b>	<b>2023</b>
New Urban Communities Authority (Note 37.1)	6,136,518,830	5,860,303,876
Owners Union – Shahin (Note 37.2)	1,191,580,192	1,244,282,130
	<b>7,328,099,022</b>	<b>7,104,586,006</b>
Current portion	881,096,901	548,640,457
Non-current portion	6,447,002,121	6,555,945,549
	<b>7,328,099,022</b>	<b>7,104,586,006</b>



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**37. Land liabilities and notes payables (continued)**

**37.1 New Urban Communities Authority (NUCA)**

	31 December 2024				31 December 2023			
	The Estates*	464 Acres (VYE & Karmell)	180 Acres (Ceaser)	Total	The Estates*	464 Acres (VYE & Karmell)	180 Acres (Ceaser)	Total
New Urban Communities Authority	618,702,085	10,343,855,608	516,338,792	11,478,896,485	831,623,061	10,586,706,952	672,669,741	12,090,999,754
Unamortized interest	(88,933,560)	(5,097,939,151)	(155,504,944)	(5,342,377,655)	(160,543,951)	(5,860,826,407)	(209,325,520)	(6,230,695,878)
	<b>529,768,525</b>	<b>5,245,916,457</b>	<b>360,833,848</b>	<b>6,136,518,830</b>	<b>671,079,110</b>	<b>4,725,880,545</b>	<b>463,344,221</b>	<b>5,860,303,876</b>
Current portion	176,378,794	532,294,201	100,919,183	809,592,178	141,310,594	243,155,476	102,510,374	486,976,444
Non-current portion	353,389,731	4,713,622,256	259,914,665	5,326,926,652	529,768,516	4,482,725,069	360,833,847	5,373,327,432
New Urban Communities Authority	<b>529,768,525</b>	<b>5,245,916,457</b>	<b>360,833,848</b>	<b>6,136,518,830</b>	<b>671,079,110</b>	<b>4,725,880,545</b>	<b>463,344,221</b>	<b>5,860,303,876</b>

**a) The Estate Residences**

In May 2022 an agreement was signed between Egyptian New Urban Communities Authority ("NUCA") and one of the Group's indirect subsidiaries to purchase a plot of land covering an area of 115.34 acres with a total value of EGP1.16 billion. The remaining purchase price and any associated interest are to be paid in semi-annual installments concluding on 8 September 2027, by this agreement the total land area allocated to the Company housing the Estate & The Estate residence increased to 265.34 acres.

**b) 464 Acres Land plot**

On June 2022 a purchase of land agreement was signed between a subsidiary of the Group and NUCA to establish an integrated urban project with an area of 464.81 acres with a total value of EGP 11.36 billion.

**c) 180 Acres Land plot**

On 1 August 2023, a subsidiary of the Group signed a contract with the NUCA to acquire a plot of land area approximately 180 acres with a total amount of EGP 807.5 million, the down payment amount was paid, and the rest of the price and interest will be paid over 10 consecutive semi-annual instalments.

**37.2 Owners Union-Shahin**

	2024	2023
Owners Union – Shahin	1,883,818,875	2,105,444,625
Unamortized interest	(692,238,683)	(861,162,495)
	<b>1,191,580,192</b>	<b>1,244,282,130</b>
Current portion	71,504,723	61,664,013
Non-current portion	1,120,075,469	1,182,618,117
	<b>1,191,580,192</b>	<b>1,244,282,130</b>

The balance represents the present value of the deferred installments due to Owners Union – Shahin for the fixed payments of the development contract as mentioned in detail in Note No. (22-3A).



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**38. Advances - from customers**

	<b>2024</b>	<b>2023</b>
Advances – Projects in West Cairo	9,051,240,233	5,186,710,884
Advances – Projects in East Cairo	2,284,745,671	2,573,199,869
Advances – Projects in the North Coast	9,099,705,849	3,878,807,390
Advances – Clubs memberships	1,187,151,753	733,611,337
Advances for other group activities	56,455,966	56,280,233
	<b>21,679,299,472</b>	<b>12,428,609,713</b>

- Includes an amount of EGP 1.4 billion representing the value of financial components on installments collected from customers.
- Uncollected notes receivable for undelivered units, amounting to EGP 69.1 billion that are not included in the financial statements have been disclosed in note No. (46).

**39. Contractors, suppliers and notes payable**

	<b>2024</b>	<b>2023</b>
Contractors	129,114,237	91,950,950
Suppliers	148,235,592	76,710,625
Notes payable	401,775,390	280,328,073
	<b>679,125,219</b>	<b>448,989,648</b>

- The Group's exposure to currency and liquidity risks related to suppliers, contractors and notes payable is disclosed in note No. (8).

**40. Creditors and other credit balances**

	<b>2024</b>	<b>2023</b>
Amounts collected on account for management, operation, and maintenance of projects *	3,672,312,261	2,796,758,629
Accrued expenses	576,911,659	394,517,310
Customers – credit balances	154,152,004	141,233,977
Tax Authority – VAT &WHT	258,630,418	160,434,813
Accrued compensated absence	389,290	15,656,343
Insurance Deposits collected from customers	28,888,636	8,633,703
Social insurance – Contractors	70,417,390	51,429,865
Unearned revenue	3,313,944	2,704,740
Retentions	654,023,624	398,613,432
Security deposits -furnishing	341,691,399	229,517,379
Other creditors short term	191,041,140	88,095,661
	<b>5,951,771,765</b>	<b>4,287,595,852</b>



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**40. Creditors and other credit balances (continued)**

- \* The balance represents maintenance deposits collected from customers, which have been invested in time deposits and interest-bearing current accounts for the purpose of financing the regular maintenance expenses related to the delivered units and cannot be used for any other purpose.
- Uncollected notes receivable for maintenance of undelivered units amounting to EGP 5.44 billion, have been disclosed in note No. (46).
- The Group's exposure to currency and liquidity risks related to creditors is disclosed in note No. (8).

**41. Provisions**

	<u>2024</u>	<u>2023</u>
Provision for completion of works (41.1)	2,245,322,071	1,785,910,617
Provision for expected Claims (41.2)	368,337,335	134,782,415
	<u>2,613,659,406</u>	<u>1,920,693,032</u>

**41.1 Provision for completion of works**

	<u>Balance as at 1 January 2024</u>	<u>Formed during the year</u>	<u>Used during the year</u>	<u>Provisions no longer required during the year</u>	<u>Balance as at 31 December 2024</u>
Provision for completion of works	1,785,910,617	1,237,320,254	(777,908,800)	-	2,245,322,071
	<u>1,785,910,617</u>	<u>1,237,320,254</u>	<u>(777,908,800)</u>	<u>-</u>	<u>2,245,322,071</u>

This provision is for estimated costs related to delivered units and expected to be incurred in the following years to complete the execution of the project in its final stage.

	<u>Balance as at 1 January 2023</u>	<u>Formed during the year</u>	<u>Used during the year</u>	<u>Provisions no longer required during the year</u>	<u>Balance as at 31 December 2023</u>
Provision for completion of works	960,837,595	1,468,784,131	(643,711,109)	-	1,785,910,617
	<u>960,837,595</u>	<u>1,468,784,131</u>	<u>(643,711,109)</u>	<u>-</u>	<u>1,785,910,617</u>

This provision is for estimated costs related to delivered units and expected to be incurred in the following years to complete the execution of the project in its final stage.



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(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

**41. Provisions (continued)**

**41.2 Claims provisions**

	Balance as at 1 January 2024	Formed during the year	Used during the year	Provisions no longer required during the year	Balance as at 31 December 2024
Provision for expected claims	134,782,415	115,140,317	(31,585,397)	-	218,337,335
Provision for Compensation	-	150,000,000	-	-	150,000,000
	<b>134,782,415</b>	<b>265,140,317</b>	<b>(31,585,397)</b>	<b>-</b>	<b>368,337,335</b>

	Balance as at 1 January 2023	Formed during the year	Used during the year	Provisions no longer required during the year	Balance as at 31 December 2023
Provision for expected claims	65,083,689	101,697,653	(28,498,927)	(3,500,000)	134,782,415
Provision for onerous contracts	97,491,234	-	-	(97,491,234)	-
	<b>162,574,923</b>	<b>101,697,653</b>	<b>(28,498,927)</b>	<b>(100,991,234)</b>	<b>134,782,415</b>

- The provision is formed for existing claims related to the Company's transactions with other parties. The Company's management reviews the provisions annually and makes any amendments if needed according to the latest agreements and negotiations with those parties.
- The Company did not disclose all the information required by the Egyptian accounting standards with those parties as the management assumes that the disclosure of such information would seriously affect the company's negotiations with those parties.



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**42. Transactions with related parties**

Related parties are represented in the Parent Company' shareholders, Board of Directors, executive directors and companies in which they own directly or indirectly shares giving them significant influence or control over these companies. The Parent Company made several transactions with related parties during the year and these transactions have been made in accordance with the terms determined by the group's management. Summary of significant transactions concluded during the year and the resulting balances of the related parties at the consolidated financial position date were as follows: -

**42.1 Transactions with related parties**

Party / Relationship	Nature of transaction	31 December 2024	31 December 2023
		Amount of transaction	Amount of transaction
		EGP	
Executive managers and Board of Directors (Parent Company)	Executive and Board of Directors	56,174,529	105,883,271
Al Dar Egypt (Subsidiary of the parent Company)	Payment on behalf	718,724	(8,819,254)

**42.2 Balances resulting from transactions with related parties:**

	Nature of transaction	Carrying amount as at 31 December	
		2024	2023
Palmyra – SODIC for Real Estate Development *	Loans to Joint Ventures	211,886,181	210,069,108
	Accrued interest on loan under debtors and other debit balances	65,482,130	65,482,130
	Accrued on – related parties joint venture under debtor and other debit balances	35,191,620	35,191,620
Al Dar Egypt	Debtors & other debit balances	1,042,141	323,417
		<b>313,602,072</b>	<b>311,066,275</b>
ECL		(312,559,931)	(310,742,858)
<b>Total</b>		<b>1,042,141</b>	<b>323,417</b>



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(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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**43. Tax status**

Summary of the Company's tax status at the separate financial statements date is as follows:

**Corporate tax**

- Years 1996 to 2018 have been tax inspected and tax differences have been paid and settled.
- Years 2019 to 2022 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company submits its annual tax return on due dates in accordance with Law No. 91 of 2005 regulations and amendments and pays the due tax.

**Salary tax**

- Years 1996 to 2022 have been inspected and tax differences have been paid and settled.
- Years 2023 to 2024 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company pays the monthly salary tax on due dates in accordance with the law.

**Withholding tax**

- The Company pays the withholding tax on due dates in accordance with the law.

**Stamp tax**

- Tax inspection was carried out from 1996 to 2020, and tax differences have been fully paid.
- Years 2021 to 2022 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- from 2023 to 2024 have not been inspected, and no tax claims have been received till the date of authorizing of these financial statements for issuance.

**Sales/value added tax**

- Years 1996 to 2020 have been inspected and tax differences have been paid and settled.
- Years 2020 to 2024 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company submits the value-add tax returns on a regular basis and pay the accrued taxes on due dates in accordance with the law.

**Real estate property tax**

The company has received Form 3 for the tax due on the units owned by the company, and the tax payment has been scheduled with the tax authority until 2024.





**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY SODIC (AN EGYPTIAN JOINT STOCK COMPANY)**

**Notes to the financial statements for the financial year ended 31 December 2024**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

**44. Capital commitments.**

The value of contracts concluded with third parties for work in progress and real estate investments under development amounted to EGP 27.25 billion (EGP 10.4 billion as of December 31, 2023), and executed works till December 31, 2024, amounted to EGP 13.4 billion (EGP 3.7 billion as of 31 December 2023).

**45. Contingent liabilities**

The Group signed a credit facility contract with the Commercial International Bank to issue letters of guarantee with a credit limit of EGP 221,625,750, for the purpose of issuing letters of guarantee for checks issued to the Owners Union – Shahin. The letters of guarantee are subject to renewal and modification as the issuance of checks continues until the final settlement of the fixed installments due to the owner according to the development contract concluded between one of the subsidiaries and the Owners Union – Shahin.

The Group signed a credit facility contract with the Commercial International Bank to issue letters of guarantee with a credit limit of EGP 26,704,450, for the purpose of issuing letters of guarantee for installment due to New Urban Communities Authority for acquiring a plot of land area approximately 180 acres in North Coast.

**46. Post-dated checks (off balance sheet)**

The value of post-dated checks and installment customers are not included in the consolidated statement of financial position items - for the undelivered units, is the value of the post-dated checks retained and received from customers according to the payment terms of each customer in accordance with the contracts, as well as the value of future installments that have not received checks on them where the contract was made and the payment was collected in advance and no future checks have been presented for the rest of the unit value until the date of the financial position, and its statement is as follows:

	<b>2024</b>	<b>2023</b>
Postdated checks clients and unit's installments	69,108,074,623	38,992,436,755
Postdated checks customers cancellations	7,870,952	39,688,652
Postdated checks clients and maintenance installments	5,439,772,521	2,352,775,119
	<b>74,555,718,096</b>	<b>41,384,900,526</b>
<b>These are due</b>		
Checks due -Current	13,095,747,190	7,540,270,327
Checks due – Noncurrent	61,459,970,906	33,844,630,199
	<b>74,555,718,096</b>	<b>41,384,900,526</b>



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**47. Non - cash transactions**

For the purpose of preparing the consolidated statement of cash flows for the financial year ended December 31, 2024, the effect of the following investment transactions was excluded as they are considered non - cash transactions:

	<b>2024</b>	<b>2023</b>
Addition to investment properties from/to IPUD	636,063,083	-
Return on investment at amortized cost capitalized to work in process	12,184,743	68,953,279
Amortized interests on NUCA & land purchase creditors, that were capitalized to work in process	985,631,644	-
Capitalized significant financing component on installments collected from customers	1,877,727,384	1,326,733,324
Transfer between investment properties and work in process	178,177,289	20,799,641
Transfer between investment properties and Project under constructions	294,390,363	-
Transfer between completed units and development work in process	1,771,452,088	727,028,419
Capitalized return on Treasury bills to work in process	12,025,580	8,507,942

**48. Legal status**

There is a dispute between a subsidiary of the Group and the owners of some commercial units sold by that Company about claiming financial compensation for not issuing a commercial license to the property and claiming financial compensation as a result. On December 29, 2021, the court ruled to dismiss the case in favor of the Group's subsidiary. These owners appealed the court ruling and demanded the case to be referred to the Committee of Experts at the Ministry of Justice, The Court of Appeal issued a preliminary ruling assigning an expert from the Office of the Ministry of Justice to examine the extent to which both parties to the dispute carried out their contractual obligations and to state whether the respondent, in his capacity, had obtained all the necessary licenses to operate the mall. The potential exposure hasn't been disclosed as explained in note 42.1. The assigned expert did not file his report on the case until the date of the consolidated financial statements issuance.