



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

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



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

Separate financial statements - For the financial year ended 31 December 2024

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Auditor's report

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

Report on the separate financial statements

We have audited the accompanying separate financial statements of Sixth of October for Development and Investment Company SODIC "S.A.E" (the "Company") which comprise the separate statement of financial position as of 31 December 2024 and the separate 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 separate financial statements

These separate financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 separate financial statements.

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



Auditor's report (continued)

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Opinion

In our opinion, the separate 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" as of 31 December 2024, and its financial performance and its cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Report on other legal and regulatory requirements

The Company maintains proper financial records, which includes all that is required by the law and the Company's statutes, and the accompanying separate financial statements are in agreement therewith. Also, the Company applies a costing system that meets its designated purpose, and the inventory counts were taken by the company's management in accordance with proper principles.

The financial information included in the Board of Directors' report that is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with Company's accounting records, within the limits that such information recorded therein.



9 February 2025
Cairo



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

Statement of separate financial position – As of 31 December 2024


(All amounts are shown in Egyptian Pounds)	Note	2024	2023
Assets			
Non-current assets			
Property plant and equipment	(26)	593 795 226	636 748 430
Property, plant and equipment under construction	(27)	91 295 348	66 777 069
Investment properties	(30)	291 212 787	264 920 523
Investment properties under development	(28)	78 191 028	106 387 557
Investment in Subsidiary	(29)	1 723 332 466	1 718 532 466
Right of use assets		7 238 446	13 717 834
Trade and notes receivable	(22-2)	2 011 610 275	1 717 038 708
Deferred tax assets	(17-2)	160 244 151	145 778 580
Investments at fair value through OCI		26 152	26 152
Total non-current assets		4 956 945 879	4 669 927 319
Current assets			
Inventory	(19)	2 068 795	10 374 848
Completed real estate properties	(20)	600 931 151	674 568 121
Works in process	(21)	13 741 966 025	9 003 272 070
Trade and notes receivable	(22-1)	1 414 003 075	1 098 751 440
Debtors and other debit balances	(23)	5 246 194 301	3 469 205 242
Due from related parties	(38-A)	65 926 562	16 821 534
Financial investments at amortized cost	(24)	-	255 023 705
Cash and cash equivalents	(25)	1 564 313 507	360 501 021
Total current assets		22 635 403 416	14 888 517 981
Total assets		27 592 349 295	19 558 445 300
Equity and liabilities			
Equity			
Issued & paid in capital	(31-1)	1 424 789 472	1 424 789 472
Legal reserve	(31-2)	247 658 774	224 840 771
Special reserve - share premium	(31-3)	1 690 069 708	1 483 154 057
Accumulated losses		(30 580 427)	(94 825 235)
Profit from sale of treasury shares		1 725 456	1 725 456
Total equity		3 333 662 983	3 039 684 521
Liabilities			
Non-current liabilities			
Bank Loans	(32-1)	1 970 045 490	1 181 198 387
New Urban Communities Authority	(33)	4 713 622 256	4 482 725 069
Lease contracts liabilities		6 079 230	4 977 653
Total non-current liabilities		6 689 746 976	5 668 901 109
Current liabilities			
Bank facilities	(32-2)	800 303 274	471 089 237
Bank Loans	(32-1)	111 152 897	75 713 048
Advances - from customers	(34)	9 780 629 775	4 700 861 096
Contractors, suppliers and notes payable	(35)	303 725 390	193 725 121
Income tax liabilities		87 307 727	28 959 340
New Urban Communities Authority	(33)	532 294 201	243 155 475
Due to related parties	(38-B)	2 550 715 640	2 649 317 162
Creditors and other credit balances	(36)	2 561 327 385	1 797 449 501
Lease contracts liabilities		3 770 343	10 349 676
Provisions	(37)	837 712 704	679 240 014
Total current liabilities		17 568 939 336	10 849 859 670
Total liabilities		24 258 686 312	16 518 760 779
Total equity and liabilities		27 592 349 295	19 558 445 300

- The accompanying notes from (1) to (41) form an integral part of these separate financial statements and to be read therewith.


Mohamed Samir
Financial Director


Ahmed Hegazi
Company Financial Controller


Ashraf Hamdy
Chief Financial Officer


Ayman Amer
General Manager

- Auditor's report attached.





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

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

(All amounts are shown in Egyptian Pounds)	Note	2024	2023
Operation Revenues			
Real estate sales	(8)	2 617 920 840	4 154 001 604
Interest income from installments during the year	(8)	526 563 903	259 488 667
Total revenues related to real estate	(8)	3 144 484 743	4 413 490 271
Revenues from clubs		96 021 919	48 625 303
Total operating revenues		3 240 506 662	4 462 115 574
Cost of sales			
Cost of real estate sold	(9)	(1 288 741 781)	(2 467 229 696)
Costs of clubs		(152 897 996)	(117 577 876)
Total operating costs		(1 441 639 777)	(2 584 807 572)
Gross profit		1 798 866 885	1 877 308 002
Other operating income	(10)	79,566,925	72 366 002
Selling and marketing expenses	(11)	(422 893 127)	(404 870 554)
General and administrative expenses	(12)	(819 430 238)	(723 116 115)
Other operating expenses	(13)	(259,413,963)	(45 680 489)
Net charges of expected credit losses	(14)	(59 837 918)	(28 468 643)
Operating profit		316 858 564	747 538 203
Finance income	(15)	272 054 430	132 181 553
Finance cost	(16)	(446 370 402)	(288 015 030)
Net finance cost		(174 315 972)	(155 833 477)
Profit before tax		142 542 592	591 704 726
Income tax	(17-2)	(55 479 781)	(135 344 661)
Profit for the year		87 062 811	456 360 065
Earnings per share	(18)	0.24	1.28

- The accompanying notes from (1) to (41) form an integral part of these separate financial statements and to be read therewith



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

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

(All amounts are shown in Egyptian Pounds)	2024	2023
Profit of the year	87 062 811	456 360 065
Other comprehensive income	-	-
Total comprehensive income of the year	87 062 811	456 360 065

- The accompanying notes from (1) to (41) form an integral part of these separate financial statements and to be read therewith.



**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY SODIC
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Statement of separate changes in equity - For the financial year ended 31 December 2024

(All amounts are shown in Egyptian Pounds)

	Issued & paid in capital	Legal reserve	Special reserve- share premium	Accumulated losses	Profit from selling of treasury shares	Total equity
Balance at 1 January 2023	1 424 789 472	224 840 771	1 483 154 057	(551 185 300)	1 725 456	2 583 324 456
Profit for the year	-	-	-	456 360 065	-	456 360 065
Other comprehensive income items	-	-	-	-	-	-
Total comprehensive income	-	-	-	456 360 065	-	456 360 065
Transactions with owners of the Company	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
Balance at 31 December 2023	1 424 789 472	224 840 771	1 483 154 057	(94 825 235)	1 725 456	3 039 684 521
Balance at 1 January 2024	1 424 789 472	224 840 771	1 483 154 057	(94 825 235)	1 725 456	3 039 684 521
Profit for the year	-	-	-	87 062 811	-	87 062 811
Other comprehensive income items	-	-	-	-	-	-
Total comprehensive income	-	-	-	87 062 811	-	87 062 811
Transactions with owners of the Company	-	22 818 003	-	(22 818 003)	-	-
Transfer to legal reserve	-	-	206 915 651	-	-	206 915 651
ESOP shares at a premium	-	-	206 915 651	-	-	206 915 651
Total transactions with owners of the Company	-	22 818 003	206 915 651	(22 818 003)	-	206 915 651
Balance at 31 December 2024	1 424 789 472	247 658 774	1 690 069 708	(30 580 427)	1 725 456	3 333 662 983

- The accompanying notes from (1) to (41) form an integral part of these separate financial statements and to be read therewith.



**SIXTH OF OCTOBER FOR DEVELOPMENT AND INVESTMENT COMPANY SODIC
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Statement of separate Cash flows - For the financial year ended 31 December 2024

(All amounts are shown in Egyptian Pounds)	Note	2024	2023
Cash flows from operating activities			
Profit for the year before tax		142 542 592	591 704 726
Adjustments for:			
Depreciation of fixed assets, investment properties		76 558 491	76 571 819
Loss/(Gain) on sale of property, plant and equipment		225 580	(121 210)
Right of use asset amortization		6 479 388	4 842 412
Interest of lease contract liabilities		2 235 618	1 447 169
Formed vacations provision		11 719 465	8 547 566
Expected credit losses		51 529 005	27 113 429
Interest expenses	(16)	444 134 784	286 567 860
Interest income	(15)	(178 874 181)	(36 756 345)
Provision for claims	(37)	245 093 585	31 368 830
Provision formed for cost to complete	(37)	151 081 537	487 014 952
Reversal of impairment of fixed assets		(1 822 572)	(1 822 590)
Net return of investments at amortized cost		(23 551 692)	(59 132 432)
Operating profit before changes in working capital		927 351 600	1 417 346 186
Changes in working capital			
Inventory and completed units ready for sale		81 943 023	365 835 549
Works in process		(3 243 785 713)	(1 027 586 361)
Trade and notes receivables		(619 512 773)	(1 214 276 842)
Due from related parties		(48 936 030)	82 727 317
Debtors and other debit balances		(1 818 303 355)	(1 602 979 418)
Provisions used for cost to complete	(37)	(201 658 847)	(459 403 658)
Provisions used for claims	(37)	(36 043 585)	(28 118 830)
Provisions for vacations used		(26 986 518)	(1 979 004)
Onerous contract provision	(37)	-	(97 491 234)
Advances - from customers		4 104 896 350	1 080 959 894
Contractors, suppliers and notes payable		110 000 268	28 401 332
Due to related parties		(98 601 522)	508 934 685
Creditors and other credit balances		779 144 937	586 731 819
Paid income tax		(11 596 964)	(6 305 128)
Net cash flows used in operating activities		(102 089 129)	(367 203 693)
Cash flows from investing activities			
Payments for purchase of fixed assets and projects under construction		(42 331 061)	(40 263 113)
Payments for real investments under development		(12 421 633)	(142 466)
Payments for investments at subsidiary companies		(4 800 000)	-
Payments for investments at amortized cost		(190 349 603)	(1 279 469 828)
Proceeds from credit interests		178 180 045	36 756 345
Proceeds from investments at amortized cost		468 925 000	1 653 161 211
Proceeds from sale of fixed assets		130 385	147 246
Net cash flows generated from investing activities		397 333 133	370 189 395
Cash flows from financing activities			
Proceeds from bank facilities		432 513 399	491 000 000
Repayment of bank facilities		(103 299 362)	(19 910 763)
Proceeds of banking loans		900 000 000	-
Loans paid		(75 713 048)	(218 720 570)
Interest paid		(444 134 784)	(286 567 860)
Repayment of lease contract liabilities		(7 713 374)	(3 563 571)
Selling ESOP shares at a premium		206 915 651	-
Net cash flows generated from financing activities		908 568 482	37 762 764
Net increase (decrease) in cash and cash equivalents		1 203 812 486	(34 777 062)
Cash and cash equivalents at the beginning of the year		361 183 968	394 605 816
Retained cash		1 000 000	-
Effect of movement in expected credit loss on cash and cash equivalents	(14)	8 308 914	1 355 214
Cash and cash equivalents at the end of the year		1 574 305 368	361 183 968

- The accompanying notes from (1) to (41) form an integral part of these separate financial statements and to be read therewith.



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

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

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 Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City.

The parent company is Aldar Ventures International holding RSC limited, and the ultimate parent 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 Company and Mr. Ayman Amer, is the General Manager of the Company.

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 Company is well-diversified landbank, prime assets portfolio and its strong balance sheet provides the Company solid footings to deliver to all the stakeholders.

The Company has various businesses primarily the development, investment, construction, sales and leasing–residential/commercial, management and associated services for real estate. In addition, the Company 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 financial statements have been approved for issuance by the Board of Directors on 6 February 2025. It is taken into consideration that the General Assembly of Shareholders has the right to amend the financial statements after they are issued. The company is listed on the Egyptian Stock Exchange.

The company's financial year starts on 1 January and ends on 31 December each year.

The Company's separate financial statements are read together with its consolidated statements as of and for the fiscal year ending December 31, 2024, so that complete financial information about the Company's financial position and financial results can be obtained.



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

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

2. Operating environment of the Company

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.

The financial risks note 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 company at the end of the financial period. The foreign exchange rate of USD against EGP has changed from 30.75 as at 1 January 2024 to 50.79 as at 31 December 2024.

3. Basis of preparation

3.1 Statement of compliance

The Company has prepared these separate financial statements in accordance with Egyptian Accounting Standards and applicable laws and regulations.

3.2 Basis of measurement

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

3.3 New standards and interpretations adopted

The Company has assessed the following amendments for the first time for the financial year commencing 1 January 2024:

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



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

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

3. Basis of preparation (continued)

3.4 New standards and interpretations to be adopted by the company

EAS 50 – Insurance contracts is effective for annual financial periods starting on or after July 1, 2024, the Company didn't early adopt the standard as of 31 December 2024. The Company initial assessment is that no impact is expected on the separate financial position of the Company 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 Company for this standard during the year ended 31 December 2024.

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

3.5 Going concern

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

3.6 Current versus non-current classification for asset and liabilities

The Company 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

All other assets are classified 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 Company classifies all other liabilities as non-current.

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



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

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

3. Basis of preparation (continued)

3.7 Joint operations

The Company 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 Company assessment concluded it's a joint operation, the joint operator 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.

4. Significant accounting policies

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

4.1 Fair value measurement

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

When measuring the fair value of an asset or a liability, the Company 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.



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

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

4. Significant accounting policies (continued)

4.1 Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company 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 Company 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.

4.2 Revenue recognition:

The Company has multiple revenue streams

The Company 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.

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 Company 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 Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.



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

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

4. Significant accounting policies (continued)

4.2 Revenue recognition: (continued)

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

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

- The company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to pay for performance completed to date.
- The company'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 company's performance as the Company 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 Company enters into contracts with customers to sell real estate properties.

- Revenue from sale of residential units, offices, commercial shops, and villas and for which contracts were concluded is recorded upon transferring control to customers whether the mentioned real estate properties have been completed or semi – completed (finished or semi-finished) at a value that reflects the expected value of the company in exchange for those real estate properties. To reflect those real estate properties/lands at a certain point of time.
- Revenues from real estate sales is recognized net of sales return and discounts granted to customers for early payment of future instalments 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 instalments collected during the financial year / period from previous years' sales.

The significant financing component

- The company collects advance payments and instalments 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.



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

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

4. Significant accounting policies (continued)

4.2 Revenue recognition: (continued)

i) Real estate sales (continued)

- The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the company uses the rate that would have been used in the event of a separate financing contract between the company 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 company 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 real estate properties, service or payment is a year or less.

Commissions

The Company 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 meets the criteria in EAS 48. These costs are recognized in the separate statement of profit or loss as the same time that the real estate properties 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 as selling and marketing expense in the separate statement of profit or loss.

ii) Rental income

The Company 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 Company is reasonably certain that the tenant will exercise that option.



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4. Significant accounting policies (continued)

4.3 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 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 Company 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.
- The asset is recognized using the effective tax rate.
- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.



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4. Significant accounting policies (continued)

4.3 Income Taxes (continued)

iii) Deferred tax

The measurement of deferred tax reflects the tax consequences that would result from the manner in which the Company 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.

4.4 Foreign currency translation

i. Functional and presentation currency

The company is using the currency of the primary economic environment in which the entity operates ('the functional currency'). The separate financial statements are presented in Egyptian Pounds, which is the primary economic environment in which the Company operates.

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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4. Significant accounting policies (continued)

4.5 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 Company 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 separate statement of income 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:

<u>Asset</u>	<u>Years</u>
Buildings and construction work	5-20
Caravans	5-10
Vehicles	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
Leasehold improvements	5 years or lease term whichever is lower
<u>Golf course assets</u>	
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 separate statement of profit or loss.



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4. Significant accounting policies (continued)

4.6 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.

4.7 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.

4.8 Accounting for variable or contingent acquisition consideration

Lands are 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 entity 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.



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4. Significant accounting policies (continued)

4.9 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 production or 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 separate 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:

Assets	Years
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 separate statement of profit or loss.



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4. Significant accounting policies (continued)

4.10 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 item will flow to the company, and the cost can be measured reliably.

4.11 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 models.



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4. Significant accounting policies (continued)

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

a) Financial assets

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 investment-by-investment basis.

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

The notes receivable 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 company 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 and loss under "interest income from installments".



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4. Significant accounting policies (continued)

**4.11 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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4. Significant accounting policies (continued)

**4.11 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 flow 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 sole 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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4. Significant accounting policies (continued)

4.11 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

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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.



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4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

The company 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.

The Company 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 Company 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.



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4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

The Company considers 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).

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.



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4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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 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 assets.

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

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 assets are 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.



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4. Significant accounting policies (continued)

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

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.

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

The company's financial liabilities include Land liabilities and notes payable, Creditors and other payables and Loans 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.

4.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Company's 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.



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4. Significant accounting policies (continued)

4.13 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 company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets 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.

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 company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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.



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4. Significant accounting policies (continued)

4.13 Impairment of non-financial assets (continued)

If such indication exists, the company estimates the assets 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 statement of profit or loss.

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

4.14 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 separate 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 Company's cash management.

4.15 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.



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4. Significant accounting policies (continued)

4.16 Provisions

Provisions are recognised when the Company 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 Company 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 properties delivered to customers and the completed real estate properties according to the contractual terms and conditions and the completed real estate properties for which contracts were not concluded) in their final form as determined by the Company's technical department. The necessary provision is reviewed at the end of each reporting year until finalization of all the project works.

ii) Onerous contracts provision

If the Company 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 Company 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 Company 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.

4.17 Interest income

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



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4. Significant accounting policies (continued)

4.18 Dividends

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

4.19 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.

4.20 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.

4.21 Earnings per share

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

4.22 Segmentation

Currently the Company's main business segment is developing projects and selling the developed real estate properties. 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 separate 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, completed real estate properties, work in progress, advances from customers and the land liabilities notes.



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5. Use of judgment and estimates

In preparing the separate financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Company'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

5.1 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) Review of contractual agreements

The Company defines control and determine whether all the parties, or a Company 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

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.



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5. Use of judgment and estimates (continued)

5.1 Judgments (continued)

a) Review of contractual agreements (continued)

The management reviews its judgmental assumptions and estimates, including what used in determining the extent to which the Company 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.

b) Property lease classification – the Company as lessor

The Company has entered into commercial property leases on its investment properties portfolio. The Company 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

c) 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 units intended for sale (i.e., materials). In accordance with the Company'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:

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' 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 Company's business model.



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5. Use of judgment and estimates (continued)

5.1 Judgments (continued)

c) Measurement of work in process/ completed real estate properties (continued)

Developer-entities in the Company 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 units 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 units 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 Company reassessed the methodology during the year ended 31 December 2024 and decided to apply the model aligning with the business model of the projects.

5.2 Assumptions and estimation

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

As majority of the revenues are done on instalments, 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 Company uses the estimated borrowing rate at contract inception is applied.

After delivery of the real estate properties

The notes receivables are initially measured at the present value of the future instalments checks at the delivery date of the real estate properties delivered, discounted using the interest rate implicit in the contract. Generally, the Company uses 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 instalments.



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5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

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 Company 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 and contingent liabilities

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

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

The Company 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 Company's historical observed default rates. The Company 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



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5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

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

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

The company'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 Company 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.

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 Company.

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 Company 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 Company, based on comparable transactions identified by the Company for property in the same geographical market serving the same real estate category.



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5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

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

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.

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 Company. 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 Company decided to change the cost allocation methodology for 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 Company believes that the new methodology is presenting a better representation in comparison to the old methodology for the following reasons:



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5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

i) Change in estimate of the cost allocation method

- 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.

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 Company 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 Company 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 178 million.



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5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

j) Determining the unit of account

In applying the lower of cost or net realizable value (NRV) 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 company-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 Company entities.

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 commercial 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.

5.3 Measurement of fair values

a) Assets and liabilities carried at fair value

To provide an indication of the reliability of the inputs used in determining fair value, the Company 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 measurement at quoted (unadjusted) prices in active markets for identical assets or liabilities.
2. Level 2 is measurement 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).



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5. Use of judgment and estimates (continued)

5.3 Measurement of fair values (continued)

a) Assets and liabilities carried at fair value (continued)

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

6. Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company may propose the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board of Directors of the 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 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 company 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 86% as at December 31,2024 (57% as at December 31 ,2023), refer to the borrowing note for loan covenant details.

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



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7. Financial risk management

The company's principal financial liabilities are Land liabilities and notes payable, loans borrowings and other financial liabilities. The Company'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 Company is exposed to market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company'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.

- **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 separate income statement 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 Company 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 Company's interest-bearing financial instruments as reported to the management of the Company is as follow:

	2024	2023
	EGP	EGP
Financial instruments with a fixed rate		
Financial assets	3 425 613 350	2 815 790 148
Financial liabilities	(5 383 825 781)	(4 835 151 808)
	(1 958 212 431)	(2 019 361 660)
Financial instruments with variable rate		
Financial liabilities	(2 881 501 660)	(1 728 000 672)
	(2 881 501 660)	(1 728 000 672)



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7. Financial risk management (continued)

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 57 million (2023: EGP 34 million). This analysis assumes that all other variables, remain constant.

- **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 Company has a limited exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Euros. Foreign exchange risk is limited as majority of the Company'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 Company 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 EGP 69.6 million (in 2023: amounted to EGP 36.2 million)

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	9 913 736	-	9 913 736	2 895 811	-	2 895 811
Euros	3 588	-	3 588	-	-	-

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	48.65	29.23	50.79	30.75
Euros	51.58	31.83	52.87	33.93



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7. Financial risk management (continued)

On 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 (50.35 million) (2023: EGP (8.9 million)), mainly as a result of foreign exchange gains/losses in the statement of separate profits or losses.

- Price risk

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

- Credit risk

Credit risk is the risk a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and it arises principally from under the Company's receivables. The Company 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.

Credit risk is managed on a Company basis, except for credit risk relating to accounts receivable balances. The Company 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 Company 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 Company, an assessment has been done and the ECL associated with these balances is immaterial.

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

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



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7. Financial risk management (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 Company and the amounts collected from customers are repaid on the date of the default after deducting 10% to 15% of this value. As for the leased units, 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 Company holds the unit sold as a collateral for its note receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as of the financial position date .

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company'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 Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company'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 Company's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and loans.



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7. Financial risk management (continued)

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

	1 year or less	1 to 5 years	more than 5 years	Total
31 December 2024				
NUCA and notes payables	670 203 525	1 492 277 067	3 221 345 189	5 383 825 781
Loans and Borrowings	911 456 171	260 967 445	1 709 078 045	2 881 501 661
Creditors and other credit balances	2 727 143 451	-	-	2 727 143 451
Due to related parties	2 550 715 640	-	-	2 550 715 640
31 December 2023				
NUCA and notes payables	352 426 739	1 009 574 715	3 473 150 354	4 835 151 808
Loans and Borrowings	75 713 048	244 858 824	936 339 963	1 256 911 835
Creditors and other credit balances	1 881 903 358	-	-	1 881 903 358
Due to related parties	2 649 317 162	-	-	2 649 317 162

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

The company'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.

8. Real estate sales

The Company's operations are considered to fall into one broad class of business, sale of real estate units and hence, segmental analysis of assets and liabilities is not considered meaningful. The Company's revenues can be analyzed as follows:

	2024	2023
Revenues from the sale of Sodic projects in West Cairo	1 722 493 908	3 037 977 939
Revenues from the sale of Sodic projects in East Cairo	950 992 487	1 501 736 569
	2 673 486 395	4 539 714 508
Sales return	-	(14 066 143)
Discount for early payment	(55 565 555)	(371 646 761)
	2 617 920 840	4 154 001 604
Interest income from installments during the year *	526 563 903	259 488 667
	3 144 484 743	4 413 490 271



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8. Real estate sales (continued)

- i. Total real estate sales includes an amount of EGP 146 372 660 representing the financial component on installments collected from customers of delivered real estate properties prior to delivery in compliance with the standard of capitalized interest.
 - ii. All the real estate sales are recorded at a point in time.
- * This amount represents the financial component on installments collected from customers of delivered real estate properties after the delivery in compliance with the Egyptian accounting standard No. 48.

9. Cost of real estate sales

	2024	2023
Cost of sales of Sodic projects in West Cairo	627 601 449	1 473 510 263
Cost of sales of Sodic projects in East Cairo	661 140 332	1 240 871 301
	1 288 741 781	2 714 381 564
Cost of sales returns	-	(6 402 547)
	1 288 741 781	2 707 979 017
Write down to NRV in WIP	-	(143 258 087)
Onerous contracts - provision	-	(97 491 234)
	1 288 741 781	2 467 229 696

Total cost of real estate sales includes an amount of EGP 146 372 660 interest capitalized on installments received on advance from customers on delivered real estate properties. in compliance with the Egyptian accounting standard No. 48.

10. Other operating income

	2024	2023
Cancellations and delay penalties	30 743 123	37 056 671
Leased buildings revenue	14 931 879	13 499 754
Other revenue	16 999 677	5 983 742
Subscription fees	15 069 656	13 882 035
Reversal of impairment losses of fixed assets	1 822 590	1 822 590
Gain on sale of property, plant and equipment	-	121 210
	79 566 925	72 366 002



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11. Selling and marketing expenses

	2024	2023
Salaries and wages	83 176 628	75 408 604
Sales commissions	135 115 081	189 203 551
Advertising	125 464 685	79 121 749
Exhibitions and conferences	33 651 823	7 301 419
Rent expenses for short term /low value	8 011 687	1 739 869
Maintenance, security, cleaning, and agriculture	8 006 677	6 208 243
Travel, transportation, and cars	2 841 757	3 095 150
Professional and consultants' fees	2 056 517	17 491 161
Programs and computer supplies	-	11 512 464
Tips and gifts	994 469	-
Fixed assets depreciation and amortization of right of use assets	2 630 704	3 695 463
Vacations	362 248	-
Fees, stamps and licenses	9 351 081	3 652 810
Printing and photocopying	1 434 379	1 140 098
Communication and electricity	5 057 719	4 993 757
Other	4 737 672	306 216
	422 893 127	404 870 554



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12. General and administrative expenses

	2024	2023
Salaries, wages, and bonuses	357 380 307	327 584 564
Board of Directors' remunerations and allowances	16 000 000	14 000 000
Medical care and employees training	29 479 339	27 150 354
Specific employee's benefits	470 885	1 451 494
Maintenance, security, cleaning, and agriculture	105 060 431	97 048 990
Professional and consultancy fees	94 575 300	104 398 417
Exhibitions, and conferences	374 423	492 780
Donations	962 000	437 600
Tips and gifts	4 718 264	4 120 165
Fixed assets depreciation and amortization of right of use assets	21 827 705	19 185 908
Reception and hospitality	4 748 863	6 532 655
Programs and computer supplies	114 383 455	70 105 396
Stationery and printing supplies	742 467	752 494
Communication and electricity	6 519 937	9 396 804
Subscriptions and governmental dues	18 745 948	3 450 269
Rent expenses for short term – low value	6 233 732	5 015 518
Travel and transportation	7 607 916	5 164 764
Bank charges	7 482 678	4 612 382
Vacations	6 262 968	5 299 540
Insurance installments	3 587 743	4 581 490
Takaful contribution	8 892 991	11 757 488
Other	3 372 886	577 043
	819 430 238	723 116 115

13. Other operating expenses

	2024	2023
Provision for claims	94 862 485	31 368 830
Provisions for constructive obligations	150 000 000	-
Depreciation of rental units	14 325 898	14 311 659
Loss on disposal of property plant and equipment	225 580	-
	259 413 963	45 680 489



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14. Net charges of expected credit losses

	Balance in 1 January 2024	Movement during the year	Balance in 31 December 2024
Cash at banks (Note 25)	1 682 947	8 308 914	9 991 861
Trade and notes receivable (Note 22)	27 307 511	9 689 572	36 997 083
Due from related parties (Note 38-1)	495 593 868	(168 998)	495 424 870
Debtors and other debit balances (Note 23)	18 334 287	42 008 430	60 342 717
	542 918 613	59 837 918	602 756 531
	Balance in 1 January 2023	Movement during the year	Balance in 31 December 2023
Cash at banks (Note 25)	327 733	1 355 214	1 682 947
Trade and notes receivable (Note 22)	16 212 225	11 095 286	27 307 511
Due from related parties (Note 38-A)	495 287 768	306 100	495 593 868
Debtors and other debit balances (Note 23)	1 510 219	16 824 068	18 334 287
Financial investments at amortized cost	1 112 025	(1 112 025)	-
	514 449 970	28 468 643	542 918 613

The Company 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.

15. Finance income

	2024	2023
Interest in income on current accounts and short-term deposits	178 874 181	36 756 345
Return on investment in amortized cost	23 551 692	59 132 432
Foreign currency exchange gains from balances denominated in foreign currencies (*)	69 628 557	36 292 776
	272 054 430	132 181 553

(*) As the Company has a surplus of foreign currencies at the date of the financial position, the Company realized 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.



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16. Finance cost

	2024	2023
Interest expense	444 134 784	286 567 860
Interest in lease contracts	2 235 618	1 447 170
	446 370 402	288 015 030

17. Income tax

17.1 Items recognized in the profit or loss

	2024	2023
Current income tax expense	65 235 014	17 187 089
Tax on investments at amortized costs	4 710 338	11 826 486
Deferred income tax (benefit)/expense	(14 465 571)	106 331 086
	55 479 781	135 344 661



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17. Income tax (continued)

17.2 Deferred tax assets and liabilities movement

	December 31, 2024		
	Balance as at 1 January 2024 asset / (liability)	Charged to profit or loss	Balance as of 31 December 2024
			Deferred tax resulted in (liability)
			Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(2 251 717)	(3 849 313)	(6 101 030)
Foreign currency exchange differences	(3 954 956)	(9 117 721)	(13 072 677)
Provisions	151 985 253	27 432 605	179 417 858
	145 778 580	14 465 571	(19 173 707)
			160 244 151
	December 31, 2023		
	Balance as at 1 January 2023 asset / (liability)	Charged to profit or loss	Balance as of 31 December 2023
			Deferred tax resulted in (liability)
			Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(4 072 274)	1 820 557	(2 251 717)
Foreign currency exchange differences	(10 269 596)	6 314 640	(3 954 956)
Provisions	197 803 809	(45 818 556)	151 985 253
Carry forward losses	68 647 727	(68 647 727)	-
	252 109 666	(106 331 086)	(6 206 673)
			145 778 580



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17. Income tax (continued)

17.2 Deferred tax assets and liabilities movement (continued)

Reconciliation of effective income tax rate

	2024	2023
Profit before income tax	142 542 592	591 704 726
Tax rate	22.50 %	22.50 %
Income tax calculated according to income tax law	32 072 083	133 133 563
Special tax pool (financial investment at amortized cost)	4 850 670	513 407
Non- deductible expenses	17 842 112	5 795 735
Deductible temporary differences not recognized as deferred tax assets	3 295 705	6 405 445
Other tax adjustments	(2 580 789)	(10 503 489)
Tax as per income statement	55 479 781	135 344 661
Effective tax rate	38.92%	22.87%

17.3 Unrecognized deferred tax assets

	2024	2023
Temporary deductible differences - ECL	152 340 534	139 287 081
	152 340 534	139 287 081

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

18. Earnings per share

Earnings per share as of December 31, 2024, are calculated based on the net earnings for the year using the weighted average number of outstanding shares during the year as follows:

	2024	2023
Net profit for the year	87 062 811	456 360 065
Employees' share of profit	-	-
	87 062 811	456 360 065
Weighted average number of shares outstanding during the year	356 197 368	356 197 368
Gain per share (EGP / share)	0.24	1.28



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19. Inventory

	2024	2023
Operating equipment (Clubs)	-	8 306 053
Communication devices	2 068 795	2 068 795
	2 068 795	10 374 848

20. Completed real estate properties

The Company is operating in the real estate industry as a developer selling residential units to the customer on instalments. SODIC sells residential units to its customers on an off-plan sale with revenue recognized at a point in time. The customers are contractually required to make advance payments for the portion of the selling price on an installment basis before the units are transferred to the customer at the end of the development process and recognized as revenue at the delivery date. The remainder of the selling price is also paid on the installment basis post the transfer of the unit to the customer. The significant financing is being made at the contract level, and it is being capitalized on the projects during its development phase.

	2024	2023
West Cairo projects	600 931 151	674 568 121
	600 931 151	674 568 121

21. Work in process

	2024	2023
West Cairo projects costs (21.1)	11 104 824 065	7 785 730 983
East Cairo projects costs (21.2)	1 767 486 379	1 217 541 087
North Coast projects costs (21.3)	869 655 581	-
	13 741 966 025	9 003 272 070

The work in process balance includes the following:

- Land cost amounting 5.192 billion (2023: 4.58 billion), and amount of EGP 3.3 billion representing the value of total capitalized interest on work in process including 1.5 billion representing the value of significant financing component on installments collected from customers before delivery in accordance with EAS 48 (EGP 1.5 billion including EGP 504 million respectively on 31 December 2023).



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21. Work in process (continued)

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

	2024	2023
Beginning balance	9 003 272 070	7 615 713 765
Net Additions	5 953 798 766	3 736 102 820
Transferred to completed real estate properties	(1 215 104 811)	(2 348 544 515)
	13 741 966 025	9 003 272 070

21.1 West Cairo projects costs

VYE and Karmel Projects

On 21 March 2019 a development agreement was signed between the Company and the new Urban Communities Authority "NUCA" to establish an integrated urban project with an area of 464.81 acres under deficit or increase, according to the contract.

21.2 East Cairo projects costs

SODIC East Project

- Joint arrangement with Heliopolis Housing and Development Company

On March 16, 2016 the Company entered into a joint arrangement contract with Heliopolis Housing and Development Company, according to the contract the Company 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 a minimum guarantee.

On July 17, 2022 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.

The Company 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 Company 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 Company at its own expense and under its responsibility will implement, finance, market and sell the units of the project and all its inclusions and components.



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21. Work in process (continued)

21.2 East Cairo projects costs (continued)

The balance in note (23) 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 23), this amount will be settled with Heliopolis Housing and Development Company's revenue share in the co-development contract pertaining to New Heliopolis City

The Company 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.
- 4) The contributions required from the parties, where New Heliopolis contributes land for the project development and the Company 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.



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21. Work in process (continued)

21.3 North Cost projects costs

Ogami Project

On July 11, 2023, a co-development contract was concluded between the Company 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 the Company.

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

22. Trade and notes receivable

22.1 Trade and notes receivable current

	2024	2023
Trade receivable	127 165 518	65 541 465
Notes receivable – units	1 340 790 229	1 118 758 555
	1 467 955 747	1 184 300 020
Unamortized interest – notes receivable	(42 968 180)	(77 721 024)
	1 424 987 567	1 106 578 996
Expected credit losses	(10 984 492)	(7 827 556)
	1 414 003 075	1 098 751 440

22.2 Trade and notes receivable non-current

	2024	2023
Notes receivable – units' installments	3 476 294 858	2 772 881 654
Unamortized interest	(1 438 671 992)	(1 036 362 991)
	2 037 622 866	1 736 518 663
Expected credit losses	(26 012 591)	(19 479 955)
	2 011 610 275	1 717 038 708

The off-balance sheet notes receivable (postdated checks) amounted EGP 44.2 billion are disclosed in note No. (40).



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22. Trade and notes receivable (continued)

22.2 Trade and notes receivable non-current (continued)

Trade and notes receivable are backed by the units sold as collateral and therefore the Company has applied a loss given default (LGD) of 10% in the calculation of the ECL taking into account this collateral.

The Company's exposure to credit, and currency risks related to trade and notes receivable are disclosed in note No. (7).

Sensitivity analysis

If the loss rates increased by 10%, the total expected credit losses will increase by 3.7 million (31 December 2023: 2.7 million)

23. Debtors and other debit balances

	2024	2023
Contractors and suppliers – advance payments	1 673 975 352	1 195 101 400
Prepaid sales commissions on undelivered units	1 281 146 325	569 859 898
Deposits with others	13 582 684	8 755 958
Tax Authority- VAT &WHT	90 224 454	60 564 685
Due from the bonus and incentives plan to employees and managers fund	-	6 852 365
Heliopolis Development and Housing Company	260 802 472	260 802 472
Restricted cash for SODIC East project (23-1)	47 731 239	30 075 339
Restricted cash for the 464.81 acres project	55 827 464	21 573 251
Restricted cash for the 440 acres project	60 231 567	-
Bank current accounts & deposits - Maintenance (23-2)	1 604 830 654	1 309 178 390
Maintenance receivables	198 788 499	-
Other debit balances	19 396 308	24 775 771
	5 306 537 018	3 487 539 529
Expected credit losses	(60 342 717)	(18 334 287)
	5 246 194 301	3 469 205 242

(23-1) This balance represents the company's share of the collected amounts from customers in the joint escrow bank accounts held by the banks for 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.

(23-2) 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 units and cannot be used for any other purpose.



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24. Financial Investments at amortized cost

	2024	2023
Treasury bills at par value	-	265 925 000
Unearned return on treasury bills	-	(10 901 295)
	-	255 023 705
Expected credit losses	-	-
	-	255 023 705

The Company's exposure to market & interest risk related to the trading investments is disclosed in note No. (7).

25. Cash and cash equivalents

	2024	2023
Banks - time deposits *	1 127 870 700	84 025 000
Banks - current accounts	429 662 867	257 139 097
Checks under collection	13 110 098	18 081 970
Cash on hand	3 661 703	2 937 901
	1 574 305 368	362 183 968
Expected credit losses	(9 991 861)	(1 682 947)
	1 564 313 507	360 501 021

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

	2024	2023
Cash and cash equivalents before ECL	1 574 305 368	362 183 968
Restricted deposits *	-	(1 000 000)
Cash and cash equivalents in the separate statement of cash flows	1 574 305 368	361 183 968

The Company's exposure to interest rate risk and currency risk for cash and cash equivalents, which is disclosed in note No. (7).



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26. Property, plant, equipment

Cost	Lands	owned properties	Vehicles	Furniture and fixtures	Generators, machinery & equipment	Computer & Printers	communications	Computer software	Leasehold improvements	Solar power stations	Golf Course	Total
Cost at January 1, 2023	81 050 185	605 395 339	21 996 002	53 404 724	46 662 806	36 717 078	3 310 018	21 803 070	66 873 434	11 218 810	99 377 533	1 047 808 999
Additions during the year	-	-	1 219 201	2 059 652	3 055 899	3 226 871	-	682 931	-	-	-	10 244 554
Disposals during the year	-	-	(77 000)	(954 188)	(55 245)	(86 678)	(6 000)	-	(2 385 258)	-	-	(3 564 369)
Cost at December 31, 2023	81 050 185	605 395 339	23 138 203	54 510 188	49 663 460	39 857 271	3 304 018	22 486 001	64 488 176	11 218 810	99 377 533	1 054 489 184
Cost at January 1, 2024	81 050 185	605 395 339	23 138 203	54 510 188	49 663 460	39 857 271	3 304 018	22 486 001	64 488 176	11 218 810	99 377 533	1 054 489 184
Additions during the year	-	610 000	1 782 386	4 137 966	1 177 726	9 936 754	167 950	-	-	-	-	17 812 782
Disposals during the year	-	-	(21 125)	(955 118)	(1 534 295)	(1 939 185)	(137 960)	-	-	-	-	(4 587 683)
Cost at December 31, 2024	81 050 185	606 005 339	24 899 464	57 693 036	49 306 891	47 854 840	3 334 008	22 486 001	64 488 176	11 218 810	99 377 533	1 067 714 283
Accumulated depreciation and impairment losses												
Accumulated depreciation and impairment losses at January 1, 2023	-	99 409 097	15 517 968	28 459 957	19 994 751	24 181 102	2 598 471	18 330 217	51 665 442	1 306 979	21 419 862	282 883 846
Depreciation during the year	-	29 749 865	2 532 876	7 917 899	8 456 654	4 791 000	211 221	1 935 562	4 393 740	448 753	1 822 590	62 260 160
Accumulated depreciation of disposals during the year	-	-	(77 000)	(953 967)	(55 240)	(60 868)	(6 000)	-	(2 385 258)	-	-	(3 538 333)
Accumulated depreciation and impairment losses at December 31, 2023	-	129 158 962	17 973 844	35 423 889	28 396 165	28 911 234	2 803 692	20 265 779	53 673 924	1 755 732	23 242 452	341 605 673
Accumulated depreciation and impairment losses at January 1, 2024	-	129 158 962	17 973 844	35 423 889	28 396 165	28 911 234	2 803 692	20 265 779	53 673 924	1 755 732	23 242 452	341 605 673
Depreciation during the year	-	29 690 098	2 421 717	8 134 502	8 755 360	5 011 372	190 366	1 364 116	4 393 738	448 752	1 822 572	62 232 593
Accumulated depreciation of disposals during the year	-	-	(21 122)	(816 781)	(1 375 591)	(1 880 276)	(137 948)	-	-	-	-	(4 231 718)
Accumulated depreciation and impairment losses at December 31, 2024	-	158 849 060	20 374 439	42 741 610	35 775 934	32 042 330	2 856 110	21 629 895	58 067 662	2 204 484	25 065 024	399 606 548
Impairment in Golf Course												
Accumulated impairment losses at January 1, 2023	-	-	-	-	-	-	-	-	-	-	77 957 671	77 957 671
Reversal of impairment losses during the year	-	-	-	-	-	-	-	-	-	-	(1 822 590)	(1 822 590)
Accumulated impairment losses at December 31, 2023	-	-	-	-	-	-	-	-	-	-	76 135 081	76 135 081
Reversal of impairment losses during the year	-	-	-	-	-	-	-	-	-	-	(1 822 572)	(1 822 572)
Accumulated impairment losses at December 31, 2024	-	-	-	-	-	-	-	-	-	-	74 312 509	74 312 509
Carrying amount												
Carrying amount at January 1, 2023	81 050 185	505 986 242	6 478 034	24 944 767	26 668 055	12 535 976	711 547	3 472 853	15 207 992	9 911 831	-	686 967 482
Carrying amount at December 31, 2023	81 050 185	476 236 377	5 164 359	19 086 299	21 267 295	10 946 037	500 326	2 220 222	10 814 252	9 463 078	-	636 748 430
Carrying amount at December 31, 2024	81 050 185	447 156 279	4 525 025	14 951 426	13 530 957	15 812 510	477 898	856 106	6 420 514	9 014 326	-	593 795 226



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26. Property, plant and equipment (continued)

- Fixed assets included fully depreciated assets amounted to EGP 141 089 749 at December 31, 2024.

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

	2024	2023
Cost of sale	44 253 572	44 221 264
Selling and marketing expenses	1 305 470	1 265 867
General and administrative expenses	16 673 551	16 773 029
	62 232 593	62 260 160

27. Property, plant and equipment under construction

	2024	2023
Administrative buildings and under construction	91 295 348	66 777 069
	91 295 348	66 777 069

28. Investment properties under development

	2024	2023
At 1 January	106 387 557	106 245 091
Development cost incurred	12 421 633	142 466
Transfer to investment property (Note 30)	(40 618 162)	-
	78 191 028	106 387 557
	2024	2023
Projects in West Cairo	78 191 028	106 387 557
	78 191 028	106 387 557

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 of investment properties under development amounted to EGP 183.5 million as of 31 December 2024.



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29 Investments in Subsidiaries

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

	Principal activities	Ownership %	Paid amount of participation %	Carrying amount as at	
				31 December 2024	31 December 2023
Sixth of October for Development and Real Estate Projects Co. (SOREAL)	Real estate developer (project East town and EDNC)	99.99	100	807 334 516	807 334 516
SOREAL for Real Estate Investment Co.	Real estate developer (project villete)	99.99	100	499 999 970	499 999 970
SODIC for Development and Real Estate Investment Co.	Real estate developer	99.99	100	299 999 980	299 999 980
Tabrouk Development Co.	Real estate developer (Projects June and Ceaser)	99.99	100	99 998 000	99 998 000
SODIC for Clubs *	Clubs Management	40	100	16 000 000	11 200 000
				1 723 332 466	1 718 532 466

The financial information of the subsidiaries is as follow:

Company	Assets	Liabilities	Equity
Sixth of October for Development and Real Estate Projects Co. (SOREAL)	6,704,207,867	1,974,981,360	4,729,226,507
SOREAL for Real Estate Investment Co.	7,427,607,388	3,807,721,551	3,619,885,837
SODIC for Development and Real Estate Investment Co.	506,820,040	157,819,081	349,000,959
Tabrouk Development Co.	10,315,658,857	9,672,906,503	642,752,354
SODIC for Clubs *	123,648,572	66,833,215	56,815,357



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30. Investment properties

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

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

<u>Description</u>	<u>EGP</u>
Cost	
At January 1, 2023	294 390 201
Additions during the year	-
At December 31, 2023	294 390 201
At January 1, 2024	294 390 201
Additions during the year	40 618 162
At December 31, 2024	335 008 363
Deduct: accumulated depreciation	
At January 1, 2023	15 158 019
Depreciation for the year	14 311 659
At December 31, 2023	29 469 678
At January 1, 2024	29 469 678
Depreciation for the year	14 325 898
At December 31, 2024	43 795 576
Net carrying amount as of January 1, 2023	279 232 182
Net carrying amount as of December 31, 2023	264 920 523
Net carrying amount as of December 31, 2024	291 212 787

- 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 of investment properties amounted to EGP 897.7 million as of 31 December 2024.



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31. Share capital and reserves

31.1 Issued and paid-up capital

The authorized capital of the Company is EGP 2.8 billion and the Company's issued 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 capital structure for the holding company as of 31 December 2024 and 31 December 2023 as follows: -

Shareholder	Number of shares	Share Value EGP	Ownership percentage %
ALDAR VENTURES INTERNATIONAL HOLDING RSC LIMITED	213,240,140	٨٥٢,٩٦٠,٥٦٠	59.87
GAMMA FORGE LIMITED	91,388,632	٣٦٥,٥٥٤,٥٢٨	25.66
EQUITY Holding for Investments	17,114,933	٦٨,٤٥٩,٧٣٢	4.80
Olayan Saudi Investment Company	9,289,580	٣٧,١٥٨,٣٢٠	2.61
Other shareholders	25,164,083	١٠٠,٦٥٦,٣٣٢	7.06
	<u>٣٥٦,١٩٧,٣٦٨</u>	<u>١,٤٢٤,٧٨٩,٤٧٢</u>	<u>100</u>

31.2 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 as of 1 January 2023.	224 840 771
Legal reserve 2024 Movement of 2023 net profit	22 818 003
	<u>247 658 774</u>

31.3 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 at 1 January 2023	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 the year 2024.	206 915 651
	<u>1 690 069 708</u>



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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).

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



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

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.

- 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%.

Floating

On September 8, 2024, SODIC signed a long-term syndicated facility with Bank Misr and commercial financial international bank CIB for a total amount of EGP 4.14 billion, to Partially finances remaining development cost along with other expenses related to Sodid 464 acres project, the loan will be repaid on 12 unequal quarterly installments (The interest rate is CBE corridor plus margin).

Debt covenant:

Debt Covenant:

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



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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
the debt covenant.							
On September 8, 2024, SODIC signed a long-term syndicated facility with Bank Misr and commercial financial 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 (The interest rate is CBE corridor plus margin).			900 000 000	900 000 000			
Debt covenant:							
Debt Covenant:							
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.							
unamortized borrowing cost		(1 610 256)	(9 258 974)	(10 869 230)	(1 610 256)	(10 869 231)	(12 479 487)
Total		111 152 897	1 970 045 490	2 081 198 387	75 713 048	1 181 198 387	1 256 911 435



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32. Borrowings (continued)

32.2 Bank facilities

	2024	2023
Nominal interest rate		
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 backed by receivables, representing future instruments for units delivered across SODIC's diverse projects (The interest rate is CBE corridor plus margin).	Floating	
	800 303 274	471 089 237
	800 303 274	471 089 237

33. New Urban Communities Authority

	2024	2023
New Urban Communities Authority "NUCA"	10 343 855 608	10 586 706 952
Unamortized interest	(5 097 939 151)	(5 860 826 408)
	5 245 916 457	4 725 880 544
Current portion	532 294 201	243 155 475
Non-current portion	4 713 622 256	4 482 725 069
	5 245 916 457	4 725 880 544

On June 27, 2022 a purchase of land agreement was signed between the company and NUCA to establish an integrated urban project with an area of 464.81 acres with a total value of EGP 11.36 billion.



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34. Advances - from customers

	2024	2023
Advances – Projects in West Cairo	5 962 399 546	3 229 011 477
Advances – Projects in East Cairo (*)	1 479 754 175	1 076 872 507
Advances – Projects on the North Coast	1 731 828 987	-
Advances – Clubs memberships	606 647 067	394 977 112
	9 780 629 775	4 700 861 096

- Advances Includes an amount of EGP 1.527 billion representing the value of financial components on installments collected from customers.
- Uncollected notes receivable for undelivered units, amounting to EGP 40.4 billion that are not included in the financial statements have been disclosed in note No. (40).

35. Contractors, suppliers and notes payable

	2024	2023
Contractors	65 128 112	45 736 642
Suppliers	100 687 955	38 717 215
Notes payable	137 909 323	109 271 264
	303 725 390	193 725 121

- The Company's exposure to currency and liquidity risks related to suppliers, contractors and notes payable are disclosed in note No. (7).

36. Creditors and other credit balances

	2024	2023
Amounts collected on account of management, operation, and maintenance of projects *	1 602 211 432	1 161 662 871
Accrued expenses	426 317 263	306 900 541
Customers – credit balances and cancellation	37 787 910	41 474 567
Tax Authority	113 428 878	48 756 909
Accrued compensated absence	389 290	15 656 343
Insurance Deposits collected from customers –		
Against modifications	28 888 636	8 618 703
Social insurance – Contractors	10 758 169	13 569 411
Creditors of gas and electricity installments	34 602 074	24 364 829
Retentions	252 979 385	161 826 162
Customers rent advances	1 507 109	8 038 132
Other creditors short term	52 457 239	6 581 033
	2 561 327 385	1 797 449 501



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36. 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 3.22 billion, have been disclosed in note No. (40).
- The Company's exposure to currency and liquidity risks related to creditors is disclosed in note No. (7).

37. Provisions

	<u>2024</u>	<u>2023</u>
Provision for completion of works (37.1)	595 412 704	645 990 014
Provision for expected Claims (37.2)	242 300 000	33 250 000
	<u>837 712 704</u>	<u>679 240 014</u>

37.1 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 are no longer required during the year</u>	<u>Balance as at 31 December 2024</u>
Provision for completion of works	645 990 014	151 081 538	(201 658 848)	-	595 412 704
	<u>645 990 014</u>	<u>151 081 538</u>	<u>(201 658 848)</u>	<u>-</u>	<u>595 412 704</u>
	<u>Balance as at 1 January 2023</u>	<u>Formed during the year</u>	<u>Used during the year</u>	<u>Provisions are no longer required during the year</u>	<u>Balance as at 31 December 2023</u>
Provision for completion of works	618 378 720	487 014 952	(459 403 658)	-	645 990 014
	<u>618 378 720</u>	<u>487 014 952</u>	<u>(459 403 658)</u>	<u>-</u>	<u>645 990 014</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 at its final stage.



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37. Provisions (continued)

37.2 Claims provisions

	Balance as at 1 January 2024	Formed during the year	Used during the year	Provisions are no longer required during the year	Balance as at 31 December 2024
Provision for expected claims	33 250 000	95 093 585	(36 043 585)	-	92 300 000
Provision for compensation	-	150 000 000	-	-	150 000 000
	<u>33 250 000</u>	<u>245 093 585</u>	<u>(36 043 585)</u>	<u>-</u>	<u>242 300 000</u>
	Balance as at 1 January 2023	Formed during the year	Used during the year	Provisions are no longer required during the year	Balance at 31 December 2023
Provision for expected claims	30 000 000	31 368 830	(28 118 830)	-	33 250 000
	<u>30 000 000</u>	<u>31 368 830</u>	<u>(28 118 830)</u>	<u>-</u>	<u>33 250 000</u>

- 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 of 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.

37.3 Onerous contracts provision

	Balance as at 1 January 2023	Formed during the year	Provisions no longer required during the year	Balance as at 31 December 2023
Onerous contracts provision	97 491 234	-	(97 491 234)	-
	<u>97 491 234</u>	<u>-</u>	<u>(97 491 234)</u>	<u>-</u>



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38. Transactions with related parties

Related parties are represented in the Company' shareholders, board of directors, executive directors and Companies in which they own shares in directly or indirectly giving them significant influence over these Companies. The Company made several transactions during the year with related parties and these transactions have been done in accordance with the terms determined by the Company's management and have been approved by the Company's Ordinary General Assembly. A summary of significant transactions concluded during the year at the separate financial position date were as follows:

Party	Nature of relationship	Nature of transaction	31 December 2024
			Amount of Transaction
Beverly Hills Company for Management of Cities and Resorts	A subsidiary	Works of agriculture, maintenance, and security services for Beverly Hills City	17 526 733
Sixth of October for Development and Real Estate Projects (SOREAL)	A subsidiary	Payments on behalf of the Company	9 073 261
Sodic Garden City for development and investment	A subsidiary	Payments on behalf of the Company	1 438 771
Edara for Services of Cities and Resorts Company	A subsidiary	Works of agriculture, maintenance, and security services for SODIC West	347 438 734
Al Yosr for Projects and Real estate Development Company	A subsidiary	Payment on behalf of the company	131 086 858
SOREAL for Real estate investment Company	A subsidiary	Payments on behalf of the Company	175 432 847
Tabrouk Development Company	A subsidiary	Payments on behalf of the Company	559 072 513
SODIC for Development and Real Estate Investment Company	A subsidiary	Payments on behalf of the Company	76 539 456
SODIC Clubs	A subsidiary	Revenue/expenses of clubs	88 365 523
		Administrative fees	5 832 000
Aldar Egypt for Projects Development	Under common control from the parent company	Payments on behalf of the Company	718 724
Executive directors and board members			56,174,529



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38. Transactions with related parties (continued)

The following is the balances of related parties at the date of the financial statements.

a) Due from related parties

	31 December 2024	31 December 2023
Green scape for Agriculture and Reclamation Company (under Liquidation)	3 651 668	3 651 668
Move-In for Advanced Contracting Company	22 411 128	22 411 128
SODIC Syria Company	434 145 985	434 145 985
Palmyra Real Estate Development Company –a Joint project	35 191 620	35 191 620
SODIC Garden City for development and investment	3 362 142	1 923 371
Aldar for Real Estate Company – Egypt	1 042 141	323 417
Al Yosr for Projects and Real estate Development	-	4 809 997
Tabrouk Development Company	51 035 510	-
Beverly Hills for Management of Cities and Resorts	10 511 238	9 958 216
	561 351 432	512 415 402
Expected credit losses (*)	(495 424 870)	(495 593 868)
	65 926 562	16 821 534

(*) Due to the current political circumstances in the Syrian Arab Republic which had a significant impact on the economic sectors in general, and the confiscation of assets and documents related to Palmyra - SODIC Real Estate Development Company by the Syrian Arab Republic government, the management of SODIC addressed the Embassy of the Syrian Arab Republic in Egypt to protect all of its interest from these acts and commissioned a law firm for trying to reserve its interest.

Accordingly, the Board of Directors of Sixth of October Development and Investment "SODIC" saw that the assets of the investee company all became in dispute with the mentioned country's government, which requires to recognize a loss arising from an inability to recover its investments and therefore the Board of Directors decided on April 16, 2014 to impair the due from related parties relating to investments that have been injected for projects in the Syrian Arab Republic in addition to an impairment for due from some subsidiaries related to debts that are not expected to be collected which are amounted to EGP 495 724 870 as at December 31, 2024



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38. Transactions with related parties (continued)

b) Due to related parties

	31 December 2024	31 December 2023
Sixth of October for Development and Real Estate Projects (SOREAL)	1 821 738 146	1 830 811 406
SOREAL for Real Estate Company	293 525 680	118 092 834
Al Yosr for Projects and Real estate Development Company	126 276 861	-
SODIC for Clubs	73 627 897	47 398 349
Tabrouk Development Company	-	508 037 003
SODIC for Development and Real Estate Investment Company	214 530 675	137 991 219
Edara for Services of Cities and Resorts Company	21 016 381	6 986 351
	2 550 715 640	2 649 317 162

39. Tax status

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

Corporate tax

- from 1996 to 2018 have been tax inspected and tax differences have been paid and settled.
- Years 2019 under processing and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- From 2020 to 2022 have not been inspected and no tax claims have been received till the date of authorizing 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

- from 1996 to 2022 have been inspected, and tax differences have been paid and settled.
- from 2023 to 2024 have not been inspected, and no tax claims have been received till the date of authorization 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.



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39. Tax status (continued)

Stamp tax

- Tax inspection was carried out from 1996 to 2020, and tax differences have been fully paid.
- from 2021 to 2022 were under processing and no tax claims have been received till the date of authorizing 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

- from 1996 to 11-2020 have been inspected, and tax differences have been paid and settled.
- from 12-2020 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 pays 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.

40. Post-dated checks (off balance sheet)

The value of post-dated checks and installment customers are not included in the separate 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:

	Note	31 December 2024 EGP	31 December 2023 EGP
Postdated checks clients and unit's installments	(34)	40 442 737 712	15 318 928 626
Postdated checks customers cancellations	(40)	7 870 952	39 688 652
Postdated checks clubhouse installment	(38)	535 471 184	509 012 919
Postdated checks clients and maintenance installments	(36)	3 222 009 845	986 468 102
		44 208 089 693	16 854 098 299
These are due			
Checks due short term	(20)	7 280 600 437	2 830 367 328
Checks due long term	(20)	36 927 489 256	14 023 730 971
		44 208 089 693	16 854 098 299



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41. Non - cash transactions

For the purpose of preparing the separate 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:

	<u>EGP</u>
Amortized interests on NUCA & land purchase creditors, that were capitalized to work in process	520 035 913
Capitalized financial component on installments collected from customers	974 872 329
Transfer between investment properties and Project under constructions	40 618 162