

BELONG

2019
A RECORD
YEAR!

Annual Report

SODIC is a customer focused mixed use developer. 20 years young and driven by a progressive vision, innovation is at the heart of everything we do. Our purpose is to deliver dynamic communities that our residents BELONG to, honouring their diversity and choice of SODIC for such a long-term commitment.



◀
4
Who We Are

OVERVIEW	4	CORPORATE GOVERNANCE	98
Who We Are	4	Leadership Team	98
SODIC In Numbers	14	Board Of Directors	106
STRATEGIC REPORT	18	Corporate Governance Report	114
7 Questions We Asked Our MD, an interview with our Managing Director	18	Shareholder Information	128
2019: The Game Changing Year!, a letter from our CFO	24	CONSOLIDATED FINANCIAL STATEMENTS	130
Our Land Bank And Assets Portfolio	30	Auditor's Report	132
A Story Of Belonging	34	Consolidated statement of financial position	134
SODIC City	48	Consolidated statement of profit or loss For The Financial Year Ended	135
Next Generation Of Projects	50	Consolidated statement of comprehensive income	135
Five Reasons To Invest In SODIC: A Compelling Equity Story	60	Consolidated Statement of Changes in Equity	136
The SODIC Strategy	68	Consolidated statement of cash flows	137
SODIC Insider	72	Notes to the consolidated financial statements	138
The SODIC Employee Experience	76		
Testimonials	83		
Sustainability	84		

▲
30
Our Land Bank And Assets Portfolio



▶
72
SODIC Insider



◀
48
SODIC City

▲
84
Sustainability

WHO WE ARE?

Sixth of October Development and Investment Co. (SODIC) is one of Egypt's leading listed real estate developers. We are developers of large-scale, mixed-use communities in West Cairo, East Cairo and the North Coast. Our developments cater to the country's ever-growing need for high quality residential and commercial property.

We believe that real estate is about

a lot more than just buildings. It's a platform for innovation and inspiration. Since our inception in 1996, SODIC operates 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 our residents with a radically improved quality of life, and deliver to our investors all at once. We build communities bringing land to life.



We are well established with a solid experience, yet we are still driven by our progressive vision, and innovation is at the heart of everything we do. Our purpose is to deliver dynamic communities that our residents can truly BELONG to, honouring their diversity and choice of SODIC for such a long-term commitment. Our offerings foster cutting-edge communities that span across generations. Delivering unique communities that generate value for all our stakeholders.



20 YEARS YOUNG

DELIVERING VALUE

We're driven to outperform, delivering value to all our stakeholders. We do this by leveraging our strong culture and values, focusing on our customers, delivering trendsetting projects that we continue to reinvest in, enabling us to grow our sales and cash flows creating significant and reliable returns to our shareholders.

Our well-diversified landbank, prime assets portfolio and our strong balance sheet provides us with solid footings to deliver to all our stakeholders.

The size and diversity of our land bank plays a massive role in helping SODIC mitigate concentration risks and stand with confidence in the face of adversities. It also provides us with an estimate of 9 years of sales visibility. We

are prepared to meet the rising potential demand for quality housing and commercial space with 6.4 million square meters of unlaunched land in East and West Cairo, and the North Coast.

We are constantly diversifying and strengthening our investment portfolio, building a portfolio of recurring income assets within our existing mature developments. We have retained 74,000 sqm of

prime near completion assets in our flagship city SODIC West. In addition, over 45,000 sqm of leasable areas in East Cairo will be on the market by 2022. And this is just the beginning, as we are adding a total of 250,000 sqm by 2023.

We are fully aware of the importance of preparing our developments for tomorrow, not just making them relevant today



Caesar - Mediterranean North Coast

Caesar - Mediterranean North Coast

INVEST. REINVEST. REPEAT.

Ours is a lifetime commitment to our clients, which is why we reinvest in our developments - our flagship development SODIC West is a clear example of delivering on that promise. With mixed use facilities constantly added to our developments, SODIC creates value that is there to last. However, we know there is much more to be done. We want to offer our +20,000+ residents a unique chance to BELONG to something special, something dynamic, upscale, and up-to-date.

BELONG

SODIC appreciates the human factor as the most important factor in the creation of excellence and sustaining it. Our people work in an environment that empowers talent and helps it develop. Our employees view SODIC as a second family that they BELONG to.

We are all connected. There's infinite potential and empowerment in that fact. Critical situations, such as the one COVID-19 presents us with, prove that the only way out for us is together; through our sense of community, through our sense of belonging to something bigger than ourselves.

Our communities offer our residents a common truth for a better quality of life with a balance of residential, recreational and business amenities and activities. Our purpose is to create somewhere special; somewhere to

BELONG. We do this by building communities that by design encourage diversity, creating social fabrics that welcome all and celebrate our differences. Our SODIC City embodies this New World that is young and progressive. A City that celebrates diversity and is buzzing with life.

Our shareholders also contribute to our story in a unique way. They BELONG to a company that prides itself on the diversity of its shareholder base. Being nonfamily owned greatly distinguishes SODIC, not only in the eyes of our

clients, but also in the way our business is run.

SODIC IN NUMBERS

SODIC IN NUMBERS

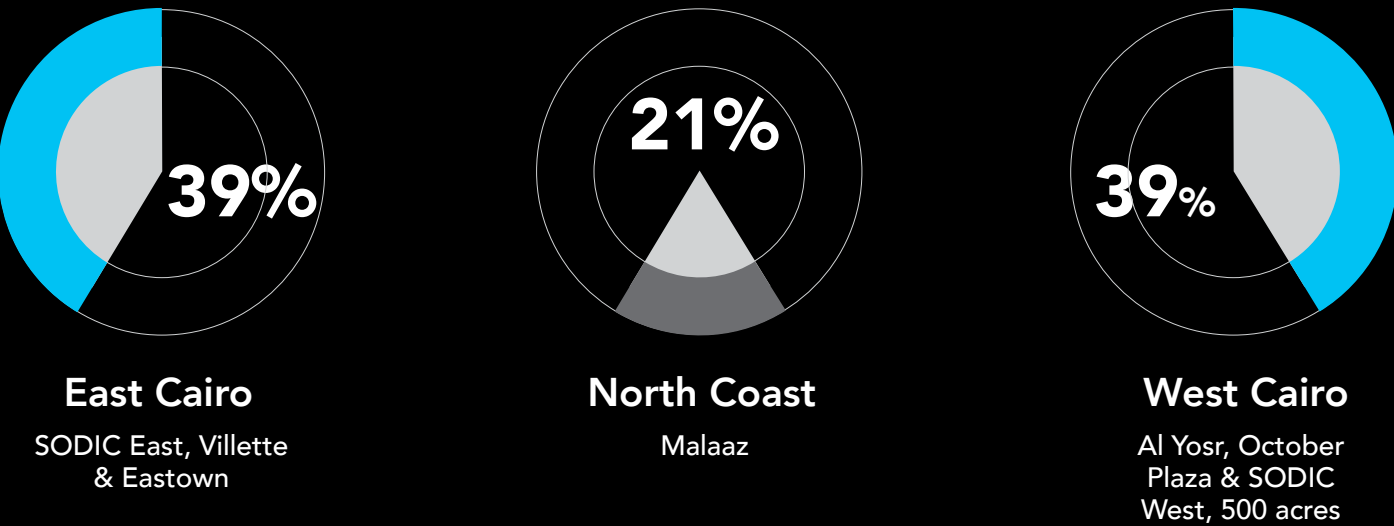


Performance in 2019

Item in EGP (unless stated otherwise)	2018	2019	YoY growth
Gross contracted sales	5.5 bn	7.3 bn	32%
Delivered Units, number of	1,079	1,176	9%
Revenue	3,726 mn	5,329 mn	43%
Gross Profit	1,226 mn	1,466 mn	20%
Operating profit	336 m	702 m	109%
Net Profit attributable to equity holders	449 m	719 m	60%
Basic earnings per share	1.29	2.06	60%
Dividend per share	0.5	0.55	10%
Year-end cash and equivalents	4,165 m	3,974 m	NA

We operate in 3 main markets in Egypt. West Cairo is where our story began over 20 years ago. Our operations expanded to East Cairo, the largest and one of the fastest growing markets in the country. And we have been selling secondary beach homes in the North Coast since 2015.

Breakdown of our +6mn sqm of unlaunched land



7 QUESTIONS WE ASKED OUR MANAGING DIRECTOR

Magued Sherif
Managing Director

7 QUESTIONS WE ASKED OUR MANAGING DIRECTOR

1



How was 2019 for SODIC?



2019 was certainly a record year for SODIC. We witnessed a phenomenal growth in sales - 32% from 2018 - to reach 7.3 billion EGP, outpacing the very competitive market we operate in.

I am particularly pleased with our performance in West Cairo where we inaugurated the city of New Zayed with two projects, The Estates and VYE.

Our performance in 2019 sets the bar high but is also a testament to SODIC's growth potential. With our continuous focus on our customers and well diversified pipeline of projects offering innovative products, the sky is the limit.

2



Change is one way to guarantee stability and growth. What types of change did SODIC bring about in 2019?



We are at the cross roads of a new era for SODIC where we bring to the market a new generation of projects. We rolled out two new projects in West Cairo's New Zayed this year with the launch of The Estates and VYE.

The Estates is SODIC's newest signature project, and the debut of a series of projects to be developed in the new and upcoming area of New Zayed. It's an upscale community spanning 630,000 sqm. We have always been strongly positioned to target the highest end of the market by offering luxury developments that truly stand out and the launch of this project further cements that position with some EGP 1 billion of reservations and sales booked in less than one week.



Our second new project in New Zayed is VYE, the first of three neighbourhoods within a 500 acre development that offers different living solutions with free flow access to features and amenities. While planning VYE, we focused on sustainability and innovation, since they are the needs and wants of this new generation of home buyers, millennials and generation Z. We introduced «Sol», the first solar powered homes in Egypt, and «NEO», the first of its kind expandable apartment within a multifamily building. With the future in mind, we launched VYE, our disruptive trendsetting development. The first phase of VYE sold out in 48 hours, reaching 1 billion EGP of reservations and sales.

In addition to growing the developments side of the business, we are also exploring ways to build resilience into our operations in the face

of competitive market dynamics. We're building a portfolio of prime leasable assets that will create recurring income for the company, in addition to revenues coming from one time sales. SODIC is uniquely positioned to deliver on this strategy because we built these assets in our mature developments that have now become prime locations in their own right. Today we have about 3.7 billion EGP worth of near completion prime assets in our flagship development SODIC West.

3



What about internal change?



2019 was an exciting year for the SODIC family. Our executive team has grown stronger with Nabil Amasha joining as Chief Commercial and Operations Officer. Nabil brings over 25 years of experience in areas of marketing management, sales, brand management and communication.

We also commenced 2019 with welcoming Timothy Collins and Elizabeth Critchley, representing Ripplewood, to the board of directors who, together, bring a wealth of investment and industry experience to the board. Moreover, Elizabeth's presence adds female representation to the SODIC board of directors mirroring our organization's diverse and inclusive culture. Our greatest internal priority is designing a working environment and culture

that inspires people and helps us all reach our highest potential. Our best work comes when our teams have a shared purpose and enjoy what they do. We have launched an innovation channel to encourage curiosity and creativity, giving people opportunities to collaborate on ambitious and rewarding projects that transform the business.

Employee engagement is a top priority for SODIC, and in an effort to guarantee that all our employees feel recognised for their efforts and talents, we revamped our Reward and Recognition program this year.

Furthermore, we are keen on bringing about more environmentally conscious change to our part of the equation. Our solar parking sheds are now operational, providing 95% of the energy required to power our head office and this year we have launched our first

solar powered homes, and this is just the beginning.

Another wave of change is nearing our shores in the future, with plans to expand our digital transformation to new frontiers. This has been put to the test with the COVID-19 health crisis. Our prior plans for digitalisation acted as a driving engine for our response to the crisis. It allowed for a speedy and smooth deployment of our work from home policy, where we put the safety and health of our people first, while working on developing continuity plans to keep the business running.

4



SODIC positions itself as the developer of choice to its target market. What's does it mean to put customers first?



It's about showing customers our progressive, passionate and performance-driven

spirit delivering authentic customer experiences to make a real difference in the communities we deliver. There are lot of promises in the business we operate in, we have built our reputation on delivering on ours.

We are privileged to play an important role in our customers' lives and are aware of the huge responsibility this brings. Our customers choose SODIC with a lifetime investment and commitment and we are proud of our solid track record for delivering ahead of schedule over 90% of the time. But timely delivery is not all we promise.

SODIC develops properties that provide their residents with an integrated living experience. Our world-class mixed-use properties are designed to offer our residents a chance to live, work and play in the comfort of our large-scale gated communities. We have been delivering on that promise for over 20 years while continuing to be young at heart and progressive. This means we do not rest on what we have accomplished, we're always reinvesting in our existing developments to guarantee that they are relevant for our customers

7 QUESTIONS WE ASKED OUR MANAGING DIRECTOR

today and ready for tomorrow. During the year we launched Club S offering our clients in SODIC City a state of the art destination for leisure and fitness. And we continue to offer our clients engaging activations in SODIC City, Eastown and Caesar.

5

Q

What kind of challenges has SODIC faced in 2019?

A

Challenges are something we are well accustomed to. After all, we have been in this business for over 20 years. Our biggest challenge is how competitive the market has become with the massive wave of small new players entering the market and disrupting it through unsustainable practices and extended payment terms.

We faced some competitive pressures in SODIC East, nevertheless, we were able to launch our

multifamily product. We have also faced permitting delays in the North Coast, which affected the industry at large, and led to postponing the launch of the planned units in Malaaz. This is why the north coast contributed with only 1% to our contracted sales in 2019 versus 9% in 2018.

However, the diversity of our current high-quality land bank allowed us to compensate for the lost sales in that market from our sales of primary homes in Cairo achieving our sales guidance for the year.

This diversity allows us to spread our future sales across all our main markets while offering differentiated products addressing different market needs. This mitigates concentration risks and allows the company as a whole to be more resilient to interruptions in any specific market. Add to that our strong balance sheet, and our customer-focused strategy, and you will see why we continue to stand out among the intense competition.

6

Q

What about global challenges, like the global COVID-19 health crisis?

A

This is a truly unusual time for the whole world. SODIC's first and foremost priority during the COVID-19 global pandemic is the safety and wellbeing of our staff, their families, and our residents, as well as ensuring business continuity. These are simply our non-negotiable priorities.

Early on, we created a cross-functional response team to COVID-19 working around the clock to balance health and safety concerns towards our people and communities with business continuity responsibility to all our stakeholders.

We took preventative measures at the workplace by increasing disinfection and cleaning of our offices, and minimising the number of people present at our offices

through deploying and enabling remote working arrangements for most of our staff, providing a dedicated hotline and a contracted agreement with Tabibi Clinics to avail for medical services to deal with any of our staff's medical inquiries or needs. A work-from-home policy was immediately deployed to ensure business continuity while making sure our staff, their families and our communities are safe.

We know that having a customer centric approach to crisis pays dividends when the dust settles. It's a strategy that has worked well for us in 2011 and we are confident that this will allow us to emerge stronger than before. We have gone to great lengths to safeguard the communities that we manage, including suspending all operations at our sports clubs, cancelling any planned gatherings and events organised by the company, and disinfecting public communal areas and residential buildings. We have also instructed restaurants, cafes, and entertainment venues to close their doors until further notice to reduce public gatherings. And we have also supported our tenants by waiving the rental charges for the months of March and April.



We believe in corporate citizenship, we are aware of the responsibility we have towards the community at-large, and we are keen on undertaking the necessary measures to help keep our society safe. SODIC has allocated some 5 million EGP in initiatives related to the COVID-19 crisis. We have redirected all marketing resources to creating awareness about the virus, utilising all SODIC's outdoor billboards and digital platforms. We have donated ventilators and monitors to Sheikh Zayed Specialised Hospital to set-up a specialised wing equipped to receive

COVID19 patients. Furthermore, we have distributed protection packages in Ezebt Khairallah, providing the community with immunity boosters, sanitisation material and hygiene instructions. We are all in this together.

7

Q

What was your original plan for 2020? how does the COVID-19 crisis affect your outlook for the year?

A

Our initial guidance was to expand our sales to 8.4 billion EGP, an ambitious target growth of 15%. This now looks challenging given the global health crisis we face, however we are well prepared for the months ahead. It is in times like these where SODIC stands out backed by the prudence of our management, health of our balance sheet and our customer centric approach to running the business, we see a great opportunity to stand out.

We are fortunate to



2019: THE GAME CHANGING YEAR!

by:
Omar Elhamawy
Chief Financial Officer

2019: THE GAME CHANGING YEAR!

Setting the New Bar

For SODIC, 2019 was truly an exciting year, with record operational and financial results. On the financial front, revenues grew significantly – 43% from 2018 – to reach 5,329 million EGP, while maintaining a solid growth in gross profit of 20% to reach 1,466 million EGP. Our growth in revenues in 2019 came on the back of our projects in East Cairo as we continue to ramp up our deliveries in Vilette and Eastown. And while the early phases of Vilette continued to weigh down on our margins, we delivered a healthy gross profit margin of 27%.

Operating profit grew 109% to reach 702 million EGP, and net profits witnessed a massive growth of 60% to reach a record 719 million EGP


Our operational performance was no less impressive with gross sales growing an outstanding 32% to reach 7.3 billion EGP as we introduced two new projects in New Zayed, cementing our strong market position in West Cairo. Our cash collections were up 7% to reach 4.6 billion EGP. Adding all this to the timely delivery of 1,176 units across our projects versus 1,079 in 2018, 2019 sets a new benchmark for SODIC for the years to come.

The Discipline to Deliver

Our commitment to timely delivery sets us apart. This is a non-family-owned business with over 20 years of experience in real estate development and an ambitious future outlook. We exercise a disciplined approach to managing our construction, balance sheet and commitments. This has earned us a stellar track record for delivery in both good and bad times. Over the past 5 years, we have managed to deliver

ahead of our contractual delivery date 91% of the time.

The discipline SODIC withholds unfailingly has allowed us to also deliver the revenue and earnings growth visible in SODIC's backlog today to our shareholders. Our discipline and prudent cash management is also the foundation of our solid relationship with the country's leading lenders and has allowed us to access the funding needed to fuel our ambitious strategy pursuing diversity and growth.

 The Arts-Mart Gallery "Orchestra in Art" event - Sponsored by SODIC

2019: THE GAME CHANGING YEAR!

Leveraging Up

Throughout 2019, we have signed several new facilities including 1 billion EGP to partially finance the construction of EDNC; SODIC's flagship commercial asset in East Cairo. As interest rates continue to decline, our decision for more exposure to bank debt comes as part of the company's strategy to create a sizable investment portfolio of prime assets that will contribute to our recurring income in the future. Bank leverage stood at 0.34x debt to equity with EGP 1.9 billion of debt outstanding out of a total of EGP 3.6 billion of committed facilities. And we continue to enjoy a very liquid and healthy balance sheet.

Dividends

It was with pleasure that our board of directors announced a dividend for the second year in a row, with an increase of 10% over 2018 distributions to reach .55 EGP per share. The proposed dividend comes as a testament to our commitment to delivering returns to our investors and reflects SODIC's outstanding financial performance. Despite the recent developments

with COVID-19 crisis, we believe we can sustain the dividend this year due to the strength of our balance sheet, coupled with the quality and length of our backlog.

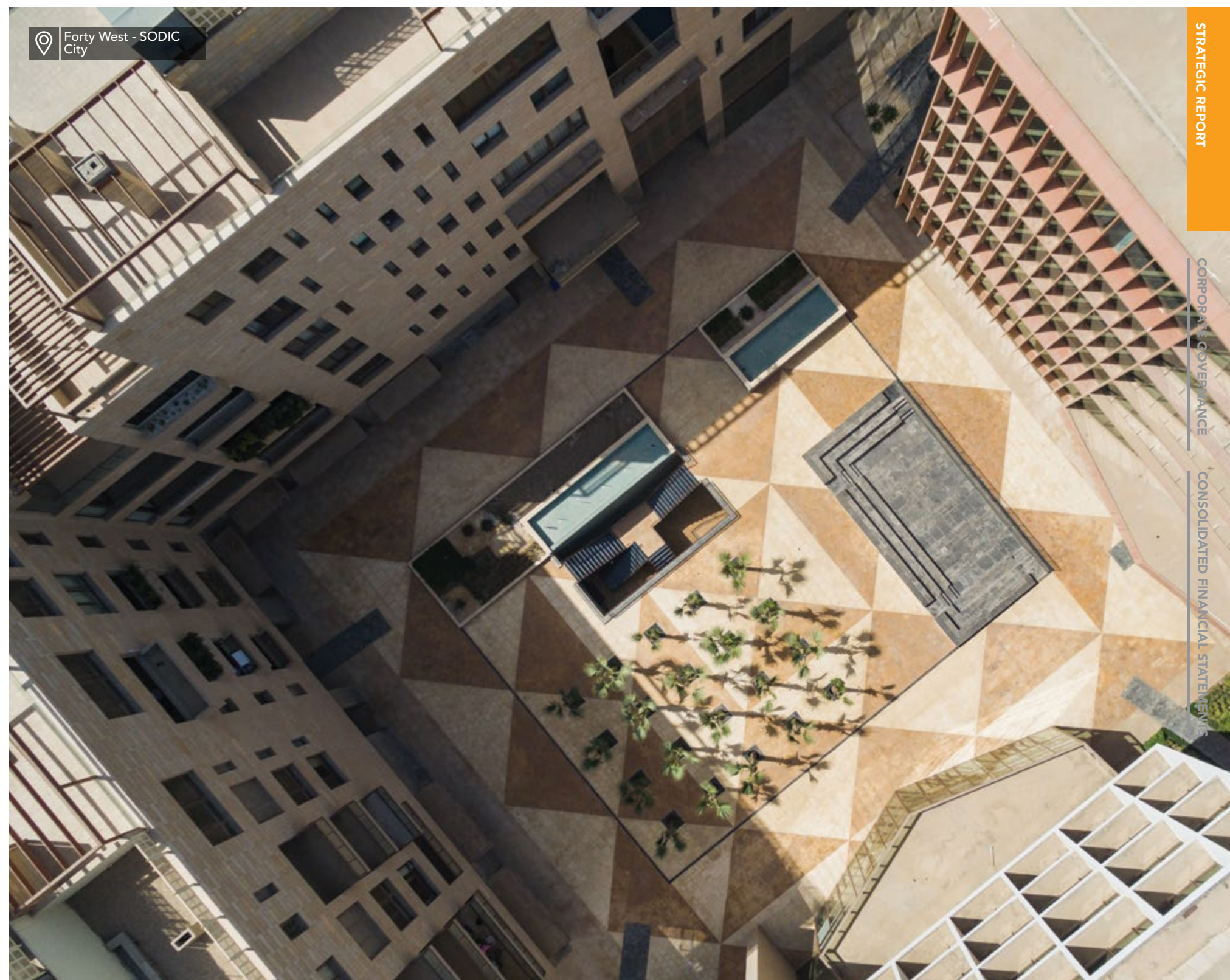
A Well Invested, Quality Land Bank and Strong Balance Sheet

Our high-quality diversified land bank remains a key competitive advantage and an important driver of value as it enables us to build and sell the right product, create the right community and deliver the right service to our customers. We have an excellent strategic landbank, as measured by scale, quality of location and embedded margin. This diversity gives us flexibility and options to address a wide segment and to hedge against project related risks as we have seen in the summer with Malaaz launch being postponed. Together, with our strong and well capitalised balance sheet, this means we can be very resilient through the cycle.

Outlook

2020 is off to a challenging start with COVID-19 impacting all markets and, while this situation remains fluid, it's certain that no business will be left unaffected. We are no stranger to market disruptions, and while we are supported by the strength of our balance sheet and our backlog today, we recognise that we must be agile and adapt to these new conditions as we have before. SODIC has always fared well in challenging times and we see opportunities to distinguish ourselves again in this market. The fundamentals of the demand for property in Egypt remain vast and we shall pivot our business to continue to deliver growth in these new dynamics.

Omar Elhamawy
Chief Financial Officer



OUR LAND BANK AND ASSETS PORTFOLIO

COASTAL
PROJECTS

MASSARA
North Coast

MALAAZ
NORTH COAST

Solid presence in our three main markets: East and West Cairo, and the North Coast

c16mn sqm
of total land

60%
developed

SODIC
WEST

OCTOBER
PLAZA

THE ESTATES
NEW ZAYED

V Y E

WEST CAIRO
PROJECTS

EAST CAIRO
PROJECTS

SODIC
EAST

VILLETTE
NEW CAIRO

EASTOWN
NEW CAIRO

KATTAMEYA
PLAZA

OUR LAND BANK AND ASSETS PORTFOLIO

A story of appreciation

Land is a key resource for SODIC, and as we are continuously developing and delivering properties and acquiring new land, we are using up and replenishing our land bank following a balanced approach that seeks to leverage our strong balance sheet and track record to maintain a high quality land bank that secures future

Land bank developments: An insight into the future

Our high-quality land bank remains a key competitive advantage and an important driver of value as it enables us to build and sell the right product, create the right community and deliver the right service to our customers. We have an excellent strategic land pipeline, as measured by scale, quality of location and embedded margin. This gives us flexibility and options. Together, with our strong and well capitalised balance sheet, this means we can be very resilient through the cycle

Since 2015 we have

visibility in our main markets.

We are also putting together a portfolio of prime real estate assets in our mature flagship developments, these properties will form the basis of our recurring income portfolio as we capitalise on the success and maturity of our developments and the high demand on leasable assets in our living communities.

taken significant steps to replenish our land bank. Supported by our strong track record of timely delivery and efficient land monetisation, we entered into new revenue sharing agreements for a number of land plots, increasing our total land bank today to more than 15 million square meters.

With the most recent land additions, SODIC is prepared with some 6.4 million square meters of unlaunched land, supplying some 9 years of future sales across our main markets of East and West Cairo, and the North Coast.



Diversity leads the way

The diversity of our current land allows us to spread our future sales across all our main markets, giving us flexibility in offering differentiated products addressing different market needs, while mitigating concentration risks ultimately making the company as a whole more resilient to interruptions in any specific market

Our aspiration to diversify our offering and pursue accelerated growth drives us to continue to look for new land opportunities. We target high quality land in our traditional markets of West and East Cairo, as well as the Mediterranean North Coast. New markets in secondary cities the likes of Alexandria and Mansoura as well as Ain Sokhna and the Red Sea have grabbed our attention and we are exploring the prospects there.

And, with land, comes life

Having delivered vibrant communities for over 20 years we are now in a unique position to capitalise on that success by introducing our investment portfolio of prime assets.

SODIC's portfolio is strategically located in our mature flagship developments. Serving communities with over 20,000 residents, these assets, already completed or nearing completion, are uniquely positioned to leverage on our successes in creating world-class developments

With a market value of EGP 11.3 bn and offering some 250 thousand square meters of built up area, the portfolio has the potential to deliver 600 million EGP of recurring income by 2023.

From healthcare facilities and office buildings, to retail and sports, these diverse projects have been planned to support the integrated living experience we offer our customers and truly strengthen our investment portfolio building more resilience into our business model.

In West Cairo, we have 74,000 square meters of leasable areas in existing assets or in assets to be completed in 2020. With continuous planned additions, we want to

have 140 thousand square meters of leasable areas by 2023.

In East Cairo, the commercial component of Easttown, our flagship mixed-use development, EDNC is scheduled for delivery in 2022, adding some 45 thousand square meters to our leasable capacity in East Cairo, where we plan on having over 110,000 square meters of leasable areas by 2023


The market value of leasable inventory in EDNC amounts to 3.6 billion EGP. And that's only the beginning of the story, as we continue to earmark prime real estate across our developments to be added to our assets portfolio in the future.



A STORY OF BELONGING

We are 20 years young, with a progressive vision. Innovation is at the heart of everything we do, and we strive to create dynamic communities that are relevant today and ready for tomorrow.

We create value by developing large-scale mixed-use projects and retaining elements of developed assets in our investment portfolio that give residents, tenants and employees a true sense of belonging to our story.

 Club S - SODIC City

A STORY OF BELONGING

Make yourself at home

SODIC's developments redefine real estate as an integrated living experience; they provide a new world that celebrates diversity of both people and places. Our communities offer our residents a common truth for a better quality of life with a balance of residential, recreational and business amenities and activities. Our purpose is to create somewhere special; somewhere to BELONG. We do this by building communities that by design encourage diversity creating social fabrics that welcome all and celebrate our differences.

Our offerings span across generations, improving the quality of their lives today and paving the way for a better tomorrow. From implementing renewable sources of energy in our homes, to designing smart, practical and efficient spaces; the future is always on our mind and we let our progressive vision take the lead.

A story still being written

We do not rest on our achievements; we understand that there's still much to be done and we continue to invest in our communities. Ours is a lifelong commitment to our customers.

SODIC City embodies this promise of a world-class mixed-use development, delivered and vibrantly occupied by a progressive community today. It is a dynamic place that houses a multitude of facilities, from healthcare, office and hospitality buildings the likes of WMC, Polygon, The Portal and Forty West, to retail and entertainment venues such as The Hub and The Strip, and all the way to sports venues such as our most recent masterpiece addition Club S.

SODIC City provides its residents with a sense of belonging to an integrated large-scale gated home. We believe our residents have the right to be part of a community that improves their motivation, health and happiness. We know our flagship development sets a great example of SODIC delivering on its promise, but we also know there is still much to be done. We are constantly reinvesting in our City to make it even more relevant today and ready for tomorrow.

SODIC City is only the

beginning of our unique story, to be continued in our East Cairo developments and on the North Coast.

A share to hold on to

We pride ourselves on the diversity of our shareholders, they BELONG and contribute to our legacy of success. Being a non-family owned business with a strong governance framework is directly correlated to how we do business. Our performance driven culture and our prudent approach to managing the business keep us on track to deliver to all our stakeholders.

A second family

We value our people and believe they are the key to our success. SODIC is an empowerer of talent, and developing our people's sense of ownership is a priority. We provide our family with every opportunity they need to develop and, based on the results of our recent Internal Net Promoters Score, SODIC scored a high 44.7 reflecting the high number of our employees that would

recommend SODIC as an employer of choice to their friends and acquaintances. The number is telling of the unique culture we have created, a place where our employees belong.





STANDING OUT

Interview with :
Nabil Amasha
Chief Commercial and Operations Officer

Why is real estate here to stay?

Real estate is the biggest industry in the globe; it's worth over \$300 trillion. to put that into context, all the gold mined on Earth since the beginning of history is worth \$6 trillion, which means real estate is worth 50 times more than all the gold that has ever been mined. It's an imperative human need, and its cornerstone is population growth, which is always on the rise, especially in our corner of the globe.

In Egypt, demographics are all in favour of real estate development. Over the past few years, we have had very healthy growth rates in GDP. But more importantly, ours is a real estate economy that is extremely undervalued with magnificent potential

for growth. Overall, the country is maturing, and real estate is an industry in which people can yield excellent returns on a multitude of levels, such as rentals and capital appreciation. And this is without even fully unlocking mortgage financing, which is well under global benchmarks at less than 1% of GDP and now accounts for only 2-3% of the market. Once mortgage is systemised and becomes more accessible, we will easily see multiples of that percentage.

How has the real estate market changed since the establishment of SODIC?

When we first started out more than 20 years ago, SODIC was the juggernaut, the trendsetter; the company that launched the first gated community in what was once perceived as a desert destination. With Beverly Hills, people started to flock from the inner city to the suburbs and grasp the value of living in a gated community, and the quality of life that comes with it.

Consumer behaviour has tremendously changed since then. Now, people from the younger generations - and even the older ones - avidly seek this quality of life, and the dynamics of this life have changed since then. What was offered 20 years ago is now the new normal expectation, and understanding this ever-changing definition of the term "quality of life" is what keeps SODIC ahead of the game. We

understand the value of the quality of life for our customers.

And why do you think Cairo has untapped potential?

Cairo is one of the densest cities in the world, and creating a massive road network around the city was aimed at motivating people to spread out, whether to the West or to the East. While many may think that the market is limited, I believe this is only the beginning. We will look back in 20 years and see that everything we are doing today was just the bedrock of a massive suburban and urban development around Cairo.

I believe this city will spread to the East until it has a seafront, and to the West until it surrounds the Pyramids. Honestly, the sky is the limit. Cairo has everything going for it to expand; the New Capital is a very clear example. This city is where international investors are showing interest, and it's definitely a destination that competes with the Gulf and the Levant.

But there's fierce competition out there. What makes SODIC stand out?

Competition is good; it allows everybody to be more consumer-focused, business smart and resilient. It's something that helps this industry, and helps the economy develop in general. In SODIC, we have the best of two worlds; we have the heritage and the maturity on one side, and we have the progressive, innovative, young outlook on the other. That's a lethal combination!



SODIC is a people-first developer. We are already diversified in terms of offerings, and we are one of only two developers that have managed to build a massive gated mixed-use community. SODIC City houses thousands of residents. It features schools, shops, entertainment and retail venues, office buildings and healthcare facilities. Day and night, thousands of cars go in and out of the city. Ours is a highly diverse demographic, all living together in harmony within a very well-organised, well-managed and well-maintained community. Our maturity and expertise, fused with our young progressive spirit, will continue to crown us unique.

And what types of value are you committed to creating for your customers?

A lot of developers look at creating value for their business only. But if you don't have a healthy cycle of value creation; where you create value for your customers and therefore, they create value for you, your investment lifecycle will be very short.

SODIC is in the business of creating value for its customers. We do that through a very strong

after sales experience that guarantees the provision of the quality of life we promise. We invested heavily in our facility management arm «Edara», which is how we assure the longevity of and sustainability of the SODIC lifestyle. Edara is a 3,000-employee strong service function for SODIC that truly makes all the difference.

2019 was a record year for sales in SODIC. How was that achieved despite intense competition?

This goes back to the potential SODIC has with up to 14,000 customers, and a massive footprint in West Cairo. Working on creating the right products by understanding consumer trends and aspirations demonstrates SODIC's ability to attract different generations.

Our calling is to create communities where people BELONG. We manifest this calling by fulfilling the aspirations of all our



customers, whether they are external or internal. A good example of this is our new generation of projects. Generation Z, for example, aspires for a shared economy and a communal lifestyle, so we presented them with a development that has this at its centre. VYE has communal working spaces, very efficiently designed homes, expandable apartments and solar powered homes, just to name a few. We listen very well to our consumers and develop what matches their desires. As a result, they want to BELONG to it.

SODIC has a diverse portfolio aimed at building up recurring income, with more in the pipeline. How important is that for the overall financial health of the company?

This connects to the value we create for our clients. There's that ecosystem of clients and residents moving in, and we capitalize on that by creating services around these clients. Whether it's retail, commercial or F&B, our clients end up in a well-served integrated environment. We as a company are able to leverage this to create a diversified revenue stream. As a people-first and customer-focused company, we look at the value that customers bring beyond that of the gross and net profit of their property investment.

When they continue to live in our community and believe in us as a developer, they spend their disposable income with us. This creates a very different and unique business model and is something we heavily focus on. This is the essence of our SODIC City concept.

SODIC has a reputation for being forward-thinking; do you have any new game-

changing projects up your sleeve?

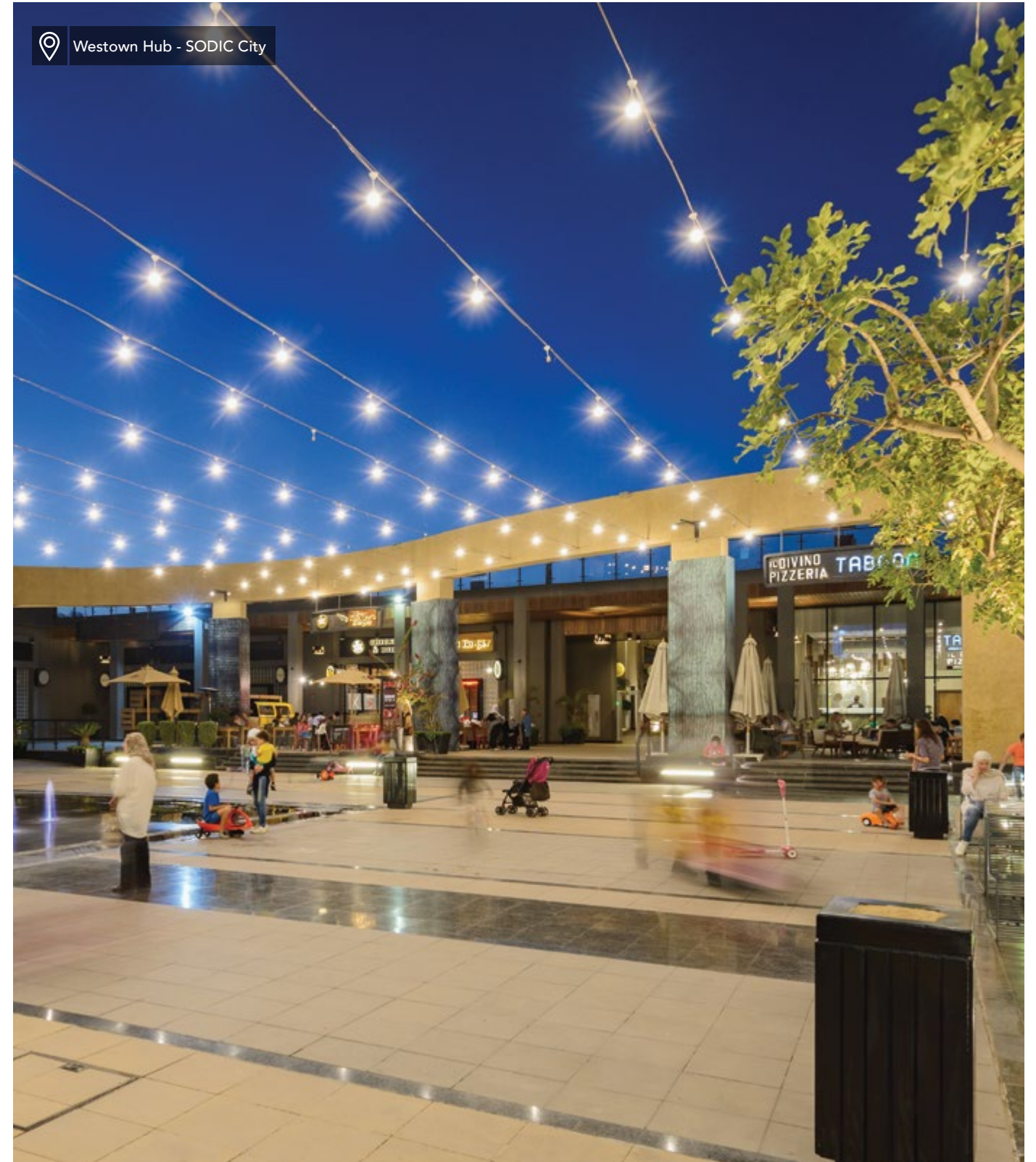
We're working a lot on our customer interfaces and how we interact with them. We want to be there for them 24/7 and we're making that happen through virtual platforms. Of course, this has been extremely accelerated because of the current COVID-19 crisis, but we have been planning for it for a while. We expect to begin with the launch of our virtual sales platform, and then our virtual customer service platform. Responsiveness and immediate feedback and action are the key features of these endeavours.

Speaking of the future, what are your expectations for 2020?

I believe, to make some sense of the current pandemic, we need to look at past pandemics and how they affected industry. The interesting fact is that, although real estate transactions during those times significantly dropped, real estate

prices didn't. The impact is temporary, and in terms of value and consumer behaviour, the impact is certainly not negative. A lot of things will change, and people will realise the value of living in a serviced gated community that allows them a certain level of freedom and mobility while still ensuring high levels of hygiene and safety.

The effect of COVID-19 on consumer behaviour is actually an acceleration of what has already been going on for a while; people have been slowly moving into the virtual sphere, working from home, and even socialising digitally; this has simply been expedited. I believe we will start to look at administrative and commercial property differently. The focus will shift from capacity to quality. This is a temporary situation, but we'll go back to a different kind of normal where there's more emphasis on homes. Home is the star of the show in this period, and SODIC is in the homemaking business.





Villette

OVER 20,000 RESIDENTS



Christmas Lane at Westtown Hub, SODIC City



Yoga by the Beach at Caesar - Mediterranean North Coast



October Plaza

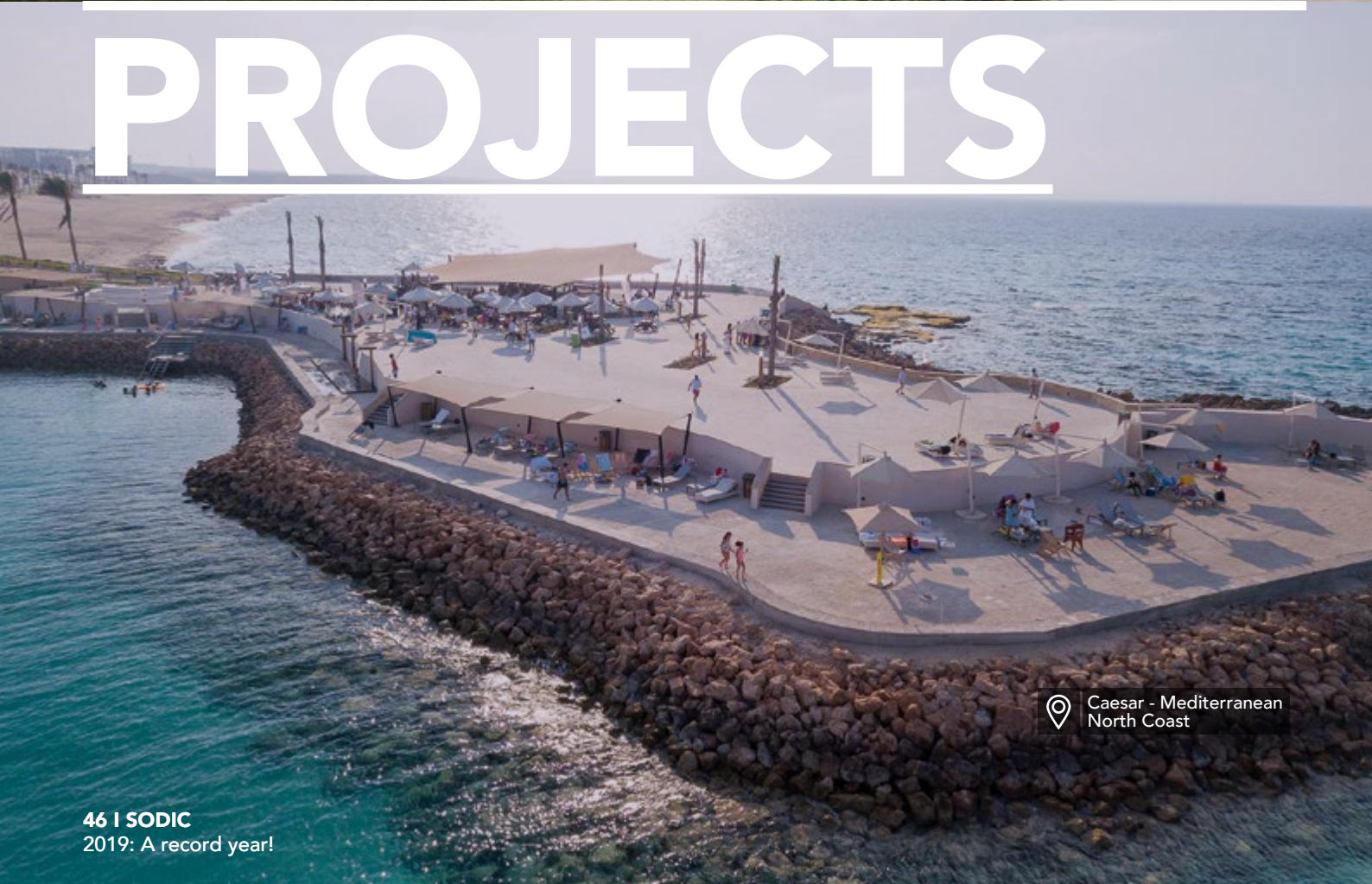


Katameya Plaza



A Spooktacular Halloween at The Polygon, SODIC City

ACROSS 10 INTEGRATED PROJECTS



Caesar - Mediterranean North Coast

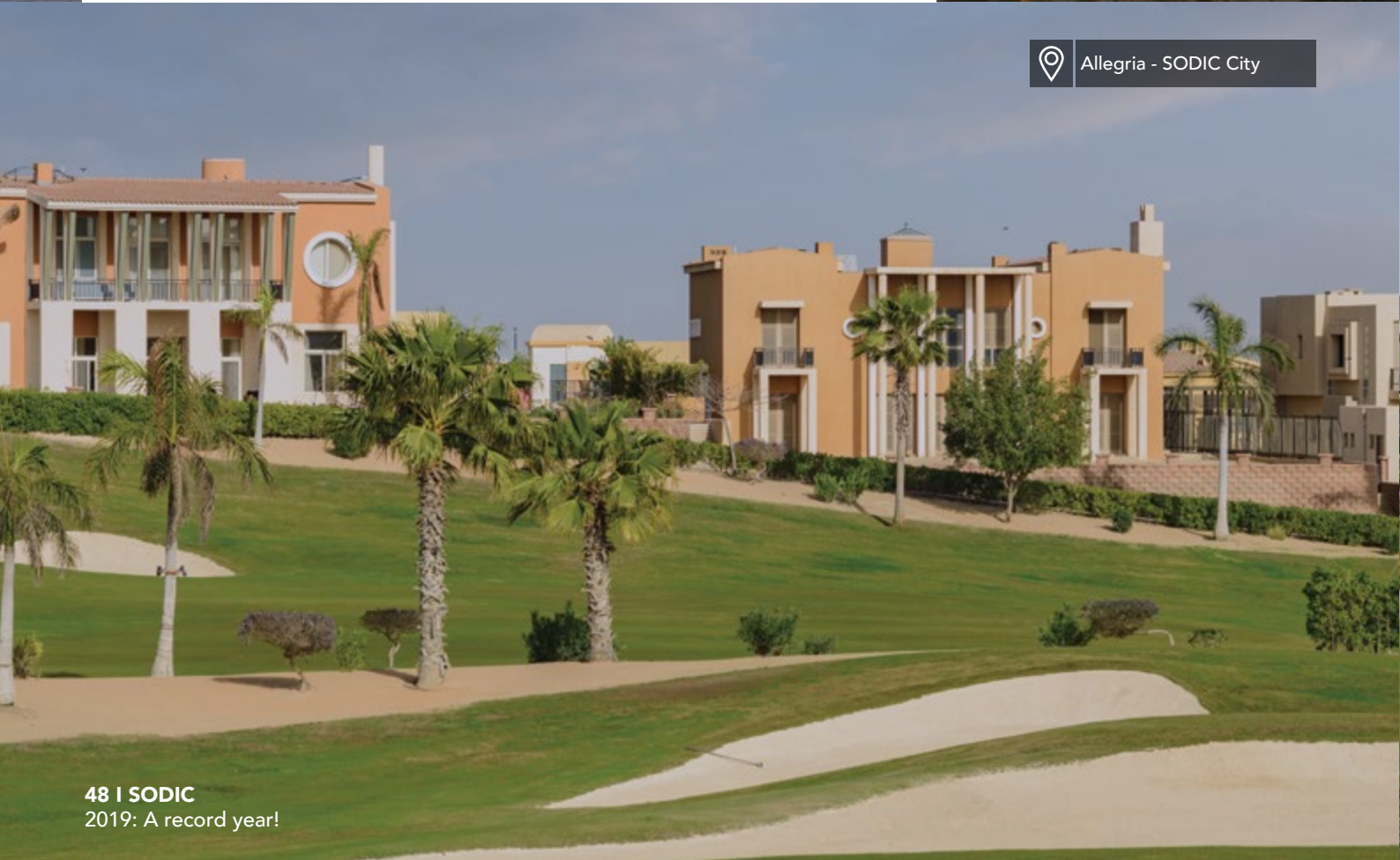


Eastown

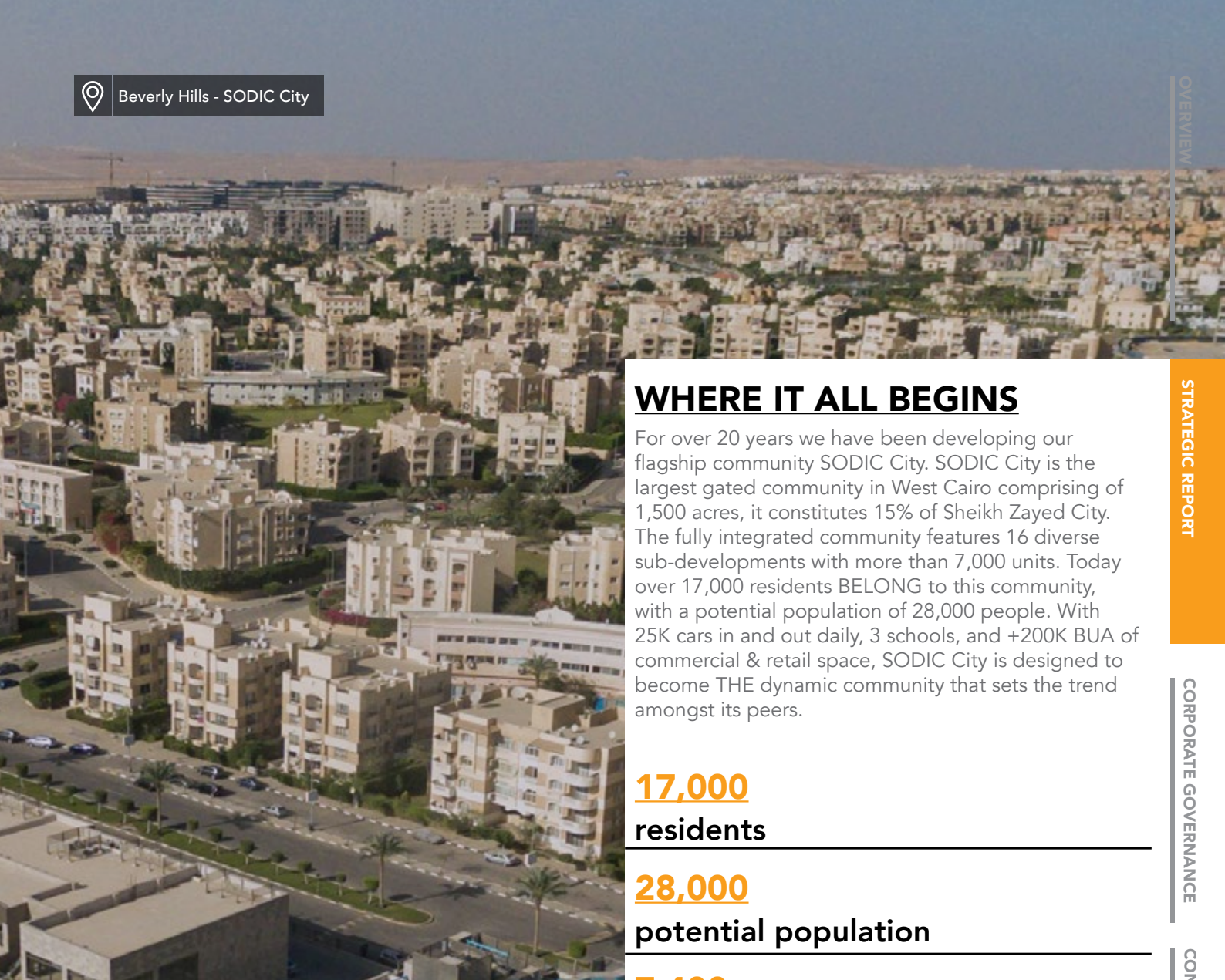


The Polygon - SODIC City

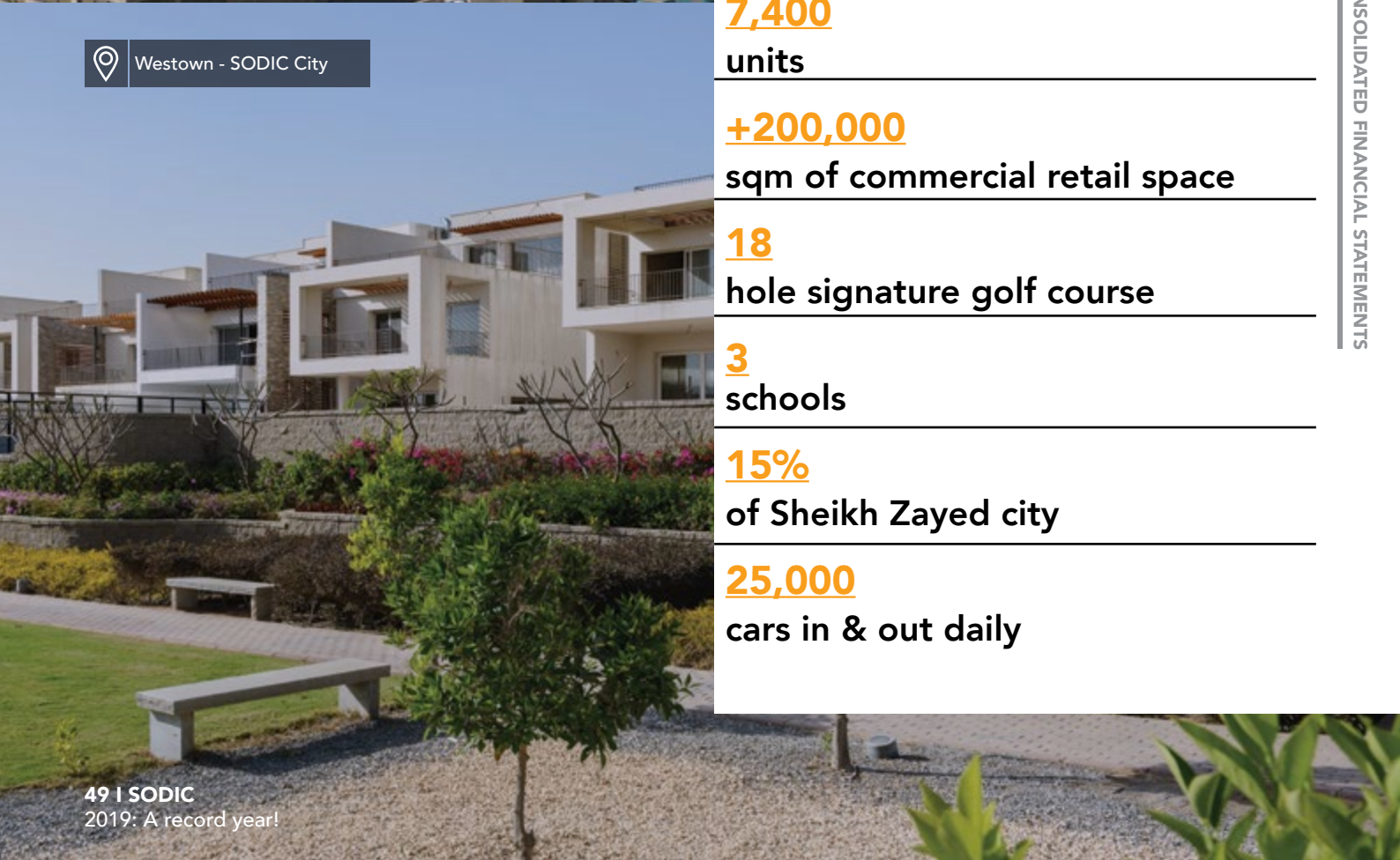
SODIC CITY



Allegria - SODIC City



Beverly Hills - SODIC City



Westown - SODIC City

WHERE IT ALL BEGINS

For over 20 years we have been developing our flagship community SODIC City. SODIC City is the largest gated community in West Cairo comprising of 1,500 acres, it constitutes 15% of Sheikh Zayed City. The fully integrated community features 16 diverse sub-developments with more than 7,000 units. Today over 17,000 residents BELONG to this community, with a potential population of 28,000 people. With 25K cars in and out daily, 3 schools, and +200K BUA of commercial & retail space, SODIC City is designed to become THE dynamic community that sets the trend amongst its peers.

17,000
residents

28,000
potential population

7,400
units

+200,000
sqm of commercial retail space

18
hole signature golf course

3
schools

15%
of Sheikh Zayed city

25,000
cars in & out daily



NEXT GENERATION OF PROJECTS

THE CORNERSTONE OF NEW ZAYED

Envisioned as the future of West Cairo, New Zayed is set to become a natural extension to the upscale neighbourhood of Sheikh Zayed. The up-and-coming neighbourhood benefits from the newly developed surrounding road network, enjoying easy and fast access to Cairo's eastern neighbourhoods and Egypt's North Coast. New Zayed is also located in close proximity to the

new Sphinx airport and the new Grand Egyptian Museum, which are expected to breathe new life into the whole area.

Having delivered SODIC City - West Cairo's vibrant integrated mixed-use development comprising 15% of Sheikh Zayed and home to some 17,000 residents - SODIC is embarking on a new generation of

developments in New Zayed. As the first real estate developer to acquire land there, the company holds a total of 650 acres in the new neighbourhood. With deep knowledge of this market and the strong legacy of SODIC City, SODIC is best poised to build the foundation for West Cairo's up-and-coming neighbourhood.

NEXT GENERATION OF PROJECTS

THE ESTATES

NEW ZAYED

Located only 5 kilometres north of SODIC West and spanning over 630,000 sqm in New Zayed, SODIC's all villa signature community features 160,000 sqm of landscape and open spaces. The upscale gated community is master-planned with a 13% footprint to ensure privacy and seamless integration with nature. Serviced by a world class designer clubhouse and spa at the heart of the project, "The Estates" will boast spacious luxurious homes ranging from mansion-like flat villas to town and twin homes.



NEXT GENERATION OF PROJECTS

500 Acres

Envisioned to be the new city centre of the New Zayed city, the 500 Acres will be home to one of a kind mixed use development that hosts a learning hub, retail, outing and smart working spaces. Located in the Sheikh Zayed Extension area, the plot was acquired through a partnership agreement with NUCA, and is only 10 minutes away from SODIC City.

The project is expected to comprise over 5,000 units. It is set to be SODIC's second largest development in West Cairo reinforcing our strong position in this market and contributing to our ambitious growth plans.

VYE

VYE is SODIC's first of three neighbourhoods on our 500-acre plot in New Zayed. VYE was developed innovatively and sustainably to target the new generation of home buyers seeking modern-day eco-friendly living. The trend-setting development brings to the market the first of its kind expandable apartment within a multi-family building, "Neo", and also introduces "Sol", the first solar powered town and twin homes in Egypt.

Master-planned with free flow access to features and amenities, VYE's outdoor spaces are

designed to cater for sports and community activities and are WI-FI connected to serve as co-working spaces for a growing entrepreneurial generation, all whilst being linked to the main "Nova Park", delivering busy and vibrant living throughout.

VYE launched in Q4 2019 to strong demand, selling out and achieving EGP 1 billion of sales over 48 hours. The cutting-edge development contributed with 17% to our 2019 contracted sales, with more launches planned for 2020.



NEXT GENERATION OF PROJECTS

A New Beginning For East Cairo



Designed to be the twin city of SODIC City, SODIC's flagship project on the West side of Cairo, SODIC East is a new beginning for East Cairo. It is perfectly positioned to capture the growing demand for quality lifestyle seekers in East Cairo. A few minutes' drive from New Cairo, SODIC East is SODIC's latest large scale development in this fast growing market on this side of the City and provides a compelling opportunity for young couples and early adopters.



SODIC East spans 655 acres and is master-planned by renowned Massachusetts based «Sasaki» with over 84% open and green spaces. SODIC's long awaited launch comprises low rise five floor apartment buildings with open views from every apartment, designed around a 4000 sqm green community park, with buildings connected through quaint pedestrian alleyways. The apartment floor plans have been designed with over 92% efficiency, maximising functionality and use of space. The residential complex is designed to naturally

lend itself to outdoor living, fostering a true sense of belonging within the smaller community, whilst benefiting from the large range of amenities offered within the larger development.

The co-development project is expected to house around 8,600 residential units, in addition to commercial and retail properties. SODIC is in charge of all internal infrastructure and construction work along with sales and marketing activities, while Heliopolis Housing will provide all external infrastructures to the land plot.



**COASTAL
DEVELOPMENTS**

malaaz

Capitalising on the success of Caesar, Malaaz was launched in 2018. Located at km 90 on the Matrouh Alex Road, it spans over a 620 meter magical beach front, along one of the most beautiful bays on Egypt's North Coast. The new Fouka road, which is

currently operational, will facilitate a much smoother commute from Cairo, providing ease of access to this summer getaway in only two hours. Due to permitting delays in the north coast, which affected the industry at

large, the launch of the planned units in Malaaz was postponed to 2020.



FIVE REASONS TO INVEST IN SODIC

**A
COMPELLING
EQUITY
STORY**

FIVE REASONS TO INVEST IN SODIC

1

The Visibility

SODIC enjoys a healthy, solid and diversified projects portfolio that allows for strong visibility on the company's future performance. With EGP 18 billion of sales backlog putting visibility into our future revenues, Over EGP 13 billion of receivables providing strong cash flow visibility and a sizable landbank of 6.4 million square meters , providing 9 years sales visibility in all our markets with some EGP 110 billion of future sales expected to come from existing projects.

2

Diversity and quality of our portfolio

But it's not just the size that counts, the diversity we have built into our portfolio mitigates concentration risks – an indispensable quality in today's world. This allows us to spread our future sales across all our main markets while offering differentiated products addressing different market needs. This, in turn, provides the company as a whole with the resilience it needs to face interruptions in any specific market or project.

FIVE REASONS TO INVEST IN SODIC

3

The Recurring Income Generating Assets

In addition to the remarkable land bank, SODIC enjoys a healthy investment portfolio of assets retained to generate future recurring income, anchoring value in our developments and stock. With our flagship mixed use developments currently boasting live communities and showcasing our track record across residential, commercial and retail spaces, and more in the pipeline, we stand out amidst the competition.

4

The Discipline

Our deep expertise of managing our developments, based on our understanding of the customer, and our deeply rooted disciplined approach to managing the business drives incremental value for SODIC and our stakeholders. The fact that SODIC is a non-family-owned business, prudently run by management for over 20 years since its inception and under a strong governance framework, allows the company to practice outstanding discipline; the kind that leads to delivering ahead of schedule 91% of the time.

FIVE REASONS TO INVEST IN SODIC

5

The Dividend Yield

Factor all the aforementioned and it will come as no surprise that our dividend grew by a solid 10% to reach 0.55 EGP per share this year. The proposed dividend is a testament to the company's commitment to have a sustainable distribution to our shareholders supported by SODIC's liquid balance sheet, solid financial performance, and strong cash flow.

CONSISTENTLY DELIVERING VALUE

EGP 18
billion

of sales
backlog

EGP 13
billion

of
receivables

6.4
million
sqm

of
unlaunched
land / 9
years sales
runway

EGP 0.55
+10%

Dividend



THE SODIC STRATEGY

by:

Nadine Okasha

Strategy, Research & Public Relations
Executive Director

Focusing on four key strategic drivers

Since 2018 our strategy has been to grow and create long-term value by being the leading real estate developer in our markets, focused on creating and delivering sustainable human developments that redefine the real estate market as we know it. To this end, we have worked together to excel across four key strategic drivers: financial growth, customer centricity, operational excellence and employee empowerment.

FINANCIAL GROWTH

We expand. We maximize.

Strategic Priority

- To be the investment of choice within the real estate market in Egypt, delivering shareholder value through a superior risk balanced approach to growth.

Objective

- Outpacing market growth rates over the coming four years

- Increasing our market share in the destinations we operate in.
- Creating new revenue streams by diversifying our offering to encompass value added services.
- Building a portfolio of recurring income assets across our mixed use developments
- Continuously improving our cost structure by focusing on efficiencies across the organisation.
- Improving asset utilization.
- Reinvestment and distribution of cash generated from projects, delivering to shareholders a sustainable growth model.

2019 achievements:

- Inauguration of New Zayed, launching two new projects with sales of EGP 2 billion achieved in Q4 2019, growing our West Cairo market share
- Achieving 32% growth in new contracted sales Y-o-Y, outpacing market growth
- Launching finishing packages to our second home customers in Caesar, to be rolled out to greater Cairo markets
- Launched new products targeting a new generation of home

buyers including solar powered single family homes and expandable apartments in Vye New Zayed

- Distributed a cash dividend of EGP0.55 per share

CUSTOMER CENTRICITY

We serve. We exceed.

Strategic Priority

To be the developer of choice by providing a consistently superior customer experience at every customer touch point and putting the customer at the heart of everything we do.

Objective

- To offer not just quality design and buildings but holistic communities that facilitate our residents' daily activities, a place where they can truly BELONG.
- To deliver a consistent superior experience with customer satisfaction being a key performance indicator across all customer touch points.
- To gather insights at every stage of our customer journey, to continuously learn and improve, pushing the envelope in what we offer

our clients.

2019 achievements:

- Bringing in key talents in customer facing functions including marketing, digital marketing, community management and facility management as well as club management.
- Measuring Net promoter score at every touchpoint of the customer journey and tracking satisfaction for corrective measures.
- Launched first residence experience program and revising handover triggers (from development arm to facility management arm) based on Essential Livability Requirements of the first resident.

- Deep understanding of customer segments; benchmarking study carried out against our direct peers to better understand customer needs and performance gaps.

OPERATIONAL EXCELLENCE

We optimize. We enhance.

Strategic Priority

- To operate a lean and agile organization geared for growth

Objective

- Swift land monetization, bringing project to market in a timely manner
- Executing the company's projects on-time, on-budget and on-specifications
- Leveraging our facility management excellence

2019 achievements:

- Launched the Estates in less than 6 months
- Finishing model units for all SODIC developments to enhance design and pre-empt technical snags on handover
- Launched innovation challenges fostering a culture of creativity and harnessing ideas to forward the business

EMPLOYEE EMPOWERMENT

We learn. We change.

Strategic Priority

- To be the employer of choice in our industry. Creating a learning and growth environment with employees working together and enabled to best achieve organizational goals.

Objective

- Providing employees with the tools necessary to achieve their objectives
- Achieving the right organizational scale to match our growth ambition through attracting and retaining the right talent.
- Aligning employees with

the company's strategy and long term shareholder value

- Ensuring the cultivation of leaders all across the organization.
- Fostering a customer-focused culture built on SODIC's values and a commitment to high performance.

2019 achievements:

- Sales force launch: the launch of a strong CRM system streamlining sales operations and customer management functions and enabling better customer communication
- Leadership Program: SODIC management were each enrolled in a 360 assessment with development plans

created for each member and Executive Coaches assigned.

- Management by Objectives (MBO): SODIC's strategy was cascaded through 26 strategic initiatives across the four pillars broken down into work objectives and assigned to different departments.

- Reward & Recognition: a tailored program was rolled out that recognizes innovation, collaboration, achievement and agility as well as the completion of strategic initiatives.



SODIC INSIDER

Very recently, SODIC ran an Internal Net Promoters Score survey and scored 44.7. This is very high in comparison to market averages, which score at approximately 20. We are not stopping at this high level number, we are breaking down the INPS measurement on critical employee touchpoints to understand – realistically – our strength areas and shortcomings as an employer. We want to make sure our employees are engaged across the organisation and at every touchpoint.

So, what does it take to score so well?


A Unique Culture

We spend over half our waking work days with each other here at SODIC. The reason we are able to do that so well is our values and culture.

An Employer of Choice

SODIC is the top employer brand in the real estate development sector. We have been awarded a number of employer awards as best employers in the field.



 Innovation Team Building Event

A Fostering Environment

We have a lot to offer our people the most important of which is the chance to reach their full potential. This is a learning culture, at every phase of their journey SODIC employees are trained, coached and mentored to better themselves and this makes employees feel like they really belong.

Enablers of Creativity and Innovation

Our Innovation Program is just one example of how we foster the creativity of our teams and enable them to transcend their capabilities and actualise their ideas. Ours is a culture that fosters creativity, innovation and pushing the envelope.



We Take Good Care of Each Other

SODIC takes care of its own. SODIC provides world-class medical insurance and pension programs and celebrates a real work life balance approach. Swift and comprehensive response to the COVID-19 crisis is a testament to this where we ensured the safety of every SODIC team member and their ability to take care of themselves, their loved ones while continuing to work and deliver efficiently.

Values in Action

Our core values are our DNA. To have a winning culture, we deployed aspirational values and broke them down into simple, actionable behaviours. These behaviours are cascaded through every employee touchpoint. Our values drive our decisions. This is one of SODIC's strongest differentiators.

Enabling Diversity

We believe that diversity weaves strength in our culture. Diversity is only guaranteed through equal opportunity. Our day-care facility is a testament to our true commitment to working mothers, built on-site to enable women to adjust back into the workforce right after their maternity leave. This gives our female employees a real possibility at an uninterrupted career without asking them to compromise their family obligations.

THE SODIC EMPLOYEE EXPERIENCE

**Interview with
Ahmed Samir**
Human Resources Executive Director

THE SODIC EMPLOYEE EXPERIENCE

Let's start at the beginning; how do you attract the right calibres to fit in with the SODIC culture?

Like attracts like. SODIC is a strong employer brand with a very unique culture. SODIC is recognizable for certain things that resonate with what we perceive to be the "right" calibre. We work very hard but also value family life. We are collaborative and respectful of each other, forming real bonds at work but are also non-family owned which creates the space to really voice our thoughts and put our ideas forward. We are viscusly loyal and committed to SODIC. The average employee has been here 6 years. We are a young population of employees with an average age of 38. We are ambitious and passionate with very high levels of ownership and commitment.

We have many programs in place to ensure we attract and hone the right calibres. We have strategic partnerships with the top universities in the country to tap into the right pool of talent. This year, we launched our Graduate Development Program for fresh graduates whereby

they undergo a one-year rotation program across business and technical departments that sees them become young professionals with the right business exposure, skills and training needed for them to start their journey with SODIC.

How do you ease new employees into the organization and manage their integration with the SODIC culture and value system? How do you orient your new employees?

SODIC has a strong induction program; SODIC 101, an introduction to our core values, the SODIC culture and history, our shareholders and organisational structure, the important how-to's and policies, and the services we offer to our employees. The induction process is carried out by different department heads to introduce new hires to different facets of the organization that offer a real understanding of the company and its culture. Employees chosen to give these inductions

are usually very strong brand representatives.

Employee development is a key asset at SODIC. What do you do to tackle personal development while maintaining a culture of commitment to high performance?

High performance is in our DNA. We are a results driven company and achievement is what fuels us. SODIC Academies are developed built on this core. Besides the 101 induction course, there are 201 and 301 programs that go deeper into our learning and development experiences. SODIC Academy 201 tackles the culture, and SODIC Academy 301 is what we call "The Real Estate Academy". This is where new hires learn everything industry-related to get started.

Our verticals then tackle the specifics of the job. We translate every functional competency and technical skill into training requirements. The intersection between the vertical and horizontal



journeys ensures everybody knows what they need to do, what skills they need to possess and what they need to demonstrate to move on to the next step in their development journey.

Talent is restless and needs room for growth, and SODIC understands how critical it is to cultivate leaders all across the organisation. How do you do it?

Our leadership philosophy is coined in business sustainability. We do this by securing an abundant pipeline of calibres and talent and providing enriching and cultivating programs that train them to be the best leaders they can be.

As part of SODIC Academy, we have a talent management program which offers three journeys; the *Leadership Academy*, the *People Management Academy* and *The Professionals*. Each of these journeys caters to a purpose, varying from customised development plans to leadership development and making sure the bigger picture is always crystal clear, and all the

THE SODIC EMPLOYEE EXPERIENCE

way to empowering staff below management level to one day take the lead.

What about creativity at SODIC? How do you foster creativity stimulation and innovation at SODIC?

This is where our Corporate Strategy and Innovation Departments lead the way. They're pushing the envelope and not talking business as usual. These two departments are highly correlated, and the HR department is giving them support in terms of capability building – how to build certain capabilities and how to work on certain business initiatives that address our innovation objectives, our strategy map and our value chain.

We build room for empowerment, creativity and innovation, but at the same time, the mechanism of checks, balances and reporting makes sure that we are simultaneously committed to our high-performance standards.

Diversity and inclusion are not luxuries in today's world. How diverse is your employee base and what are your plans towards more inclusion of women in the workforce?

Our workforce is quite diverse, and our board of directors was recently joined by Liz Critchley. We have a good percentage of women in our top management and managerial levels, and we're planning to include more in the frontend and customer facing job families. We're also

planning to engage more women in our engineering job families. We already have good representation of female project managers in our sites, and have women leading in fit-out and tenant coordination in our retail and asset management divisions.

The biggest obstacle to diversity is lack of equal opportunity. SODIC is serious about providing equal opportunity across its job families and organization levels. We do this through offering women child care on-site and celebrating work life balance, an easy practice when you are results driven. We hire and promote based on merit recognizing the value that

female representation brings to the value chain. Diversity is practiced by default, but recently we have incorporated some numerical representation targets to guarantee it's there by design as well.

To win in the marketplace you must first win in the workplace. How do you guarantee that your employees truly BELONG?

Our people have a very high sense of ownership. This stems from how we as employees feel like we are

a part of a larger family, and that we are well taken care of.

From medical insurance to life insurance to pension programs, we have the best contracts with the best. We medically insure our employees and their families, and often go above and beyond to care for critical medical cases where employees are most vulnerable, leveraging our long-term relation with our service providers.

Everyone at SODIC is life insured through our pension plan. We also have retention and stock option programs, and have an employees' assistance fund to cover other crises that are not covered by insurance.

The world-class benefits we offer our employees together with our strong culture are why we have the highest employee retention rates in the industry.

What about your Reward and Recognition program? How does it help SODIC in becoming the employer of choice?



Our Reward and Recognition Program is one of the ways we promote values and incentivize achievement. It's a comprehensive program that ensures everyone in the company is recognised and rewarded for their contributions irrespective of the nature of their work.

Our current program incentivizes behaviours such as achievement, collaboration and speed and resourcefulness in addition to innovation and contributing to pre-determined strategic initiatives. The beauty of the program is the flexibility in incentivising new things as they become relevant to the organization. We are

now working on adding rewards for learning and spreading knowledge, in addition to practicing new aspirational values.

SODIC has a diverse portfolio that is very keen on delivering hope to the less fortunate. Do your employees take part of your CSR activities?

We have a plethora of CSR activities that happen every year, such as annual blood drives and salary drives. Our Ramadan

packing event - where we gather and prepare staple food packages that are distributed in Upper Egypt - is an anticipated day at SODIC. This year our employees spent a day at the first Pan African Special Olympics Paralympics and played with the participants. SODIC supports many initiatives in underprivileged neighbourhoods and our employees regularly pay visits to provide help and support.

SODIC supports many social enterprises across Egypt. Our employees have recently visited a school we support in Establ Antar, and another one in Talbeya as well as beneficiaries of a



THE SODIC EMPLOYEE EXPERIENCE

microfinance program for women to improve their living conditions. Our employees are very much engaged in our CSR activities.

How about fun? Is the SODIC family all serious, or is there any room for play?

Fun is an integral part of our work. We have a number of team building initiatives, including a football championship and different groups for different activities like tennis, diving, running and biking. We celebrate Mother's Day, Easter and Christmas every year, and craft decorations together for the office. Honestly, fun is the core foundation of the SODIC work culture. Visit us and you might run into a member of our top management chasing after their toddler in the corridor. This happens a lot.

And if you have one secret ingredient to it all, what would that be?

Communication! Communication is critical for maintaining our culture, and increasing employee engagement. We have multiple internal communication channels starting with our digital portal where content is always engaging and interactive, our monthly newsletter where we talk about a different topic every month and announce business updates and relevant news and guidelines like with the COVID19 crisis. We also regularly announce the champions of the Reward and Recognition program, as well as any proposition that the company is doing in the market that employees have to be aware of it.

Keeping employees updated and informed, not only with what's going on in the workplace, but also in the country and with the economy, is very important.

And what were SODIC's measures for the COVID-19 health crisis?

We created a framework early on to deal with this crisis. Our CEO, created a cross-functional response team to COVID-19 where we developed awareness

manuals for the staff to be applied both inside and outside the workplace. We took many preventive measures; including a dedicated hotline and a contracted agreement with Tabibi to avail for any medical services needed.

We immediately identified the high-risk individuals and along with schooling mothers enabled them all to work from home. We understand that these are difficult and anxious times for everyone, so we send regular updates on the situation to help manage the stress. An advance of the March payroll was one of the ways we tried to soothe employees' anxiety and to make sure they have the funds needed for

uncalculated emergencies.

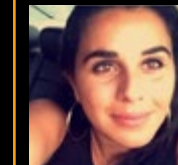
We quickly developed a work from home policy and divided functions into four categories; a) Critical b) Essential c) Job nature (Office based or not) and d) Unique functions. We assessed all the IT equipment available for the staff and made sure they are all enabled with VPN and video conferencing.

And, because we believe in corporate citizenship, we encouraged our staff to share the preventive policy we developed with all their respective communities to help contain the situation faster.



TESTIMONIALS

“



Farida Habib
Marketing Manager

Since joining SODIC, I feel like I'm part of something bigger. It feels like my second home, where I spend most of my time. It's a culture of inclusion and acceptance. A place where we all belong :)

”

“



Nadine Okasha
Strategy, Research & PR
Executive Director

I feel like I am part of a group of people that care about work they do and care about the people they work with. That combination really brings out the best in people and the best quality of work.

”

“



Dina Atef
Senior Project Manager

From the moment I joined SODIC, I felt that this company is different right away...Not only it's a great productive company but also everyone is like family

”

“



Hosni Mostafa
Senior Budgeting And Financial
Planning Manager

Being part of such a creative and great team, to work very hard every day to achieve the company's goals and objectives, feeling appreciated and more important to get what you deserve... Simply this is SODIC

”

“

Meet GDP's first Pilots and understand what it is like to be part of SODIC GDP program.



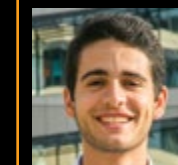
Youssef Helmy
Financial Analyst

SODIC's Graduate Program provided me with a wide exposure to experiences, tools and resources that have greatly developed my professional, interpersonal and leadership skills.

”

“

Meet GDP's first Pilots and understand what it is like to be part of SODIC GDP program.



Karim Ezz
Development Analyst

Just like every other fresh graduate, I was overwhelmed with career choices in the real estate field. Experiencing SODIC's Graduate Program has given me a strong insight by trying the different disciplines of any development project cycle, until I got the chance to stick to what suits me most.

”

SUSTAINABILITY



For SODIC, sustainability is a lot more than a trend to follow. We strongly believe that problems cannot be solved at the same level of awareness that created them; accordingly, our efforts to create a more sustainable lifestyle involve all of our operations and extend to our bigger community.

We continue to support the United Nations Global Compact and its principles on human rights, labour, environment and anticorruption. Reporting on our social and environmental performance has become an integral part of our regular corporate disclosure and reporting practice; our main goal is to provide our stakeholders with a view of SODIC's position and performance on sustainability practices.

Environmentally Conscious Developments

From design to execution, we master plan our developments with sustainability in mind. Clean and efficient energy is a top priority for SODIC in all aspects.

I. Alternative Transportation Systems

We are promoting alternative transportation systems through «SODIC Ride», our eco-friendly on-demand car service which is powered by solar panels, and «Baddel», our e-bike sharing system, both available in SODIC City.



II. Energy Saving

We design our developments with walkability in mind. In addition, we are incorporating energy-saving elements into the design of our properties, such shading shelves on the façades of EDNC, and load-bearing walls in The Strip, to enhance thermal insulation. We use energy-efficient light bulbs in all streetlamp posts. The conversion to LED lights and other optimisations resulted in 12% reduction in The Strip's electricity usage, and 11% reduction in The Hub's electricity usage. Moreover, the use of post-tensioned slabs in 'The Strip' led to the reduction of steel reinforcement use.



III. Solar Power

Our most recent trendsetting development launched in 2019, VYE, features «SOL», the first solar powered town and twin homes in Egypt, which proved to be a big hit among buyers.

IV. Electric Car Charging Stations

We installed electric cars charging stations in SODIC City to encourage our residents to use cars running on clean energy with all the convenience they need.



Setting the Example

Sustainability is a serious issue for SODIC. It is not merely a selling point for us. We lead by example and start from home. We are constantly on the lookout for ways to improve our operations to make them more environment friendly.

I. Let the Sun Shine

The parking sheds with solar panels installed in our head office reduced its carbon footprint and are designed to produce the equivalent of 95% of our headquarters' electricity needs.

II. Going Local

The sustainable development of the country as a whole has a huge impact on SODIC and all of its stakeholders. Accordingly, SODIC prioritises awarding contracts to Egyptian construction companies that effectively contribute to the Egyptian economy, indirectly employing over 30,000 Egyptian workers.

III. Safety and Welfare

SODIC contractors are responsible for ensuring the welfare of all workers

under their control and must ensure adequate welfare facilities as detailed in Egyptian Labour Law. We also require them to use our "Construction Safety Manual", which complies with industry, national and international standards, to ensure the safety of everyone working onsite.

IV. The Commute

We offer our people the option to use company buses for their daily trip to work. On a daily basis, our 28 buses currently transport almost half of our staff members to work. This, in turn, reduces the number of vehicles on the road everyday.

V. Power to the people

SODIC adopts a culture of excellence and retaining talents. We keep our people motivated, giving them the chance to

grow and enhance their skills, create a sense of ownership in their work and encourage them to excel in what they do. This happens through a lot more than good intentions; a good number of initiatives is in place:

- Competitive compensation and benefits that include medical and life insurance, pension plans and end-of-year bonuses.
- Digital portals to boost employee engagement and productivity.
- A Wellness Program, which is a new initiative by the HR Department aiming at striking a healthy work-life balance for employees
- An innovative and comprehensive Reward and Recognition Program.
- Empowering women and young mothers with a dedicated space for a day care centre and a recently added outdoor play area.



The Bigger Picture

SODIC believes in its corporate citizenship and the importance and impact of its social responsibilities. Our philosophy is rooted in achieving scalable social impact and financial sustainability. We are committed to achieving social impact across three focus areas; education, rehabilitation and equal opportunities. Furthermore, we also host a Relief Program which channels in-kind donations to those most in need, and engages our employees, allowing them to also contribute to giving back to our wider communities.

I. Education

Educate-ME



Our non-profit organisation develops educational curricula for a community school in Talbeya. It also offers teacher trainings to private and public-school educators for a fee – sponsored by the private sector - to scale its impact beyond the boundaries of one slum in Cairo and generate revenue streams for its operations. It is now able to recover over 65% of its running costs.

Impact:

45,000
children every year, ages
4 to 15

78,000
beneficiaries in 3 years



Tawasol



Tawasol runs a small community school in Establ Antar for children who had escaped schooling. The school provides the children with regular schooling as well as vocational training on a range of crafts. It also provides support in selling handmade products by community members on an online platform to help cover the school costs. The children also perform plays and acrobatic performances for a fee, allowing them the space for creativity and personal development while also generating income for the community.

SODIC has contributed to running the operations of the school since 2012 and has contributed to the purchase of a plot of land that is home to a new school in Ezbet Khairallah which will accommodate up to 500 children and will start operating in September 2020.



II. Rehabilitation



Future Eve Foundation (FEF)

Operating in Minya in Upper Egypt, Future Eve Foundation runs an empowerment initiative that offers microloans to impoverished widows and single mothers to support them in launching their micro enterprises and home improvement, improving their overall living conditions. The bank loans at affordable subsidised interest rates resulted in a payback rate of over 99%.

Impact:

369
beneficiaries (widows) in 2019



III. Equal Opportunity



Bright Tomorrow for Child Protection (BTCP)

BTCP supports children on the autism spectrum with the aim of supporting their integration within mainstream schools and their surrounding community.

Impact:

Over
347
children in 2019



Eslam Abu Ali

SODIC is proud to sponsor an exceptional athlete. Eslam Abu Ali is the first Egyptian para-triathlete to complete the IRONMAN 70.3 race and is ranked 5th globally in the 100m Breaststroke at the World Para-Swimming Championships in Mexico. We continue to support Eslam in his incredible journey as an inspirational super adaptive athlete.



Special Olympics
– A Legacy of First
Evers



SODIC proudly sponsored the Special Olympics 1st Pan-African Games Egypt. The championship gathered 800 athletes from 42 countries to compete in 4 sports; Football, Basketball, Athletics and Bocce. The sponsorship reiterates SODIC’s commitment to advocate the inclusion of people of determination in the society by maximising their participation across different fields achieving full gender equality, with 50-50 participation from both male and female athletes.



IV. Relief

SODIC relief program runs annual salary drives, blood drives, blanket drives and food packing and distribution with all collections channelled conscientiously and diligently to those most in need.

Impact:

2500
families in 2019

V. Desperate Times

Since the beginning of the COVID-19 health crisis; SODIC has given the priority to the safety and wellbeing of its employees, its communities, and its bigger community. From launching a huge campaign on the billboards of Cairo to raise awareness to the importance of flattening the curve, to distributing sanitisation packs to its residents and in the less fortunate communities it operates in, SODIC is setting the example of how market leaders should stand strong behind our communities through thick and thin.



LEADERSHIP TEAM

LEADERSHIP TEAM



MAGUED SHERIF
Managing Director

SODIC’s Managing Director, Magued Sherif has over 30 years of professional experience.

The architect began his career as a Site Engineer with Orascom Construction Industries in 1986. Early in his career, Sherif worked as Head of the Privatisation Unit at «Arthur Anderson», and spent seven years at «Bechtel Egypt» and «Bechtel Limited». Sherif’s past positions include several leadership positions with prominent companies in the industry. He was Egypt Country Head and Properties Chief Executive Officer at «Majid Al Futtaim Properties» Egypt. He spent 10 years as General Manager and Senior Vice President at «Palm Hills Developments», starting from the company’s inception. Sherif was also Chief Executive Officer and Managing Director at «Hyde Park Properties for Development» from 2012-2014.

Sherif was most recently the Co-founder and Managing Director of «The Venturers LLC» and the Co-founder of «AA Investments LLC», both in Orlando, Florida.

Sherif holds a BSc. of Architecture from Cairo University, Egypt, and an MBA from The American University in Cairo.

OMAR ELHAMAWY
Chief Financial Officer

Omar Elhamawy, the Chief Financial Officer of SODIC, joined SODIC in May 2013. Elhamawy has overseen the successful completion of SODIC’s 1 billion EGP capital increase, as well as the signing of over 3 billion EGP of medium-term debt facilities.

Prior to joining SODIC, Elhamawy spent eight years as a Director within Beltone’s Investment Banking Division, where he focused on the real estate sector through his close involvement in both M&A and capital market transactions. His most notable transactions include advising Mena for Touristic and Real Estate Investments on a capital increase, advising Beltone Private Equity on the tender offer and acquisition of Madinet Nasr Housing & Development, as well as advising Amer Group on its IPO. Elhamawy holds a BA in Business Administration from The American University in Cairo and is a CFA Charter-holder.



NABIL AMASHA
Chief Commercial and Operations Officer

Nabil Amasha, SODIC’s Chief Commercial and Operations Officer, has over 25 years of experience. Amasha’s experience in leadership positions expands to various areas, including Change Management, Corporate Strategy, Marketing Management, Business Development, Sales, Brand management and Communications and covering a diverse range of industries including real estate, retail and logistics.

Prior to joining SODIC, Amasha was the Chief Commercial Officer of Emaar Egypt, having joined Emaar in 2008. During his tenor at Emaar, Amasha managed the company’s Commercial Strategy, Marketing Communications, Sales, Product Development, Public Relations, Digital Assets, Customer Relationship Management, CSR and Contact Centre. He also served as Chief Marketing Officer of the global logistics and transportation company «Aramex», where he was responsible for all Brand Development, Business Development, Communications and Public Relations in 37 countries.

Earlier in his career, Amasha was the Business Development and Marketing Director of an American fast food chain in Egypt and KSA, and has also received Hospitality training in the US.

Amasha received his degree in Construction Management from California State University in 1992. He has completed several courses in marketing, hospitality, finance, real estate development and other topics from various institutions.



HISHAM SALAH
Chief Information Officer

Hisham Salah is SODIC’s Chief Information Officer. Salah enjoys more than 25 years of professional experience in the areas of Information Technology and Corporate Systems. Among his achievements is founding the first in-house residential fibre-to-the-home and triple play project in Egypt in 2009. Salah’s previous experience includes serving for eight years as Vice President of Technology at «Palm Hills Developments» and seven years with «Microsoft» as Head of Communications, later holding the position of Head of Government Sector in Egypt, where he was responsible for sales and key strategic initiatives supporting the company’s growth. Before joining Microsoft, he contributed to establishing the «Commercial International Life Insurance Company» as Head of Information Technology. Salah began his career at Commercial International Bank (CIB), where he held various positions in Information Technology and Operations. Salah holds an MSc in Information Technology from Middlesex University in London.



AYMAN AMER
Chief Business Development and
Procurement Officer

Ayman Amer is the Chief Business Development and Procurement Officer at SODIC. Amer has almost 20 years of experience in the real estate, project management and construction industries in Egypt and North Africa. Amer is responsible for setting and monitoring SODIC's procurement strategy across all divisions, as well as expanding SODIC's land bank, and forming strategic partnerships with operators. Prior to joining SODIC, Amer spent four years as Procurement and Cost Control Manager at Turner International Middle East (TIME), following his post as Senior Procurement Engineer at Orascom Construction Industries (OCI).

Amer holds a B.Sc. in Architectural Engineering from Cairo University and a diploma in Project Management from the American University in Cairo as a Certified International Procurement Professional.

RAMY RAAFAT
Chief Development Officer

Ramy Raafat, the Chief Development Officer at SODIC, enjoys over 18 years of experience in the field of real estate development and investment. In his capacity, Raafat is responsible for the development of SODIC's real estate portfolio. Raafat has managed mega investments in Egypt and abroad, working on the development of mixed-use projects, such as Burj Dubai Development, the Dubai Mall, the Address Hotel, JAL Twin Towers and Agha Khan Culture Dubai centre. Prior to joining SODIC, Raafat worked at «Palm Hills Developments», where he managed the company's real estate portfolio with full P&L accountability as Portfolio Management Director. He also worked for «GSSG Holding», «YMM Investments» Dubai, and Meinhardt, Consulting Engineers and Project Managers- Dubai.

Ramy holds a BSc in Civil Engineering, a Master's degree in Real Estate Development and Management from Heriot Watt University in the UK, and earned his Project Management Professional "PMP" certification from PMI in USA.



Yasser El Said is the Chief Technical Officer at SODIC, with nearly 30 years of experience in real estate, project management and construction sectors in Egypt and the Gulf region. In his capacity, he oversees the technical, controls and design divisions. Prior to joining SODIC in 2010 as Senior Projects Manager, El Said spent four years as a Project Manager at Dubai-based «Nakheel Co.», as well as Construction Manager at «Hill International» Project Management Firm. During his work in Egypt, El Said spent nine years with «ABB SUSA», operating in USAID projects.

El Said holds a BSc in Civil Engineering from Mansoura University.



YASSER EL SAID
Chief Technical Officer



SHEHAB ELORABI
Chief Operating Officer

Shehab Elorabi is SODIC's Chief Operating officer. Elorabi joined SODIC in 2009 as Executive Director of Project Controls, and held the position of Chief Technical Officer from 2013 to 2017. Elorabi has over 25 years of Experience in the field of construction and real estate development in the USA, UAE and Egypt. Prior to joining SODIC, he spent 5 years of his professional life in Dubai, where he held the position of Senior Development Manager at real estate developer «Nakheel Co. LLC», following his post as Projects Control Manager at «Hill International» Project Management Firm. His experience in Egypt prior to that included time spent with «Turner International» and «International Bechtel Inc.». Elorabi started his career with «Bechtel Corporation» in the US as Project Controls Engineer, where he spent the first six years of his professional career.

Elorabi received his B.Sc. in Industrial Engineering/Operations Research from the University of California, Berkeley, and holds an MBA from Golden Gate University in San Francisco.

LEADERSHIP TEAM



NADINE OKASHA

Strategy, Research & Public Relations
Executive Director

Nadine Okasha is the Strategy, Research and Public Relations Director at SODIC. Okasha joined SODIC in August 2010 as a Marketing Manager. In her capacity as Head of Strategy Management Office, Okasha oversees strategy formulation, cascading and management for SODIC, and heads the market research unit serving the business. Okasha has also been overseeing SODIC's public relations and corporate citizenship functions since 2013. Prior to that she held the position of Business and Organizational Development Manager at «Azza Fahmy Jewelry» from 2007, where she launched the company's first online store and oversaw the Dubai and Bahrain markets. In 2004, Okasha relocated to France where she held the role of Business Development Manager and Headquarter Representative at «Kato International S.A.S», France, tasked with growing the UK and Germany markets. Okasha began her career in «Nasgeyat for Trade and Industry» in a marketing role in February 2003.

Okasha earned her BSc degree in Chemical Engineering from Cairo University in 2002, and her certification from The Wharton School of Business Executive Development Program in 2009.

AHMED SAMIR

Human Resources Executive Director

Ahmed Samir is SODIC's Human Resources Executive Director. He enjoys over 13 years of human resources experience across different industries and operating levels. Prior to joining SODIC in 2014, Samir held the position of Head of Organisation Development at «Orascom Telecom Holding», where he led the planning of OD activities on a group level, developing its framework and value agenda. Prior to that, Samir had successfully led the HR start-up for 3 new operations, including «WIND Mobile» in Canada, where he oversaw the Organisation Design, Manpower Planning, Compensation Structures, and HR OPEX and CAPEX. Before joining Orascom, Samir held the position of Organisation Consultant at «LOGIC Management Consulting», and was involved in building an array of HR Foundations for many clients across various industries. In 2011, Samir joined «Vodafone» as Organisation Effectiveness and Change Senior Team Leader. He started his career in 2005 with «Saudi German Hospitals Group», Dubai.

Samir holds a Bachelor of Arts degree in Business Administration from the Faculty of Commerce, Cairo University, as well as a number of certifications from renowned HR institutes, including HAY Group, Towers Watson and SHL.



Caesar - Mediterranean North Coast

BOARD OF DIRECTORS



HANI SARIE EL DIN CHAIRMAN (Non-Executive)

With over 25 years of experience in corporate, banking and capital markets, Dr. Hani Sarie El Din is a prominent legal practitioner in Egypt and the Middle East. In addition to his private professional career, Sarie El Din has served in executive and non-executive public positions including Chairman of the Capital Market Authority and Board Member of the Central Bank of Egypt, the General Authority for Investment and the first official US-Egyptian Fund to promote investment in Egypt. Sarie El Din holds a Ph.D. in International Business Law from Queen Mary and Westfield College, University of London.

*On 30/3/2020, The General Assembly accepted the resignation of Dr. Hani Sarie El Din with effect from 1/4/2020

OSAMA SALEH CHAIRMAN (Non-Executive)

Osama Saleh is the newly appointed non-executive Chairman of SODIC as of April 1, 2020. Saleh has over 40 years of experience during which he held several leading positions in the public and private sectors. Saleh is a renowned Egyptian economist who once served as the Minister of Investment.

Saleh served as the Chairman of the Egyptian Mortgage Finance Authority (MFA), Chairman of the General Authority for Investment and Free Zones (GAFI), and the Regional Manager of American Express Bank Ltd. He is currently the non-executive Chairman of the Board of Directors of Ayadi for Investment and Development, Ayadi for Urban Development, Abu Soma Tourism Development Company, and Damietta City Furniture Company. He is the Founder and Chairman of Riseinvest for Financial Consultancy and Investment Solutions and Chairman of the Egyptian Serbian Business Council.

Saleh is also a board member of several authorities and companies, including the National Investment Bank, NI Capital Company, Akhbar Al-Youm Investment Company, and the Holding Company for Electricity Distribution. Saleh received a Bachelor's from the Faculty of Commerce, Cairo University.



* On 10/3/2020, The Board approved the appointment of Mr. Osama Saleh to the board as an independent member replacing Mr. Hussein Choucri ; On 31/3/2020, The Board approved the selection of Mr. Osama Saleh as Chairman (Non-Executive, Independent)

SABAH BARAKAT BOARD MEMBER (Non-Executive)

Sabah Taysir Barakat is the Vice President of «Olayan Financing Company», based in Riyadh, and is responsible for overseeing a portfolio of wholly owned and joint venture companies in the fields of energy, construction, and real estate development. From 2003 to 2008, Barakat held the position of Vice President of «Bechtel Group». Prior to that - from 1998 to 2003-, he was the Regional Vice President of «National Grid Plc.» Early in his career - from 1986 to 1998-, Sabah worked for the «Costain Group Plc.», a leading international contracting firm specialising in infrastructure, energy, and building construction.

Barakat graduated from London University in 1986 as a Chartered Engineer, and a member of the UK's Institute of Civil Engineers. He also holds an MBA in Engineering Management and is a member of the UK's Chartered Institute of Management.



TIMOTHY COLLINS BOARD MEMBER (Non-Executive)

Timothy Collins is the CEO and Senior MD of «Ripplewood Advisors LLC». Before founding Ripplewood, Collins worked for «Cummins Engine Company», «Lazard Frères & Company», and «Booz, Allen & Hamilton». He is currently holding the position of Chairman of «AS Citadele Banka» and serves on the board of «EFG». Collins has served on a number of other public and private company boards, including «Asbury Automotive», «Shinsei Bank», «Advanced Auto», «Rental Services Corp.», «CIB», «Gogo», and «Citigroup» (after it received public funds). He serves as the Senior Becton Fellow and Visiting Lecturer at Yale Law School and is the Chairman of the Yale School of Management Board of Advisors.

Collins has a BA in Philosophy from DePauw University, and an MBA in Public and Private Management from Yale University's School of Management.



MAGUED SHERIF MANAGING DIRECTOR

SODIC's Managing Director, Magued Sherif has over 30 years of professional experience.

The architect began his career as a Site Engineer with Orascom Construction Industries in 1986. Early in his career, Sherif worked as Head of the Privatization Unit at «Arthur Anderson», and spent seven years at «Bechtel Egypt» and «Bechtel Limited». Sherif's past positions include several leadership positions with prominent companies in the industry. He was Egypt Country Head and Properties Chief Executive Officer at «Majid Al Futtaim Properties» Egypt. He spent 10 years as General Manager and Senior Vice President at «Palm Hills Developments», starting from the company's inception. Sherif was also Chief Executive Officer and Managing Director at «Hyde Park Properties for Development» from 2012-2014.

Sherif was most recently the Co-founder and Managing Director of «The Venturers LLC» and the Co-founder of «AA Investments LLC», both in Orlando, Florida.

Sherif holds a BSc. of Architecture from Cairo University, Egypt, and an MBA from The American University in Cairo.

ELIZABETH CRITCHLEY BOARD MEMBER (Non-Executive)

Elizabeth Critchley is a Partner of «Ripplewood», and runs the day to day operations. Before joining Ripplewood, Critchley was a Founding Partner of «Resolution Operations» which raised 660 million GBP via a listed vehicle at the end of 2008, and went on to make three acquisitions in financial services (Friends Provident plc for US2.7\$ billion, most of Axa's UK life businesses for US4\$ billion, and Bupa for US0.3\$ billion). This consolidation strategy was financed through a combination of debt and equity raisings, as well as structured vendor financing.

Until the inception of Resolution Operations, Critchley was a Managing Director at «Goldman Sachs International» where she ran the European FIG Financing business. She has structured, advised, or invested in transactions with more than fifty global financials and corporates.

Critchley has a First Class Honours Degree in Mathematics from University College London.

OMAR ELHAMAWY CHIEF FINANCIAL OFFICER

Omar Elhamawy is the Chief Financial Officer of SODIC. Since joining SODIC in May 2013, Elhamawy has overseen the successful completion of SODIC's EGP 1 billion capital increase as well as the signing of over EGP 3 billion of medium-term debt facilities. Prior to joining SODIC, Elhamawy spent eight years as a Director within Beltone's Investment Banking Division, where he focused on the real estate sector through his close involvement in both M&A and capital market transactions.

His most notable transactions include advising Mena for Touristic and Real Estate Investments on a capital increase, advising Beltone Private Equity on the tender offer and acquisition of Madinet Nasr Housing & Development as well as advising Amer Group on its IPO. Elhamawy holds a BA in Business Administration from The American University in Cairo and is a CFA Charter-holder.



WALID ABANAMAY BOARD MEMBER (Non-Executive)

Walid Sulaiman Abanamay has been the Managing Director of «Al-Mareefa Al –Saudia Company» since 1997. Prior to this, he served in the Treasury and Corporate Banking Departments of «SAMBA Financial Group». Abanamay has been serving the Board of Directors of several listed companies, private equity and equity funds including, «Joussour», «Beltone Financial», «UGIC», «Mena Capital Fund» and «GB Auto». He also served in the Boards of «SAFCO», «Nasr City», «Al-Inmaia», «Al Raya Holdings» and «Al Masafi».

Abanamay holds a B.Sc. degree in Computer Science from Southern Illinois University, a Master's degree in Management Information Systems from the University of Illinois, and a Ph.D. in Business Administration, majoring in Finance, from Southern Illinois University.





HISHAM EL-KHAZINDAR
BOARD MEMBER
(Non-Executive)

Hisham El-Khazindar is the Managing Director and Co-Founder of «Qalaa Holdings». El-Khazindar serves on the board of several leading regional companies, including «El Sewedy Electric» and «Magrabi Retail», and on the Advisory Committee of the «Emerging Markets Private Equity Association». He also serves as a Trustee of the «American University in Cairo», a Trustee of the «Cairo Children's Cancer Hospital», and as a Fellow of the «Aspen Institute's Middle East Leadership Initiative».

Prior to co-founding Qalaa Holdings in 2004, El-Khazindar held the position of Executive Director of Investment Banking at «EFG Hermes» where he advised on landmark M&A and IPO transactions in the region. During the period from 1999 to 2000, Al-Khazindar was on secondment to «Goldman Sachs» in London.

El-Khazindar holds a BA in Economics from the American University in Cairo and an MBA from Harvard Business School.

Hussein Choucri is the Chairman and Managing Director of HC Securities & Investment. Choucri also serves on the Board of Member of the Holding Company for Tourism and Cinema (HOTAC), Edita Food Industries, Integrated Diagnostics Holdings (IDH) and the Egyptian British Business Council (EBBC). In addition, Choucri is the Chairman of the Board of Trustees of Shefaa Charity Foundation. Choucri held the position of Managing Director at Morgan Stanley, New York from 1987 to 1993, before serving as an Advisory Director until December 2007. Prior to joining Morgan Stanley, Choucri worked with Abu Dhabi Investment Company. Choucri received a Management Diploma from the American University in Cairo and a Bachelor's from the Faculty of Commerce, Ain Shams University.

*On 10/2/2020, the board accepted the resignation of Mr. Hussein Choucri with effect from 31/01/2020



HUSSEIN CHOUCRI
BOARD MEMBER
(Non-Executive)

SODIC's success is owed to a combination of hard work, dedication, diligence, and a strict adherence to sound principles of corporate governance, high ethical conduct, and good corporate citizenship. We firmly believe these three principles alongside trust, transparency, and open communication serve as the main propellants that drive our performance as a company, and that enhance shareholder value.

CORPORATE GOVERNANCE REPORT

Shareholders’
general
meetings

Ordinary and extraordinary general meetings shall be convened in the city in which the Company’s head office is located. A general meeting shall be convened when called by the Board. The notice of a general meeting shall be published two times in two daily newspapers, with at least one of them being issued in Arabic. A shareholder may attend a general meeting in person or by proxy. Attendance by proxy may not be valid unless it is evidenced by written power of attorney, or unless the representative is a shareholder.

about the business and that decisions are made by people at the right levels and who have the authority to do so.

Board
Formation

The shareholders elected the current Board in the Ordinary General Meeting held on 29/03/2018. The Board consists of 11 members and its term is three years until the general meeting of 2021. The Board comprises non-executive persons and entities representing the shareholders, independent members and executive members, as follows:

No.	Name	Capacity (Executive/Non-Executive/Independent	Number of Owned Shares	Joining Date	Representing
1	Hani Salah Mohamed Sarie El Din*	Chairman / Non-Executive / Independent	-	29/03/2018	Self
2	Magued Ahmed Sami Mohamed Sherif	Managing Director / Executive	-	29/03/2018	Sixth of October for Development and Real Estate Projects (SOREAL)
3	Walid Sulaiman Abdulmohsen Abanamay	Member / Non-Executive	6,301,380	29/03/2018	Self
4	Sabah Tayseer Barakat	Member / Non-Executive	48,331,696	29/03/2018	Olayan Saudi Investment Co. Ltd.
5	Timothy Clark Collins**	Member / Non-Executive	31,992,544	29/03/2018	RA Six Holdings Limited
6	Elizabeth Critchley**	Member / Non-Executive	31,992,544	29/03/2018	RA Six Holdings Limited
7	Hussein Hassan Choucri***	Member / Non-Executive / Independent	-	29/03/2018	Self
8	Hisham Hussein El-Khazindar	Member / Non-Executive / Independent	-	29/03/2018	Self
9	Omar Mahmoud Raafat Elhamawy	Member / Executive	-	29/03/2018	SODIC for Development and Real Estate
10	Tabrook Development Company	Represented by one member still not named	-	29/03/2018	Tabrook Development Company
11	Soreal for Real Estate Investment	Represented by one member still not named	-	29/03/2018	Soreal for Real Estate Investment

The Board

Under both Egyptian company law and SODIC’s articles of association, the board has ultimate responsibility for all decisions concerning the company’s business strategy and management.

Defined terms of reference for Board Committees, formal documentation of powers delegated to Executive Directors, and clear reporting lines ensure that the board receives all relevant information

* On 30/3/2020, The General Assembly accepted the Resignation of Dr. Hani Sarie El Din with effect from 1/4/2020; On 10/3/2020, The Board approved the appointment of Mr. Osama Saleh to the board as an independent member replacing Mr. Hussein Choucri ; On 31/3/2020, The Board approved the selection of Mr. Osama Saleh as Chairman (Non-Executive, Independent)

** On 14/02/2019, the Board **accepted** the resignation of Mr. Yezan Monzer Gerees Haddadin from the Board, with effect from 07/02/2019; **approved** RA Six Holdings changing of its representative on the Board to Ms. Elizabeth Critchley, in place of Mr. Omar Salah Hassan Bassiouny; **and approved** the appointment of Mr. Timothy Clark Collins as a second representative of RA Six Holdings Limited. The Stock Exchange and the Financial Regulatory Authority have been notified of

the aforementioned resolutions. The Company is currently having the resolutions certified and recorded in its Commercial Register.

*** On 10/2/2020, the board accepted the resignation of Mr. Hussein Choucri with effect from 31/01/2020

Board Meetings

A Board or committee meeting may be attended in person, by phone (conference call), or by any visual means (videoconferencing). Board resolutions may be adopted by circulation when necessary.

Board Role and
Responsibilities

The Board shall be in charge of running the Company’s affairs based

on the mandate given by the general meeting. The Board shall set the strategic objectives of the Company and conduct the Border’s business under the regulating laws, the Company’s regulations, and the approval powers applicable in the Company, in order to ensure that the executive management is fulfilling its duties within the set plans and in a way serving the Company and shareholders’ interests and the Company’s responsibilities towards the community and the environment, and to ensure the efficiency of

the internal control system and risk management, and determine the best way to implement of governance system.

Chairman of the board

The Board Chairman shall perform certain duties, including:

- Call, set the agendas of, and preside over, Board meetings.
- Call ordinary and extraordinary general meetings to consider the agendas submitted by the Board.
- Ensure that sufficient and accurate information is timely made available to shareholders and Board members.
- Ensure that the decisions are made based on sound grounds and full awareness of the relevant matters, and that a suitable mechanism is in place to guarantee the efficiency of implementing these decisions at the right time.
- Receive reports and recommendations from all committees, and submit them to the Board on a regular basis for necessary action.
- Ensure that the Board is fulfilling its duties in the best manner that serves the Company's interests, while avoiding any conflict of interest.
- Ensure the efficiency of the governance system

and efficiency the Board committee's performance.

Managing Director

The Managing Director shall perform their duties according to the powers that the Board and the law vest in them, including the following:

- Implement the strategy and annual plan approved by the Board.
- Lead the Company's executive work and day-to-day business, supervise work progress in all the departments and divisions [of the Company], monitor the performance of all activities, make such decisions as they may deem necessary for the work to be performed orderly and the objectives to be achieved, and seek to improve customer satisfaction.
- Seek to implement all the Company's internal policies, rules and regulations approved by the Board.
- In consultation with the Board, propose the matters to be presented in the periodical Board meetings.
- Supervise the preparation of the periodical financial and non-financial reports on the Company's business

results and performance assessment, as well as the corporate governance report, and review all the answers to the auditor's inquiries before preparing the said reports.

- Effectively participate in building and developing a culture of ethical values, propose the ESOP plan and succession planning mechanisms approved by the Board to ensure employee loyalty and maximize the Company's value.

- Determine the functions and responsibilities of all employees, in accordance with the applicable work regulations and Board resolutions.

Board Secretary

The Company has a Board Secretary of a suitable occupational grade allowing them to act as the driver and mediator

between the Board and top management members. The Board Secretary role includes the following duties:

- Arrange for the Board and committee meetings, prepare the matters to be presented at these meetings, assist the Board Chairman and the Managing Director in preparing the meeting agendas, prepare the information, data and details relating to the said matters and send them to

the members enough time before the meeting, and manage the logistics of the meetings.

- Assist the Board Chairman and Managing Director in the preparation for shareholders' general meetings and management of the related logistics.
- Take attendance at all the meetings, noting whether attendance is in person.
- Prepare and record the

minutes of Board and general meetings.

- Monitor the issuance and the carrying out of Board resolutions, update the concerned departments, and prepare follow-up reports in this regard.
- Keep and document all that is related to the Board resolutions and the matters presented to the Board, and ensure the Board timely receipt of the related necessary information

- Liaise with all Board committees, ensuring effective communication between the Board and the committees.

Board committees

Committee formation

No.	Member's Name	Committee Name		Member's Capacity	Position on Committee	Joining Date
		Audit Committee	ESOP Committee			
1	Hani Salah Mohamed Sarie El Din*	✓	✓	Non-Executive Independent	Committee Chair	29/03/2018
2	Hossam Hassan Helal	✓		Non-Executive Independent	Committee Member	29/03/2018
3	Hussein Hassan Choucri**	✓		Non-Executive Independent	Committee Member	29/03/2018
4	Walid Sulaiman Abanamay		✓	Non-Executive	Committee Member	29/03/2018
5	Sabah Barakat		✓	Non-Executive	Committee Member	29/03/2018
6	Hisham Hussein El-Khazindar		✓	Non-Executive Independent	Committee Member	29/03/2018

* On 30/3/2020, The General Assembly accepted the Resignation of Dr. Hani Sarie El Din with effect from 1/4/2020; On 10/3/2020, The Board approved the appointment

of Mr. Osama Saleh to the board as an independent member replacing Mr. Hussein Choucri ; On 31/3/2020, The Board approved the selection of Mr. Osama Saleh as

Chairman (Non-Executive, Independent)

** On 10/2/2020, the board accepted the resignation of Mr. Hussein Choucri with effect from 31/01/2020

Convened Board and Board committee meetings

10 Board meetings, 4 Audit Committee meetings, and 1 ESOP, and Compensation Committee meetings were convened during the year 2019.

Audit Committee

The Audit Committee comprises four members, including three independent members and one expert member. The Committee convened 4 times during 2019 according to its periodical convening requirement under the law.

Audit Committee role and duties

The Committee has performed the role assigned to it under the Listing Rules and the related governance instructions, decisions and rules, to examine the management performance of the obligation to implement the Board policies and ensure proper running of work; as follows:

- The Committee examined and reviewed the internal control procedures, and whether they were properly implemented.
- The Committee studied the adopted accounting policies and the changes resulting from the implementation of any new

accounting policies; and examined the following:

- The coherence between the adopted accounting policies and any changes occurred thereto.
- The methods employed to explain important or unusual transactions (as various methods are used).
- The clarity and sufficiency of information disclosure, as shown in the financial reports.
- The entire basic information given with the financial statements.

- The Committee examined and reviewed the internal audit mechanisms, tools, procedures, plans and results, studied the internal audit reports and monitored the implementation of the recommendations contained in these reports.

- The Committee examined and reviewed the managerial periodical reports submitted to the different managerial levels, the methods of preparing these reports and the time at which they were presented.

- The Committee monitored the procedures applied in the preparation and review of the following:

- The periodical and annual financial statements.
- The prospectuses of subscriptions, public offerings and private placements.

- The Committee examined the draft financial statements and their notes before they were presented to the Board in preparation for sending them to the auditor.

- The Committee discussed and examined with the management the matters of material importance.

- The Committee examined the efficiency of the system monitoring compliance with the laws and regulations, and examined and monitored the results of the investigations conducted by the management (including disciplinary actions) regarding any non-compliance incidents.

- The Committee examined the results of any inspection conducted by regulatory authorities, any remarks given by any auditor, and ensured the appropriateness of the remedial actions.

- The Committee reviewed the procedures of communicating the Code of Ethics to the employees to monitor compliance.

- The Committee proposed the appointment of the auditor, determination of their fees, and consideration of the matters relating to their resignation and removal, without prejudice to the law.

- The Committee offered an opinion on tasking the auditor with doing services other than auditing of financial statements, and determining the related fees, without prejudice to the auditor independence requirements.

- The Committee studied the auditor's report on the financial statements, discussed with the auditor the remarks and qualifications contained in the report, followed up the actions taken in response to these remarks and qualifications, and sought to settle any difference between the viewpoints of the Company and those of the auditor.

- The Committee ensured the implementation of the control methods necessary for preserving the Company's assets, and the conducting of periodical assessment of the administrative procedures to ensure adherence to the rules; and prepared reports for submission to the Board.

- The Committee discussed and approved

the annual plan of the Internal Audit Department, monitored the efficiency of the plan, and ensured that it covered all the Company's departments and activities.

- The Committee invited the auditor, the Internal Audit manager and others, as it deemed appropriate, from inside and outside the Company, to attend Committee meetings as necessary.

- The Committee carried out and followed up all other aspects of work the Board had assigned to it.

Board members' attendance

No.	Member's Name	Board Meetings	Audit Committee Meetings	ESOP Committee Meetings
1	Hani Salah Mohamed Sarie El Din*	09/10	3/4	1/1
2	Magued Ahmed Sami Mo-hamed Sherif	10/10	-	-
3	Walid Sulaiman Abdulmohsen Abanamay	10/10	-	1/1
4	Sabah Tayseer Barakat	09/10	-	-
5	Timothy Clark Collins	09/10	-	-
6	Hussein Hassan Choucri**	07/10	4/4	-
7	Elizabeth Critchley	09/10	-	-
8	Hisham Hussein El-Khazindar	04/10	-	1/1
9	Omar Mahmoud Raafat El-Hamawy	10/10	-	-
10	Tabrook Development Company (represented by one member will be determined later)	0/10	-	-
11	Soreal for Real Estate Investment (represented by one member will be determined later)	0/10	-	-

* On 30/3/2020, The General Assembly accepted the Resignation of Dr. Hani Sarie El Din with effect from 1/4/2020; On 10/3/2020, The Board approved the appointment of Mr. Osama Saleh to the board as an independent member replacing Mr. Hussein Choucri ; On 31/3/2020, The Board approved the selection of Mr. Osama Saleh as Chairman (Non-Executive, Independent)

** On 10/2/2020, the board accepted the resignation of Mr. Hussein Choucri with effect from 31/01/2020

• Supervise the FRA-approved ESOP plan applying to the employees, managers and executive Board members. The plan includes the issuance and allocation of a portion of the Company's shares to the employees, managers and executive Board members to incentivize them by linking the increase in the share price and yield under the plan to the advantages the shareholders gain, which improves the Company's performance in the long term.

• Examine and approve the total annual bonus of employee in light of the Performance Indicators.

• Regularly assess the Company's long-term incentive plans to ensure their compatibility with the objectives and strategies of the Company, and propose amendments to them from time to time.

Convened Board and Board committee meetings

The internal control system is the set of policies, procedures, guides and regulations prepared by the relevant departments of the Company and approved by the Board.

The system also specifies the different functions, and segregate, completely, the different duties and responsibilities, as this is taken into account in preparing the organizational structure. This is addition to all that is related to it in terms of the tools or indicators employed in the Company to preserve its assets. The Company's organizational structure includes an internal audit department that provides reports to the Audit Committee, which evaluates the internal control system periodically and submits recommendations to the Board. The Company prepares a set of policies, procedures, guides and regulations produced by a number of the Company's relevant departments and approved by the Board, to achieve the following:

• Complete segregation of responsibilities and powers for all employees.

• Ensuring accuracy and high quality of information, so that correct and accurate information on the Company is made available to the Company and others.

• Safeguarding the Company's tangible assets against any possible danger, and document and record these assets in the Company's registers.

• Increasing the Company's productive efficiency, and achieving the Company's

objects at the lowest cost possible while maintaining the level of quality.

• Ensuring accurate implementation of instructions to make certain that all instructions have been carried out properly.

• Defined roles and fully segregated duties and responsibilities, which is taken into consideration in preparing the organizational structure.

• Ensuring the implementation of the corporate governance rules through the accurate carrying out of all the governance instructions and rules.

Internal Audit Department

The Company's internal audit function constitutes an objective and independent activity designed to add value and improve the performance of operations, in order to help the Company achieve its objectives, by adopting a systematic and orderly method to evaluate the internal control tools and systems and the risk management procedures, and ensure sound implementation of the governance rules in relation to all executive, financial and legal activities and departments. The Internal Audit Department

is managed by an officer devoted on a full-time basis to this role. The officer is selected from among the administrative leaders. The Internal Audit manager reports technically to the Audit Committee and administratively to the Managing Director. The manager is appointed and removed, and their remuneration is determined, by a decision of the Managing Director based on a recommendation by the Audit Committee. The Audit Committee sets the objectives, duties and powers of the Internal Audit Department, and submits them to the Board for approval.

The internal audit scope includes the examination and assessment of the accuracy and efficiency of the internal occupational and commercial operations, as well as the quality of carrying out the responsibilities assigned to the Internal Audit, in order to achieve the Company's objectives. This includes the following:

• Assess the accuracy, reliability, timing and correctness of the financial, administrative and operational information, and the tools used to identify, measure, sort, and prepare reports on, this information.

• Evaluate the asset protection tools and verify whether the assets actually exist, as appropriate.

• Evaluate the operations,

programs or systems to verify whether the results are in line with the achieved objectives, and whether the operations, programs or systems are planned in the pre-established manner.

• Monitor the employees to ensure compliance with the Company's policies, standards and procedures, and the applicable laws and regulations.

• Evaluate the systems created to ensure observance of the policies, plans, procedures, laws and regulations that may have a significant effect on the Company.

• Prepare periodical reports on the Internal Audit objectives, powers, responsibilities, and performance, as well as the Internal Audit results

related to the Internal Audit plan.

• Prepare reports on the highly important matters that pose a risk, and control these matters. This includes fraud and other issues the Internal Committee may require.

• Achieve harmony with the External Audit Department to ensure the highest level of efficiency

of the audit services at their broadest scope.

At least once every quarter, the Internal Audit manager submits a report to the Audit Committee showing the results of their business.

Internal Audit scope and main duties:

Role of Audit Department	Scope	Whether it is a permanent department of the Company or an external private audit company	Name of the Internal Audit officer/the private external audit company	Frequency of reports
<div>• Assess the efficiency of the internal control system, and submit to the Audit Committee reports of the findings.</div> <div>• Assess the adherence of every department to the obligation to perform all the work assigned to it in accordance with the work procedures and policies, and without conflicting with the functions of other departments.</div> <div>• Assess the efficiency of the set procedures and policies, and their compatibility with the work and market developments.</div> <div>• Follow up the remedial actions addressing the findings in the reports of the Internal Audit, external audit, and supervisory authorities.</div>	Financial, operational and technical activities	Permanent department of the Company	Mr. Ibrahim Badr El-Din	Quarterly

Risk
Management

The Board has overall responsibility for risk management in the manner proper for the Company's business nature, the Company's size and the market in which the Company operates. The Internal Audit Department, in cooperation with the other departments concerned, analyzes the risks to which the Company may be exposed during the year. This includes the following:

- Analyze the risks the Company may face. The analysis must be conducted accurately, timely and early.
- Identify the level of risks the Company can afford from within the volume of the different potential risks, based on their effect and probability.
- Develop a risk policy and set specific indicators to measure, follow up and monitor the risks that may affect the Company.
- Provide accurate and expressive reports that allow the concerned parties to make the necessary decisions in relation thereto, and submit these reports to the Audit Committee, which in turn provides recommendations to the Board.

Compliance
Department

The Board Secretary holds the post of the Compliance Manager as an independent position reporting to the Group's Financial Controller. This role includes identifying, assessing, monitoring, advising, and preparing reports regarding the risks that would result from non-compliance with the laws, regulations and supervisory instructions issued by competent entities, in order to avoid any penalty or damage to the Company's reputation. The responsibility for developing the policies relating the Compliance Department lies with the top management. The Board is responsible for approving the said policies, of which all employees must be made aware.

During the year, the Compliance Department, in cooperation with other concerned departments, shall continuously monitor and ensure compliance of all employees with the binding laws, disciplines, supervisory instructions issued by the competent entities, as well as the Company's governance systems and policies.

Governance
Department

The governance process shall be conducted by the Company's concerned departments. The process aims to aid in establishing and strengthening the governance principles, and present these to the Audit Committee to monitor their implementation and increase their effectiveness.

Auditor

The Company has appointed its auditor for 2019, Mr. Ehab Aboul-Magd, a partner in KMPG Hazem Hassan. The auditor was nominated by the Board, and an ordinary general meeting approved his appointment and annual fees, as the auditor satisfies the conditions stated in the Accounting and Auditing Practice Law, including the requirement of being totally independent of the Company, in addition to competence, reputability, and sufficient experience suitable for size and nature of the Company's business and the parties dealing with the Company. Mr. Aboul-Magd is registered with the FRA.

Disclosure and
Transparency

The Company strives to firmly establish the disclosure and transparency principles. It discloses on a regular basis documented and clear financial and non-financial information. The Company ensures this is done in a timely manner for the users of such information. The information is announced to everyone simultaneously through the disclosure channels. The Company also discloses all material information as soon as they exist.

Material
Information
– Financial &
Non-Financial
Disclosure

The Company discloses through the various available means its financial information important to shareholders and concerned parties. The information is provided in the Company's annual and periodical financial statements and auditor reports, Board report, accounting policies, budgets, asset valuation methods, and dividend distribution. The annual financial statements are published in two widely circulated daily newspapers in accordance with the law. These are also published on the website, and the information is

disclosed to the Stock Exchange, Financial Regulatory Authority (FRA) and the media, through newspapers, websites, press conferences and other channels.

The Company also discloses the non-financial information important to current and potential shareholders and investors, including the following:

- Information on the Company, such as its objectives, vision, business nature, plans and future strategies.
- Ownership structures of affiliate and subsidiary companies.
- Dealings with related parties, and related-party agreements.

- Disclosing to shareholders and supervisory authorities the information regarding treasury shares. In the event of a subsidiary purchasing the shares of its owner holding company, the Company applies to the shares so purchased all the treasury share rules. These shares are not counted within the quorum of shareholders or vote at general meetings.

- Notify the FRA and the Stock Exchange of the EGM and OGM resolutions as soon as a meeting is concluded, and in any event no later than the start time of the first trading session following the meeting.

In addition, provide the Stock Exchange within one week of every general meeting with the meeting minutes, approved by the Board.

- Provide the Stock Exchange with the general meeting minutes certified by the competent administrative authority, within three business days of receiving the certified minutes.

- Provide the FRA and the Stock Exchange with a summary of the Board resolutions involving material information, no later than the start time of the first trading session following the meeting in which the resolutions are adopted.

- Provide the FRA and the Stock Exchange with a statement approved by the Board showing the most important business results, compared with the corresponding period, in the form designated by Stock Exchange, as soon as the Board approves the annual or quarterly periodical financial statements, in preparation for submitting the same to the auditor to issue its related report - no later than the start time of the trading session following the meeting.

- Announce the decision of the competent body regarding the cash and/or stock dividend distributions.

Penalties and judgments against the Company in 2019

No	Judgments, penalties and fines during the year	Penalty in EGP
1	Delay in submission of the standalone and consolidated financial statements for the fiscal period ending 31/03/2019.	5,000

Investor
Relations

Shareholder
Engagement

In keeping with our belief of open and transparent communication, SODIC runs an active investor relations programme.

Communication with investors and analysts is an ongoing practice throughout the year and includes regularly scheduled Investor Relations events, one-to-one and group meetings with the Executive Directors, and tours of our properties, as well

as routine contact with the Investor Relations department.

In 2019, our Managing Director, CFO, and Investor Relations team held over 142 meetings with representatives from each of our institutional investors. Such interaction

is a testament to our desire to build a strong reciprocity of dialogue between the company and our shareholders.

This year, SODIC has participated in six investor conferences and two roadshows, cementing stable communication with

our global net of investors that spans Egypt, Europe, the USA, the Middle East, and Africa,.

In addition to such initiatives, the Executive Board members attend the Annual General Meeting, which is an opportunity for all shareholders to engage in direct communication with the Directors on a one-to-one basis.

Materials including investor presentations, our financial results, and information on the work of the board and its committees can be downloaded at ir.SODIC.com.

timely basis. All material matters concerning the corporation, including company objectives, financial and operational results, major share ownership and voting rights, information about Board members, related party transactions, and governance structures and policies are expressed and conducted with complete transparency.

Codes and Policies

Code of Ethics and Professional Conduct

The Company has an internal code of ethics and professional conduct. The code involves a set of values that controls and organizes ethics and professional conduct in the Company, which reinforces the Company's reputation and credibility.

Succession Planning Policy

The management adopts a policy for recruitment, selection and promotion, implemented by the Human Resources Department. The policy ensures securing the best candidates for the positions where they

fit. At the same time, it encourages professional development of existing employees under a comprehensive strategy that includes continuous training plans. According to this strategy, employee annual training plans are announced. There are other plans in place to incentivize competent and high-performance employees, and therefore retain them. This is in addition to the career path planning that ensures succession of authority. This represents added value to the Company and maintains its sustainability.

Whistleblowing Policy

The Company adopts a whistleblowing policy for reporting violations and making complaints. The policy provides for dealing with violations and complaints according to the internal procedures the Company applies. It aims to encourage employees to report any act that breaches the code of ethics or the law. Thus, honesty and integrity are reinforced in all activities. Total secrecy is guaranteed, and reporting a violation should be substantiated by objective documents and/or information.

The Company seeks to act proactively and decisively

to avert any unethical conduct, negligence, or illegal activity (if any). The aim is to enable genuine reform and strengthen the principles of justice and transparency. The Company aims to avoid any potential damage to its business or name in the market. These procedures create a safe channel that keeps confidential the information of the whistleblower. They encourage voicing any suspicion of, for example, any unethical conduct, illegal act, corruption, violation of internal policies or rules, breach of laws or regulations, fraud, or threat to public rights.

Insider and Related-Party Dealing Policy

An insider may deal in the Company's shares only according to the Company's insider dealing policy that is announced to all employees. The policy has been developed in accordance with rules set by supervisory bodies. The policy includes the following:

- Neither an insider nor their related group may deal in any securities issued by the Company during the five days preceding, and the day following, the publication of any material information.

- A shareholder that owns, either alone or through their related group, 20% or more may not deal before they have notified the Stock Exchange.
- Neither any of the Company's Board members, irrespective of their shareholding size, or officers, nor any person that has access to information not available to others but may affect the price of a security, may purchase or sell this security (to which the information is related).

The Insiders Trading on the Company's shares took place during 2019:

Ser.	Name	No. of Shares as of 1 Jan 2019	Bought shares during the year 2019	Sold shares during the year 2019	No. of Shares as of 31 December 2019
1	SODIC ESOP Program	305,157	6,880,204 (Capital increase allocated for issuance of 2nd, and 3rd tranche of ESOP shares)	3,273,263	3,912,098

Social and Environmental Responsibility

The Company follows a clear policy on its social and environmental responsibility, and on its continuous commitment to participating in the economic and societal development, which is also stemming from the Company's responsibility toward the community and the environment. SODIC is committed to performing an effective role in achieving real and tangible human development that benefits the Egyptian citizen in poorer communities, while affording real opportunities, since it is a leading real estate developer in the Egyptian market.

SODIC adopts a group of societal development initiatives that contribute to improving the living conditions of more than 8,500 families annually. This comes out of SODIC's belief in a set of essential principles, such as turning attention to youth by supporting educational initiatives, development of informal settlements, creating job opportunities, empowerment of women, and protection of children's rights, in light of the general-meeting resolutions concerning donations.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER INFORMATION

Delivering long-term, sustainable returns empowered by our strong corporate governance framework and our diversified shareholder base, SODIC is one of the few non-family owned companies traded on the EGX.

Symbol:

EGX: OCDI.CA
Reuters: OCDI.CA
Bloomberg: OCDA.CA

SHARE INFORMATION

Our shares are listed on the Egyptian Exchange since 1998 under the ticker OCDI.

Share listing:	Cairo Egypt
ISIN Code:	EGS65851C015
Currency:	EGP
No. of Shares Outstanding:	349,178,872
Market Capitalisation as of 31/12/2019:	EGP 4.6 billion

Shareholders as at	31/12/2019
Olayan Saudi Investment Company	13.84%
Abanumay Family	10.5%
Ripplewood Advisors L.L.C.	9.16%
RIMCO	7.3%
Ekuity Holding	5.05%
Others	54.6%

By Type

Individuals	16%
Institutions	84%

By region

Egypt	32%
Middle East	36%
Europe	17%
North America	11%
Others	4%



CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S REPORT

To The Shareholders of Sixth of October for Development and Investment Company "SODIC"

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sixth of October for Development and Investment Company "SODIC" (S.A.E.), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sixth of October for Development and Investment Company "SODIC", as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account, according to the limits of this information in books.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo February 25th, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

EGP	Note No.	31/12/2019 L.E	31/12/2018 L.E
Non-current assets			
Property, plant, equipment	(23)	294 115 466	287 051 622
Projects under construction	(24)	115 181 723	11 137 625
Biological Assets under construction		-	7 944 190
Investments in associates and joint ventures	(25)	1 309 465	3 000 000
Investments - available for sale	(26)	-	4 250 000
Investment properties	(27)	117 718 530	120 313 395
Notes receivables	(28)	9 227 550 853	7 737 966 310
Deffered tax assets	(13)	28 336 690	-
Total non-current assets		9 784 212 727	8 171 663 142
Current assets			
Other assets	(15)	7 026 360	8 216 290
Completed units ready for sale	(16)	17 049 107	21 884 293
Works in process	(17)	13 645 418 623	8 820 311 729
Trade and notes receivable	(18)	3 895 838 189	3 983 796 940
Debtors and other debit balances	(19)	1 964 137 409	1 814 835 659
Loans to joint ventures	(20)	-	-
Investments in treasury bills	(21)	1 377 693 049	1 927 465 583
Cash at banks and on hand	(22)	2 596 006 141	2 237 914 428
Total current assets		23 503 168 878	18 814 424 922
Total assets		33 287 381 605	26 986 088 064
Equity			
Issued & paid in capital	(29)	1 396 715 488	1 369 194 672
Legal reserve	(30)	213 930 055	213 930 055
Special reserve - share premium	(31)	1 392 418 060	1 389 595 728
Retained earnings		2 345 876 349	1 847 915 972
Treasury shares		-	(12 833)
Profit from sale of treasury shares	(32)	1 725 456	1 725 456
Reserve for employee stock option plan	(49)	42 281 331	21 001 101
Equity attributable to equity holders of the Company		5 392 946 739	4 843 350 151
Non-controlling interests	(33)	58 804 134	63 701 852
Total equity		5 451 750 873	4 907 052 003
Non-current liabilities			
Loans	(34)	1 281 130 084	933 339 597
Notes payable	(35)	67 545 617	276 650 024
New Urban Communities Authority	(36)	4 806 340 854	-
Deferred tax liabilities	(13)	-	13 494 124
Total non-current liabilities		6 155 016 555	1 223 483 745
Current liabilities			
Loans - Short term	(34)	592 714 355	586 931 449
Contractors, suppliers and notes payable	(39)	704 819 389	875 972 969
Advances - from customers	(38)	17 743 774 560	17 138 668 068
Income tax liabilities		246 244 633	251 657 246
Creditors and other credit balances	(40)	2 205 147 335	1 698 276 897
Provision	(37)	187 913 905	304 045 687
Total current liabilities		21 680 614 177	20 855 552 316
Total liabilities		27 835 630 732	22 079 036 061
Total equity and liabilities		33 287 381 605	26 986 088 064

* The accompanying notes form an integral part of these consolidated financial statements and to be read therewith.

Financial Manager	Group Financial Controller	Chief Financial Officer	Managing Director	Chairman
Mohamed Samir	Ahmed Hegazi	Omar Elhamawy	Magued Sherif	Hani Sarie El Din

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED

December 31, 2019

EGP	Note No.	2019 L.E	2018 L.E
Revenues			
Sales of real estate and lands	(5)	5 066 021 640	3 561 193 175
Revenues of services of managing cities and resorts		227 876 141	137 214 347
Revenues of rental of real estate		19 047 908	14 472 301
Revenues from golf course and restaurants		16 451 454	12 745 218
Total operation revenues		5 329 397 143	3 725 625 041
Cost of sales			
Cost of sales of real estate and lands	(6)	(3 605 283 907)	(2 353 373 202)
Costs of services of managing cities and resorts		(203 068 270)	(116 903 965)
Costs of rental of real estate		(11 185 566)	(7 722 732)
Cost of golf course and restaurants		(44 348 419)	(21 610 769)
Total operation costs		(3 863 886 162)	(2 499 610 668)
Gross profit		1 465 510 981	1226 014 373
Other operating revenues	(7)	245 888 453	212 455 356
Selling and marketing expenses	(8)	(385 159 146)	(319 387 025)
General and administrative expenses	(9)	(496 823 670)	(342 036 782)
Other operating expenses	(10)	(127 005 109)	(440 657 389)
Operating profit		702 411 509	336 388 533
Finance income	(11)	443 991 289	511 702 686
Finance cost	(12)	(216 318 103)	(110 077 865)
Net finance income		227 673 186	401 624 821
Net profit before tax		930 084 695	738 013 354
Income tax	(13)	(208 839 940)	(287 056 752)
Profit for the year		721 244 755	450 956 602
Attributable to:			
Equity holders of the Company		719 405 021	448 945 066
Non-controlling interests	(33)	1 839 734	2 011 536
Net Profit for the year		721 244 755	450 956 602
Earnings per share (EGP / Share)	(14)	2.06	1.29

* The accompanying notes form an integral part of these consolidated financial statements and to be read therewith.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended December 31, 2019

EGP	Note No.	2019 L.E	2018 L.E
Profit of the year		721 244 755	450 956 602
Total other comprehensive income items for the year after income tax		-	-
Total comprehensive income of the year		721 244 755	450 956 602
Total comprehensive income is attributable to:			
Equity holders of the Company		719 405 021	448 945 066
Non-controlling interests	(33)	1 839 734	2 011 536
Total comprehensive income for the year		721 244 755	450 956 602

* The accompanying notes form an integral part of these consolidated financial statements and to be read therewith.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended December 31, 2019

	Issued and paid in capital	Legal reserve	Special reserve- share premium	Retained earnings	Treasury shares	Profit / (losses) from selling of treasury shares	Set aside amount for bonus and incentive plan	Total	Non-Controlling interests	Total equity
Balance as at December 31, 2017	1 369 194 672	206 217 101	1 389 595 728	1408 181 914	(12 833)	1 725 456	1 645 597	4 376 547 635	66 686 563	4 443 234 198
Total comprehensive income										
Net profit for the year	-	-	-	448 945 066	-	-	-	448 945 066	2 011 536	450 956 602
Other comprehensive income items	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	448 945 066	-	-	-	448 945 066	2 011 536	450 956 602
Transactions with owners of the Company										
Transferred to legal reserve	-	7 712 954	-	(7 712 954)	-	-	-	-	-	-
Dividends to employees in subsidiaries	-	-	-	(1 498 054)	-	-	-	(1 498 054)	-	(1 498 054)
Reserve for employee stock option plan	-	-	-	-	-	-	19 355 504	19 355 504	-	19 355 504
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	(4 996 247)	(4 996 247)
Total transactions with owners of the Company	-	7 712 954	-	(9 211 008)	-	-	19 355 504	17 857 450	(4 996 247)	12 861 203
Balance as at December 31, 2018	1 369 194 672	213 930 055	1 389 595 728	1 847 915 972	(12 833)	1 725 456	21 001 101	4 843 350 151	63 701 852	4 907 052 003
Balance as at December 31, 2018	1 369 194 672	213 930 055	1 389 595 728	1 847 915 972	(12 833)	1 725 456	21 001 101	4 843 350 151	63 701 852	4 907 052 003
Total comprehensive income for the year										
Net profit for the year	-	-	-	719 405 021	-	-	-	719 405 021	1 839 734	721 244 755
Other comprehensive income items	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	719 405 021	-	-	-	719 405 021	1 839 734	721 244 755
Transactions with owners of the Company										
Increase in capital	27 520 816		(27 520 816)	-	-	-	-	-	-	-
Dividends	-	-	-	(219 685 098)	-	-	1 760 444	(217 924 654)	-	(217 924 654)
Transferred to special reserve- share premium	-	-	30 343 148	-	-	-	-	30 343 148	-	30 343 148
Set aside amount for bonus and incentive plan	-	-	-	-	-	-	19 519 786	19 519 786	-	19 519 786
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	(3 996 998)	(3 996 998)
Purchase of non-controlling interests	-	-	-	(1 759 546)	-	-	-	(1 759 546)	(2 740 454)	(4 500 000)
Selling of treasury shares	-		-	-	12 833	-	-	12 833	-	12 833
Total transactions with owners of the Company	27 520 816	-	2 822 332	(221 444 644)	12 833	-	21 280 230	(169 808 433)	(6 737 452)	(176 545 885)
Balance at December 31, 2019	1 396 715 488	213 930 055	1 392 418 060	2 345 876 349	-	1 725 456	42 281 331	5 392 946 739	58 804 134	5 451 750 873

* The accompanying notes form an integral part of these consolidated financial statements and to be read therewith.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended December 31, 2019

EGP	Note No.	2019 L.E	2018 L.E
Cash flows from operating activities			
Net profit for the year before tax		930 084 695	738 013 354
Adjustments for:			
Depreciation of fixed assets and investment properties	(23) , (28)	50 237 096	40 126 200
Capital loss / (gain)	(7) , (10)	55 727	(418 973)
Return on investments in treasury bills	(11)	(283 936 716)	(326 884 792)
Impairment loss of debtors, trade receivables and loans to joint ventures	(10)	8 412 880	5 876 924
Reveue from sale of available for sale investments	(7)	(4 410 844)	-
Share in Associates & joint ventures	(10)	1 690 535	(3 000 000)
Reversal of impairment loss of debtors	(7)	(1 690 592)	(240 263)
Provisions formed	(37)	142 176 091	216 428 214
Provisions no longer required	(37)	(13 021 400)	-
Reversal of impairment of property, plant and equipment	(7)	(1 822 589)	(1 822 590)
Employees stock option plan expense in shares	(9)	19 519 786	19 355 504
Changes in:			
Other assets		1 189 930	(1 603 757)
Finished units available for sale		(138 983)	(639 684)
Works in process		(17 668 562)	(814 327 733)
Trade and notes receivables		(1 401 629 692)	(498 428 853)
Debtors and other debit balances		(151 675 085)	(436 784 287)
Loans to joint ventures		(4 257 485)	(2 325 375)
Provisions used	(37)	(245 286 473)	(51 613 265)
Advances from customers		605 106 492	1 266 249 295
Contractors, suppliers and notes payable		(380 257 987)	43 435 027
Creditors and other credit balances		409 499 714	268 955 478
Paid income tax		(256 083 367)	(202 908 647)
Restricted cash		24 180 393	19 500 197
Net cash (used in) / generated from operating activities		(569 726 436)	276 941 974
Cash flows from operating activities			
Payments for purchase of fixed assets, projects under construction and biological assets		(47 859 823)	(34 100 904)
Payments for investments in treasury bills		(2 599 146 919)	(4 213 538 107)
Proceeds from available for sale investments		8 660 844	-
Proceeds from investments in treasury bills		3 432 856 169	2 719 358 692
Payments for acquiring additional shares in subsidiaries	(33)	(4 500 000)	-
Proceeds rom sale of fixed assets		68 117	1 609 950
Net cash generated from / (used in) investing activities		790 078 388	(1 526 670 369)
Cash flows from financing activities			
(Payments for) banks - credit facilities		(2 344 483)	(2 814 717)
Proceeds banks - credit facilities		2 344 483	-
Proceeds from short and long term loans		1 010 504 842	603 000 000
(Paid to) short and long term loans		(656 931 449)	(576 630 153)
Proceeds from sale of treasury shares		12 833	-
Dividends to non-controlling interests		(3 996 998)	(4 996 247)
Proceeds from bonus and incentive plan		30 343 148	-
Dividends paid		(217 924 654)	-
Dividends to employees and BOD of Subsidiaries		-	(1 498 054)
Net cash generated from financing activities		162 007 722	17 060 829
Net increase / (decrease) in cash and cash equivalents		382 359 674	(1 232 667 566)
Cash and cash equivalents at January 1		2 200 695 156	3 433 362 722
Cash and cash equivalents at December 31	(22)	2 583 054 830	2 200 695 156

* The accompanying notes form an integral part of these consolidated financial statements and to be read therewith.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial Year ended December 31, 2018

1. Background and activities

1-1 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.

1-2 The purpose of the Company is represented in the following:

- Land acquisition and the subsequent sale/lease to clients after connecting the relevant infrastructure.
- Operating in the field of construction, integrated construction and supplementary works.
- Planning, dividing and preparing lands for building and construction according to modern building techniques.
- Building, selling and leasing all various types of real estate.
- Developing and reclaiming land in the new urban communities.
- Operating in the field of tourism development and tourism related establishments including, building, managing, selling or utilizing hotels, motels and tourist villages in accordance with applicable Egyptian laws and regulations.
- Building, managing, selling and leasing –residential, service, commercial, industrial and tourism projects.
- Importing and operating as trade agents within the allowable limits of the Company's purpose (not with the purpose of trading)
- Financial leasing in accordance with Law No. 95 of 1995.
- Working in all fields of information technology and systems, hardware and software (computer software and services).
- Operating in fields of communication systems, internet, space stations and transmission except for the field of satellites.
- Investing in the various activities related to petroleum, gas and petrochemicals.
- Operating in the field of coordinating and planting gardens, roads and squares and also providing security, steward - ship, maintenance and cleaning services.
- Operating in the field of ownership and management of sporting, entertainment, medical, educational buildings and also ownership, management and operating of restaurants.
- In addition, the Company may have interest or participate in any manner with companies or others that share similar activities or which may assist it to achieve its purposes in Egypt or abroad.
- Also the Company is entitled to merge into or acquire the aforementioned companies or make them subsidiaries in accordance with the provisions of law and its executive regulations..

1-3 The Company's duration is 50 years starting from the date of registration in the Commercial Registry.

1-4 The Company is listed on the Egyptian Exchange.

1-5 The interim consolidated financial statements of Sixth of October for Development & Investment Company "SODIC" (the Parent Company) for the financial year ended December 31, 2019 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in the profit or loss of associates and joint ventures.

The registered office of the Parent Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Dr. Hani Sarie El Din is the Chairman for the Parent Company and Mr. Maged Sherif, is the Managing Director of the Parent Company.

2. Basis of preparation of consolidated interim financial statements Compliance with accounting standards and laws

- The consolidated interim financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations.
- The consolidated financial statements were approved by the Board of Directors on February 25, 2020.

3. Functional and presentation currency

- The consolidated interim financial statements are presented in Egyptian Pounds, which is the Company's functional currency.

4. Use of judgment and estimates

- In preparing the consolidated financial statements in accordance with Egyptian Accounting Standards (EAS), management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on past experience and various factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- The recognition of the change in accounting estimates in the year in which the change in estimate, if the change affects only that year, or in the year of change and future year if the change affects both.

Measurement of fair value

- The fair value of financial instruments is determined based on the market value of the financial instrument or a similar financial instruments at the date of the financial statements without deducting any estimate for the future costs of sale. The financial asset values are determined at current prices at the date of purchase of those assets, while determining the value of financial liabilities at current prices, which could be settled by those commitments.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the recent transaction prices or is guided by the current fair value of other instruments which are substantially similar. Or the use of - discounted cash flow - or any other evaluating method that leads to reliable results.
- When using the discounted cash flow method as a way of evaluation, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined based on the prevailing market price at the date of the financial statements of financial instruments that are similar in nature and terms

5. Real estate and land sales

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

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Revenues from the sale of Sodic projects in West Cairo	1 290 081 936	890 214 230
Revenues from the sale of Sodic projects in East Cairo	3 324 183 628	1 999 426 400
Revenues from the sale of Sodic projects in North Coast	451 756 076	671 552 545
	5 066 021 640	3 561 193 175

1. Cost of real estate and land sold

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Cost of sales of Sodic projects in West Cairo (*)	755 652 470	429 603 227
Cost of sales of Sodic projects in East Cairo	2 580 643 419	1 467 273 966
Cost of sales of Sodic projects in North Coast	268 988 018	456 496 009
	3 605 283 907	2 353 373 202

(*) Includes an amount of EGP 70 548 000 (2018: EGP 33 540 220) representing the adjustment to the cost of land for SODIC West El Sheikh Zayed plot as shown in details in note (17-b).

2. Other operating revenues

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Interest income realized from installments during the year	169 083 044	81 608 088
Assignment, cancellation dues and delay penalties	53 854 406	113 550 886
Other income	14 767 580	9 062 960
Gain on Sale of available from Sale investments	4 410 844	-
Gain from liquidation of investments	-	2 751 596
Share from associate companies	-	3 000 000
Reversal of impairment of property, plant and equipment	1 822 589	1 822 590
Capital gain	-	418 973
Provisions no longer required and reversal of impairment of debtors	1 949 990	240 263
	245 888 453	212 455 356

3. Selling and marketing expenses

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Salaries and wages	44 386 281	33 556 773
Sales commissions	148 418 060	110 167 156
Advertising expenses	108 943 303	116 050 792
Conferences and exhibitions & events	43 663 876	26 605 708
Rent	15 240 806	7 796 432
Maintenance, cleaning and agriculture	2 814 739	2 591 585
Travel, transportation and cars	728 303	3 142 618
Professional and consultants fees	5 588 905	2 990 042
Tips and gifts	581 209	5 729 687
Depreciation	2 334 833	760 633
Employees vacations	13 899	-
Fees and stamps	3 327 605	3 318 118
Printing and photocopying	3 566 081	3 499 850
Others	5 551 246	3 177 631
	385 159 146	319 387 025

4. General and administrative expenses

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Salaries, wages and bonuses (9-1)	182 074 002	107 266 222
Board of Directors' remunerations and allowances	12 328 421	12 746 101
Training, medical care, meals & uniforms	21 551 408	20 956 419
Employees Stock Option Plan (9-2)	19 519 786	19 355 504
Specific employees benefits	4 764 068	2 542 691
Maintenance, cleaning, agriculture, and security	77 048 868	65 374 150
Professional and consultancy fees	51 798 934	24 875 314
Advertising, exhibitions and conferences	1 353 536	4 264 946
Donations	5 020 566	5 414 150
Gifts and tips	4 160 088	4 087 597
Administrative depreciation of fixed assets	29 234 158	27 164 559
Reception and hospitality	2 326 448	2 384 264
Stationery and computer supplies	11 488 352	7 076 732
Communication, electricity, telephone and water	19 770 147	11 652 971
Subscriptions and governmental dues	5 182 070	4 821 711
Rent	2 438 532	2 727 073
Travel and transportation	5 636 573	3 522 496
Bank charges	9 335 787	4 839 889
Employees vacations	3 357 967	954 754
Insurance installments	1 275 216	655 931
Comprehensive medical insurance	15 607 065	5 661 759
Real estate property tax expense	1 874 475	-
Others	9 677 203	3 691 549
	496 823 670	342 036 782

(9-1) this item includes salaries of the executive Board of Directors as follows:

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Salaries	15 425 704	14 214 240
	15 425 704	14 214 240

(9-2) Represents in the fair value difference at the granted date for granted shares for beneficiaries of Employees Stock Option Plan granted to the executives board members and the directors as shown in note (49).

1. Other operating expenses

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Discount for early payment	116 681 353	71 411 469
Provision of claims	252 182	5 165 564
Capital Losses	55 727	-
Impairment losses of debtors and loans to joints ventures	8 325 312	5 876 924
Share in associates and joint ventures	1 690 535	-
Loss from liquidation of investments	-	614 599
SODIC West land adjustment*	-	357 588 833
	127 005 109	440 657 389

(*) Represents the adjustment to the cost of sales for previous years as a result of the adjustment to the cost of land for SODIC West El Sheikh Zayed plot as shown in detail in note (17-b).

2. Finance income

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Interest income	160 054 573	183 188 502
Return on investment in treasury bills	283 936 716	326 884 792
Net foreign exchange translation	-	1 629 392
	443 991 289	511 702 686

3. Finance cost

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Interest expense	185 493 984	110 077 865
Foreign exchange losses from balances denominated in foreign currencies	30 824 118	-
	216 318 103	110 077 865

4. Income tax

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
A- Items recognized in the profit or loss		
Current income tax	250 363 737	285 755 720
Discounted income tax on dividends	307 017	250 188
Deferred income tax (benefit)	(41 830 814)	1 050 844
	208 839 940	287 056 752

B-Deferred tax assets and liabilities movement

	December 31, 2019	Balance as at 31/12/2019			
	Balance as at 1/1/2019 asset / (liability) EGP	Charged to profit or loss EGP	Deferred tax resulted in asset EGP	Deferred tax resulted in (liability) EGP	Net deferred tax resulted in (Liability) / Asset EGP
Property, plant and equipment	(2 988 725)	(39 269)	-	(3 027 994)	(3 027 994)
Foreign exchange translation	(10 596 160)	2 192 400	-	(8 403 760)	(8 403 760)
Provisions	90 761	39 677 683	39 768 444	-	39 768 444
Net	(13 494 124)	41 830 814	39 768 444	(11 431 754)	28 336 690

	December 31, 2018	Balance as at 31/12/2018			
	Balance at 1/1/2018 asset / (liability) EGP	Charged to profit or loss EGP	Deferred tax resulted in asset EGP	Deferred tax resulted in (liability) EGP	Net deferred tax resulted in (Liability) / Asset EGP
Property, plant and equipment	(1 928 707)	(1 060 018)	-	(2 988 725)	(2 988 725)
Foreign exchange translation	(10 605 334)	9 174	-	(10 596 160)	(10 596 160)
Provisions	90 761	-	90 761	-	90 761
Net	(12 443 280)	(1 050 844)	90 761	(13 584 885)	(13 494 124)

C- Liability for temporary differences related to investments in subsidiaries, associates and joint ventures were not recognized because the group controls the timing of the reversal of the related temporary differences and is satisfied that they will not reverse in the foreseeable future.

D- Unrecognized deferred tax assets

	31/12/2019 EGP	31/12/2018 EGP
Temporary deductible differences	21 282 909	87 500 325
Tax losses carried forward	47 836 625	48 081 715
	69 119 534	135 582 040

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

1. Earnings per share

A- Accumulated Earnings per share

Earnings per share as at December 31, 2019, is calculated based on the Parent Company's share in earnings for the year using the weighted average number of outstanding shares during the year as follows:

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Net profit for the year (parent company share)	719 405 021	448 945 066
Employees share of profit	-	-
Board of directors' remunerations	-	-
Employees and board of directors share in subsidiaries and associates companies	-	-
	719 405 021	448 945 066
Weighted average number of shares outstanding during the year*	349 178 872	349 178 872
Earnings per share (EGP / share)	2.06	1.29

B- Earnings per share

Earnings per share as at December 31, 2019, is calculated based on the Parent Company's share in earnings for the year according to the separate financial statements using the weighted average number of outstanding shares during the year as follows:

	For the year ended 31/12/2019	For the year ended 31/12/2018
	EGP	EGP
Net (loss) / profit for the year (according to the separate financial statements)	195 131 603	(193 497 109)
Employees share of profit	-	-
Board of directors' remunerations	-	-
	195 131 603	(193 497 109)
Weighted average number of shares outstanding during the year	349 178 872	349 178 872
(Losses) / earnings per share (EGP / share)	0.56	(0.55)

The average number of shares outstanding was calculated taking into account the increase in the issued share capital by LE 27,520,816 distributed over the number of 6,880,204 shares to the beneficiaries of the employees stock option plan, which were registered in the Company's Commercial Register on 8 January 2018.

2. Other assets

	31/12/2019	31/12/2018
	EGP	EGP
Inventories	7 026 360	8 216 290
	7 026 360	8 216 290

3. Completed units ready for sale

	31/12/2019	31/12/2018
	EGP	EGP
Cost of completed commercial units	16 400 840	21 236 026
Cost of units purchased for resale	648 267	648 267
	17 049 107	21 884 293

4. Work in process

This item represents the total costs related to works currently being undertaken. Details of these works are as follows:

	31/12/2019	31/12/2018
	EGP	EGP
West Cairo projects costs (17-1)	8 759 750 795	3 017 280 124
East Cairo projects costs	4 571 242 197	5 387 235 402
North Cost projects costs (17-2)	314 425 631	415 796 203
	13 645 418 623	8 820 311 729

(17-1) West Cairo projects costs

A. Al Yosr for Projects and Agricultural Development ("Al Yosr"), SODIC's fully owned subsidiary. Al Yosr has received a letter from the New Urban Communities Authority ("NUCA") with respect to the 300-acre plot (circa 1.26 million square meters) of land owned by Al Yosr and located in the Sheikh Zayed City extension area as determined by the presidential decree number 77. The letter informs Al Yosr of NUCA's Board of Directors decision regarding the payment required to be made by land owners in order for NUCA to deliver infrastructure to the plot and change the land usage from agricultural to residential, increasing the allowable built up area within the limits of Republican Resolutions (77-230 of 2017). In consideration for the above Al Yosr will make an in-kind payment of 50% of the land.

On July 11, 2019, an agreement was concluded between Al Yosr and the New Urban Communities Authority (NUCA) to relinquish 50% of the above mentioned plot in return for delivering infrastructure to the plot and change the land usage from agricultural to residential, the project Master plan was submitted to the New Urban Communities Authority and was approved. The first phase of the project was launched on 29 September 2019 under the name of The Estates.

B. Company's Land settlement in El Sheikh Zayed

The balance includes approximately EGP 327 million representing the present value of the share of the work under construction from the settlement amount of the Company's land in Sheikh Zayed as a component of the cost of the units whose revenues will be recognized in the statement of income or losses for future years, this amount represents the remainder of the present value of a total settlement amount of EGP 800 million with the Illicit Gains Authority ("IGA").

C. The balance includes an amount of EGP 5 203 711 578 representing the net present value of the project's minimum land payments for the 500 acres in Sheikh Zayed extension in addition to the capitalized interests in accordance with the co-development agreement between the Company and the Urban Communities Authority with a minimum guarantee to the Authority of EGP 14.22 billion as shown in details in note (36).

(17-2) North Cost projects costs

The balance includes EGP 52.6 million paid to Owners Union – Shahin, representing the variable cost of Malaaz project land, as on March 8, 2018, the Company signed two co-development contracts for a residential and tourism project for two land plots of approximately 308 acres on the North Coast with the owners as follows:

- Contract signed with Owners Union – Shahin for the land plot of approximately 111 acres (the first plot).
- Contract signed with the Alammara Company for Urban Expansion for the land plot of approximately 197 acres (the second plot).

Accordingly, the Company at its own expense and under its responsibility will implement, finance, market and sell the units of the two projects and all its inclusions and components, in addition to providing management and maintenance either directly or through third parties, and delivering on all other obligations as stipulated in the co-development contract and will accordingly share the revenue according to the defined percentages in the contract for each component of the project.

According to the first plot's contract the Company paid an amount of EGP 30 Million which represents down payment which will be settled during a three-year period in equal installments against Owners Union – Shahin share in the project revenues in accordance to the co-development contract.

On July 4, 2018, according to the co-development contract Sixth of October for Development and Investment Company "SODIC" notified the Owners Union – Shahin that Tabrouk Development Company, a 99% owned subsidiary of SODIC, will replace it in the above mentioned co-development contract dated March 8, 2018, and all rights and obligations will be transferred to Tabrouk Development Company from July 4, 2018.

The Group also paid EGP 25.9 million on behalf of Owners Union – Shahin to settle land installment for year 2018, and collected from Owners Union – Shahin EGP 3.3 million, thus the net amount paid up until December 31, 2018 amounted to EGP 52.6 million.

1. Trade and notes receivable

	31/12/2019	31/12/2018
	EGP	EGP
Trade receivable	141 624 860	117 694 580
Notes receivable *	3 812 919 174	3 920 595 777
	3 954 544 034	4 038 290 357
Deduct:		
unamortized interest – notes receivable	58 413 442	54 204 914
	3 896 130 592	3 984 085 443
Deduct:		
Impairment losses of trade and notes receivable	292 403	288 503
	3 895 838 189	3 983 769 940

* The balance includes an amount of EGP 270 420 372 representing the net amount of notes receivable relating to SODIC East project with a gross amount of EGP 368 205 832.

The gross amount was decreased by EGP 97 785 559 representing the share of Heliopolis Housing and Development Company of the residential units mentioned as per the revenue share agreement (70% for the developer and 30% for the owner).

The Group's exposure to credit and currency risks related to trade and notes receivable is disclosed in note No (43).

2. Debtors and other debit balances

	31/12/2019	31/12/2018
	EGP	EGP
Contractors and suppliers – advance payments	1 180 300 689	1 017 832 335
Due from related parties – Joint Venture	35 191 620	35 191 620
Accrued Revenues	81 807 684	82 900 851
Due from related parties	3 651 669	3 651 669
Prepaid expenses	465 054 188	471 094 128
Deposits with others	10 144 863	27 943 858
Tax Authority	76 330 984	44 551 663
Letter of guarantee cover	-	431 508
Due from the bonus and incentives plan to employees and managers fund	1 921 094	364 894
Heliopolis Development and Housing Company (19-1)	165 064 796	100 000 000
Bank accounts – Joint operation (19-2)	22 177 303	100 183 337
Debtors from projects maintenance	21 014 912	15 591 336
Other debit balances	24 157 558	35 405 076
	2 086 817 360	1 935 142 275
Deduct: -		
Impairment losses of debtors and other debit balances	122 679 951	120 306 616
	1 964 137 409	1 814 835 659

(19-1) This item represents the amount paid as a down payment to Heliopolis Housing and Development Company, this amount will be settled with Heliopolis Housing and Development Company's revenue share in the co-development contract pertaining to New Heliopolis City. Accordingly, 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 minimum guarantee amounting to EGP 5.01 Billion. 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, in addition to providing management and maintenance either directly or through third parties, and delivering on all other obligations as stipulated in the co-development contract and will accordingly share the revenue (according to the defined percentages in the contract for each component of the project).

(19-2) This balance represents the company's share of the collected amounts from customers in the joint accounts held by the banks for both SODIC East and Malaaz projects. These balances are restricted unless agreed upon by both the developer and the owner in accordance with the contract terms of the joint bank accounts between the company as a developer, the bank, and the owner

The Group's exposure to credit and currency risks related to debtors and other debit balances is disclosed in note No.(43).

1. Loans to joint ventures

	31/12/2019 EGP	31/12/2018 EGP
This item represents the loan granted to the Joint Venture project in the Syrian Arab Republic by the Group on August 16, 2010 for a total amount of USD 19.5 Million. The loan carries an interest rate of 8.5% per annum. The principal together with interest were scheduled for payment before December 31, 2011. The loan was renewed with an interest rate of 12.5% per annum (Note 25).	135 485 960	135 485 960
This item represents the utilized amount of the bridge loan granted to the Joint Venture project in the Syrian Arab Republic on October 28, 2010 for a total amount of USD 8 445 674. The loan carries an interest rate of 8.5% per annum (Note 25).	64 132 343	59 874 897
	199 618 343	195 360 857
Deduct:-		
Impairment for loans to joint ventures	199 618 343	195 360 857
	-	-

2. Investments in treasury bills

	31/12/2019 EGP	31/12/2018 EGP
Treasury bills at par value	1 453 225 000	2 056 850 000
Unearned return on treasury bills	(75 531 951)	(129 384 417)
	1 377 693 049	1 927 465 583

The Group's exposure to market risk related to the trading investments is disclosed in note No. (43).

3. Cash at banks and on hand

	31/12/2019 EGP	31/12/2018 EGP
Bank - time deposits *	2 133 895 961	1 713 293 085
Bank - current accounts	406 608 957	479 462 891
Checks under collection	50 863 283	40 385 203
Cash on hand	4 637 940	4 773 249
	2 596 006 141	2 237 914 428

*Deposits include an amount of EGP 13 Million restricted as a guarantee for the credit facility granted to the Parent Company and one of its subsidiaries from commercial banks .In addition ,it includes an amount of EGP 1 094 Million representing the value of deposits collected from customers on account of the regular maintenance expenses.

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

	31/12/2019 EGP	31/12/2018 EGP
Cash at banks and on hand	2 596 006 141	2 237 914 428
Less:		
Restricted Deposits	8 038 879	16 169 272
Deposits matures after three months	5 000 000	21 050 000
Cash and cash equivalents in the consolidated statement of cash flows	2 582 967 262	2 200 695 156

The Group's exposure to interest rate risk and currency risk for cash on hands and at banks which is disclosed in note No. (43)

1. Property, plant, equipment

	Golf Course		Lands		Buildings and Constructions		Vehicles		Furniture and fixtures		Furniture and fixtures		Beach		Office equipment and communications		Computer software		Generators, machinery and equipment		Solar power stations		Leasehold improvements		Total
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		
Cost																									
Cost at January 1, 2018																									
Additions during the year																									
Adjustments during the year																									
Disposals during the year																									
Cost at December 31, 2018																									
Cost at January 1, 2019																									
Additions during the year																									
Disposals during the year																									
Reclassification																									
Cost at December 31, 2019																									
Accumulated depreciation and impairment losses																									
Accumulated depreciation and impairment losses at January 1, 2018																									
Depreciation during the year																									
Accumulated depreciation of disposals during the year																									
Reversal of Impairment losses during the year																									
Accumulated depreciation and impairment losses at December 31, 2018																									
Accumulated depreciation and impairment losses at January 1, 2019																									
Depreciation during the year																									
Accumulated depreciation of disposals during the year																									
Reversal of impairment losses during the year																									
Reclassification																									
Accumulated depreciation and impairment losses at December 31, 2019																									
Carrying amount																									
Carrying amount At January 1, 2018																									
Carrying amount At December 31, 2018																									
Carrying amount At December 31, 2019																									

Fixed assets included fully depreciated assets amounted to EGP 75 713 638 at December 31, 2019

2. Projects under construction

This item is represented as follows:

	31/12/2019	31/12/2018
	EGP	EGP
Buildings and constructions	114 631 595	9 372 833
Advance payments -fixtures and purchasing of fixed assets	550 128	1 764 792
	115 181 723	11 137 625

3. Investments in associates and joint ventures

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

	Legal Form	Ownership Percentage		Carrying amount	
		30/6/2019	31/12/2018	31/12/2019	31/12/2018
		%	%	EGP	EGP
Royal Gardens for Investment Property Co.	SAE	20	20	1 309 465	3 000 000
Palmyra SODIC Real Estate Development (A)	Syrian Ltd.	50	50	-	-
				1 309 465	3 000 000

Summary of financial information of associates and joint ventures: -

	Assets	Liabilities	Equity	Foreign translation	Revenues	Expenses
	EGP In thousands	EGP In thousands	EGP In thousands	EGP In thousands	EGP In thousands	EGP In thousands
December 31, 2018						
Royal Gardens for Real Estate Investments Co.	179 071	(172 524)	(6 547)	-	(21 593)	25 661
December 31, 2017						
Royal Gardens for Real Estate Investments Co.	184 957	(174 342)	(10 615)	-	(58 742)	68 104
December 31, 2019						
Palmyra SODIC Real Estate Development (A)	130 216	(1 113 822)	923 666	55 683	-	4 257
December 31, 2018						
Palmyra SODIC Real Estate Development (A)	144 230	(1 175 670)	954 622	(114 737)	-	2 325

A. On June 15, 2010, SODIC Syria was established - a limited liability company – to acquire a 50% stake in Palmyra - SODIC Real Estate Development Co., Ltd. - a limited liability company - registered and operating in the Syrian Arab Republic. The direct investment cost amounts to EGP 243 Million.

Due to the current political circumstances in the Syrian Arab Republic and the confiscation of assets and documents related to Palmyra - SODIC Real Estate Development Co by the state government, the management of SODIC addressed the Embassy of the Syrian Arab Republic in Egypt and commissioned a law firm to handle the issue and protect the interest of SODIC’s shareholders.

This situation coupled with the unstable political environment witnessed in Syria led SODIC’s Board of Directors to take the view that the invested amounts in Syria are non-recoverable. As such, SODIC recognized a loss arising from the inability to recover its investments. The recognized impairment loss of the investment and the foreign accumulated translation differences amounted to EGP 481 051 416 as at December 31, 2013.

1. Available for sale investments

This item is represented as follows:

	Legal Form	Ownership %	Paid amount of Participation %	Carrying amount as at 31/12/2019 EGP	Carrying amount as at 31/12/2018 EGP
Egyptian Company for Development and Management of Smart Villages	S.A.E	1.8	100	-	4 250 000
				-	4 250 000

Exposure to market risk related to available for sale investments is considered limited since these investments represent equity instruments that are not traded in an active market and are denominated in Egyptian Pound.

2. Investment properties

The net carrying amount of the investment properties as at December 31, 2019, amounted to EGP 117 718 530. The amount includes commercial / residential units leased out to others.

The movement of the investment properties and its associated depreciation during the year as follows: -

Description	Leased out units EGP	HUB Project's units HUB EGP	Total EGP
Cost			
At January 1, 2018	23 217 039	87 129 570	110 346 609
Additions during the year	21 345 908	2 117 271	23 463 179
At December 31, 2018	44 562 947	89 246 841	133 809 788
At January 1, 2019	44 562 947	89 246 841	133 809 788
Additions during the year	4 974 170	-	4 974 170
Adjustments	-	(181 279)	(181 279)
At December 31, 2019	49 537 117	89 065 562	138 602 679
Less			
Accumulated depreciation			
At January 1, 2018	2 276 873	7 428 917	9 705 790
Depreciation for the year	933 236	2 857 367	3 790 603
At December 31, 2018	3 210 109	10 286 284	13 496 393
At January 1, 2019	3 210 109	10 286 284	13 496 393
Depreciation for the year	1 918 873	5 468 883	7 387 756
At December 31, 2019	5 128 982	15 755 167	20 884 149
Net carrying amount as at January 1, 2018	20 940 166	79 700 653	100 640 819
Net carrying amount as at December 31, 2018	41 352 838	78 960 557	120 313 395
Net carrying amount as at December 31, 2019	44 408 135	73 310 395	117 718 530

3. Notes receivable – Long-term

This item represents the present value of long-term trade and notes receivable and debtors balances as follows: -

	31/12/2019 EGP	31/12/2018 EGP
Notes receivable *	9 426 314 022	7 884 597 605
Deduct:		
Unamortized interest	198 763 169	146 631 295
	9 227 550 853	7 737 966 310

* The balance includes an amount of EGP 1 041 163 066 which represents the net amount of notes receivable – long term related to SODIC East project with a gross amount of EGP 1 462 501 465. The gross amount has been deducted by an amount of EGP 421 338 399 which represents Heliopolis Housing and Development Company's share of the residential units mentioned in the revenue share contract (70% for the developer and 30% for the owner).

The Group's exposure to credit, and currency risks related to trade and notes receivable is disclosed in note No. (43).

4. Share capital

- The authorized capital of the Company is EGP 2.8 Billion and the Company's issued and paid in capital is EGP 1 355 638 292 distributed over 338 909 573 shares with a par value of EGP 4 per share, the commercial register was notified on December 7, 2014.
- The Board of Directors have decided in the meeting dated November 30, 2016 to increase the issued capital from EGP 1 355 638 292 to become EGP 1 369 194 672 by an amount of EGP 13 556 380 divided on 3 389 095 shares of par value EGP 4 per share, this capital increase should be financed from the special reserve- Additional paid in capital, and to be fully utilized by the Employees Stock Option Plan granted to the executive board members and the directors as per the option plan approved by the extra ordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions. The commercial register was modified on February 5, 2017.
- The board of directors have decided on the meeting dated October 23, 2018 to increase the issued capital from EGP 1 369 194 672 to become EGP 1 396 715 488 by an amount of EGP 27 520 816 divided on 6 880 204 shares of par value EGP 4 per share, this capital increase should be financed from the special reserve- Additional paid in capital, and to be fully utilized for the second and third sections from the sections of Employees Stock Option Plan granted to the executive board members and the directors as per the option plan approved by the extra ordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions, and delegate the board of directors to execute the procedures of the required increase to issue new shares to be utilize in the Employees Stock Option Plan, The commercial register was modified on January 8, 2019.

The current capital structure for the holding company:

Shareholder	Number of shares	Share value EGP	Ownership percentage %
Olayan Saudi Investment Company.	48 331 696	193 326 784	13.84
RA Six Holdings Limited	31 992 544	127 970 176	9.16
Rimco EGT Investment LL	25 484 739	101 938 956	7.30
EKUIITY Holding for Investments	17 621 522	70 486 088	5.05
FIDELITY INVESTMENT TRUST	11 839 184	47 356 736	3.39
Norges Bank	9 786 000	39 144 000	2.80
Financial Holdings International LTD	7 267 503	29 070 012	2.08
Walid Suleiman Abdelmohsen Abanumay	6 301 380	25 205 520	1.80
Yazeid Suleiman Abdelmohsen Abanumay	6 233 653	24 934 612	1.79
Al- Majid Investments LLC.	5 700 000	22 800 000	1.63
Waha Investment Management Company SPC	5 342 615	21 370 460	1.53
Other shareholders	173 278 036	693 112 144	49.63
	349 178 872	1 396 715 488	100

1. Legal Reserve

The balance as at December 31, 2019 is represented as follows: -

	EGP
Legal reserve of 5% of the Company's net profits till year 2016	33 734 213
Add:	
Increase of the legal reserve with the difference between the par value of the treasury shares and its actual cost (according to the Company's Extra-Ordinary General Assembly Meeting held on July 10, 2003).	4 627 374
Increase of the legal reserve with part of capital increase share premium with limits of half of the Company's issued share capital during 2006.	123 409 151
Increase of the legal reserve with part of capital increase share premium during year 2007 with limits of half of the Company's issued share capital.	5 000 000
Increase of the legal reserve with part of the capital increase share premium with limits of half of the Company's issued share capital during 2010.	39 446 365
Increase in legal reserve by 5% of 2017 net profit.	7 712 954
Deduct:	
The amount used to increase the issued share capital during 2011.	2
	213 930 055

2. Special reserve – share premium

The balance as at December 31, 2019 is represented in the following:

Description	EGP
Total value of the capital increase share premiums collected for the years 2006 and 2010	1 455 017 340
Add:	
Share premium of the employees' incentive and bonus plan issued during 2007.	90 000 000
The value of selling 712 500 share which has been sold through beneficiaries of incentive and bonus plan during 2014 at EGP 30 per share (after split).	21 375 000
The value of 537 500 shares converted to treasury shares during 2015 at par value, these shares were previously set aside for the benefit of the incentive and bonus plan during the capital increase in 2008 and were converted as a result of the termination of the program.	2 150 000
The value received from the selling of offering rights for 737 500 shares during 2014, which were transferred from shares held for "incentive and bonus plan" as a result of the termination of the program.	16 306 910
The value of accrued dividends for 737 500 shares which were transferred from the shares set aside for the incentive and bonus plan during 2015 as a result of the termination of the program.	1 180 000
The value received from the sale of 3 083 938 shares which had been sold by beneficiaries of the Employees Stock Option Plan during year 2017 at an average of EGP 9.27 per share.	28 588 105
Share premium for issuing 3 083 938 shares which were transferred from the shares set aside for the Employees Stock Option Plan during 2017 as a result of execution	16 630 524
The value received from the sale of 3 273 263 shares which had been sold by beneficiaries of the Employees Stock Option Plan during year 2019 by average EGP 9.27 per share.	30 343 148
Deduct	
Amounts transferred to the legal reserve	167 855 516
Capital increase – related expenses	55 240 255
Amount used for share capital increase during 2008	5 000 000
Amount used for share capital increase during 2017	13 556 380
Amount used for share capital increase during 2019	27 520 816
	1 392 418 060

3. Profit from sale of treasury shares

- On August 14, 2011, the Board of Directors of the Parent Company approved the purchase of one Million treasury shares at EGP 18 per share (the par value is EGP 4 per share) with a total amount of EGP 18 018 000 from the Parent Company's shares offered on the Egyptian stock exchange. On August 13, 2012 the Parent Company's Board of Directors agreed to sell these shares for a total value of EGP 21 710 867 resulting in a profit from the sale of treasury shares with an amount of EGP 3 692 867.
- On February 1, 2015, the Parent Company's Extraordinary General Assembly agreed on the termination of the current incentive and bonus plan for employees and executive directors of the company by the end of its duration as of March 31, 2015 and converting the remaining shares amounting to 737 500 shares on which its rights have not been exercised yet, into treasury shares in accordance with the related regulations. The conversion of the shares into treasury shares was executed on July 14, 2015, these shares carrying a book value of EGP 10 150 000 have been sold during the financial year ended December 31, 2016 with a selling value amounted to EGP 8 182 589 realizing a loss in the amount of EGP 1 967 411. Accordingly, the profit from sale of treasury shares reserve becomes EGP 1 725 456.

1. Non-controlling interest

Non-controlling interest balance as at December 31, 2019, represents the interest shares in subsidiary's equity as follows:

Non-controlling interest					
	Percentage %	Profit / (loss) for the year EGP	excluding profit / (loss) for the year EGP	as of 31/12/2019 EGP	as of 31/12/2018 EGP
Sixth of October for Development and Real Estate Projects Co. "SO-REAL"	0.01	43 648	184 475	228 123	184 475
Beverly Hills for Management of Cities and Resorts Co.	53.25	79 316	28 613 458	28 692 774	28 613 458
SODIC Garden City for Development and Investment Co.	50	1 728 626	28 138 079	29 856 705	32 135 077
Al Yosr for Projects and Real Estate Development Co.	0.001	(2 247)	27 072	24 825	27 072
SODIC for Development and Real Estate Investment Co.	0.001	-	20	20	20
Tegara for Trading Centers Co.	-	-	-	-	2 740 454
Edara for Services of Cities and Resorts Co.	0.003	391	1 292	1 683	1 292
Fourteen for Real Estate Investment Co.	0.004	-	2	2	2
La Maison for Real Estate Investment Co.	0.004	-	2	2	2
		1 839 734	56 964 400	58 804 134	63 701 852

* During the year the group acquired additional 4.76% of Tegara Company for trading centers (a subsidiary) share capital, with an acquisition price of EGP 4 500 000, accordingly the group's ownership increased from 95.24% to 100%, Non-controlling interest were decreased by EGP 2 740 454 , and retained earnings for were decreased by EGP.456 759 1

2. Long-term loans

	31/12/2019 EGP	31/12/2018 EGP
On July16, 2014, Sixth of October for Development and Investment Company "SODIC" signed a medium-term loan contract with Commercial International Bank (CIB) for an amount of EGP 300 Million to finance the total amount due to Solidere International following the settlement agreement Tranche (A) to finance any deficit in the cash flows related to the development of specific blocks on Westown Residences in stage (B) tranche (B).		
Guarantees:		
<ul style="list-style-type: none"> The Company committed to deposit all revenues from the sale of the project. The Company shall sign a mortgage and a first degree right of transfer on the project in favor of the bank. The Company shall get insurance cover the project's constructions in favor of the bank. 	-	104 141 290
On April 4, 2017, Sixth of October for Development and Investment Company "SODIC" signed a medium-term syndicated loan contract with group of banks represented by Arab African International Bank "facility agent" with a total amount of EGP 1 300 Million on two tranches: First tranche amount of EGP 243 Million to finance the total debt outstanding due to group of banks represented by Arab African International Bank. Second tranche amount of EGP 1 057 Million to finance "SODIC West" projects located in Kilo 38 Cairo/Alex desert road -Giza- Egypt.		
Guarantees:		
<ul style="list-style-type: none"> Unconditional and irrevocable revenue transfer by which the lender and some of its subsidiaries transfer all current and future proceeds, selling and lease contracts of the current and foreseeable project units to the interest of the "Guarantee agent". Accounts mortgage contracts: debt interest and all amounts deposited therein are pledged for the interest of the "guarantee agent", and pledge the project's account. Promissory note from the Company (the borrower). 	1 030 339 597	444 821 774
Grace period: Thirty months from the date of the signature, or December 31, 2019, which is earlier, and this period shall apply to the principal of loan only.		
Repayment: Commenced on December 31, 2019, and repayable in (14) quarterly unequal installments.		
After	1 030 339 597	548 963 064

	31/12/2019 EGP	31/12/2018 EGP
Before	1 030 339 597	548 963 064
On August 30, 2017, Sixth of October for Development and Investment Company "SODIC" signed a medium-term loan contract with Commercial International Bank "CIB" with a total amount of EGP 270 Million to finance the development cost of October Plaza Project which will be established on area of 31 acres in northern expansions at sixth of October city, and on 16 July 2019 the total amount of the facility has been increased up to maximum EGP 500 Million.		
Guarantees:		
• The Company committed to deposit all revenues from the sale of the project.		
• The Company shall sign a mortgage and a first-degree right of transfer on the project in favor of the bank.	318 000 000	98 000 000
• The Company shall get insurance cover 110% the project's constructions in favor of the bank.		
Grace period:		
Three years and six months applied on the principal of the loan only from the date of first drawdown.		
Repayment:		
Commences on March 2021, and repayable in (13) quarterly unequal installments.		
On July 3, 2014, a Company's subsidiary signed a medium term facility agreement with Arab African International Bank (AAIB) for a total amount of EGP 950 Million to finance the repayment of advance payments and installments due to the New Urban Communities Authority against the land of the project through the funding of the Real Estate Development Model.		
On August 23, 2017, the Company signed the first addendum to the above mentioned loan agreement, increasing the facility amount by EGP 450 Million (Tranche B) can be increased with an amount equal to what has been repaid under the facility of (Tranche A) so the total amount of the medium term facility after the increase will amount to EGP 1.4 Billion. Based on that, the two parties have agreed to amend some of the facility contract terms and conditions.		
Guarantees:		
• The company's commitment to assign all revenues arising from the project before or after the date of the facility for the benefit of the project.		
• Accounts mortgage contracts: debt interest and all amounts deposited therein are pledged for the interest of the bank, and pledge the project's account.	485 000 000	873 307 982
Availability period:		
For Tranche A commences from the signing date until December 31, 2017.		
For Tranche B commences from the signing date until December 31, 2019.		
Grace period:		
Three months after the end of availability period, this applies to the principle amount of the loan only.		
Repayment:		
For Tranche A commences at the end of the grace period, and to be paid on 8 consecutive quarters each 3 months ending, December 31, 2019.		
For Tranche B commences at the end of the grace period, and to be paid on 5 consecutive quarters each 3 months ending, December 31, 2019		
After	1 833 339 597	1 520 271 046

	31/12/2019 EGP	31/12/2018 EGP
Before	1 833 339 597	1 520 271 046
On December 26, 2019, a Company's subsidiary signed a medium-term loan contract with Commercial International Bank "CIB" with a total amount of EGP one Billion to finance Technical investment cost of EDNC Project.		
Guarantees:		
The Company committed to deposit all revenues from the project.	40 504 842	-
The Company shall sign a mortgage on leased units including its share in the cost of the project land within 12 months after the project completion		
The Company shall get insurance cover 110% the project's constructions in favor of the bank		
Total	1 873 844 439	1 520 271 046
Deduct: current portion		
A medium-term loan from CIB	-	104 141 290
A medium-term loan for one subsidiary from Arab African International Bank	363 750 000	438 307 982
A medium-term syndicated loan contract with group of banks represented by Arab African International Bank	228 964 355	44 482 177
Total of current portion	592 714 335	586 931 449
	1 281 130 084	933 339 597

1. Long-term notes payable

	31/12/2019 EGP	31/12/2018 EGP
Total par value of the checks issued to New Urban Communities Authority which are payable till Jan. 1, 2021.	75 000 000	225 000 000
Total par value of the checks issued to El Sheikh Zayed land settlement	-	105 500 000
Suppliers' notes payables	16 676	-
Unamortized interest	(7 471 059)	(53 849 976)
	67 545 617	276 650 024
The Company's exposure to credit risk related to long-term notes payable are disclosed in Note No. (43)		

2. New Urban Communities Authority

	31/12/2019 EGP	31/12/2018 EGP
Creditors	13 812 073 659	-
Deduct: Unamortized interest	9 005 732 805	-
	4 806 340 854	-

On March 21, 2019 a co-development agreement was signed between the company and the Urban Communities Authority "NUCA" to establish an integrated urban project with an area of 500 acres under deficit or increase, according to the contract NUCA share in return of the land includes an advance payment, annual cash installments in addition a percentage of the project expected revenues with a total minimum value of EGP 14.22 billion, an amount of EGP 300 Million was paid upon signing the contract and the remaining will be paid over 11 years that represents the duration of the contract.

1. Provisions

A- Provision for completion of works

	Balance as at 1/1/2019	Formed during the year	Used during the year	Provisions no longer required during the year	Balance as at 31/12/2019
	EGP	EGP	EGP	EGP	EGP
Provision for completion of works *	292 298 590	141 923 909	(245 123 753)	(12 753 487)	176 345 259
	292 298 590	141 923 909	(245 123 753)	(12 753 487)	176 345 259

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

B- Claims provisions

	Balance as at 1/1/2019	Formed during the year	Used during the year	Provisions no longer required during the year	Balance as at 31/12/2019
	EGP	EGP	EGP	EGP	EGP
Provision for expected claims	11 747 097	252 182	(162 720)	(267 913)	11 568 646
	11 747 097	252 182	(162 720)	(267 913)	11 568 646

- The provision is created 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.

2. Advances - from customers

This item represents the advance payments for units and lands as follows:

	31/12/2019	31/12/2018
	EGP	EGP
Advances – Projects in West Cairo	5 702 964 718	3 588 726 489
Advances – Projects in East Cairo (38-1)	10 767 524 573	11 845 695 359
Advances – Projects on the North Coast (38-2)	701 497 531	1 261 032 370
Advances – Clubs Memberships	571 787 738	443 213 850
	17 743 774 560	17 138 668 068

(38-1) The balance of Advances – Projects in East Cairo includes an amount of EGP 1 712 384 478 which represents the net advances from customers of SODIC EAST project with a total contracted value of EGP 2 444 666 029. The total contracted value has been reduced by EGP 732 281 551, which represents Heliopolis Housing And Development Company's share of the residential units mentioned in the joint operation contract (70% for the developer and 30% for the owner).

(38-2) The balance of Advances – North Coast project includes amount of EGP 204 734 509 which represents the net advances from customers of Malaaz project, with a total contracted value of EGP 284 353 484. The total contracted value has been reduced by EGP 79 618 975, which represents Owners Union - Shahin's share of the residential units mentioned in the joint operation contract (72% for the developer and 28% for the owner).

3. Contractors, suppliers and notes payable

	31/12/2019	31/12/2018
	EGP	EGP
Contractors	262 443 569	181 964 586
Suppliers	37 344 346	26 094 291
Notes payable (39-1)	419 716 762	701 823 163
	719 504 677	909 882 040
Deduct:		
Unamortized interest - notes payable	14 685 288	33 909 071
	704 819 389	875 972 969

(39-1) Notes payable include EGP 150 Million which represents the amount due to the New Urban Communities Authority.

The Group's exposure to currency and liquidity risks related to suppliers, contractors and notes payable is disclosed in note No. (43).

4. Creditors and other credit balances

	31/12/2019	31/12/2018
	EGP	EGP
Amounts collected on account for management, operation and maintenance of projects	1 687 815 159	1 357 121 107
Due to related parties	146 909	146 909
Accrued expenses	108 148 328	84 034 755
New Urban Authority (40-1)	97 370 724	-
Customers - Beverly Hills – capital contributions	15 426 047	15 075 320
Customers – credit balances	81 529 604	64 265 957
Tax Authority – other than Income tax	41 704 336	31 844 731
Dividends payable	-	91 643
Accrued compensated absence	4 668 624	4 496 820
Insurance Deposits collected from customers – Against modifications	1 849 615	784 615
Social insurance	6 946 001	5 190 834
Unearned revenue	15 627 491	11 615 871
Retentions	72 452 267	65 473 210
Due to beneficiaries from Incentive plan	1 077 107	1 192 490
Deposits from others	48 470 222	39 940 623
Sundry creditors	21 914 901	17 002 012
	2 205 147 335	1 698 276 897

(40-1) the balance represents the net present value of the short-term amount due to New Urban Communities Authority for the 500-acre land as detailed disclosed in note no. (36).

The Group's exposure to currency and liquidity risks related to creditors is disclosed in note No. (43).

1. Non - cash transactions

For the purpose of preparing the consolidated statement of cash flows for the financial year ended December 31, 2019, the effect of the following investment transactions were excluded as they are considered non - cash transactions:

	EGP
The value of buildings under construction and other Works in progress transferred to Projects under construction	96 454 524
The value of the land of the 500 acres project in Sheikh Zayed Extension	4 903 711 578

2. Fair values

Fair values versus carrying values

Financial instruments for the group are, cash at banks and on hand, treasury bills, customers, notes receivable and investments in equity instruments, suppliers, contractors, notes payable and other credit balances and monetary items included in debtors and creditors accounts.

The main purpose of these financial instruments is to provide funding for the activities of the group.

According to the valuation techniques followed in evaluating the assets and liabilities of the group, the carrying value of these financial instruments represent a reasonable estimate of their fair value.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business.

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

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

3. Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- A. Credit risk
- B. Liquidity risk
- C. Market risk
- D. Currency risk
- E. Interest rate risk
- F. Other market price risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, as well as the Group management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also identifies and analyzes the risks faced by the Company, sets appropriate risk limits and controls, and monitors risks and adherence to limits.

The Group aims to develop a disciplined and constructive control environment through which all employees understand their roles and obligations.

The audit committee and the internal control department assist the Company's Board of Directors in its supervisory role. The internal audit department is also responsible for regular and surprise inspection of internal control and the policies associated with risk management and reports the findings to the Company's Board of Directors.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. This risk is mainly associated with the Company's customers and other receivables.

Trade and other receivables

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

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

The Group's management has established a credit policy under which each customer is subject to credit valuation before the Company's standard payment and delivery terms and conditions are offered to him. The Company obtains advance payments and cheques that cover the full sales value in advance and before the delivery of units to customers. No previous losses were observed from transactions with customers.

Sales of units 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 a 5 % to 10 % of this value.

Investments

The Company manages the risk via conducting detailed investment studies which are reviewed by the Board of Directors. The Company's management does not expect any counterparty to fail to meet their obligations.

Guarantees

The group extends corporate guarantees to subsidiaries, when needed, after the approval of the Extra Ordinary General Assembly Meeting (EGM). The following corporate guarantees were provided:

On the 1st of February 2015, Sixth of October for Development and Investment Company's "SODIC" EGM approved extending a corporate guarantee to SOREAL For Real Estate Investments (99.99 % owned by SODIC), and there are no guarantees for any party outside the Group.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the cost of servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit:

- EGP 5 Million as a bank facility for one of the subsidiaries guaranteed by time deposits.
- A medium-term loan in the amount of EGP 1 300 Million.
- A medium-term loan in the amount of EGP 500 Million.
- A medium-term loan in the amount of EGP 1 400 Million for one of the subsidiaries.
- A medium-term loan in the amount of EGP 1 000 Million for one of the subsidiaries.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

d) Currency risk

The Group is exposed to currency risk on sales and financial assets that are denominated in foreign currencies. Such risk is primarily represented in USD and Syrian Lira.

In respect of monetary assets and liabilities denominated in other foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short- term imbalances.

The Company's investments in its subsidiaries are not hedged as those currency positions are considered long-term in nature.

The Parent Company does not enter into hedging contracts for foreign currencies.

e) Interest rate risk

The Company adopts a policy to limit the company's exposure for interest risk, therefore the company's management evaluates the available alternatives for finance and negotiates with banks to obtain the best available interest rates and credit conditions. Borrowing contracts are presented to the Board of Directors. The finance position and finance cost are periodically evaluated by the Company's management. The Company does not enter into hedging contracts for interest rates.

f) Other market price risk

Equity price risk arises from available-for-sale equity securities, The management of the Group monitors the mix of equity securities in its investment portfolio based on market indices and the objective valuation of the financial statements related to these shares.

Material investments within the portfolio are managed on an individual basis and all buying and selling decisions are approved by the Company' Board of Directors.

The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated as held for trading because their performance is actively monitored, and they are managed on a fair value basis.

43-1 Credit risk

The carrying amount of financial assets represented in the balances of trade and notes receivables, debtors and cash and cash equivalent, loans to joint venture, and investments in trading securities.

The maximum exposure to credit risk as at December 31, 2019, amounted to EGP 17 411 145 256 (December 31, 2018: EGP 16 157 765 379).

43-2 Liquidity risk

The following are the contractual maturities of financial liabilities:

December 31, 2019	Carrying amount EGP	Less than 1 year EGP	1-2 years EGP	2-5 years EGP
Short - term loans	592 714 355	592 714 355	-	-
Long – term loans	1 281 130 084	-	642 778 710	638 351 374
Contractors and suppliers	299 787 915	299 787 915	-	-
Other creditors	7 257 732 822	1 975 813 493	877 585 183	4 404 334 146
Notes payable –short term	405 031 474	405 031 474	-	-
Notes payable –long term	67 545 617	-	67 545 617	-
	9 903 942 267	3 273 347 237	1 587 909 510	5 042 685 520

December 31, 2018	Carrying amount EGP	Less than 1 year EGP	1-2 years EGP	2-5 years EGP
Short - term loans	586 931 449	586 931 449	-	-
Long – term loans	933 339 597	-	636 543 065	296 796 532
Contractors and suppliers	208 058 877	208 058 877	-	-
Other creditors	2 393 153 663	1 833 367 621	539 426 966	20 359 076
Notes payable – short term	667 914 092	667 914 092	-	-
Notes payable – long term	276 650 024	-	276 650 024	-
	5 066 047 702	3 296 272 039	1 452 620 055	317 155 608

43-3 Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk for main currencies was as follows:

December 31, 2019

Description	USD	Euro
Cash at banks	17 559 166	294 852
Notes receivables	596 610	-
Debtors and other debit balances	-	359 256
Creditors and other credit balances	(486 000)	-
Surplus of foreign currencies	17 669 776	654 108

December 31, 2018

Description	USD	Euro
Cash at banks	13 653 356	294 852
Notes receivables	2 963 187	-
Debtors and other debit balances	-	359 256
Creditors and other credit balances	(486 000)	-
Surplus of foreign currencies	16 130 543	654 108

43-4 Interest rate risk

At the date of consolidated financial statements, the interest rate profile of the Group's financial instruments was as follows: -

	Carrying amount	
	31/12/2019	31/12/2018
	EGP	EGP
Financial instruments with a fixed rate		
Financial assets	16 634 978 052	15 275 462 756
Financial liabilities	(472 577 091)	(944 564 116)
	16 162 400 961	14 330 898 640
Financial instruments with a variable rate		
Financial liabilities	(1 873 844 439)	(1 520 271 046)
	(1 873 844 439)	(1 520 271 046)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. The Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the consolidated financial statements date would not affect the consolidated statement of profit or loss.

1. Transactions with related parties

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

a) Transactions with related parties

Party / Relationship	Nature of transaction	31/12/2019
		Amount of transaction EGP
Executive managers and Board of Directors (Parent Company)	Executive and Board of Directors	(See note No.9-1).
Palmyra – SODIC for Real Estate Development	Loan for joint projects	4 257 485

b) Balances resulting from transactions with related parties

Party	Item as shown in the consolidated balance sheet	31/12/2019	31/12/2018
		EGP	EGP
Palmyra – SODIC for Real Estate Development *	Loans to Joint Ventures	199 618 343	195 360 857
	Accrued interest on loan under debtors caption	65 482 130	65 482 130
	Accrued on joint venture – related parties under debtor caption	35 191 620	35 191 620

Impairment in dues from Palmyra – SODIC for Real Estate Development has been recorded as described in note No. (20).

2. Tax status

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

Corporate tax

- Years 1996 to 2005 have been inspected and tax differences have been paid and settled.
- Years 2006 to 2014 have been inspected and settlement of accrued tax differences is under way
- Year 2015 to 2018 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company submits its annual tax return on due dates in accordance with Law No. 91 of 2005.

Salary tax

- Years 1996 to 2012 have been inspected and tax differences have been paid and settled.
- Years 2013 to 2018 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company pays the salary tax on a timely basis as required by law

Withholding tax

- Tax inspection has been carried out from 1996 till the first quarter of the year 2017, and the Company has not received any tax claims till the date of authorizing of these financial statements for issuance.
- The Company pays the withholding tax on a timely basis as required by law

Stamp tax

- Tax inspection was carried out from 1996 till December 31, 2014, and tax differences have been fully paid.
- Years 2015 to 2018 have not been inspected and no tax claims have been received till the date of authorizing of these financial statements for issuance.
- The Company provides stamp tax returns and pays the accrued taxes on a timely basis as required by law.

Sales tax

- The Company was inspected from inception till December 31, 2015, and tax differences have been fully paid.

The value added tax

- Years from 2016 till 2018 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 added tax returns and pays the accrued taxes on a timely basis as required by law.

Real estate property tax

- The Company submitted its real estate property tax returns of year 2009 on due dates in accordance with Law No. 196 of 2008.

3. Capital commitments

Capital commitments as of December 2019 amounted EGP 3 750 representing contracted and unexecuted works (December 31, 2018: EGP 140 150).

4. Legal status

There is a dispute between the parent Company and another party regarding the contract concluded between them on 23/2/1999 which is related to delivering this party a plot of land as a usufruct right for indefinite year of time and a return for an annual rental with a minimal amount for a total of 96 acres approximately and which has not been delivered up till this date as the management of this party did not abide by the detailed conditions of the contract. There are exchanged notifications concerning this land between the management of the parent Company and the management of this party. During 2009, this party raised a court case No. 3 of 2009 Civil 6th of October against the parent Company asking it for the delivery of the allocated land. A preliminary judgment was issued by the court in its session held on February 22,

2010 to refer this matter to Experts and to delegate the Experts Office of the Ministry of Justice to embark this case and set a session to be held on April 26, 2010 for the expert to present his report. The session was postponed by the court several times, the latest on which to November 24, 2014. On that date, the 6 of October partial court decided to reverse its previous decree of proof procedures dated February 22, 2010 by refusing the case. The other party appealed the decision and a hearing was scheduled for March 5, 2020; during the session on November 24, 2014 the court also decided to appoint an expert, the session for the expert has not been determined yet.

The parent Company's legal counsel is of the opinion that the parent Company has the right to maintain and exploit this land under the contract as the said contract has not been affected and no usufruct right has arisen to this party since its effect was based on conditions that have not been met. In addition, in case of any dispute raised by this party to possess the land, the parent Company has the actual and physical possession of the land and hence it has the right to continue in possessing the land till settlement of this dispute in front of court.

1. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for the following:

- Financial assets and liabilities recognized at fair values through profits and losses.
- Held for trading investments are valued at fair value.
- Available for sale investments, which have market values are valued at fair value.

2. Incentive and bonus plan of the Parent Company's employees and managers

- On January 20, 2016 the extraordinary general assembly have approved the new Employees Stock Option Plan for executive board members and directors through granting shares with special conditions as per stated in the plan that part of the company's shares should be assigned to the employee stock option plan equal to 1% of the company's issued capital annually on five tranches for a period of six years and three months as per annex (1). These shares will be made available by using the special reserve- additional paid in capital, or reserves, or part of it, or retained earnings, or part of it for capital increase. The additional shares are to be issued to the employee stock option plan based on the approval of the Board of Directors as per the delegation granted by the company's extraordinary general assembly dated January 20, 2016. The granting of the employee stock option plan shares is to be based on a decision from the supervisory committee by the treasurer.
- The board of directors have decided on the meeting dated November 30, 2016 to increase the issued capital from EGP 1 355 638 292 to become EGP 1 369 194 672 by an amount of EGP 13 556 380 divided on 3 389 095 shares of par value EGP 4 per share, this capital increase is to be financed from the special reserve- Additional paid in capital, and to be fully utilized by the Employees Stock Option plan granted to the executives board members and the directors as per the option plan approved by the extraordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions. The commercial register was modified on February 5, 2017.
- The Board of Directors have decided on the meeting dated October 23, 2018 to increase the issued capital from EGP 1 369 194 672 to become EGP 1 396 715 488 by an amount of EGP 27 520 816 divided on 6 880 204 shares of par value EGP 4 per share, this capital increase is to be financed from the special reserve- Additional paid in capital, and to be fully utilized for the second and third sections from the sections of Employees Stock Option plan granted to the executives board members and the directors as per the option plan approved by the extraordinary general assembly dated January 20, 2016, which have decided to apply the Employees Stock Option Plan for the executive board members and directors through assigning shares with certain conditions, and delegate the board of directors to execute the procedures of the required increase to issue new shares to be utilized in the Employees Stock Option plan, The commercial register was modified on January 8, 2019.

3. Comparative figures

Some comparative figures have been reclassified to be consistent with the current classification of recent financial statements.

4. Significant accounting policies

(51-1) Business combination

- The Group accounts for business combination using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are net values of the assets acquired where identifiable
- Any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase is recognized as profit or loss immediately.
- Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration meets the definition of financial instrument as classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent considerations are re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

a) Subsidiaries

- Subsidiaries are entities controlled by the Group.
- The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.
- Subsidiaries are represented in the following: -

Subsidiary name	Country of Incorporation	Ownership	
		As at 31/12/2019 %	As at 31/12/2018 %
1. Sixth of October for Development and Real Estate Projects Company "SOREAL" - S.A.E	Egypt	99.99	99.99
2. Beverly Hills for Management of Cities and Resorts Co. - S.A.E (*)	Egypt	46.75	46.75
3. SODIC Garden City for Development and Investment Co. S.A.E	Egypt	50	50
4. Al Yosr for Projects and Real Estate Development Co. - S.A.E	Egypt	99.99	99.99
5. SODIC for Development and Real Estate Investment Co. – S.A.E	Egypt	99.99	99.99
6. SODIC Polygon for Real Estate Investment Co. - S.A.E	Egypt	100	100
7. SODIC for Golf and Tourist Development Co. - S.A.E	Egypt	100	100
8. Fourteen for Real Estate Investment Co. - S.A.E	Egypt	99.99	99.99
9. La Maison for Real Estate Investment Co. - S.A.E	Egypt	99.99	99.99
10. Tegara for Trading Centers Co. S.A.E(**)	Egypt	100	95.24
11. Edara for Services of Cities and Resorts Co. –S.A.E	Egypt	99.97	99.97
12. Soreal for Real Estate Investment	Egypt	99.99	99.99
13. SODIC for Securitization	Egypt	99.99	99.99
14. SODIC Syria L.L.C (***)	Syria	100	100
15. Tabrouk Development Company (D)	Egypt	100	100
16. El Diwan for Real Estate Development Company	Egypt	100	100
17. SODIC for Management of Hotels and Clubs Company	Egypt	100	100

(*) The legal participation in Beverly Hills for Management of Cities and Resorts Co. amounts to 48.91 %, which includes 2.16 % transitory shares currently in the name of the Company. The title of these shares will be transferred to the ultimate shareholders (Owners of Beverly Hills Project units).

(**) During the year the group acquired additional 4.76% in Tegara Company for trading centers (subsidiary)share capital.

(***) On June 15, 2010, SODIC Syria Co. a Syrian limited liability Co. was established for acquiring a 50% stake of the share capital of Palmyra - SODIC for Real Estate Development L.L.C, a limited liability company registered and operating in the Syrian Arab Republic.

b) Non-controlling interests

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

d) Investments accounted for equity method

Investments that are accounted for using the equity method comprise interests in associates and joint venture. And have no right to its assets and obligations for its liabilities associated with the arrangements.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement.

Investments in associates and joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the group share of the profit or loss and OCI of equity-accounted investees.

e) Transaction elimination on consolidation

Intra - group balances and transactions, and any unrealised income and expenses arising from intra - group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

51-2) Foreign currency

a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate when the fair value was determined.

Non - monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- Available – for - sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss).
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

b) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

51-3) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held – for - sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

51-4) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the future economic benefits will flow to the entity and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of that consideration due or associated costs.

a) Real estate and land sales

Revenue from sale of residential units, offices, commercial shops, service and villas for which contracts were concluded is recorded when all the ownership risks and rewards are transferred to customers and upon the actual delivery of these villas and units whether the said villas and units have been (completed or semi – completed). Revenue from sale of lands is recorded upon the delivery of the sold land to customers and the transfer of all the ownership rewards and risks to the buyer.

Revenues are recorded based on sales net of returns. Net sales are represents the selling value of units and lands delivered to customers - after excluding the future interests that have not been realized at the date of the consolidated balance sheet date and after deducting the value of sales returns (represented in the saleable value of the sales returns less unrealized interests that have been previously excluded from the saleable value). Discounts granted to customers are recorded within the other operating expenses.

b) Service revenues

Revenue from services is recognized when the service is rendered to the customer.

c) Rental income

Rental income resulting from investment properties (less any discounts) is recognized in the consolidated income statement on a straight-line basis over the terms of the lease.

d) Interest income

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

Commission revenue

Commission revenue is recognized in the consolidated statement of profit or loss according to the accrual basis of accounting.

Dividends

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

51-5) Employee benefit

a) Short – term employee benefits

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Share – based payment arrangements

The grant (date fair value of equity) settled share - based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non - market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non - market performance conditions at the vesting date.

For share - based payment awards with non - vesting conditions, the grant - date fair value of the share - based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of SAR's, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the year during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR's. Any changes in the liability are recognized in profit or loss.

c) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group pays contributions to the Public Authority for Social Insurance for their employees based on the rules of the social insurance law no 79 for the year 1975. The employees and employers contribute under this law with a fixed percentage of wages. The Group's commitment is limited to the value of their contribution. And the Group's contribution amount expensed in profits and losses according to accrual basis.

The company also contributes to a group insurance program for its employees with one of the insurance companies. Accordingly, the insured employees receive end of service benefits when leaving the Company that will be paid by the insurance company. The contribution of the Company is limited to the monthly instalments. Contributions are charged to statement of profit or loss using the accrual basis.

51-6) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income
- interest expense
- The foreign currency gain or loss on financial assets and financial liabilities
- The fair value loss on contingent consideration classified as a financial liability
- The net gain or loss on hedging instruments that are recognized in profit or loss

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the group's right to receive payment is established.

51-7) Income Tax

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.

a) Current income tax

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

b) Deferred tax

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

Deferred tax is not recognized for:

- The initial recognition of goodwill.
- The initial recognition of assets or liabilities in a transaction that:
 - a. Is not a business combination.
 - b. Does not affect neither accounting nor taxable profit (or loss).

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the company’s future business plans. Deferred tax assets are reassessed at each reporting date, and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.
The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are set-off only if certain conditions are met.

51-8) Biological assets

Biological assets are measured at fair value less costs to sell, profit or loss will be recognized in statement of profit or loss.

51-9) Units ready for sale

Units ready for sale are stated at cost or net realizable value, whichever is lower. Cost is calculated based on the product of the total area of the remaining units ready for sale on the reporting date multiplied by the average cost per meter. (The cost of the units includes land, utilities, construction, construction related professional fees, labor cost and other direct and indirect expenses). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

51-10) Work in process

- a. All costs relating to uncompleted works are recorded in work in process account until the completion of the works. Work in process is stated in the consolidated balance sheet at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status.
- b. For variable land acquisition consideration, the company recognizes what was actually paid as part of the cost of work in progress, the cost is subsequently settled whether by increase or decrease according to actual payments and returns.

51-11) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the (straight-line method) over their estimated useful lives for each item, and is generally recognized in profit or loss.

Land is not depreciated. Estimated depreciation rates for each type of assets for current and comparative years are as follow:

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

51-12) Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and ready for their intended use.

51-13) Intangible assets and goodwill

a) Recognition and measurement

I) Goodwill:

Arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

II) Research and development:

- Expenditure on research activities is recognized in profit or loss as incurred
- Development expenditure is recognized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

III) Other intangible assets:

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalized only when the intangible asset will increase the future economic benefits embodied in project, research, and development under construction which is recognized as intangible assets. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the (straight - line method) over their estimated useful lives, and is generally recognized in profit or loss.

Goodwill is not amortized.

51-14) Investment properties

This item includes properties held for rent or increase in its value or both of them, Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in 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:

Asset	Years
Leased units	20
Roads	20
Elevators	10
Agriculture and landscape	10
Air-conditions	5
Sound systems and cameras	2

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 profit or loss.

51-15) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

1) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2) Non-derivative financial assets – Measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held- for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial

assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Held-to-maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at Amortized cost using the effective interest method.

Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instrument are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

3) Non-derivative financial liabilities – Measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held – for - trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non - derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

4) Derivative financial instruments and hedge accounting

The group holds derivative financial instruments to hedge it's foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in OCI and is reclassified to profit or loss in the same year or years during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, or if the hedge no longer meets the criteria for hedge accounting, or if the hedging instrument expires or is sold, terminated or exercised or if the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

51-16) Share capital

1) 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".

2) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attrib

utable 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.

51-17) Impairment

1) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity - accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- restructuring of an amount due to the group on terms that the group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at Amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account.

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses which have been recognized previously in OCI and the accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and Amortization) and the current fair value, less any impairment loss previously recognized in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or Impairment loss.

Losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2) Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non - financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed in the subsequent year. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or Amortization) if no impairment loss had been recognized in previous years.

51-18) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Provision for completion

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

51-19) Operational lease

Lease payments under an operating lease, excluding any incentives received from the lessor over the contract year, shall be recognized as an expense charged to the statement of profit or loss for the year on a time pattern basis and accrued base.

51-20) Sale and leaseback

When the company lets a property to a lessee, the legal title of this property is transferred to the lessee according to an executory contract subject to a finance lease contract signed between parties, accordingly any gain or loss resulting from the differences between the sale price and the net book value of the property is deferred and amortized over the year of the lease contract.

When the property is then bought back, any unamortized gains or losses are recognized in the income statement on the buyback date.

51-21) Investments

1) Available for sale investments

Financial instruments held by the Company and classified as available-for-sale investment are stated at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component in equity. When these investments are derecognized, the cumulative gain or loss previously recognized in equity is recognized in consolidated statement of profit or loss. Except the impairment loss, Investments in unlisted securities are stated at cost less impairment losses.

Financial instruments classified as available-for-sale investments are recognized /derecognized by the Company on the date it commits to purchase / sell the investments.

2) Held for trading investments

Held for trading investments are classified as current assets and are stated at fair value. Any gain or loss resulting from the change in fair value or sale of such investment is recognized in the statement of profit or loss.

Treasury bills are stated at their net cost after deducting the amortized interest and the Impairment losses.

51-22) Trade, notes receivable and debtors

Trade and notes receivables, debtors and other debit balances, that do not carry interest are stated at their nominal value and are reduced by impairment losses, Impairment losses are formed when there is objective evidence that the Company is not able to collect the due amounts according to the original terms of the contracts. Impairment represents the difference between the book value and net recoverable amount which is represented in the future cash flows that the Company expects. Long-term trade and notes receivables are initially recognized at fair value and subsequently re-measured at amortized cost using the effective interest rate method.

51-23) Cash and cash equivalents

As a basis for preparation of cash flow, cash and cash equivalents comprise cash at banks and on hand, checks under collection and time deposits, that have maturity date less than three months from the purchase date. Also Bank overdrafts that are repayable on demand are considered a complementary part of the Group's cash management.

51-24) Borrowing costs

Borrowing costs are recognized as an expense when incurred using the effective interest rate.

51-25) Interest –bearing borrowings

Interest – bearing borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently stated at amortized cost, any differences between cost and redemption value are recognized in the statement of profit or loss over the year of the borrowing using the effective interest rate.

51-26) Trade, contractors and other credit balances

Trade, contractors and other credit balances are stated at cost.

51-27) Notes payable

Notes payable are stated at amortized cost using the effective interest rate method.

51-28) Cost of sold lands

The cost of sold lands is computed based on the value of the net area of land sold in addition to its respective share in road areas as determined by the Company's technical management, plus its share of the open area cost as well as its share of infrastructure cost.

51-29) Expenses

Lease payments

Payments under leases are recognized (net after discounts) in the statement of profit or loss on a straight-line basis over the terms of the lease and according to the accrual basis.

51-30) Employees' profit sharing

As per the Companies Law, employees are entitled to receive not less than 10% of the distributed profits, after deducting a percentage to support the legal reserve, according to the rules proposed by the Company's board of directors and after the approval of General Assembly Meeting which should not exceed the total employees' annual salaries.

Employees' share in profit is recognized as dividends of profit and shown in the statement of changes in equity and as an obligation in the financial year at which the declaration has been authorized.

51-31) Earnings / (losses) per share

Earnings (losses) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

52. New Issues and Amendments issued to the Egyptian Accounting Standards (EAS) not adopted

On March 18, 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015 , which include some new accounting standards as well as introducing amendments to certain existing standards. The most prominent amendments are as follows:

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (47) "Financial Instruments"	<ol style="list-style-type: none"> The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise. Pursuant to the requirements of the Standard, financial assets are classified based on their subsequent measurement whether at amortized cost, or fair value through other comprehensive income or at fair value through profit or loss, in accordance with the enterprise business model for managing financial assets and the contractual cash flow characteristics of the financial asset. When measuring the impairment of financial assets the Incurred Loss Model is replaced by the Expected Credit Loss (ECL) Model, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from their initial recognition date regardless whether there is any indication of the occurrence of loss event. based on the requirements of this standard the following standards were amended: <ul style="list-style-type: none"> Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" as amended in 2019. Egyptian Accounting Standard No. (4) - "Statement of Cash Flows". Egyptian Accounting Standard No. (25) - "Financial Instruments: Presentation. Egyptian Accounting Standard No. (26) - "Financial Instruments: Recognition and Measurement". Egyptian Accounting Standard - EAS No. (40) - "Financial Instruments: Disclosures " 	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	<p>This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted; provided that the amended Egyptian Accounting Standards Nos. (1), (25), (26) and (40) are to be simultaneously applied.</p> <p>-These amendments are effective as of the date of implementing Standard No. (47).</p>

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers"	<ol style="list-style-type: none"> The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers" shall supersede the following standards and accordingly such standards shall be deemed null and void: <ol style="list-style-type: none"> Egyptian Accounting Standard No. (8) - "Construction Contracts" as amended in 2015. Egyptian Accounting Standard No. (11) - "Revenue" as amended in 2015. For revenue recognition, Control Model is used instead of Risk and Rewards Model. incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met the standard requires that contract must have a commercial substance in order for revenue to be recognized Expanding in the presentation and disclosure requirements 	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	Standard No (48) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (49) "Lease Contracts"	<p>1. The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersede and revoke Standard No. (20)," Accounting Rules and Standards related to Financial Leasing" issued in 2015</p> <p>2. The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's liabilities, taking into account that the lease contracts are not classified in respect of the lessee as operating or finance lease contracts .</p> <p>3. As for the lessor, he shall classify each lease contract either as an operating lease or a finance lease contract.</p> <p>4. As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as amounts receivable with an amount equivalent to the amount of the net investment in the lease contract .</p> <p>5. As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.</p>	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (49) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted if Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" is simultaneously applied. Except for the above-mentioned date of enforcement, Standard No. (49) applies to lease contracts that were subjected to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. 20, "Accounting rules and standards related to financial leasing " as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) of 1995 was revoked and Law No. (176) of 2018 was issued.

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
Egyptian Accounting Standard No. (38) as amended " Employees Benefits "	A number of paragraphs were introduced and amended in order to amend the Accounting Rules of Settlements and Curtailments of Benefit Plans	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (38) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted.
Egyptian Accounting Standard No. (42) as amended " Consolidated Financial Statements"	<p>Some paragraphs related to the exclusion of the Investment Entities from the consolidation process were added. This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The standards that were amended are as follows:</p> <ul style="list-style-type: none"> • ESA (15) Related Party Disclosures • ESA (17) Consolidated and Separate Financial Statements • ESA (18) Investments in Associates • ESA (24) Income Taxes • ESA (29) Business Combinations • ESA (30) Periodical Financial Statements • EAS (44) Disclosure of Interests in Other Entities. 	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted. -The new or amended paragraphs pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued in 2019
Issuance of Egyptian Accounting Interpretation No. (1)" Public Service Privileges Arrangements" ...	<p>This interpretation provides guidance on the accounting by operators of public service privileges arrangements from a public entity to a private entity for the construction, operation and maintenance of the infrastructure for public utilities such as roads, bridges, tunnels, hospitals, airports, water supply facilities, power supplies and communications networks. .., etc.</p> <p>This interpretation gives the option of continuing to apply the prior treatment of public service privileges arrangements that prevailed prior to January 1st, 2019 on entities that used to recognize and measure the assets of these arrangements as fixed assets in accordance with Egyptian Accounting Standard No. 10 "Fixed Assets and Depreciation "until their useful lives are expired.</p>	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	Interpretation No. (1) applies to financial periods beginning on or after January 1st, 2019,

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
Egyptian Accounting Standard No. (22) as ammended " Earnings per Share	The scope of implementation of the standard was amended to be applied to the separate, or consolidated financial statements issued to all enterprises.	The Manage-ment is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and applied to financial periods beginning on or after January 1st, 2019.
Egyptian Accounting Standard No. (34) as ammended " Real Estate Investment	The Fair Value Model option for all enterprises is no longer used when the subsequent measure-ment of their real estate investments is made and compliance shall apply only to the Cost Model, while only real estate investment funds are obliged to use the Fair Value Model, upon the subsequent measurement of all their real estate assets Based on this amendment, the following standards were amended: Egyptian Accounting Standard No. (32) Non-cur-rent Assets Held for Sale and Discontinued Operation Egyptian Accounting Standard No. (31) Impair-ment of Assets	The Manage-ment is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.
Egyptian Account-ing Standard No. (4) as ammended " Statemnet of Cash Flows"	This standard requires the entity to provide disclo-sures that enable users of the financial statements to assess changes in liabilities arising from finance activities, including both changes arising from cash flows or non-cash flows.	The Manage-ment is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.



CONTACT US

This annual report is available
online at

www.sodic.com

SODIC

Km. 38 Cairo-Alexandria Desert
Road,
Sheikh Zayed City, Giza, Egypt
P.O. Box 119 Sheikh Zayed

(+202) 3827 0300

ir@sodic.com
www.sodic.com



SODIC.com