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

AUDITOR'S REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

Consolidated financial statements - For the financial year ended 31 December 2025

Contents	**Page**

Auditor's report

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Sixth of October for Development and Investment Company SODIC "S.A.E." (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as of 31 December 2025 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers Ezzeldeen, Diab & Co., Public Accountants
One Ninety-Building A2-Fifth Settlement, New Cairo 11835,
PO Box 170 New Cairo, Cairo, Egypt
Tel: +20 2 27597700, Fax: +02 2 27597711

Auditor's report (continued)
Page 2

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sixth of October for Development and Investment Company SODIC "S.A.E." and its subsidiaries as of 31 December 2025, and their financial performance and their cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

PricewaterhouseCoopers Ezzeldeen, Diab & Co.

Mohamed ElSawaf
R.A.A 39521
F.R.A 419

5 February 2026
Cairo

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

Statement of consolidated financial position – As of 31 December 2025

(All amounts are shown in Egyptian Pounds)	Note	2025	2024
Assets			
Non-current assets			
Property plant and equipment	(29)	1,067,837,029	648,473,192
Projects under construction	(30)	754,180,735	497,749,583
Investment properties	(33)	1,636,312,970	1,527,933,294
Investment properties under development	(31)	41,865,255	78,574,672
Investment in associates and joint ventures	(32)	-	-
Right of use assets		10,186,703	38,447,925
Trade and notes receivable	(23-2)	8,059,940,768	5,261,736,875
Deferred tax assets	(18-2)	894,022,883	514,078,016
Total non-current assets		**12,464,346,343**	**8,566,993,557**
Current assets			
Inventory	(20)	110,134,428	26,581,742
Completed real estate properties	(21)	1,213,165,672	2,816,790,168
Works in process	(22)	50,461,654,533	25,209,597,778
Trade and notes receivable	(23-1)	5,431,542,975	3,327,957,157
Debtors and other debit balances	(24)	15,802,884,368	11,011,344,244
Loans to joint ventures	(25)	-	-
Financial investments at amortized cost	(26)	1,687,350,051	55,546,905
Cash and cash equivalents	(27)	2,711,253,056	3,348,973,933
Current assets excluding assets classified as held for sale		77,417,985,083	45,796,791,927
Assets classified as held for sale	(28-1)	-	8,370,419
Total current assets		**77,417,985,083**	**45,805,162,346**
Total assets		**89,882,331,426**	**54,372,155,903**
Equity and liabilities			
Equity			
Issued & paid in capital	(34-1)	5,157,174,344	1,424,789,472
Legal reserve	(34-2)	238,985,416	247,658,774
Special reserve - share premium	(34-3)	1,690,069,708	1,690,069,708
Retained earnings		8,060,862,008	7,992,415,961
Other equity		689,087,153	-
Profit from sales of treasury shares		-	1,725,456
Equity attributable to equity holders of the Parent Company		**15,836,178,629**	**11,356,659,371**
Non-controlling interests	(35)	64,643,935	62,846,377
Total equity		**15,900,822,564**	**11,419,505,748**
Liabilities			
Non-current liabilities			
Loans	(36-1)	6,545,304,173	2,430,045,490
Land liabilities	(37)	17,534,332,163	6,447,002,121
Lease contracts liabilities		6,884,784	26,843,770
Total non-current liabilities		**24,086,521,120**	**8,903,891,381**
Current liabilities			
Bank facilities	(36-2)	2,270,288,637	898,011,273
Loans	(36-1)	966,242,132	461,152,897
Advances - from customers	(38)	29,222,421,017	21,679,299,472
Contractors, suppliers and notes payable	(39)	858,748,260	679,125,219
Income tax liabilities		1,524,397,678	855,444,749
Land liabilities	(37)	1,772,615,057	881,096,901
Creditors and other credit balances	(40)	8,918,500,524	5,951,771,765
Lease contracts liabilities		9,075,275	28,413,847
Provisions	(41)	4,352,699,162	2,613,659,406
Current liabilities excluding liabilities classified as held for sale		**49,894,987,742**	**34,047,975,529**
Liabilities classified as held for sale	(28-2)	-	783,245
Total current liabilities		**49,894,987,742**	**34,048,758,774**
Total liabilities		**73,981,508,862**	**42,952,650,155**
Total equity and liabilities		**89,882,331,426**	**54,372,155,903**

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

Ashraf Abdelmaksoud	Mohamed Samir	Ahmed Hegazi	Ayman Amer
Finance Executive Director	Finance Executive Director	Group Financial Controller	General Manager

SODIC

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

Statement of consolidated profit or loss - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian Pounds)	Note	2025	2024
Revenues			
Real estate sales	(9)	17,261,876,689	7,526,628,223
Installments' interest realized during the year	(9)	1,859,236,560	1,192,374,174
Total revenues related to real estate sales	(9)	**19,121,113,249**	**8,719,002,397**
Revenues of services of managing cities and resorts		890,292,994	675,795,947
Rental income		258,837,829	125,249,880
Revenues from clubs, golf course and restaurants		994,254,437	233,987,418
Total operation revenues		**21,264,498,509**	**9,754,035,642**
Operation cost of sales			
Cost of real estate sales	(10)	(11,468,984,824)	(3,181,824,618)
Costs of services of managing cities and resorts		(784,025,143)	(605,955,501)
Rental cost		(188,139,409)	(73,902,012)
Cost of clubs, golf course and restaurants		(1,192,763,629)	(481,249,965)
Total operation cost of sales		**(13,633,913,005)**	**(4,342,932,096)**
Gross profit		**7,630,585,504**	**5,411,103,546**
Other operating revenue	(11)	703,771,236	146,616,934
Selling and marketing expenses	(12)	(1,369,532,955)	(851,565,444)
General and administrative expenses	(13)	(1,242,268,483)	(1,023,370,371)
Other operating expenses	(14)	(160,816,386)	(288,792,639)
Expected credit losses	(15)	(6,410,978)	(84,483,339)
Operating profit		**5,555,327,938**	**3,309,508,687**
Finance income	(16)	342,904,010	663,653,944
Finance cost	(17)	(101,997,918)	(612,982,636)
Net finance income		**240,906,092**	**50,671,308**
Profit for the year before tax		**5,796,234,030**	**3,360,179,995**
Income tax	(18-1)	(1,305,748,475)	(826,502,910)
Profit from continuing operations		**4,490,485,555**	**2,533,677,085**
Profit from discontinued operations		-	2,178,470
Profit for the Year		**4,490,485,555**	**2,535,855,555**
Attributable to:			
Equity holders of the Parent Company		4,479,519,259	2,527,212,448
Non-controlling interests		10,966,296	8,643,107
Profit for the Year		**4,490,485,555**	**2,535,855,555**
Earnings per share	(19-1)	**3.47**	**1.96**

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

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

Statement of consolidated comprehensive income - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian Pounds)	2025	2024
Profit for the year	**4,490,485,555**	**2,535,855,555**
Other comprehensive income items	**-**	-
Total comprehensive income for the year	**4,490,485,555**	**2,535,855,555**
Total comprehensive income is attributable to:		
Equity holders of the Parent Company	4,479,519,259	2,527,212,448
Non-controlling interests	10,966,296	8,643,107
Total comprehensive income for the year	**4,490,485,555**	**2,535,855,555**

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

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

Statement of consolidated changes in equity - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian Pounds)

	Issued & paid in capital	Legal reserve	Special reserve-share premium	Retained earnings	Other Equity	Profit from sales of treasury shares	Total Equity attributable to the Parent Company	Non-controlling interests	Total equity
Balance at 1 January 2024	**1,424,789,472**	**224,840,771**	**1,483,154,057**	**5,488,021,516**	**-**	**1,725,456**	**8,622,531,272**	**61,168,199**	**8,683,699,471**
Profit for the year	-	-	-	2,527,212,448	-	-	2,527,212,448	8,643,107	2,535,855,555
Other comprehensive income items	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**2,527,212,448**	**-**	**-**	**2,527,212,448**	**8,643,107**	**2,535,855,555**
Transactions with owners of the Parent Company									
Transfer to legal reserve	-	22,818,003	-	(22,818,003)	-	-	-	-	-
Selling /Acquisition of shares in subsidiaries without change in control	-	-	-	-		-	-	29,817	29,817
Selling ESOP shares at a premium	-	-	206,915,651	-	-	-	206,915,651	-	206,915,651
Dividends to NCI	-	-	-	-	-	-	-	(6,994,746)	(6,994,746)
Total transactions with owners of the Parent Company	**-**	**22,818,003**	**206,915,651**	**(22,818,003)**	**-**	**-**	**206,915,651**	**(6,964,929)**	**199,950,722**
Balance at 31 December 2024	**1,424,789,472**	**247,658,774**	**1,690,069,708**	**7,992,415,961**	**-**	**1,725,456**	**11,356,659,371**	**62,846,377**	**11,419,505,748**
Balance at 1 January 2025 before merger adjustments	**1,424,789,472**	**247,658,774**	**1,690,069,708**	**7,992,415,961**	**-**	**1,725,456**	**11,356,659,371**	**62,846,377**	**11,419,505,748**
Closing Merger Company net equity at 31 December 2021	(1,424,789,472)	(224,840,771)	(1,483,154,056)	73,496,282	-	(1,725,456)	**(3,061,013,473)**	**-**	**(3,061,013,473)**
Net Equity of the Merger and Merged Companies at 31 December 2021	-	-	-	-	6,640,328,400	-	**6,640,328,400**	**-**	**6,640,328,400**
Distributing Merger results	5,157,174,344	-	1,483,154,056	-	(6,640,328,400)	-	**-**	**-**	**-**
Merger results adjustments	-	-	-	(4,268,402,081)	689,087,153	-	**(3,579,314,928)**	**-**	**(3,579,314,928)**
Transfer to legal reserve from 1 January 2022 to 31 December 2024	-	95,532,166	-	(95,532,166)	-	-	-	-	-
Balance at 1 January 2025 after merger adjustments	**5,157,174,344**	**118,350,169**	**1,690,069,708**	**3,701,977,996**	**689,087,153**	**-**	**11,356,659,370**	**62,846,377**	**11,419,505,747**
Profit for the year	-	-	-	4,479,519,259	-	-	**4,479,519,259**	10,966,296	4,490,485,555
Other comprehensive income items	-	-	-	-	-	-	**-**	-	-
Total comprehensive income	**-**	**-**	**-**	**4,479,519,259**	**-**	**-**	**4,479,519,259**	**10,966,296**	**4,490,485,555**
Transactions with owners of the Parent Company									
Transfer to legal reserve	-	120,635,247	-	(120,635,247)	-	-	-	-	-
Selling /Acquisition of shares in subsidiaries without change in control	-	-	-	-	-	-	-	(256,782)	(256,782)
Dividends to NCI	-	-	-	-	-	-	-	(8,911,956)	(8,911,956)
Total transactions with owners of the Parent Company	**-**	**120,635,247**	**-**	**(120,635,247)**	**-**	**-**	**-**	**(9,168,738)**	**(9,168,738)**
Balance at 31 December 2025	**5,157,174,344**	**238,985,416**	**1,690,069,708**	**8,060,862,008**	**689,087,153**	**-**	**15,836,178,629**	**64,643,935**	**15,900,822,564**

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

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

Statement of consolidated cash flows - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian Pounds)	Note	2025	2024
Cash flows from operating activities			
Profit for the year before tax		5,796,234,030	3,360,179,995
Adjustments for:			
Depreciation of fixed assets, investment properties and right of use assets		231,909,777	175,888,452
Gain on sale of property, plant and equipment		(3,925,058)	(101,104)
Gain on sale of Investment properties		(390,382,992)	-
Interest on lease contract liabilities		3,885,852	9,025,714
Net return on investments at amortized cost		(34,534,386)	(57,754,142)
ECL on investments at amortized cost		1,567,579	1,567,579
Reversal / ECL on Trade and notes receivables	(15)	(9,711,167)	11,994,037
Reversal of impairment of property, plant and equipment	(29)	(1,822,590)	(1,822,572)
Provisions formed	(41)	2,840,215,884	1,502,460,571
Provisions no longer required	(41)	(32,993,237)	-
Write down to NRV to DWIP		(6,557,235)	(340,586,194)
Interest income	(16)	(308,369,624)	(334,065,698)
Interest expense	(17)	43,697,289	603,956,922
Gain of Selling /Acquisition of shares in subsidiaries without change in control		(433,811)	(6,853)
Gain on disposal of right of use		(4,182,713)	(3,683)
Profit from discontinued operations net of tax		-	2,810,929
Gain on sale of assets held for sale		(1,716,810)	-
Operating profit before changes in working capital		**8,122,880,788**	**4,933,543,953**
Changes in working capital			
Inventory		(83,552,686)	2,902,968
Completed real estate properties		1,623,756,074	45,048,324
Works in process		(50,450,985,208)	(6,383,901,752)
Trade and notes receivables		(4,892,078,543)	(1,886,934,177)
Debtors and other debit balances		(4,751,396,998)	(3,055,858,815)
Provisions used	(41)	(1,068,182,891)	(809,494,197)
Advances - from customers		4,977,704,175	7,372,962,375
Contractors, suppliers and notes payable		179,623,041	230,135,571
Land liabilities and creditors and other credit balances		42,264,727,829	932,334,405
Paid income tax		(1,016,740,413)	(536,138,118)
Restricted cash & Bank time deposits maturity over three months		5,702,017	(6,000,000)
Net cash flows (used in) / generated from operating activities		**(5,088,542,815)**	**838,600,537**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment and projects under construction		(777,592,764)	(89,108,687)
Proceeds from sale of Assets classified as held for sale		933,565	-
Payments for investments properties under development		(71,990,407)	(520,481,855)
Proceeds from credit interests		268,366,024	351,883,328
Proceeds from disposal of investment properties		438,634,155	-
Payments for investments at amortized cost		(3,365,653,367)	(822,935,252)
Proceeds from investments at amortized cost		1,846,253,839	1,620,085,725
Proceeds from sale of property, plant and equipment		4,265,220	617,537
Net cash flows (used in) / generated from investing activities		**(1,656,783,735)**	**540,060,796**
Cash flows from financing activities			
Proceeds from bank loans and facilities		9,865,314,226	1,310,274,657
Payments to bank loans and facilities		(3,874,299,200)	(757,804,538)
Finance cost paid		148,545,405	(633,754,700)
Payments for operating lease contracts liabilities		(25,748,705)	(21,527,412)
Selling ESOP shares at a premium		-	206,915,652
Proceeds from NCI subsidiaries paid in capital		37,500	-
Dividends to non-controlling interests in subsidiaries		(8,911,955)	(6,994,746)
Net cash flows generated from financing activities		**6,104,937,271**	**97,108,913**
Net change in cash and cash equivalents		(640,389,279)	1,475,770,246
Cash and cash equivalents at the beginning of the year		3,355,323,742	1,868,167,259
Effect of movement in expected credit loss on cash and cash equivalents	(15)	(7,213,992)	11,386,237
Cash and cash equivalents at the end of the year	(27)	**2,707,720,471**	**3,355,323,742**

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

1. Corporate information

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

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

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

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

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

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

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

The consolidated financial statements have been approved for issuance by the Board of Directors on 5 February 2026 taking into consideration that the General Assembly of Shareholders for each entity has the authority to amend the financial statements after being issued.
The Company is listed on the Egyptian Stock Exchange.

The consolidated financial statements of Sixth of October for Development & Investment Company “SODIC” (the Parent Company) for the financial year ended December 31, 2025, comprise the financial information of the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in the profit or loss of associates and joint ventures.

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

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

2. Operating Environment of the Group

The Monetary Policy Committee of the Central Bank of Egypt decided to cut off the deposit and lending interest rates by 225 basis points on 17 April 2025, then by 200 basis points on 28 August 2025, then by 100 basis points on 5 October 2025, then by 100 basis points on 25 December 2025.

3. Group information

Information about subsidiaries

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

Subsidiary name	Nature and activity	Country of Incorporation	Ownership (Directly or Indirectly) As at 31 December 2025	As at 31 December 2024
			%	%
1- Beverly Hills for Management of Cities and Resorts Co. - S.A.E.	Facility Management	Egypt	44.18	44.46
2- Edara for Services of Cities and Resorts Co. –S.A.E.	Facility Management	Egypt	100	100
3- SODIC Garden City for Development and Investment Co. S.A.E.	Facility Management (Strip I)	Egypt	50	50
4- SODIC for Clubs Company	Clubs Management	Egypt	100	100
5- Fourteen for Real Estate Investment Co. - S.A.E.	Real estate developer (Palmyra project)	Egypt	100	100
6- SODIC Syria L.L.C (*)	Real estate developer (palmyra project)	Syria	100	100
7- SODIC for Securitization (**)	Securitization	Egypt	-	100
8- Tegara for Trading Centers Co. S.A.E. (***)	Dormant Company liquidated	Egypt	-	99.99
Merged entities as of 14 July 2025 (Note 48)				
1- Sixth of October for Development and Real Estate Projects Company "SOREAL" - S.A.E. (1.9)	Real estate developer (East town project) Merged into SODIC	Egypt	-	100
2- Al Yosr for Projects and Real Estate Development Co. - S.A.E. (1.9)	Real estate developer (Estates project) Merged into SODIC	Egypt	-	100
3- SODIC for Development and Real Estate Investment Co. – S.A.E. (1.9)	Real estate developer Merged into SODIC	Egypt	-	100
4- SODIC Polygon for Real Estate Investment Co. - S.A.E. (1.9)	Real estate developer (Polygon project) Merged into SODIC	Egypt	-	100
5- La Maison for Real Estate Investment Co. - S.A.E. (1.9)	Management of Hub Merged into SODIC	Egypt	-	100
6- Soreal for Real Estate Investment (1.9)	Real estate developer (Villette project) Merged into SODIC	Egypt	-	100
7- Tabrouk Development Company (1.9)	Real estate developer (June project) Merged into SODIC	Egypt	-	100

3. Group information (continued)

(*) 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.

(**) In February 2025, the sale of SODIC Securitization to Beltone was completed for a total amount of EGP 8.5 million.

(***) In July 2025, liquidation process of Tegara for Trading Centers Company was finalized, and the commercial register was erased on July 20,2025.

3.1 The Group merged the subsidiaries listed above (the merged companies) into its parent Company, Sixth of October Development and Investment Company - SODIC (the merging Company), based on the approval of the Extraordinary General Assembly held on March 25, 2025, approved on May 19, 2025, and based on the resolution No. 365/2 of 2025 of the Chairman of the General Authority for Investment and Free Zones, issued on May 14, 2025. The merged companies were delisted from the commercial register on July 14, 2025. The merger was accounted for at the book value of the net equity of the merged and merging companies, as per the financial statements as of December 31, 2021. (Note 48)

3.2 Non-controlling interest

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

4. Basis of preparation

4.1 Statement of compliance

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

4.2 Basis of measurement

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

4.3 New standards and interpretations to be adopted by the Group

No new standards and interpretations have been adopted by the Group.

4.4 Going concern

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

4. Basis of preparation (continued)

4.5 Current versus non-current classification for assets and liabilities

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

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

The Group classifies all other assets as non-current.

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

The Group classifies all other liabilities as non-current.

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

4.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

a) Subsidiaries

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

4. Basis of preparation (continued)

4.6 Basis of consolidation (continued)

a) Subsidiaries (continued)

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

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

b) Changes in ownership interests

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

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

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

4. Basis of consolidation (continued)

4.6 Basis of consolidation (continued)

C) Joint operations

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

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

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

d) Investment in associates

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

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

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

5. Significant accounting policies

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

5.1 Fair value measurement

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

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

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

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

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

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

5.2 Revenue recognition:

The group has multiple revenue streams

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

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

5. Significant accounting policies (continued)

5.2 Revenue recognition: (continued)

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

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

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

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

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

i) Real estate sales

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

- Revenue from sale of real estate properties, offices, commercial shops, service, and villas and for which contracts were concluded is recorded when upon transferring control to customers whether the said units have been completed or semi – completed (finished or semi-finished) at a value that reflects the expected value of the group in exchange for those units. To reflect those real estate properties / lands at a certain point of time.

- Revenues from sale of real estate properties /lands is recognized net after deducting the value of sales returns and deducting discounts granted to customers for early payment of future installments of the real estate properties over which control has transferred to customers.

5. Significant accounting policies (continued)

5.2 Revenue recognition: (continued)

i) Real estate sales (continued)

- Revenues from sale of real estate properties /lands also includes the value of interest on installments collected during the financial year / period from previous years' sales.

2.

The significant financing component

- The Group collects advance payments and installments from customers, before the transfer of control over contracted real estate properties to customers as agreed in the contract, accordingly there is a significant financing component in these contracts, taking into account the length of time between the customer's payments and the transfer of control to him, and the interest rate prevailing in the market.

- The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing in the state at the time of the contract.

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

Commissions

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

ii) Revenue from services

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

5. Significant accounting policies (continued)

5.2 Revenue recognition: (continued)

iii) Rental income

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

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

iv) Contracting revenue

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

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

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

5. Significant accounting policies (continued)

5.2 Revenue recognition: (continued)

iv) Contracting revenue (continued)

Contract assets and contract liabilities

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

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

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

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

5. Significant accounting policies (continued)

5.3 Income Taxes

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

i. Current income tax

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

ii. Deferred tax

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

Deferred tax is not recognized for:

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

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

5. Significant accounting policies (continued)

5.3 Income Taxes (continued)

ii) Deferred tax (continued)

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

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

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

5.4 Foreign currency translation

5.4.1 i) Functional and presentation currency

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

5.4.2 ii) Transactions and balances

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

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

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

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

5. Significant accounting policies (continued)

5.5 Property, plant and equipment

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

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

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

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

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

5. Significant accounting policies (continued)

5.6 Completed real estate properties

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

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

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

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

5.7 Work in process

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

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

5.8 Accounting for land variable or contingent acquisition consideration

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

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

5. Significant accounting policies (continued)

5.9 Investment properties

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

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

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

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

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

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

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

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

5. Significant accounting policies (continued)

5.10 Investments properties under development

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

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

5.11 Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.
A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) <u>Classification and subsequent measurement</u> (continued)

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

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

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

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

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

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

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

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

Financial assets- Business Model Assessment

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

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

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

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

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

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

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses

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

Impairment

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) <u>Classification and subsequent measurement</u> (continued)

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

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

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

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

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

The Group considers a financial asset to be in default when:

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

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

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

b) Financial liabilities

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

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

5. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

b) Financial liabilities

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

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

5.12 Offsetting of financial instruments

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

5. Significant accounting policies (continued)

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

5.13 Impairment of non-financial assets

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

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

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

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

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

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

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

5. Significant accounting policies (continued)

5.13 Impairment of non-financial assets (continued)

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

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

5.14 Cash and cash equivalent

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

The treasury bills with original maturities less than three months are not considered cash and cash equivalents.

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

5.15 Borrowing costs

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

5. Significant accounting policies (continued)

5.16 Provisions

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

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

i) Provision for completion of work

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

ii) Onerous contracts provision

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

5.17 Interest income

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

5. Significant accounting policies (continued)

5.18 Dividends

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

5.19 Share capital

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

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

5.20 Share premium

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

5.21 Earnings per share

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

5.22 Segmentation

Currently the Group's main business segment is developing projects and selling the developed units. Revenues, profits and investments in other business segments are currently immaterial. Accordingly rental, service & managing cities and clubs business segments do not meet the criteria of reportable segments under EAS (41), and as such, are not separately disclosed in the consolidated financial statements. All revenues of the Group in the Year ended 31 December 2025 were reported under one segment in the consolidated financial statements. The financial information about the projects are aggregated and disclosed based on its geographical locations in the related notes of revenues, cost of sales , investment properties under development , completed units, work in progress, advances from customers and the land liabilities notes.

6. Use of judgment and estimates

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

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

6.1 Judgments

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

a) De facto control

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

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

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

6. Use of judgment and estimates (continued)

6.1 Judgments (continued)

b) Review of contractual agreements

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

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

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

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

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

c) Property lease classification – the Group as lessor

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

6. Use of judgment and estimates (continued)

6.1 Judgments (continued)

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

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

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

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

Developer-entities in the Group often launch projects with multiple phases each of which may be accounted for separately. The costs of these phases are usually allocated to determine how much profit (or loss) will be made in each phase. This lets developers decide which phases should be completed first and what incentives may be offered to convince buyers to purchase real estate properties from those phases in light of the change in market circumstances.

6. Use of judgment and estimates (continued)

6.2 Assumptions and estimation

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

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

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

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

b) Classification of properties

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

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

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

6. Use of judgment and estimates (continued)

6.2 Assumptions and estimation

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

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

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

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

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

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

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

6. Use of judgment and estimates (continued)

6.2 Assumptions and estimation

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

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

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

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

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

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

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

6. Use of judgment and estimates (continued)

6.2 Assumptions and estimation

g) Impairment of non-financial assets

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

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

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

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

i) Cost allocation

the group use relative sales value (RSV) to allocate common costs, the common costs are allocated over the real estate properties based on their sales prices, The group believes that this methodology is presenting a better representation

The management cost allocation methodology is based on the following:

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

6. Use of judgment and estimates (continued)

6.2 Assumptions and estimation

j) Determining the unit of account

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

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

6.3 Measurement of fair values

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

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

6. Use of judgment and estimates (continued)

6.3 Measurement of fair values (continued)

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

The Group does not have any financial assets or liabilities measured at fair value as of 31 December 2025 and 31 December 2024.

7. Capital management

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

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

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

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

The Group monitors capital on the basis of the leverage ratio. This ratio is calculated as interest bearing external borrowings debt divided by total equity. The ratio reached 61.5% as at December 31,2025 (33% as at December 31 ,2024), refer to borrowing note for loan covenant details.

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

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

8. Financial risk management

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

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

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

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

  The sensitivity of the relevant consolidated statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2025 and 31 December 2024.

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

Exposure to interest rate risk

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

	2025	2024
Financial instruments with a fixed rate		
Financial assets	16,335,902,845	10,677,775,075
Financial liabilities	(19,420,500,004)	(7,502,836,534)
	(3,084,597,159)	**3,174,938,541**
Financial instruments with variable rate		
Financial liabilities	(10,135,224,682)	(3,789,209,660)
	(10,135,224,682)	**(3,789,209,660)**

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

8. Financial risk management (continued)

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 200 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP 203 million (2024: EGP 76 million). This analysis assumes that all other variables, remain constant.

- Foreign currency risk

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

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

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

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

	31 December 2025			31 December 2024		
	Cash & cash equivalents	Other assets	Total exposure	Cash & cash equivalents	Other assets	Total exposure
US	21,000,060	-	**21,000,060**	20,218,683	-	**20,218,683**
Euros	126,832	-	**126,832**	22,739	-	**22,739**
GBP	36,881	-	**36,881**	36,899	-	**36,899**

The following is the exchange rates applied:

	Average exchange rate during the year		Spot rate at the financial statements date	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
US Dollars	49.26	48.37	47.61	50.79
Euros	54.93	51.58	55.97	52.87
GBP	64.36	62.12	64.19	63.80

8. Financial risk management (continued)

- Foreign currency risk (continued)

At 31 December 2025, if the Egyptian Pound had weakened/strengthened by 10% against the other currencies with all other variables held constant, total equity for the year would have increased/decreased by EGP (101 M) (2024: EGP (103 M)), mainly as a result of foreign exchange gains/losses in the statement of consolidated profits or losses.

- Price risk

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

- Credit risk

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

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

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

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

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

Notes and other receivables

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

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

8. Financial risk management (continued)

Notes and other receivables (continued)

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

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

Cash and cash equivalents

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

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

- Liquidity risk

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

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

8. Financial risk management (continued)

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

	1 year or less	1 to 5 years	more than 5 years	Total
31 December 2025				
Land liabilities and notes payables	1,772,615,057	12,957,060,428	4,577,271,735	**19,306,947,220**
Loans	3,236,530,769	6,545,304,173	-	**9,781,834,942**
Lease contract liability	9,075,275	6,884,784	-	**15,960,059**
Creditors and other credit balances	11,301,646,462	-	-	**11,301,646,462**
31 December 2024				
Land liabilities and notes payables	881,096,901	1,970,296,558	4,476,705,563	**7,328,099,022**
Loans	1,359,164,170	260,967,445	2,169,078,045	**3,789,209,660**
Lease contract liability	28,413,847	13,415,336	13,428,434	**55,257,617**
Creditors and other credit balances	7,486,341,733	-	-	**7,486,341,733**

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

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

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

9. Real estate sales

	2025	2024
Revenues from real estate sales of Sodic projects in West Cairo	12,542,007,974	3,695,977,273
Revenues from real estate sales of Sodic projects in East Cairo	3,675,037,445	4,116,329,188
Revenues from real estate sales of Sodic projects in North Coast	1,862,909,811	-
	18,079,955,230	**7,812,306,461**
Discounts	(818,078,541)	(285,678,238)
	17,261,876,689	**7,526,628,223**
Installments' interest realized during the year*	1,859,236,560	1,192,374,174
	19,121,113,249	**8,719,002,397**

i. Includes an amount of EGP 2,003,834,724 representing the financing component on installments collected from customers of delivered real estate properties prior to delivery in compliance with the Egyptian accounting standard No. 48.

ii. All the real estate sales are recorded at a point in time.

* This amount of EGP 1,859,236,560 represents the financing component on notes receivables due from customers of delivered real estate properties in compliance with the Egyptian accounting standard No. 48.

10. Cost of real estate sales

	2025	2024
Cost of real estate sales of Sodic projects in West Cairo	7,803,846,390	1,609,960,523
Cost of real estate sales of Sodic projects in East Cairo	2,301,080,370	2,092,905,107
Cost of real estate sales of Sodic projects in North Coast	1,364,058,064	-
	11,468,984,824	**3,702,865,630**
Reversal of NRV	-	(521,041,012)
	11,468,984,824	**3,181,824,618**

Includes an amount of EGP 1,977,057,360 interest capitalized on installments received on advance from customers on delivered real estate properties. in compliance with the Egyptian accounting standard No. 48.

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

11. Other operating revenue

	2025	2024
Cancellations and delay penalties	178,463,209	86,431,300
Reversal of impairment losses of property, plant and equipment	1,822,590	-
Subscription fees	5,280,427	14,520,672
Provisions no longer required	32,993,237	-
Gain on sale of property, Plant, and Equipment	3,925,058	101,104
Gain on sale of investment properties and investment properties under development *	390,382,992	-
Gain on sale / liquidation of subsidiaries	2,180,271	29,023
Other income	88,723,452	45,534,835
	703,771,236	**146,616,934**

* The gain on sale of investment properties and investment properties under development represents the net gain resulting from the sale of commercial units in the Six West and portal projects, with costs of EGP 45,472,314 and EGP 2,778,849 and total proceeds of EGP 438,634,155.

12. Selling and marketing expenses

	2025	2024
Salaries and wages	75,070,121	83,176,628
Sales commissions	683,945,828	333,643,692
Advertising and events	519,326,088	336,193,587
Rent	12,688,231	10,869,645
Fixed assets depreciation and amortization of right of use assets	9,312,471	18,596,830
Communication, electricity, telephone, and water	3,139,656	5,057,719
Fees, stamps and licenses	8,661,869	9,544,100
Maintenance, security, cleaning, and agriculture	8,402,703	8,157,005
Tips and gifts	2,905,679	789,192
Travel, transportation, and cars	9,810,695	3,086,148
Printing and photocopying	1,851,890	1,469,035
Employees vacations	762,287	362,248
Professional and consultants' fees	21,878,157	2,100,737
Other	11,777,280	38,518,878
	1,369,532,955	**851,565,444**

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

13. General and administrative expenses

	2025	2024
Salaries, wages, and bonuses	526,375,053	400,647,091
Board of Directors' remunerations and allowances	24,000,000	16,000,000
Medical care, training, meals & uniforms	63,880,970	30,088,148
Specific employee's benefits	580,060	470,885
Maintenance, security, cleaning, and agriculture	65,268,157	167,167,445
Professional and consultancy fees	116,317,643	113,922,405
Exhibitions, and conferences	1,316,096	3,694,559
Donations	8,237,000	7,462,000
Gifts and tips	8,612,305	4,760,676
Fixed assets depreciation and amortization of right of use assets	30,297,078	25,915,458
Tafakul contribution	52,885,873	24,720,642
Programs and computer supplies	167,368,798	115,162,307
Stationery and printing supplies	2,408,305	2,049,028
Subscriptions and governmental dues	44,157,551	21,242,223
Rent	6,407,117	6,236,890
Bank charges	21,289,718	15,208,795
Reception and hospitality	12,380,447	15,061,123
Communication, electricity, telephone, and water	29,581,489	14,330,667
Travel and transportation	13,322,905	9,251,584
Employees vacations	8,307,031	6,262,968
Insurance installments	5,343,308	3,795,438
Other	33,931,579	19,920,039
	1,242,268,483	**1,023,370,371**

14. Other operating expenses

	2025	2024
Provision for expected claims	160,786,736	130,181,499
Provisions for compensation	-	150,000,000
Others	29,650	8,611,140
	160,816,386	**288,792,639**

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

15. Expected credit losses

	Balance in 1 January 2025	Movement during the year	Balance in 31 December 2025
Loans to joint ventures (Note 25)	211,886,181	1,188,372	213,074,553
Cash and cash equivalents (Note 27)	19,345,867	(7,213,992)	12,131,875
Financial investments at amortized cost (Note 26)	1,567,579	(1,567,579)	-
Trade and notes receivable* (Note 23)	76,347,247	(9,711,167)	66,636,080
Debtors and other debit balances (Note 24)	215,931,966	23,715,344	239,647,310
	525,078,840	**6,410,978**	**531,489,818**

	Balance in 1 January 2024	Movement during the year	Balance in 31 December 2024
Loans to joint ventures (Note 25)	210,069,108	1,817,073	211,886,181
Cash and cash equivalents (Note 27)	7,959,630	11,386,237	19,345,867
Financial investments at amortized cost (Note 26)	-	1,567,579	1,567,579
Trade and notes receivable* (Note 23)	64,353,210	11,994,037	76,347,247
Debtors and other debit balances (Note 24)	158,213,553	57,718,413	215,931,966
	440,595,501	**84,483,339**	**525,078,840**

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

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

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

16. Finance income

	2025	2024
Interest income	308,369,624	334,065,698
Return on investment at amortized cost	34,534,386	57,754,142
Foreign exchange gains from balances denominated in foreign currencies	-	271,834,104
	342,904,010	**663,653,944**

17. Finance cost

	2025	2024
Interest expense	43,697,289	603,956,922
Interest on lease contracts	3,885,852	9,025,714
Foreign exchange loss from balances denominated in foreign currencies	54,414,777	-
	101,997,918	**612,982,636**

18. Income tax

18.1 Items recognized in the consolidated profit or loss

	2025	2024
Current income tax expense	1,685,693,342	842,858,347
Deferred income tax benefit	(379,944,867)	(16,355,437)
	1,305,748,475	**826,502,910**

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

18. Income tax (continued)

18.2 Movement of deferred tax assets and liabilities

December 31, 2025	Balance as at 1 January 2025 asset / (liability)	Charged to profit or loss	Balance as at 31 December 2025		
			Deferred tax resulted in asset	Deferred tax resulted in (liability)	Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(6,191,297)	(17,726,324)	-	(23,917,621)	(23,917,621)
Foreign exchange differences	(74,223,698)	9,194,102	-	(65,029,596)	(65,029,596)
Provisions	595,760,045	389,047,170	984,807,215	-	984,807,215
EAS application differences	(1,267,034)	(570,081)	-	(1,837,115)	(1,837,115)
	514,078,016	**379,944,867**	**984,807,215**	**(90,784,332)**	**894,022,883**

December 31, 2024	Balance as at 1 January 2024 asset / (liability)	Charged to profit or loss	Balance as at 31 December 2024		
			Deferred tax resulted in asset	Deferred tax resulted in (liability)	Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(1,797,900)	(4,393,397)	-	(6,191,297)	(6,191,297)
Foreign exchange differences	(28,920,967)	(45,302,731)	-	(74,223,698)	(74,223,698)
Provisions	529,383,142	66,376,903	595,760,045	-	595,760,045
EAS application differences	(941,696)	(325,338)	-	(1,267,034)	(1,267,034)
	497,722,579	**16,355,437**	**595,760,045**	**(81,682,029)**	**514,078,016**

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

18. Income tax (continued)

18.3 Reconciliation of effective income tax rate

	2025	2024
Profit before income tax	5,796,234,030	3,360,179,995
Tax rate	**22.50%**	**22.50%**
Income tax using the domestic corporation tax rate	**1,304,152,657**	**756,040,499**
Special tax pool (financial investment at amortized cost)	1,432,349	10,214,670
Non- deductible (revenues) / expenses	(17,562,857)	55,854,344
Differences in amortization and interest on lease obligations	17,726,326	4,393,397
Tax as per consolidated statement of profit or loss	**1,305,748,475**	**826,502,910**
Effective tax rate	**22.53%**	**24.60%**

18.4 Unrecognized deferred tax assets

	2025	2024
Temporary deductible differences – ECL	200,380,924	208,469,259
Carried forward tax losses	-	-
	200,380,924	**208,469,259**

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

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

19. Earnings per share

19.1 Consolidated earnings per share

Earnings per share as of December 31, 2025, is calculated based on the Group's share in earnings for the year using the weighted average number of outstanding shares during the year as follows:

	2025	2024
Profit for the year (parent company share)	4,479,519,259	2,527,212,448
	4,479,519,259	**2,527,212,448**
Weighted average number of shares outstanding during the year (*)	1,289,293,586	1,289,293,586
Earnings per share (EGP / share)	**3.47**	**1.96**

19.2 Separate earnings per share

Earnings per share as at December 31, 2025, is calculated based on the Parent Company's share in net profit for the year according to the separate financial statements using the weighted average number of outstanding shares during the year as follows:

	2025	2024
Profit for the year	3,468,834,010	87,062,811
	3,468,834,010	**87,062,811**
Weighted average number of shares outstanding during the year (*)	1,289,293,586	1,289,293,586
Earnings per share (EGP / share)	**2.69**	**0.07**

(*) The weighted average number of outstanding shares in the comparative figures has been adjusted to account for the Group's capital issuance after the merger, resulting in a capital of EGP 5,157,174,344 distributed over 1,289,293,586 shares

20. Inventory

	2025	2024
Maintenance, operation, communication and restaurants supplies	110,134,428	26,581,742
	110,134,428	**26,581,742**

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

21. Completed real estate properties

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

	2025	2024
West Cairo projects costs	183,129,381	629,305,675
East Cairo projects costs	1,017,840,007	2,175,288,209
North Coast projects costs	12,196,284	12,196,284
	1,213,165,672	**2,816,790,168**

22. Work in process

	2025	2024
West Cairo projects costs (22-1)	17,170,804,485	14,771,136,447
East Cairo projects costs (22-2)	18,351,323,330	2,245,118,750
North Coast projects costs (22-3)	14,939,526,718	8,193,342,581
	50,461,654,533	**25,209,597,778**

The work in process balance includes the following:

- Land cost amounting 25.2 billion (2024: 9 billion), and amount of EGP 10.3 billion representing the value of total capitalized interest on work in process including 5.76 billion representing the value of capitalized interest installments collected from customers before delivery in accordance with EAS 48 (EGP 6.1 billion including EGP 3.2 billion respectively on 31 December 2024).

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

	2025	2024
Beginning balance	25,209,597,778	17,571,221,017
Net additions	33,162,198,067	11,923,268,399
Transferred to completed real estate properties	(7,755,147,188)	(4,447,300,543)
Transferred to investment properties and investment properties under development	(161,551,359)	(178,177,289)
Net write down	6,557,235	340,586,194
	50,461,654,533	**25,209,597,778**

22. Work in process (continued)

22.1 West Cairo projects costs

A) The Estates project

The Balance includes the value of two plots of land owned by the Group, on which the The-Estates and The-Estates residences projects are developed.

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

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

B) VYE and Karmel Projects

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

C) New Sphinx land

An amount of EGP 580,940,399 has been paid as an advance against the variable cost for a plot of land measuring 1,007.48 acres, located within New Sphinx City. On May 11, 2025, SODIC (as the real estate developer) signed a co-development agreement for the land with Rula Land Reclamation Company – Freiji & Partners. Subsequently, on June 24, 2025, a partial handover of 1001.812 feddans out of the total land area was completed to SODIC.

The land cost as per the co-development contract is variable consideration.

22.2 East Cairo projects costs

A) SODIC East Project

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

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

22. Work in process (continued)

22.2 East Cairo projects costs (continued)

A) SODIC East Project (continued)

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

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

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

22. Work in process (continued)

22.2 East Cairo projects costs (continued)

B) Eastvale Project

On November 10, 2025, the Group signed a revenue-sharing agreement with MIDAR Investment and Urban Development Company to develop an integrated urban project within city "MADA". Under this agreement, the Group will develop a 500-acre plot of land.

The value of the land was determined at EGP 14.7 billion, based on its present value at the contract date. An amount of EGP 2.94 billion was paid upon signing, and the remaining balance will be paid over eight instalments according to a schedule starting in November 2026 and ending in November 2033.

22.3 North Cost projects costs

A) June Project

On August 25, 2021, a development contract was concluded between by the Group and the Owners Union – Shahin, to include the area of land belonging to Owners Union – Shahin after increasing it to 1 182 004 sqm according to the master plan for the North Coast and as per the contract signed between the Owners Union – Shahin and the New Urban Communities Authority on September 12, 2021.
Under the development contract, the Group at its expense, is responsible to develop all the components of the project, including the internal infrastructure and facilities, except for the licensing and construction of 200 hotel rooms, including internal facilities and infrastructure, with the commitment of the Group, to deliver the facilities to The boundaries of the hotel plot.

22. Work in process (continued)

22.3 North Cost projects costs (continued)

A) June Project (continued)

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

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

B) Ceaser Project backplot

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

C) Ogami Project

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

The land cost as per the co-development contract is variable consideration.

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

23. Trade and notes receivable

23.1 Trade and notes receivable current

	2025	2024
Trade receivable	394,411,813	341,846,010
Notes receivable – units *	5,416,096,960	3,438,936,486
Notes receivable – others	53,247,457	13,532,780
	5,863,756,230	**3,794,315,276**
Unamortized interest – notes receivable	(398,983,378)	(433,336,011)
	5,464,772,852	**3,360,979,265**
Expected credit losses	(33,229,877)	(33,022,108)
	5,431,542,975	**3,327,957,157**

* The balance of notes receivable represents the value of notes receivable received from real estate delivered units customers that are due after 12 months from the date of the financial position.

23.2 Trade and notes receivable non-current

	2025	2024
Trade receivable	19,229,686	16,239,569
Notes receivable – units *	13,941,002,371	8,399,415,710
	13,960,232,057	**8,415,655,279**
Unamortized interest – notes receivable	(5,866,885,086)	(3,110,593,265)
	8,093,346,971	**5,305,062,014**
Expected credit losses	(33,406,203)	(43,325,139)
	8,059,940,768	**5,261,736,875**

* The balance of notes receivable installments represents the value of notes receivable received from real estate delivered units customers that are due after 12 months from the date of the financial position.

The off-balance sheet notes receivables (Post dated checks) are amounted to EGP 87 billion have been disclosed in note No. (46).

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

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

Sensitivity analysis
If the loss rates increased by 10%, the total expected credit losses will increase by 6.7 million (31 December 2024: 7.6 million)

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

24. Debtors and other debit balances

	2025	2024
Contractors and suppliers – advance payments	5,840,874,988	4,040,468,757
Due from related parties – Joint Venture (Note 42)	35,191,620	35,191,620
Accrued Revenues	130,566,596	80,643,605
Due from related parties (Note 42)	273,354	1,042,141
Prepaid expenses and sales commissions	2,833,455,486	2,220,210,057
Deposits with others	38,691,995	28,048,007
Tax Authority other than income tax	149,944,479	206,265,736
Heliopolis Development and Housing Company (24-1)	260,802,472	260,802,472
Escrow bank accounts – Joint arrangements (24-2)	562,951,784	202,518,192
Bank current accounts & deposits - Maintenance (24-3)	5,391,472,927	3,666,158,427
Project maintenance receivables	528,399,468	402,980,099
Other debit balances	269,906,509	82,947,097
	16,042,531,678	**11,227,276,210**
Expected credit losses	(239,647,310)	(215,931,966)
	15,802,884,368	**11,011,344,244**

(24-1) This amount represents an advance payment made to Heliopolis Company for Housing and Development, which will be settled against Heliopolis Company's share of revenues under the joint development agreement related to the Heliopolis Housing and Development project.

(24-2) This balance represents the Group's share of the collected amounts from customers in the joint escrow bank accounts held by the banks for Group projects. These balances are restricted unless agreed upon by both the developer and the landlord in accordance with the contract terms of the joint bank accounts between the Group as a developer, the bank, the landlord and letters of guarantees coverage.

(24-3) The balance represents maintenance deposits collected from customers, which have been invested in time deposits and interest-bearing current accounts for the purpose of financing the regular maintenance expenses related to the delivered real estate properties and cannot be used for any other purpose.

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

25. Loans to joint ventures

	2025	2024
This item represents the loan granted to the Joint Venture project in the Syrian Arab Republic by the Group on August 16, 2010 for a total amount of USD 19.5 Million. The loan carries an interest rate of 8.5% per annum. The principal together with interest were scheduled for payment before December 31, 2011. The loan was renewed with an interest rate of 12.5% per annum.	135,485,961	135,485,961
This item represents the utilized amount of the bridge loan granted to the Joint Venture project in the Syrian Arab Republic on October 28, 2010 for a total amount of USD 8,445,674. The loan carries an interest rate of 8.5% per annum.	77,588,592	76,400,220
	213,074,553	**211,886,181**
Expected credit losses	(213,074,553)	(211,886,181)
	-	-

26. Financial investments at amortized cost

	2025	2024
Treasury bills at par value	1,739,575,000	8,200,000
Bonds at par value	-	50,000,000
Unearned return on treasury bills	(52,224,949)	(1,085,516)
	1,687,350,051	**57,114,484**
Expected credit losses	-	(1,567,579)
	1,687,350,051	**55,546,905**

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

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

27. Cash and cash equivalents

	2025	2024
Bank - time deposits	1,157,069,051	2,032,534,137
Bank - current accounts	1,523,078,428	1,301,514,488
Checks under collection	37,270,811	28,667,223
Cash on hand	5,966,641	5,603,952
	2,723,384,931	**3,368,319,800**
Expected credit losses	(12,131,875)	(19,345,867)
	2,711,253,056	**3,348,973,933**

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

	2025	2024
Cash and cash equivalents before ECL	2,723,384,931	3,368,319,800
Cash and cash equivalents classified as held for sale	-	8,370,419
Time deposits Maturing after three months	(500,000)	(7,000,000)
Restricted deposits *	(15,164,460)	(14,366,477)
Cash and cash equivalents in the consolidated statement of cash flows	**2,707,720,471**	**3,355,323,742**

* Deposits include an amount of EGP 15.16 million restricted as a guarantee for the credit facility granted to the Parent Company and one of its subsidiaries from commercial banks.

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

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

28. Assets classified as held for sale

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

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

The sale transaction was executed during 2025, resulting in a profit of EGP 1,716,810, which has been included under 'Other Operating Revenues.

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

28. Assets classified as held for sale (continued)

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

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

28.1 Assets classified as held for sale

	2025	2024
Cash and cash equivalents	-	8,370,419
	-	**8,370,419**

28.2 Liabilities classified as held for sale

	2025	2024
Creditors and other credit balances	-	(150,786)
Deferred tax liabilities	-	(632,459)
	-	**(783,245)**

Profit from discontinued operation is represented as follows:

	2025	2024
Revenues	-	3,114,304
Expenses	-	(303,375)
Profit from operating activities	-	**2,810,929**
Income tax expense/(benefit)	-	(632,459)
Profit from operating activities, net of income tax	**-**	**2,178,470**

Cash flows from discontinued operation

	2025	2024
Net cash from operating activities	-	689,159
Net cash used in investing activities	-	2,008,760
Net cash from financing activities	-	(7,765,419)
Proceeds from sale of Assets classified as held for sale	933,565	-
Net cash used /from discontinued activities	**933,565**	**(5,067,500)**

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

29. Property plant and equipment

	Golf Course	Lands	Buildings & Constructions	Vehicles	Furniture and fixtures	Office equipment & communications	Computer software	Generators, machinery & equipment	Solar power stations	Leasehold & owned properties improvements	Total
Cost											
Cost at January 1, 2024	**93,628,961**	**50,183,086**	**654,278,780**	**79,193,874**	**89,326,358**	**65,536,368**	**26,014,405**	**93,192,030**	**11,218,810**	**91,648,097**	**1,254,220,769**
Additions during the year	-	-	13,332,197	4,716,756	15,160,915	11,385,801	-	11,723,761	-	780,962	57,100,392
Disposals during the year	-	-	-	(42,867)	(1,184,553)	(2,124,099)	-	(2,161,546)	-	(179,809)	(5,692,874)
Cost at December 31, 2024	**93,628,961**	**50,183,086**	**667,610,977**	**83,867,763**	**103,302,720**	**74,798,070**	**26,014,405**	**102,754,245**	**11,218,810**	**92,249,250**	**1,305,628,287**
Cost at January 1, 2025	**93,628,961**	**50,183,086**	**667,610,977**	**83,867,763**	**103,302,720**	**74,798,070**	**26,014,405**	**102,754,245**	**11,218,810**	**92,249,250**	**1,305,628,287**
Additions during the year	-	-	182,287,495	51,112,530	128,114,084	24,149,618	3,753,578	127,911,744	-	3,832,562	521,161,611
Disposals during the year	-	-	(16,233,437)	(2,218,465)	(27,286)	(39,149)	-	(325,500)	-	(7,714,613)	(26,558,450)
Cost at December 31, 2025	**93,628,961**	**50,183,086**	**833,665,035**	**132,761,828**	**231,389,518**	**98,908,539**	**29,767,983**	**230,340,489**	**11,218,810**	**88,367,199**	**1,800,231,448**
Accumulated depreciation and impairment losses											
Accumulated depreciation and impairment losses at January 1, 2024	**93,628,961**	**-**	**150,852,711**	**53,337,073**	**63,576,610**	**48,782,718**	**22,569,448**	**63,368,236**	**1,755,732**	**75,467,315**	**573,338,804**
Depreciation during the year	1,822,572	-	35,262,266	10,176,893	12,015,183	8,272,076	2,292,476	13,782,778	448,752	6,742,308	90,815,304
Accumulated depreciation of disposals during the year	-	-	-	(42,863)	(1,013,599)	(2,030,098)	-	(1,901,685)	-	(188,196)	(5,176,441)
Reversal of impairment losses during the year	(1,822,572)	-	-	-	-	-	-	-	-	-	(1,822,572)
Accumulated depreciation and impairment losses at December 31, 2024	**93,628,961**	**-**	**186,114,977**	**63,471,103**	**74,578,194**	**55,024,696**	**24,861,924**	**75,249,329**	**2,204,484**	**82,021,427**	**657,155,095**
Accumulated depreciation and impairment losses at January 1, 2025	**93,628,961**	**-**	**186,114,977**	**63,471,103**	**74,578,194**	**55,024,696**	**24,861,924**	**75,249,329**	**2,204,484**	**82,021,427**	**657,155,095**
Depreciation during the year	1,822,590	-	37,160,135	12,498,308	15,503,911	9,614,273	1,917,754	17,655,995	448,752	6,658,484	103,280,202
Accumulated depreciation of disposals during the year	-	-	(16,067,912)	(2,071,030)	(27,462)	(30,023)	-	(311,135)	-	(7,710,726)	(26,218,288)
Reversal of impairment losses during the year	(1,822,590)	-	-	-	-	-	-	-	-	-	(1,822,590)
Accumulated depreciation and impairment losses at December 31, 2025	**93,628,961**	**-**	**207,207,200**	**73,898,381**	**90,054,643**	**64,608,946**	**26,779,678**	**92,594,189**	**2,653,236**	**80,969,185**	**732,394,419**
Carrying amount											
Carrying amount at January 1, 2024	**-**	**50,183,086**	**503,426,069**	**25,856,801**	**25,749,748**	**16,753,650**	**3,444,957**	**29,823,794**	**9,463,078**	**16,180,782**	**680,881,965**
Carrying amount at December 31, 2024	**-**	**50,183,086**	**481,496,000**	**20,396,660**	**28,724,526**	**19,773,374**	**1,152,481**	**27,504,916**	**9,014,326**	**10,227,823**	**648,473,192**
Carrying amount at December 31, 2025	**-**	**50,183,086**	**626,457,835**	**58,863,447**	**141,334,875**	**34,299,593**	**2,988,305**	**137,746,300**	**8,565,574**	**7,398,014**	**1,067,837,029**

- Fixed assets included fully depreciated assets amounted to EGP 229,668,693 at December 31, 2025.

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

29. Property, plant and equipment (continued)

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

	2025	2024
Cost of sales	74,392,290	67,174,193
Selling and marketing expenses	3,416,466	2,879,807
General and administrative expenses	25,471,446	20,761,304
	103,280,202	**90,815,304**

30. Projects under construction

	2025	2024
Hotels buildings under constructions	632,217,225	403,574,319
Administrative buildings and caravans under construction	120,509,267	91,295,348
Advance payments -fixtures and purchasing of fixed assets	1,454,243	2,879,916
	754,180,735	**497,749,583**

31. Investment properties under development

	2025	2024
Opening balance	78,574,672	875,213,535
Development cost incurred	66,898,853	133,814,582
Disposal during the Year	(45,472,314)	-
Transfer to Projects under construction	(5,216,416)	(294,390,363)
Transfer from WIP	161,551,359	-
Transfer to completed investment property	(214,470,899)	(636,063,082)
	41,865,255	**78,574,672**

	2025	2024
Projects in West Cairo	41,865,255	78,574,672
	41,865,255	**78,574,672**

The investment properties under development are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has recent experience in valuing similar properties in Egypt. The fair value as at 31 December 2025 is EGP 115.5 million, by using income approach, the key assumptions are growth rate 10% and average discount rate 22%.

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

32. Investments in associates and joint ventures

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

		Ownership Percentage		Carrying amount	
	Legal Form	31 December 2025	31 December 2024	31 December 2025	31 December 2024
		%	%	EGP	EGP
Royal Gardens for Investment Property Co.	SAE	20	20	-	-
Palmyra SODIC Real Estate Development*	Syrian Ltd.	50	50	-	-
				-	-

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

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

33. Investment properties

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

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

Description	EGP
Cost	
At January 1, 2024	**470,682,789**
Additions during the year	1,200,907,645
At December 31, 2024	**1,671,590,434**
At January 1, 2025	**1,671,590,434**
Additions during the year	224,778,869
Disposal during the year	(2,902,017)
At December 31, 2025	**1,893,467,286**
Less accumulated depreciation	
At January 1, 2024	**83,197,213**
Depreciation for the year	60,459,927
At December 31, 2024	**143,657,140**
At January 1, 2025	
Depreciation for the year	113,620,344
Disposal during the year	(123,168)
At December 31, 2025	**257,154,316**
Net carrying amount as of January 1, 2024	**387,485,576**
Net carrying amount as of December 31, 2024	**1,527,933,294**
Net carrying amount as of December 31, 2025	**1,636,312,970**

- The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has recent experience in valuing similar properties in Egypt. The fair value as at 31 December 2025 is EGP 3,27 billion and EGP 2,9 billion as at 31 December 2024.

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

33. Investment properties (continued)

Assumptions used for fair value at income approach calculations were as follows:

	2025	2024
Growth rate	10%	10%
Average discount rate	22%	23%

	Methodology used	2025	2024
Investment properties	Income approach	2,639,270,000	2,914,451,992
Investment properties	Market approach	631,335,000	83,400,000
Total		**3,270,605,000**	**2,914,451,992**

34. Share capital and reserves

34.1 Share capital

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

According to the resolution of the General Authority for Investment and Free Zones No. 365/2 of 2025, the authorized capital of Sixth of October for Development and Investment – SODIC after the merger became EGP 25 billion, and the issued capital after the merger became EGP 5,157,174,344 (only five billion, one hundred fifty-seven million, one hundred seventy-four thousand, three hundred forty-four Egyptian pounds). The number of capital shares is 1,289,293,586 shares with a nominal value of 4 Egyptian pounds per share, after transferring an amount of 1,483,154,056 Egyptian pounds (only one billion, four hundred eighty-three million, one hundred fifty-four thousand, fifty-six Egyptian pounds) to the "Special Reserve– Share Premium Account."

The current capital structure for the holding Group:

Shareholder	Number of shares	Share Value EGP	Ownership percentage %
Al Dar Ventures International Holding RSC Limited	771,844,964	3,087,379,856	59.87
Gamma Forge Limited	330,790,701	1,323,162,804	25.66
EKUITY Holding for Investments	62,445,514	249,782,056	4.84
Olayan Saudi Investment Company	33,624,605	134,498,420	2.61
Other shareholders	90,587,802	362,351,208	7.03
	1,289,293,586	**5,157,174,344**	**100**

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

34. Share capital and reserves (continued)

34.2 Legal reserve

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

The balance as of December 31, 2025 is represented as follows: -

Balance as at 31-12-2021	224,840,771
Close in Merger Account	(224,840,771)
Legal reserve 2023 Movement of 2022 net profit	56,843,426
Legal reserve 2024 Movement of 2023 net profit	61,506,743
Legal reserve 2025 Movement of 2024 net profit	120,635,247
	238,985,416

34.3 Special reserve – share premium

The balance as of December 31, 2025 is represented as follows: -

Description	EGP
Balance as at 31-12-2021	1,483,154,057
Close in Merger Account	(1,483,154,057)
Share premium as per FRAA Due to merge	1,483,154,056
The value received from the sale of all of non-vested Employees Stock Option shares which had been sold during year 2024.	206,915,652
	1,690,069,708

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

35. Non-controlling interest

Non-controlling interest balance as of December 31, 2025, represents the interest shares in subsidiary's equity as follows:

	Non-controlling interest				
	Percentage %	Profit / (loss for the year	Excluding profit / (loss) for the year	Balance as of 31 December 2025	Balance as of 31 December 2024
Sixth of October for Development and Real Estate Projects Co. "SOREAL"	-	-	-	-	370,891
Beverly Hills for Management of Cities and Resorts Co Note (6.1A)	55.82	298,315	30,927,289	31,225,604	30,758,110
SODIC Garden City for Development and Investment Co. Note (6.1A)	50	10,666,608	22,744,025	33,410,633	31,618,481
Al Yosr for Projects and Real Estate Development Co	-	-	-	-	92,546
SODIC for Development and Real Estate Investment Co.	-	-	-	-	20
Edara for Services of Cities and Resorts Co.	0.003	1,373	6,325	7,698	6,325
Fourteen for Real Estate Investment Co.	-	-	-	-	2
La Maison for Real Estate Investment Co.	-	-	-	-	2
		10,966,296	**53,677,639**	**64,643,935**	**62,846,377**

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

36. Borrowings

36.1 Loans

	Nominal interest rate	31 December 2025 Current portion	31 December 2025 Non-current portion	31 December 2025 Toal Loan	31 December 2024 Current portion	31 December 2024 Non-current portion	31 December 2024 Toal Loan
On October 13, 2021, Sixth of October for Development and Investment Company "SODIC" singed a medium-term syndicated loan contract with the Arab African International Bank "facility and guarantee agent" and Banque Misr (in its capacity as the account bank) with a total amount of EGP 1,570 million according to the previous syndicated loan contract signed on April 4, 2017 on two tranches: First tranche amount to finance the total debt outstanding & Second tranche to finance "SODIC West" projects. **Debt covenant:** - The Group pledges to deposit all proceeds from the sale of the project.	Floating	135,315,784	943,988,681	1,079,304,465	112,763,153	1,079,304,464	1,192,067,617
On December 26, 2019, one of the subsidiaries signed a medium-term loan contract with Commercial International Bank "CIB" with a total amount of EGP one Billion to finance technical investment cost of EDNC Project except any payments for the project land. **Debt covenant:** - The Group committed to deposit all revenues from the sale of the project. - The Group shall sign a mortgage and a first-degree right of transfer on the project in favor of the bank. - The Group shall get insurance cover 110% the project's constructions in favor of the bank. (The interest rate is CBE corridor plus margin).	Floating	-	-	-	350,000,000	-	350,000,000
On January 22, 2023, one of the group's subsidiaries signed a medium-term financing agreement with the Arab African International Bank to obtain a loan of EGP 2.75 billion to finance the completion and development costs of The Estates project, including the land cost. The project accounts were mortgaged in favor of the guarantor agent. A power of attorney was issued in favor of the guarantor agent, authorizing them to mortgage unsold and reclaimed units in the project immediately upon its commencement. (The interest rate is corridor + margin).	Floating	-	1,160,000,000	1,160,000,000	-	460,000,000	460,000,000

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

		31 December 2025			31 December 2024		
	Nominal interest rate	Current portion	Non-current portion	Toal Loan	Current portion	Non-current portion	Toal Loan
On September 8, 2024, SODIC signed a long-term syndicated facility with Bank Misr and commercial international bank CIB for a total amount of EGP 4.14 billion, to Partially finances remaining development cost along with other expenses related to Sodic 464 acres project, the loan will be repaid on 12 unequal quarterly installments	Floating	-	2,730,000,000	2,730,000,000	-	900,000,000	900,000,000
Debt Covenant:							
Capital adequacy ratio policies allocation							
Project account pledging							
Promissory notes (interest rate is corridor + margin).							
On November 26, 2025, SODIC signed a Revolving facility with Bank Misr for a total amount of up to EGP 3 billion with a tenor of four years. This Revolving facility is designed to finance SODIC's overall operating activities.	Floating	832,536,604	1,718,964,210	2,551,500,814	-	-	-
Debt Covenant:							
Pledging financing accounts in favor of the bank							
Issuing a power of attorney in favor of the bank authorizing it to endorse commercial papers submitted as collateral in favor of the bank							
(Interest rate is corridor + margin).							
Promissory notes (Interest rate is corridor + margin).							
The Group commits to a coverage ratio of 111% of the proceeds from the sale of units in the Villette project or any other projects.							
Unamortized borrowing cost		**(1,610,256)**	**(7,648,718)**	**(9,258,974)**	**(1,610,256)**	**(9,258,974)**	**(10,869,230)**
Total		**966,242,132**	**6,545,304,173**	**7,511,546,305**	**461,152,897**	**2,430,045,490**	**2,891,198,387**

36. Borrowings (continued)

- **Sale and Leaseback Transaction and Full Settlement of Obligations.**

On 9 November 2025, the Group executed a sale and leaseback transaction for a real estate asset it owned, whereby it sold to EFG Corp Solutions the land, building, and constructions of the Company's headquarters building, for a total consideration of EGP 2,940,000,000, which was received under the preliminary sale agreement signed on the same date.

Concurrently, the Group entered into a financial leasing contract with the same counterparty for the same asset for a period of three years, payable over 12 deferred quarterly installments, with a total lease value of EGP 4,170,366,297, in addition to administrative fees and an annual return rate that is adjustable based on changes in the Central Bank of Egypt's announced overnight deposit and lending rates (corridor). The contract also grants the Group an option to purchase the asset at the end of the term for EGP 1 or at the present value of the outstanding lease payments, in accordance with the contract terms.

On 16 December 2025, the Group settled all obligations arising from the financial leasing contract, as confirmed by a clearance letter issued by EFG Corp Solutions. Accordingly, the Group was fully discharged of all liabilities, and the asset returned to the Group's ownership permanently.

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

36. Borrowings (continued)

36.2 Bank facilities

	Nominal interest rate	2025	2024
On November 13, 2023, SODIC signed a revolving credit facility agreement with Commercial International bank for a total amount of EGP 1.2 billion for the purpose of financing the ongoing operations of Sodic projects, the facility has a tenure of seven years and is supported by receivables, representing future installments for units delivered across SODIC's diverse projects	Floating	489,592,152	800,303,274
On June 13, 2022, one of the subsidiaries signed a facility contract with Ahli united bank ,to discount the checks of some delivered units in Eastown project issued from unit owners in favor of the Group, the facility amount is not to exceed six hundred million Egyptian pounds of the net present value after calculating the discount rate and restricting 5% of each discount process be held on account for the service of default, with the bank's full right to recourse	Floating	44,814,928	97,707,999
On March 10, 2025, the Group signed a bridge facility agreement for EGP 2.45 billion with the Commercial International Bank to finance the investment cost of the June project on the North Coast. The facility is due eighteen months after the date of the first drawdown (the interest rate is corridor + margin).	Floating	1,735,881,557	-
		2,270,288,637	**898,011,273**

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

37. Land liabilities

	2025	2024
New Urban Communities Authority (Note 37.1)	6,149,898,492	6,136,518,830
Owners Union – Shahin (Note 37.2)	1,031,636,088	1,191,580,192
MIDAR Company (Note 37.3)	12,125,412,640	-
	19,306,947,220	**7,328,099,022**
Current portion	1,772,615,057	881,096,901
Non-current portion	17,534,332,163	6,447,002,121
	19,306,947,220	**7,328,099,022**

37.1 New Urban Communities Authority (NUCA)

	31 December 2025				31 December 2024			
	The Estates	**464 Acres (VYE & Karmell)**	**180 Acres (Ceaser)**	**Total**	**The Estates**	**464 Acres (VYE & Karmell)**	**180 Acres (Ceaser)**	**Total**
New Urban Communities Authority	391,664,215	9,803,121,930	340,418,618	10,535,204,763	618,702,085	10,343,855,608	516,338,792	11,478,896,485
Unamortized interest	(38,274,475)	(4,266,527,843)	(80,503,953)	(4,385,306,271)	(88,933,560)	(5,097,939,151)	(155,504,944)	(5,342,377,655)
	353,389,740	**5,536,594,087**	**259,914,665**	**6,149,898,492**	**529,768,525**	**5,245,916,457**	**360,833,848**	**6,136,518,830**
Current portion	176,378,794	861,222,209	103,653,835	1,141,254,838	176,378,794	532,294,201	100,919,183	809,592,178
Non-current portion	177,010,946	4,675,371,878	156,260,830	5,008,643,654	353,389,731	4,713,622,256	259,914,665	5,326,926,652
New Urban Communities Authority	**353,389,740**	**5,536,594,087**	**259,914,665**	**6,149,898,492**	**529,768,525**	**5,245,916,457**	**360,833,848**	**6,136,518,830**

a) The Estates Residences

In May 2022 an agreement was signed between Egyptian New Urban Communities Authority (“NUCA”) and the Group to purchase a plot of land covering an area of 115.34 acres with a total value of EGP 1.16 billion. The remaining purchase price and any associated interest are to be paid in semi-annual installments concluding on 8 September 2027, by this agreement the total land area allocated to the Company housing the Estate & The Estate residence increased to 265.34 acres.

b) 464 Acres Land plot

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

C) 180 Acres Land plot

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

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

37. Land liabilities (continued)

37.2 Owners Union-Shahin

	2025	2024
Owners Union – Shahin	1,662,193,125	1,883,818,875
Unamortized interest	(630,557,037)	(692,238,683)
	1,031,636,088	**1,191,580,192**
Current portion	86,452,563	71,504,723
Non-current portion	945,183,525	1,120,075,469
	1,031,636,088	**1,191,580,192**

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

37.3 MIDAR Company

	2025	2024
MIDAR Company	40,189,978,550	-
Unamortized interest	(29,064,565,910)	-
	12,125,412,640	**-**
Current portion	544,907,656	-
Non-current portion	11,580,504,984	-
	12,125,412,640	**-**

The balance represents the present value of the deferred installments due to MIDAR Company for the fixed payments of the co- development contract as mentioned in detail in Note No. (22-2B).

38. Advances - from customers

	2025	2024
Advances – Projects in West Cairo	8,734,637,981	9,051,240,233
Advances – Projects in East Cairo	2,933,435,661	2,284,745,671
Advances – Projects in the North Coast	16,537,802,228	9,099,705,849
Advances – Clubs memberships	947,984,458	1,187,151,753
Advances for other group activities	68,560,689	56,455,966
	29,222,421,017	**21,679,299,472**

Includes an amount of EGP 5.88 billion representing the value of financial component on installments collected from customers (31 December 2024: EGP 5.77 billion).

Uncollected notes receivable for undelivered units, amounting to EGP 79.6 billion that are not included in the financial statements have been disclosed in (Note 46).

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

39. Contractors, suppliers and notes payable

	2025	2024
Contractors	204,160,284	129,114,237
Suppliers	187,645,452	148,235,592
Notes payable	466,942,524	401,775,390
	858,748,260	**679,125,219**

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

40. Creditors and other credit balances

	2025	2024
Amounts collected on account for management, operation, and maintenance of projects *	5,262,814,857	3,672,312,261
Accrued expenses	861,542,593	576,911,659
Customers – credit balances	448,790,314	154,152,004
Tax Authority – other than income tax	192,280,668	258,630,418
Short-term paid absences	14,251,977	389,290
Insurance Deposits collected from customers – Against modifications	24,383,070	28,888,636
Social insurance – Contractors	156,260,712	70,417,390
Unearned revenue	4,420,071	3,313,944
Retentions	1,072,200,347	654,023,624
Deposits from others	242,703,368	341,691,399
Other creditors	638,852,547	191,041,140
	8,918,500,524	**5,951,771,765**

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

Uncollected notes receivable for maintenance of undelivered units amounting to EGP 7.14 billion, have been disclosed in note No. (46).

The Group's exposure to currency and liquidity risks related to creditors is disclosed in note No. (8).

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

41. Provisions

	2025	2024
Provision for completion of work (41.1)	3,942,325,449	2,245,322,071
Provision for expected Claims (41.2)	410,373,713	368,337,335
	4,352,699,162	**2,613,659,406**

41.1 Provision for completion of work

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.

	Balance as at 1 January 2025	Formed during the year	Used during the year	Balance as at 31 December 2025
Provision for completion of works	2,245,322,071	2,710,619,313	(1,013,615,935)	3,942,325,449
	2,245,322,071	**2,710,619,313**	**(1,013,615,935)**	**3,942,325,449**

	Balance as at 1 January 2024	Formed during the year	Used during the year	Balance as at 31 December 2024
Provision for completion of works	1,785,910,617	1,237,320,254	(777,908,800)	2,245,322,071
	1,785,910,617	**1,237,320,254**	**(777,908,800)**	**2,245,322,071**

41.2 Provision for expected claims

	Balance as at 1 January 2025	Formed during the year	Used during the year	Provisions no longer required during the year	Balance as at 31 December 2025
Provision for expected claims	218,337,335	129,596,571	(54,566,956)	(32,993,237)	260,373,713
Provision for Compensation	150,000,000	-	-	-	150,000,000
	368,337,335	**129,596,571**	**(54,566,956)**	**(32,993,237)**	**410,373,713**

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

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

41. Provisions (continued)

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

42. Transactions with related parties

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

42.1 Transactions with related parties

Party	Nature of relationship	Nature of transaction	31 December 2025 Amount of transaction	31 December 2024 Amount of transaction
Executive managers and Board of Directors	Executive Directors Board Members	Salaries and allowances	48,400,270 24,000,000	40,174,529 16,000,000
Al Dar Properties Egypt Company	under joint control	Payment on behalf	768,787	718,724

42.2 Balances resulting from transactions with related parties:

	Nature of transaction	Carrying amount as at 31 December 2025	2024
Palmyra – SODIC for Real Estate Development Company	Loans to Joint Ventures	213,074,553	211,886,181
	Accrued interest on loan under debtors and other debit balances	65,482,130	65,482,130
	Accrued on – related parties joint venture under debtor and other debit balances	35,191,620	35,191,620
Al Dar Properties Egypt Company	Debtors & other debit balances	273,354	1,042,141
		314,021,657	**313,602,072**
ECL		(313,748,303)	(312,559,931)
Total		**273,354**	**1,042,141**

43. Tax position

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

Corporate income tax

- The years 1996 to 2019 have been inspected by the Tax Authority, and all resulting tax differences have been settled, and paid.
- The years 2020 to 2022 are currently under inspection, and no tax claims have been received up to the date of authorizing these financial statements for issuance.
- The years 2024 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate tax returns within the due dates in accordance with Law No. 91 of 2005, its regulations, and subsequent amendments, and pays the tax due accordingly.

Salaries tax

- The years 1996 to 2022 have been inspected by the Tax Authority, and all resulting tax differences have been settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been -received till the date of authorizing these financial statements for issuance.
- The Company pays the monthly payroll tax within the due dates in accordance with the law.

Withholding tax

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

Stamp tax

- The years 1996 to 2022 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its stamp tax returns regularly and pays the tax due within the due dates in accordance with the law.

Value added tax (VAT)

- The years 1996 to November 2020 have been inspected, and all resulting tax differences have been settled and paid.
- The years December 2020 to 2023 have been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The years 2024 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its VAT returns regularly and pays the tax due within the due dates in accordance with the law.

Real estate property tax

- The Company has obtained Form No. (3) for the real estate tax due on the units owned by the Company, and the payment of the tax has been scheduled with the Tax Authority through the year 2025.

39. Tax position (continued)

Summary of the merged companies' tax positions as at the date of the consolidation financial statements:

SODIC for Development and Real Estate Investment Co

Corporate income tax
- The years 2008 to 2020 have been inspected, and all resulting tax differences have been fully settled and paid, except for the year 2016, for which the dispute with the Tax Authority is currently being finalized.
- The years 2021 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return within the statutory deadlines in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

Salaries tax
- The years 2008 to 2023 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2024 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Stamp tax
- The years 2008 to 2020 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2021 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

SODIC Polygon for Real Estate Investment

Corporate income tax
- The years from the commencement of activity till 2019 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2020 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return within the due dates in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

Salary tax
- The years from the commencement of activity till 2022 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

39. Tax position (continued)

SODIC Polygon for Real Estate Investment (continued)

Stamp tax

- The years from the commencement of activity till 2023 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2024 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Soreal for Real Estate Investment

Corporate income tax

- The years from the commencement of activity till 2019 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2020 to 2022 have been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return within the due dates in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

Salary tax

- The years 2014 to 2022 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Stamp tax

- The years 2014 to 2020 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2021 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its stamp tax returns regularly and remits the tax due within the due dates.

Value added tax (VAT)

- The years 2014 to 2022 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its monthly VAT returns regularly and pays the tax due within the due dates.

39. Tax position (continued)

Soreal for Real Estate Investment (continued)

Withholding tax
- The years 2014 to 2018 have been inspected, and all resulting tax differences have been fully settled and paid.
- The Company remits the withholding tax amounts deducted at source in accordance with the due dates.

Six of October for Development and Real Estate Projects Company – "SOREAL"

Corporate income tax
- The years 1998 to 2019 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2020 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

Salaries tax
- The years 1998 to 2022 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been till to the date of authorizing these financial statements for issuance.

Stamp tax
- The years 1998 to 2020 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2021 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its stamp tax returns regularly and pays the tax due within the due dates.

Value added tax (VAT)
- The years 2012 to 2023 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2024 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its monthly VAT returns regularly and pays the tax due within the due dates.

Withholding tax
- The Company pays the withheld tax amounts deducted at source in accordance with the statutory deadlines.

Real estate property tax
- Form 3 for the year 2021 relating to Eastown Club has been received, and the tax has not yet been paid.

39. Tax position (continued)

Tabrouk for Development Company

Corporate income tax

- The years from the commencement of activity till 2019 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2020 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return within the due dates in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

Salaries tax

- The years from the commencement of activity till 2022 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Stamp tax

- The years from the commencement of activity till 2020 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2021 to 2022 are currently under inspection, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its stamp tax returns regularly and remits the tax due within the due dates.

Value added tax (VAT)

- The years from the commencement of activity till 2023 have been inspected, and all resulting tax differences have been fully settled and paid.
- The years 2024 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its monthly VAT returns regularly and pays the tax due within the due dates.

Withholding tax

- The Company remits the withholding tax amounts deducted at source in accordance with the due dates.

39. Tax position (continued)

La Maison for Real Estate Investment

Corporate income tax
- The years from the commencement of activity till 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return within the due dates in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

Salaries tax
- The years from the commencement of activity till 2022 have been inspected, and the resulting tax differences are currently being settled.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Stamp tax
- The years from the commencement of activity till 2020 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2021 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Value added tax (VAT)
- The years 2017 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its monthly VAT returns regularly and pays the tax due within the due dates.

Real estate property Tax
- The years 2015 to 2025 have been assessed, and the tax has been fully paid.

Al Yosr for Projects and Real Estate Development

Corporate income tax
- The years from the commencement of activity till 2004 have been inspected and assessed, and the tax for those years has been finalized accordingly.
- The years 2005 to 2009 did not fall within the inspection sample, and the Company applied self-assessment for those years.
- The years 2010 to 2021 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2022 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its annual corporate income tax return within the due dates in accordance with Law No. 91 of 2005, its executive regulations, and subsequent amendments, and pays the tax due accordingly.

39. Tax position (continued)

Al Yosr for Projects and Real Estate Development (continued)

Salaries tax
- The years from the commencement of activity till 2022 have been inspected and assessed, and all resulting tax differences have been fully settled and paid.
- The years 2023 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.

Stamp Tax
- The years from the commencement of activity till 2021 have been inspected and assessed, and all resulting tax differences have been fully settled.
- The years 2022 to 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its stamp tax returns regularly and remits the tax due within the due dates.

Value added tax (VAT)
- The years from the date of registration till 2025 have not yet been inspected, and no tax claims have been received till the date of authorizing these financial statements for issuance.
- The Company submits its monthly VAT returns regularly and pays the tax due within the due dates.

44. Capital commitments.

The value of contracts concluded with third parties for work in progress and real estate investments under development amounted to EGP 34.39 billion (EGP 27.25 billion as of December 31, 2024), and executed works till December 31, 2025, amounted to EGP 17.7 billion (EGP 13.4 billion as of 31 December 2024).

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

45. Contingent liabilities

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

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

The Group signed credit facility contracts with the Arab African international Bank to issue letters of guarantee with a credit limit of EGP 129,400,240 for the purpose of issuing letters of guarantee for amounts due to Heliopolis Development and Housing for SODIC East project.

46. Post-dated checks (off balance sheet)

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

	2025	2024
Postdated checks of customers and unit's installments	79,599,162,725	69,108,074,623
Postdated checks of customers cancellations	27,637,505	7,870,952
Postdated checks of customers and maintenance installments	7,140,604,708	5,439,772,521
	86,767,404,938	**74,555,718,096**
These are due		
Checks due - current	14,536,508,278	13,095,747,190
Checks due – non-current	72,230,896,660	61,459,970,906
	86,767,404,938	**74,555,718,096**

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

47. Non - cash transactions

For the purpose of preparing the consolidated statement of cash flows for the financial year ended December 31, 2025, the effect of the following investment transactions was excluded as they are considered non - cash transactions:

	2025	2024
Addition to investment properties from IPUD	214,470,899	636,063,083
Loans unamortized cost	1,610,244	12,184,743
Amortized interests on NUCA & land purchase creditors, that were capitalized to work in process	(28,096,471,965)	985,631,644
Capitalized financial component on installments collected from customers	2,565,417,369	1,877,727,384
Reversal /Write down of Development work in progress to NRV	6,557,235	-
Transfer between IPUD and Development work in progress	161,551,359	178,177,289
Transfer between investment properties and project under constructions	-	294,390,363
Transfer between Finished units ready for sale and development work in progress	20,131,579	1,771,452,088
Acquisition / sale to NCI without change of control	139,530	-
Capitalized return on Treasury bills to DWIP	79,436,812	12,025,580

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

48. Merger

The Group has merged the subsidiaries listed below (the merged companies) into the parent company, Sixth of October for Development and Investment – SODIC (the merging company), based on the approval of the Extraordinary General Assembly held on March 25, 2025, and ratified on May 19, 2025. This is in accordance with the decision of the Chairman of the General Authority for Investment and Free Zones No. 2/365 of 2025, issued on May 14, 2025. The merged companies were removed from the commercial register on July 14, 2025. The merger was completed at the book value of the net equity of the merged and merging companies according to the financial statements as of December 31, 2021.

According to the decision of the General Authority for Investment and Free Zones No. 365/2 of 2025, the authorized capital of Sixth of October Development and Investment Company - SODIC, after the merger, became EGP 25 billion, and the issued capital after the merger became EGP 5,157,174,344 (only five billion, one hundred and fifty-seven million, one hundred and seventy-four thousand, three hundred and forty-four Egyptian pounds), and the number of capital shares became 1,289,293,586 shares with a nominal value of EGP 4 per share, after transferring an amount of EGP 1,483,154,056 (only one billion, four hundred and eighty-three million, one hundred and fifty-four thousand and fifty-six Egyptian pounds) to a "Special Reserve Account - Share Issuance Premium".

The following table shows the net equity according to the report of the Evaluation and Review Committee, finalized by the committee formed by the General Authority for Investment and ratified by the Authority on April 24, 2024, regarding the merger and specifying the net equity of both the merging and merged companies as of the merger date, December 31, 2021:

Company	**Net Equity EGP**
Sixth of October for Development and Investment – SODIC (Merging)	1,349,403,900
SODIC for Development and Real Estate Investment Co (Merged 1)	118,065,800
SODIC Polygon for Real Estate Investment (Merged 2)	152,128,900
Soreal for Real Estate Investment (Merged 3)	1,405,409,200
Sixth of October for Development and Real Estate Projects Company – “SOREAL” (Merged 4)	2,991,783,500
Tabrouk for Development Company (Merged 5)	463,858,100
La Maison for Real Estate Investment (Merged 6)	120,240,800
Al Yosr for Projects and Real Estate Development (Merged 7)	39,438,200
Total	**6,640,328,400**
Issued capital (After merger)	5,157,174,344
Share premium	1,483,154,056
Total	**6,640,328,400**