



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

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



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

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

Contents	Page
Auditor's report	1 – 2
Statement of separate financial position	3
Statement of separate profit or loss	4
Statement of separate comprehensive income	5
Statement of separate changes in equity	6
Statement of separate cash flows	7
Notes to the separate financial statements	8 – 85

Auditor's report

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

Report on the separate financial statements

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

Management's responsibility for the separate financial statements

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

Auditor's responsibility

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

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

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

Auditor's report (continued)

Page 2

Opinion

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

Report on other legal and regulatory requirements

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

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



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 separate 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	(26)	981,595,862	593,795,226
Projects under construction	(27)	752,726,492	91,295,348
Investment properties	(30)	1,609,912,380	291,212,787
Investment properties under development	(28)	41,865,255	78,191,028
Investment in Subsidiaries	(29)	95,155,024	1,723,332,466
Right of use assets		2,412,814	7,238,446
Trade and notes receivable	(22-2)	8,059,940,768	2,011,610,275
Deferred tax assets	(17-2)	886,626,164	160,244,151
Investments at fair value through OCI		-	26,152
Total non-current assets		12,430,234,759	4,956,945,879
Current assets			
Inventory	(19)	78,331,406	2,068,795
Completed real estate properties	(20)	1,213,211,787	600,931,151
Works in process	(21)	50,461,654,532	13,741,966,025
Trade and notes receivable	(22-1)	5,279,983,879	1,414,003,075
Debtors and other debit balances	(23)	15,592,696,053	5,246,194,301
Due from related parties	(38-1)	74,164,567	65,926,562
Financial investments at amortized cost	(24)	1,682,013,891	-
Cash and cash equivalents	(25)	2,284,753,551	1,564,313,507
Total current assets		76,666,809,666	22,635,403,416
Total assets		89,097,044,425	27,592,349,295
Equity and liabilities			
Equity			
Issued & paid in capital	(31-1)	5,157,174,344	1,424,789,472
Legal reserve	(31-2)	238,985,416	247,658,774
Special reserve - share premium	(31-3)	1,690,069,708	1,690,069,708
Retained Earnings / (Accumulated Losses)		7,819,056,058	(30,580,427)
Other Equity		689,082,906	-
Profit from sale of treasury shares		-	1,725,456
Total equity		15,594,368,432	3,333,662,983
Liabilities			
Non-current liabilities			
Bank Loans	(32-1)	6,545,304,173	1,970,045,490
Land Liabilities	(33)	17,534,332,163	4,713,622,256
Lease contracts liabilities		-	6,079,230
Total non-current liabilities		24,079,636,336	6,689,746,976
Current liabilities			
Bank facilities	(32-2)	2,270,288,637	800,303,274
Bank Loans	(32-1)	966,242,132	111,152,897
Advances - from customers	(34)	29,153,860,329	9,780,629,775
Contractors, suppliers and notes payable	(35)	811,992,411	303,725,390
Income tax liabilities		1,498,395,606	87,307,727
Land liabilities	(33)	1,772,615,057	532,294,201
Due to related parties	(38-2)	103,008,959	2,550,715,640
Creditors and other credit balances	(36)	8,571,366,896	2,561,327,385
Lease contracts liabilities		4,712,892	3,770,343
Provisions	(37)	4,270,556,738	837,712,704
Total current liabilities		49,423,039,657	17,568,939,336
Total liabilities		73,502,675,993	24,258,686,312
Total equity and liabilities		89,097,044,425	27,592,349,295

- The accompanying notes from (1) to (42) form an integral part of these separate financial statements and to be read therewith.
- Auditor's report attached.


Ashraf Abdel Maksoud
Finance Executive Director


Mohamed Samir
Finance Executive Director


Ahmed Hegazy
Group Financial Controller


Ayman Amer
General Manager



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

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

(All amounts are shown in Egyptian Pounds)	Note	2025	2024
Revenues			
Real estate sales	(8)	15,659,552,514	2,617,920,840
Installments' interest realized during the year	(8)	1,358,280,321	526,563,903
Total revenues related to real estate sales	(8)	17,017,832,835	3,144,484,743
Revenues from clubs, golf course and restaurants		799,684,316	96,021,919
Revenue from investment properties		138,955,058	14,931,879
Total operating revenues		17,956,472,209	3,255,438,541
Cost of sales			
Cost of real estate sales	(9)	(10,690,121,453)	(1,288,741,781)
Cost of clubs, golf course and restaurants		(1,008,556,505)	(152,897,996)
Cost of investment properties		(128,965,410)	(14,325,898)
Total operating costs		(11,827,643,368)	(1,455,965,675)
Gross profit		6,128,828,841	1,799,472,866
Other operating revenue	(10)	635,667,498	64,635,046
Selling and marketing expenses	(11)	(1,242,228,736)	(422,893,127)
General and administrative expenses	(12)	(1,102,148,166)	(819,430,238)
Other operating expenses	(13)	(135,000,000)	(245,088,065)
Expected credit losses	(14)	(11,598,777)	(59,837,918)
Operating profit		4,273,520,660	316,858,564
Finance income	(15)	248,098,651	272,054,430
Finance cost	(16)	(47,229,229)	(446,370,402)
Net finance Income/ (cost)		200,869,422	(174,315,972)
Profit for the year before tax		4,474,390,082	142,542,592
Income tax	(17-1)	(1,005,556,072)	(55,479,781)
Profit for the year		3,468,834,010	87,062,811
Basic / Diluted earnings per share	(18)	2.69	0.07

- The accompanying notes from (1) to (42) form an integral part of these separate financial statements and to be read therewith



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

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

(All amounts are shown in Egyptian Pounds)

	<u>2025</u>	<u>2024</u>
Profit for the year	3,468,834,010	87,062,811
Other comprehensive income items	-	-
Total comprehensive income for the year	<u>3,468,834,010</u>	<u>87,062,811</u>

- The accompanying notes from (1) to (42) form an integral part of these separate financial statements and to be read therewith.



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

Statement of separate 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	Other equity	Retained earnings / (Accumulated losses)	Profit from selling of treasury shares	Total equity
Balance at 1 January 2024	1,424,789,472	224,840,771	1,483,154,057	-	(94,825,235)	1,725,456	3,039,684,521
Comprehensive income for the year							
Profit for the year	-	-	-	-	87,062,811	-	87,062,811
Other comprehensive income items	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	87,062,811	-	87,062,811
Transactions with owners of the Company							
Transfer to legal reserve	-	22,818,003	-	-	(22,818,003)	-	-
ESOP shares at a premium	-	-	206,915,651	-	-	-	206,915,651
Total transactions with owners of the Company	-	22,818,003	206,915,651	-	(22,818,003)	-	206,915,651
Balance at 31 December 2024	1,424,789,472	247,658,774	1,690,069,708	-	(30,580,427)	1,725,456	3,333,662,983
Balance at 1 January 2025	1,424,789,472	247,658,774	1,690,069,708	-	(30,580,427)	1,725,456	3,333,662,983
Merger settlements							
Closing net equity of merger company according to the balances of the financial statements on 31 December 2021	(1,424,789,472)	(224,840,771)	(1,483,154,056)	-	73,496,283	(1,725,456)	(3,061,013,472)
Merger results effect	5,157,174,344	-	1,483,154,056	-	-	-	6,640,328,400
Merger results adjustments	-	-	-	689,082,906	-	-	689,082,906
Retained earnings for merged companies from 1 January 2022 to 14 July 2025	-	-	-	-	4,523,473,605	-	4,523,473,605
Legal reserve for merged companies from 1 January 2022 to 31 December 2024	-	95,532,166	-	-	(95,532,166)	-	-
Total adjustments resulted from the merge	3,732,384,872	(129,308,605)	-	689,082,906	4,501,437,722	(1,725,456)	8,791,871,439
Comprehensive income for the year							
Profit for the year	-	-	-	-	3,468,834,010	-	3,468,834,010
Total comprehensive income for the year	-	-	-	-	3,468,834,010	-	3,468,834,010
Transfer to legal reserve	-	120,635,247	-	-	(120,635,247)	-	-
Balance on 31 December 2025	5,157,174,344	238,985,416	1,690,069,708	689,082,906	7,819,056,058	-	15,594,368,432

- The accompanying notes from (1) to (42) form an integral part of these separate financial statements and to be read therewith.



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

Statement of separate 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		4,474,390,082	142,542,592
Adjustments for:			
Depreciation of fixed assets, investment properties		141,211,535	76,558,491
Gain / loss on sale of property, plant and equipment		(3,918,163)	225,580
Gain on sale investment properties		(32,762,106)	-
Gain on sale investment properties under development		(357,620,886)	-
Right of use asset amortization		4,825,632	6,479,388
Interest of lease contract liabilities		1,134,039	2,235,618
Provision formed vacations		15,072,912	11,719,465
Reversal / expected credit losses		(15,216,102)	51,529,005
Interest expenses	(16)	-	444,134,784
Interest income	(15)	(220,726,009)	(178,874,181)
Amortization of borrowing cost		1,610,257	-
Provision for expected claims	(37)	135,000,000	245,093,585
Provision formed for completion of works	(37)	2,631,566,628	151,081,537
Reversal of impairment of fixed assets		(1,822,590)	(1,822,572)
Net return of investments at amortized cost		(27,372,642)	(23,551,692)
Operating profit before changes in working capital		6,745,372,587	927,351,600
Changes in working capital:			
Inventory and completed real estate properties		994,936,635	81,943,023
Works in process		(3,896,848,038)	(3,243,785,713)
Trade and notes receivables		(4,735,903,393)	(619,512,773)
Due from related parties		54,597,254	(48,936,030)
Debtors and other debit balances		(3,514,712,667)	(1,818,303,355)
Provisions used for completion of works	(37)	(482,647,727)	(201,658,847)
Provisions used for expected claims	(37)	(83,751,255)	(36,043,585)
Provisions for vacations used		(1,210,226)	(26,986,518)
Advances - from customers		346,147,673	4,104,896,350
Contractors, suppliers and notes payable		267,351,968	110,000,268
Due to related parties		146,765,768	(98,601,522)
Creditors and other credit balances		2,153,698,867	779,144,937
Paid income tax		(250,462,967)	(11,596,964)
Net cash flows used in operating activities		(2,256,665,521)	(102,089,129)
Cash flows from investing activities			
Payments for purchase of fixed assets and projects under construction		(628,418,164)	(42,331,061)
Payments for investment properties under development		(60,833,306)	(12,421,633)
Payments for financial investments in subsidiaries		-	(4,800,000)
Payments for financial investments at amortized cost		(3,713,632,728)	(190,349,603)
Proceeds from credit interests		215,761,229	178,180,045
Proceeds from financial investments at amortized cost		2,031,618,849	468,925,000
Proceeds from sale of fixed assets		4,232,263	130,385
Proceeds from sale of investment properties		35,540,954	-
Proceeds from sale of investment properties under development		403,093,201	-
Net cash flows (used in) / generated from investing activities		(1,712,637,702)	397,333,133
Cash flows from financing activities			
Proceeds from bank facilities		939,476,763	432,513,399
Repayment of bank facilities		(467,681,282)	(103,299,362)
Proceeds from banking loans		7,921,500,814	900,000,000
Banking loans paid		(3,227,763,152)	(75,713,048)
Interest paid		(1,393,082,559)	(444,134,784)
Repayment of lease contract liabilities		(6,270,720)	(7,713,374)
Selling ESOP shares at a premium		-	206,915,651
Net cash flows generated from financing activities		3,766,179,864	908,568,482
Net change in cash and cash equivalents		(203,123,359)	1,203,812,486
Cash and cash equivalents at the beginning of the year		1,574,305,368	361,183,968
Cash generated from the merger effect		922,043,842	-
Restricted cash		-	1,000,000
Effect of movement in expected credit loss on cash and cash equivalents	(14)	3,617,324	8,308,914
Cash and cash equivalents at the end of the year	(25)	2,296,843,175	1,574,305,368

- The accompanying notes from (1) to (42) form an integral part of these separate financial statements and to be read therewith.



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

1. Corporate information

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

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

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

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

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

The Company has various businesses primarily the development, investment, construction, sales and leasing–residential/commercial, management and associated services for real estate. In addition, the Company is also engaged in development, construction, management and operation of cities, hotels, educational buildings, restaurants, clubs and golf courses.

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

The financial statements have been approved for issuance by the Board of Directors on 5 February 2025. It is taken into consideration that the General Assembly of Shareholders has the right to amend the financial statements after they are issued. The company is listed on the Egyptian Stock Exchange.

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

The Company's separate financial statements are read together with its consolidated statements as of and for the fiscal year ending December 31, 2025, so that complete financial information about the Company's financial position and financial results can be obtained.



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

2. Operating environment of the Company

The Monetary Policy Committee of the Central Bank of Egypt decided to 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. Basis of preparation

3.1 Statement of compliance

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

3.2 Basis of measurement

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

3.3 New standards and interpretations to be adopted by the Company

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

3.4 Going concern

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

3.5 Current versus non-current classification for asset and liabilities

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.6 Joint operations

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

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

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

4. Significant accounting policies

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

4.1 Fair value measurement

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.1 Fair value measurement (continued)

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

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

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

4.2 Revenue recognition:

The Company has multiple revenue streams

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.2 Revenue recognition: (continued)

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

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

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

i) Real estate sales

The Company enters into contracts with customers to sell real estate properties.

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

The significant financing component

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.2 Revenue recognition: (continued)

i) Real estate sales (continued)

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

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

Commissions

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

ii) Rental income

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.3 Income Taxes

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

i) Current income tax

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

ii) Deferred tax

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

Deferred tax is not recognized for:

- The initial recognition of goodwill.
- The initial recognition of assets or liabilities in a transaction that:
 - a. Is not a business combination.
 - b. Does not affect neither accounting nor taxable profit (or loss).
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.
- The asset is recognized using the effective tax rate.
- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences.



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.3 Income Taxes (continued)

iii) Deferred tax

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

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

4.4 Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.5 Property, plant and equipment

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.6 Completed real estate properties

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

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

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

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

4.7 Work in process

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

4.8 Accounting for variable or contingent acquisition consideration

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

The management has selected cost accumulation model as an accounting policy.



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.9 Investment properties

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

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

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

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

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

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

The estimated useful lives are as follows:

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.10 Investments properties under development

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

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

4.11 Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets

ii) Classification and subsequent measurement (continued)

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

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

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

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

Financial assets- Business Model Assessment

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
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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.
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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.
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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.
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Impairment

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on:

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

a) Financial assets (continued)

ii) Classification and subsequent measurement (continued)

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

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

b) Financial liabilities

Initial recognition and measurement

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

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

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

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

Derecognition

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

4.12 Offsetting of financial instruments

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.13 Impairment of non-financial assets

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

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

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.13 Impairment of non-financial assets (continued)

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

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

4.14 Cash and cash equivalents

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

4.15 Borrowing costs

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.16 Provisions

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

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

i) Provision for completion of work

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

ii) Onerous contracts provision

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

4.17 Interest income

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

4. Significant accounting policies (continued)

4.18 Dividends

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

4.19 Share capital

Ordinary Shares

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

Repurchase and reissue of ordinary shares (treasury shares)

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

4.20 Share premium

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

4.21 Earnings per share

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

4.22 Segmentation

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates

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

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

5.1 Judgments

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

a) Review of contractual agreements

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.1 Judgments (continued)

a) Review of contractual agreements (continued)

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

b) Property lease classification – the Company as lessor

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.1 Judgments (continued)

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

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

5.2 Assumptions and estimation

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

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

Before delivery of the real estate properties

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

After delivery of the real estate properties

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

b) Classification of properties

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

c) Provisions and contingent liabilities

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

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

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

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

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

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

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

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

g) Impairment of non-financial assets

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

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

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

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

i) Change in estimate of the cost allocation method

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

i) Change in estimate of the cost allocation method

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

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

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.2 Assumptions and estimation (continued)

j) Determining the unit of account

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

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

5.3 Measurement of fair values

a) Assets and liabilities carried at fair value

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

5. Use of judgment and estimates (continued)

5.3 Measurement of fair values (continued)

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

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

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

6. Capital management

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

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

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

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

The company monitors capital on the basis of the leverage ratio. This ratio is calculated as interest bearing external borrowings debt divided by total equity. The ratio reached [xxx]% as at December 31,2025 (86% as at December 31 ,2024), refer to the borrowing note for loan covenant details.

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

7. Financial risk management

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

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

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

- **Market risk**

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

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

- **Interest rate risk**

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

Exposure to interest rate risk

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

	2025	2024
Financial instruments with a fixed rate		
Financial assets	13,339,924,647	3,425,613,350
Financial liabilities	(19,770,961,547)	(5,383,825,781)
	(6,431,036,900)	(1,958,212,431)
Financial instruments with variable rate		
Financial liabilities	(9,781,834,942)	(2,881,501,660)
	(9,781,834,942)	(2,881,501,660)



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

7. Financial risk management (continued)

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 200 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP196 Million (2024: EGP 57 million). This analysis assumes that all other variables, remain constant.

- Foreign currency risk

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

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

Management has set up a policy to require the Company to manage its foreign exchange risk against its 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 Dollars	20,891,764	-	20,891,764	9,913,736	-	9,913,736
Euros	119,167	-	119,167	3,588	-	3,588

The following is the exchange rates applied:

	Average exchange rate during the year		Spot rate at the financial statements date	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
US Dollars	49.26	48,65	47.61	50,79
Euros	54.93	51,58	55.97	52,87



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

7. Financial risk management (continued)

On 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 99,46 million 2024: EGP (50.35 million)), mainly as a result of foreign exchange gains/losses in the statement of separate profits or losses.

- Price risk

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

- Credit risk

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

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

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

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

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

Notes and other receivables

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

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



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

7. Financial risk management (continued)

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

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

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

Cash and cash equivalents

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

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

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and loans.

Notes to the separate financial statements for the financial year ended 31 December 2025

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

7. Financial risk management (continued)

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

	1 year or less	1 to 5 years	more than 5 years	Total
31 December 2025				
Land liabilities	1,772,615,057	12,957,060,428	4,577,271,736	19,306,947,221
Banking loans	3,236,530,769	6,545,304,173	-	9,781,834,942
Creditors and other credit balances and notes payables	9,383,359,307	-	-	9,383,359,307
Due to related parties	103,008,959	-	-	103,008,959
31 December 2024				
Land liabilities	532,294,201	1,492,277,067	3,221,345,189	5,245,916,457
Banking loans	911,456,171	260,967,445	1,709,078,045	2,881,501,661
Creditors and other credit balances and notes payables	2,865,052,775	-	-	2,865,052,775
Due to related parties	2,550,715,640	-	-	2,550,715,640

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

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

8. Real estate sales

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

	2025	2024
Revenues from the real estate sales of Sodic projects in West Cairo	12,039,972,679	1,722,493,908
Revenues from the real estate sales of Sodic projects in East Cairo	2,509,827,123	950,992,487
Revenues from the real estate sales of Sodic projects in North Coast	1,862,909,811	-
	16,412,709,613	2,673,486,395
Discount for early payment	(753,157,099)	(55,565,555)
	15,659,552,514	2,617,920,840
Installments' interest realized during the year *	1,358,280,321	526,563,903
	17,017,832,835	3,144,484,743



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

8. Real estate sales (continued)

- i. Total real estate sales include an amount of EGP 2,150,097,199 representing the financial component (calculated interest) on installments collected from customers of delivered real estate properties till delivery date 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 1,358,280,321 represents the financial component (realized interest) on installments collected from customers of delivered real estate properties after the delivery in compliance with the Egyptian accounting standard No. 48.

9. Cost of real estate sales

	2025	2024
Cost of real estate sales of Sodic projects in West Cairo	7,573,729,547	627,601,449
Cost of real estate sales of Sodic projects in East Cairo	1,752,333,842	661,140,332
Cost of real estate sales of Sodic projects in North Coast	1,364,058,064	-
	10,690,121,453	1,288,741,781

- Total cost of real estate sales includes an amount of EGP 2,086,757,779 the capitalized interest (calculated interest) on the collected installments as advances from customers till the delivered date of real estate properties. in compliance with the Egyptian accounting standard No. 48.

10. Other operating revenue

	2025	2024
Gain on sale of investment properties and investment properties under development *	390,382,992	-
Cancellations and delay penalties	141,461,905	30,743,123
Other revenue	81,109,591	16,999,677
Subscription fees	5,280,427	15,069,656
Reversal of impairment losses of fixed assets	1,822,590	1,822,590
Gain on sale of property, plant and equipment	3,918,163	-
Gain on sale / liquidation of subsidiaries	11,691,830	-
	635,667,498	64,635,046

* 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.



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

11. Selling and marketing expenses

	2025	2024
Salaries and wages	75,070,121	83,176,628
Sales commissions	615,529,365	135,115,081
Advertising	325,716,595	125,464,685
Exhibitions and conferences	152,977,703	33,651,823
Rent expenses for short term /low value	12,500,131	8,011,687
Maintenance, security, cleaning, and agriculture	8,402,703	8,006,677
Travel, transportation, and cars	9,793,530	2,841,757
Professional and consultants' fees	21,878,157	2,056,517
Programs and computer supplies		-
Tips and gifts	2,905,679	994,469
Fixed assets depreciation and amortization of right of use assets	2,264,914	2,630,704
Vacations	762,287	362,248
Fees, stamps and licenses	8,592,990	9,351,081
Printing and photocopying	1,821,890	1,434,379
Communication and electricity	3,139,656	5,057,719
Other	873,015	4,737,672
	<u>1,242,228,736</u>	<u>422,893,127</u>



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

12. General and administrative expenses

	2025	2024
Salaries, wages, and bonuses	471,719,656	357,380,307
Board of Directors' remunerations and allowances	24,000,000	16,000,000
Medical care and employees training	63,074,122	29,479,339
Specific employee's benefits	580,060	470,885
Maintenance, security, cleaning, and agriculture	67,722,438	105,060,431
Professional and consultancy fees	97,927,210	94,575,300
Exhibitions, and conferences	1,316,096	374,423
Donations	8,237,000	962,000
Tips and gifts	8,476,436	4,718,264
Fixed assets depreciation and amortization of right of use assets	27,187,472	21,827,705
Reception and hospitality	6,588,599	4,748,863
Programs and computer supplies	167,174,859	114,383,455
Stationery and printing supplies	1,273,711	742,467
Communication and electricity	12,788,598	6,519,937
Subscriptions and governmental dues	37,156,306	18,745,948
Rent expenses for short term – low value	6,407,117	6,233,732
Travel and transportation	10,169,641	7,607,916
Bank charges	16,166,670	7,482,678
Vacations	8,307,031	6,262,968
Insurance installments	4,961,954	3,587,743
Takaful contribution	47,038,943	8,892,991
Other	13,874,247	3,372,886
	<u>1,102,148,166</u>	<u>819,430,238</u>

13. Other operating expenses

	2025	2024
Provision for expected claims	122,609,220	94,862,485
Provisions for constructive obligations	12,390,780	150,000,000
loss on disposal of property plant and equipment	-	225,580
	<u>135,000,000</u>	<u>245,088,065</u>

Notes to the separate financial statements for the financial year ended 31 December 2025

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

14. Expected credit losses

	Balance in 1 January 2025	Merger Adjustments effect	Movement during the year	Balance in 31 December 2025
Cash and cash equivalents (Note 25)	9,991,861	5,715,087	(3,617,324)	12,089,624
Trade and notes receivable *(Note 22)	36,997,083	29,561,885	(5,659,966)	60,899,002
Due from related parties (Note 38-1)	495,424,870	-	81,645	495,506,515
Debtors and other debit balances (Note 23)	60,342,717	43,854,824	20,794,422	124,991,963
	602,756,531	79,131,796	11,598,777	693,487,104
		Balance in 1 January 2024	Movement during the year	Balance in 31 December 2024
Cash and cash equivalents (Note 25)		1,682,947	8,308,914	9,991,861
Trade and notes receivable * (Note 22)		27,307,511	9,689,572	36,997,083
Due from related parties (Note 38-1)		495,593,868	(168,998)	495,424,870
Debtors and other debit balances (Note 23)		18,334,287	42,008,430	60,342,717
		542,918,613	59,837,918	602,756,531

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

*For the loss rates applied along with the sensitivity analysis, please refer to note 22.

15. Finance income

	2025	2024
Interest income	220,726,009	178,874,181
Return on investment in amortized cost	27,372,642	23,551,692
Foreign exchange differences	-	69,628,557
	248,098,651	272,054,430



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

Notes to the separate financial statements for the financial year ended 31 December 2025

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

16. Finance cost

	2025	2024
Interest expense	-	444,134,784
Interest in lease contracts	1,134,039	2,235,618
Foreign exchange differences	46,095,190	-
	<u>47,229,229</u>	<u>446,370,402</u>

17. Income tax

17.1 Items recognized in the statement of separate profit or loss

	2025	2024
Current income tax expense	1,476,204,351	65,235,014
Tax on investments at amortized costs	-	4,710,338
Tax on dividends	892,535	-
Deferred income tax benefit	(471,540,814)	(14,465,571)
	<u>1,005,556,072</u>	<u>55,479,781</u>



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

Notes to the separate financial statements for the year ended 31 December 2025

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

17. Income tax (continued)

17.2 Deferred tax assets and liabilities movement

December 31, 2025

	Balance as at 1 January 2025 asset / (liability)	Merger Adjustment	Charged to profit or loss	Balance as of 31 December 2025 Deferred tax resulted in asset	Deferred tax resulted in (liability)	Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(6,101,030)	(924,996)	(14,536,555)		(21,562,581)	(21,562,581)
Foreign exchange differences	(13,072,677)	(58,945,453)	6,988,535		(65,029,595)	(65,029,595)
Provisions	179,417,858	314,711,648	479,088,834	973,218,340	-	973,218,340
	160,244,151	254,841,199	471,540,814	973,218,340	(86,592,176)	886,626,164

December 31, 2024

	Balance as at 1 January 2024 asset / (liability)	Charged to profit or loss	Balance as of 31 December 2024 Deferred tax resulted in asset	Deferred tax resulted in (liability)	Net deferred tax resulted in (Liability) / Asset
Property, plant and equipment	(2,251,717)	(3,849,313)	-	(6,101,030)	(6,101,030)
Foreign exchange differences	(3,954,956)	(9,117,721)	-	(13,072,677)	(13,072,677)
Provisions	151,985,253	27,432,605	179,417,858	-	179,417,858
	145,778,580	14,465,571	179,417,858	(19,173,707)	160,244,151



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

Notes to the separate financial statements for the year ended 31 December 2025

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

17. Income tax (continued)

17.2 Reconciliation of effective income tax rate

	2025	2024
Profit for the year before income tax	4,474,390,082	142,542,592
Tax rate	22.50 %	22.50 %
Income tax calculated according to income tax law	1,006,737,768	32,072,083
Special tax pool (financial investment at amortized cost)	-	4,850,670
Non- deductible expenses	1,322,940	17,842,112
Deductible temporary differences not recognized as deferred tax assets	2,207,615	3,295,705
Other tax adjustments	(4,712,251)	(2,580,789)
Income tax as per profit or loss statement	1,005,556,072	55,479,781
Effective tax rate	22.47%	38.92%

17.3 Unrecognized deferred tax assets

	2025	2024
Temporary deductible differences - ECL	171,653,857	152,340,534
	171,653,857	152,340,534

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

18. Basic / Diluted earnings per share

Earnings per share as of December 31, 2025, are calculated based on the net profit for the year 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
Employees' share of profit	-	-
	3,468,834,010	87,062,811
Weighted average number of shares outstanding during the year *	1,289,293,586	1,289,293,586
Basic / Diluted earnings per share (EGP / share)	2.69	0.07

* The weighted average number of outstanding shares in the comparative figures has been adjusted to reflect the company's capital issuance following the merger, resulting in a share capital of EGP 5,157,174,344 distributed over 1,289,293,586 shares.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

19. Inventory

	2025	2024
Sports equipment, food and beverages	64,759,864	-
Restaurant equipment	11,502,747	-
Communication devices	2,068,795	2,068,795
	78,331,406	2,068,795

20. Completed real estate properties

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

	2025	2024
West Cairo projects	183,175,493	600,931,151
East Cairo projects	1,017,840,007	-
North Coast projects	12,196,287	-
	1,213,211,787	600,931,151

21. Work in process

	2025	2024
West Cairo projects costs (21.1)	17,170,804,484	11,104,824,065
East Cairo projects costs (21.2)	18,351,323,330	1,767,486,379
North Coast projects costs (21.3)	14,939,526,718	869,655,581
	50,461,654,532	13,741,966,025

The work in process balance includes the following:

- Land cost amounting 25,2 billion (2024: 5.192 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 significant financing component on installments collected from customers before delivery in accordance with EAS 48 (EGP 3,3 billion including EGP 1,5 billion respectively on 31 December 2024).



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

Notes to the separate financial statements for the year ended 31 December 2025

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

21. Work in process (continued)

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

	2025	2024
Beginning balance	13,741,966,025	9,003,272,070
Merger adjustments effect	14,093,413,371	-
Net additions	30,536,416,448	5,953,798,766
Transferred to completed real estate properties	(7,755,147,188)	(1,215,104,811)
Transferred to investment properties and investment properties under development	(161,551,359)	-
Net write down	6,557,235	-
	50,461,654,532	13,741,966,025

21.1 West Cairo projects costs

A) The Estates project

The Balance includes the value of two plots of land owned by the Company, 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 Company 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 Company became 265.34 acres.

B) VYE and Karmel Projects

On 21 March 2019 SODIC development agreement was signed between the Company 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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

21. Work in process (continued)

21.2 East Cairo projects costs

A) SODIC East Project

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

– Joint arrangement with Heliopolis Housing and Development Company

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.

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

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

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



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

Notes to the separate financial statements for the year ended 31 December 2025

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

21. Work in process (continued)

21.2 East Cairo projects costs (continued)

A) SODIC East Project (continued)

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

B) Eastvale Project

On November 10, 2025, the Company 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 Company 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.

21.3 North Cost projects costs

A) June Project

On August 25, 2021, a development contract was concluded between by the Company 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 12 September 2021.

Under the development contract, the Company 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 Company, to deliver the facilities to The boundaries of the hotel plot.

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

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



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

Notes to the separate financial statements for the year ended 31 December 2025

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

21. Work in process (continued)

B) Ceaser Project backplot

On May 15, 2023, the Company 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 co-development contract was concluded between the Company and Al-Safi Real Estate Development Company and a company 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 18 July 2024 a 336 acres of the total plot area was handed over to the Company.

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



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

Notes to the separate financial statements for the year ended 31 December 2025

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

22. Trade and notes receivable

22.1 Trade and notes receivable - current

	2025	2024
Trade receivables	282,955,726	127,165,518
Notes receivable – units installments *	5,423,504,328	1,340,790,229
	5,706,460,054	1,467,955,747
Unamortized interest – notes receivable	(398,983,378)	(42,968,180)
	5,307,476,676	1,424,987,567
Expected credit losses	(27,492,797)	(10,984,492)
	5,279,983,879	1,414,003,075

* 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.

22.2 Trade and notes receivable - non-current

	2025	2024
Trade receivables	19,229,686	-
Notes receivable – units installments *	13,941,002,371	3,476,294,858
	13,960,232,057	3,476,294,858
Unamortized interest- notes receivable	(5,866,885,086)	(1,438,671,992)
	8,093,346,971	2,037,622,866
Expected credit losses	(33,406,203)	(26,012,591)
	8,059,940,768	2,011,610,275

* 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.

The off-balance sheet notes receivable (postdated checks) amounted to EGP 87 billion are disclosed in note No. (40).

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

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

Sensitivity analysis

If the loss rates increased by 10%, the total expected credit losses will increase by EGP 5,6 million (31 December 2024: EGP 3.7 million).



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

Notes to the separate financial statements for the year ended 31 December 2025

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

23. Debtors and other debit balances

	2025	2024
Contractors and suppliers – advance payments	5,830,380,484	1,673,975,352
Prepaid sales commissions on undelivered units	2,827,818,897	1,281,146,325
Deposits with others	36,063,325	13,582,684
Tax Authority- VAT &WHT	69,464,925	90,224,454
Heliopolis Development and Housing Company (23-1)	260,802,472	260,802,472
Bank Guarantee Accounts – Joint Arrangements (23-2)	563,216,455	163,790,270
Current Accounts and Bank Deposits – Maintenance (23-3)	5,391,472,927	1,604,830,654
Accrued Revenues	53,787,434	-
Maintenance receivables	443,013,346	198,788,499
Other debit balances	241,667,748	19,396,308
	15,717,688,013	5,306,537,018
Expected credit losses	(124,991,960)	(60,342,717)
	15,592,696,053	5,246,194,301

(23-1) 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.

(23-2) This balance represents the Company's share of the amounts collected from customers in the joint bank accounts held by the banks, which cannot be utilized except with the approval of both the developer and the landlord, in accordance with the contractual terms governing the joint bank accounts between the Company as the developer, the bank, the landlord and letter of guarantee coverage.

(23-3) This balance represents maintenance deposits collected from customers, which have been invested in interest-bearing time deposits and current accounts for the purpose of financing the regular maintenance expenses related to the delivered units. These amounts cannot be used for any other purpose.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

24. Financial Investments at amortized cost

	2025	2024
Treasury bills at par value	1,733,575,000	-
Unearned return on treasury bills	(51,561,109)	-
	<u>1,682,013,891</u>	<u>-</u>

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

25. Cash and cash equivalents

	2025	2024
Banks - time deposits	908,608,159	1,127,870,700
Banks - current accounts	1,347,733,857	429,662,867
Checks under collection	36,688,535	13,110,098
Cash on hand	3,812,624	3,661,703
	<u>2,296,843,175</u>	<u>1,574,305,368</u>
Expected credit losses	(12,089,624)	(9,991,861)
	<u>2,284,753,551</u>	<u>1,564,313,507</u>

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

	2025	2024
Cash and cash equivalents before ECL	2,296,843,175	1,574,305,368
Restricted deposits	-	-
Cash and cash equivalents in the separate statement of cash flows	<u>2,296,843,175</u>	<u>1,574,305,368</u>

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



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

Notes to the separate financial statements for the year ended 31 December 2025

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

26. Property, plant, equipment

	Lands	Owned properties	Vehicles	Furniture and fixtures	Generators, machinery & equipment	Computer & Printers	Communications	Computer software	Leasehold improvements	Solar power stations	Golf Course	Total
Cost												
Cost at January 1, 2024	81,050,185	605,395,339	23,138,203	54,510,188	49,663,460	39,857,271	3,304,018	22,486,001	64,488,176	11,218,810	99,377,533	1,054,489,184
Additions during the year	-	610,000	1,782,386	4,137,966	1,177,726	9,936,754	167,950	-	-	-	-	17,812,782
Disposals during the year	-	-	(21,125)	(955,118)	(1,534,295)	(1,939,185)	(137,960)	-	-	-	-	(4,587,683)
Cost at December 31, 2024	81,050,185	606,005,339	24,899,464	57,693,036	49,306,891	47,854,840	3,334,008	22,486,001	64,488,176	11,218,810	99,377,533	1,067,714,283
Cost at January 1, 2025	81,050,185	606,005,339	24,899,464	57,693,036	49,306,891	47,854,840	3,334,008	22,486,001	64,488,176	11,218,810	99,377,533	1,067,714,283
Merger Adjustments	(54,567,358)	37,614,218	12,677,806	24,032,901	20,691,099	13,106,124	-	-	7,450,168	-	-	61,004,958
Additions during the year	-	182,287,495	41,412,162	122,903,290	104,303,237	21,249,922	157,420	3,477,425	-	-	-	475,790,951
Disposals during the year	-	(16,233,437)	(2,049,825)	-	(68,974)	(28,902)	(1,123)	-	(7,450,168)	-	-	(25,832,429)
Cost at December 31, 2025	26,482,827	809,673,615	76,939,607	204,629,227	174,232,253	82,181,984	3,490,305	25,963,426	64,488,176	11,218,810	99,377,533	1,578,677,763
Accumulated depreciation and impairment losses												
Accumulated depreciation and impairment losses at January 1, 2024	-	129,158,962	17,973,844	35,423,889	28,396,165	28,911,234	2,803,692	20,265,779	53,673,924	1,755,732	23,242,452	341,605,673
Depreciation during the year	-	29,690,098	2,421,717	8,134,502	8,755,360	5,011,372	190,366	1,364,116	4,393,738	448,752	1,822,572	62,232,593
Accumulated depreciation of disposals during the year	-	-	(21,122)	(816,781)	(1,375,591)	(1,880,276)	(137,948)	-	-	-	-	(4,231,718)
Accumulated depreciation and impairment losses at December 31, 2024	-	158,849,060	20,374,439	42,741,610	35,775,934	32,042,330	2,856,110	21,629,895	58,067,662	2,204,484	25,065,024	399,606,548
Accumulated depreciation and impairment losses at January 1, 2025	-	158,849,060	20,374,439	42,741,610	35,775,934	32,042,330	2,856,110	21,629,895	58,067,662	2,204,484	25,065,024	399,606,548
Merger Adjustments	-	23,607,196	8,282,356	14,978,098	7,097,100	11,551,531	-	-	7,450,168	-	-	72,966,449
Depreciation during the year	-	33,459,733	5,523,326	11,961,955	10,787,718	7,360,926	150,983	1,627,603	4,393,728	448,752	1,822,590	77,537,314
Accumulated depreciation of disposals during the year	-	(16,067,912)	(1,902,396)	-	(67,828)	(28,902)	(1,123)	-	(7,450,168)	-	-	(25,518,329)
Accumulated depreciation and impairment losses at December 31, 2025	-	199,848,077	32,277,725	69,681,663	53,592,924	50,925,885	3,005,970	23,257,498	62,461,390	2,653,236	26,887,614	524,591,982
Impairment in Golf Course												
Accumulated impairment losses at January 1, 2024	-	-	-	-	-	-	-	-	-	-	76,135,081	76,135,081
Reversal of impairment losses during the year	-	-	-	-	-	-	-	-	-	-	(1,822,572)	(1,822,572)
Accumulated impairment losses at December 31, 2024	-	-	-	-	-	-	-	-	-	-	74,312,509	74,312,509
Reversal of impairment losses during the year	-	-	-	-	-	-	-	-	-	-	(1,822,590)	(1,822,590)
Accumulated impairment losses at December 31, 2025	-	-	-	-	-	-	-	-	-	-	72,489,919	72,489,919
Carrying amount												
Carrying amount at January 1, 2024	81,050,185	476,236,377	5,164,359	19,086,299	21,267,295	10,946,037	500,326	2,220,222	10,814,252	9,463,078	-	636,748,430
Carrying amount at December 31, 2024	81,050,185	447,156,279	4,525,025	14,951,426	13,530,957	15,812,510	477,898	856,106	6,420,514	9,014,326	-	593,795,226
Carrying amount at December 31, 2025	26,482,827	609,825,538	44,661,882	134,947,564	120,639,329	31,256,099	484,335	2,705,928	2,026,786	8,565,574	-	981,595,862



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

Notes to the separate financial statements for the year ended 31 December 2025

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

26. Property, plant and equipment (continued)

- Fixed assets included fully depreciated assets amounted to EGP 222,195,924 at December 31, 2025.

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

	2025	2024
Cost of sales	42,771,115	44,253,572
Selling and marketing expenses	2,264,914	1,305,470
General and administrative expenses	22,765,108	16,673,551
Work in process	9,736,177	-
	77,537,314	62,232,593

27. Projects under construction

	2025	2024
Administrative buildings under construction	120,509,267	91,295,348
Hotels and Restaurant under construction	632,217,225	-
	752,726,492	91,295,348

28. Investment properties under development

	2025	2024
Opening balance	78,191,028	106,387,557
Merger adjustments effect	166,739,808	-
Development cost incurred	60,833,306	12,421,633
Transfer to investment property (Note 30)	(218,426,573)	(40,618,162)
Gain of investment properties under development	(45,472,314)	-
	41,865,255	78,191,028
	2025	2024
Projects in West Cairo	41,865,255	78,191,028
	41,865,255	78,191,028

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 amounted to EGP 115.5 million as of 31 December 2025, by using income approach, the key assumptions are growth rate 10% and average discount rate 22%.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

29 Investments in Subsidiaries

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

				Carrying amount as at	
	Principal activities	Ownership %	Paid amount of participation %	31 December 2025	31 December 2024
Sixth of October for Development and Real Estate Projects Co. (SOREAL)	Real estate developer (project East town and EDNC)	99.99	100	-	807,334,516
SOREAL for Real Estate Investment Co.	Real estate developer (project villete)	99.99	100	-	499,999,970
SODIC for Development and Real Estate Investment Co.	Real estate developer	99.99	100	-	299,999,980
Tabrouk Development Co.	Real estate developer (Projects June and Ceaser)	99.99	100	-	99,998,000
SODIC for Clubs Co.	Clubs Management	99.99	100	39,999,900	16,000,000
Beverly hill for Management cities Co.	Management	43.81	100	20,155,154	-
Sodic Garen city for real estate Co.	Real estate developer	50	100	25,000,000	-
Fourteen for real estate Co.	Real estate developer	99.99	100	69,999,970	-
Edara for management cities and resorts Co.	Management	99.99	100	9,999,970	-
Royal Gardens Real Estate Investment Co.	Real estate developer	20	100	3,000,000	-
				168,154,994	1,723,332,466
Impairment of Investments				(72,999,970)	-
				95,155,024	1,723,332,466

The financial information of the subsidiaries is as follow:

Company	Assets	Liabilities	Equity
Edara for management cities and resorts Co.	646,528,361	401,359,680	245,168,681
Beverly hill for Management cities Co.	154,706,725	90,865,001	63,841,724
SODIC Garden City for Real Estate Investment Co.	87,533,577	22,544,839	64,988,738
Fourteen for Real Estates Co.	92,191,820	12,503,599	79,688,221
SODIC for Clubs Co.	129,594,667	65,221,885	64,372,782



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

Notes to the separate financial statements for the year ended 31 December 2025

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

30. Investment properties

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

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

<u>Description</u>	<u>EGP</u>
Cost	
At January 1, 2024	294,390,201
Additions during the year	40,618,162
At December 31, 2024	335,008,363
At January 1, 2025	335,008,363
Merger Adjustments effect	1,303,930,021
Additions during the year	218,426,573
Disposals during the year	(2,902,018)
At December 31, 2025	1,854,462,939
Deduct	
Accumulated depreciation	
At January 1, 2024	29,469,678
Depreciation for the year	14,325,898
At December 31, 2024	43,795,576
At January 1, 2025	43,795,576
Merger Adjustments effect	137,203,930
Depreciation for the year	63,674,221
Disposals during the year	(123,168)
At December 31, 2025	244,550,559
Net carrying amount as of January 1, 2024	264,920,523
Net carrying amount as of December 31, 2024	291,212,787
Net carrying amount as of December 31, 2025	1,609,912,380

- The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has recent experience in valuing similar properties in Egypt. The fair value of investment properties amounted to EGP 2,94 billion as of 31 December 2025 and EGP 898 Million as of 31 December 2024.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

30. 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	2,307,670,000	814,320,000
Investment properties	Market approach	631,335,000	83,400,000
Total		2,939,005,000	897,720,000

31. Share capital and reserves

31.1 Issued and paid-up capital

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

The Company has merged the companies listed in (Note 42), 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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

31. Share capital and reserves (continued)

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:

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
EKUNITY 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	7.02
	1,289,293,586	5,157,174,344	100

31.2 Legal reserve

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

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

Balance as of 31 December 2021	224,840,771
Closing in merge account	(224,840,771)
Legal reserve 2023 movement of profit 2022	56,843,426
Legal reserve 2024 movement of profit 2023	61,506,743
Legal reserve 2025 movement of profit 2024	120,635,247
	238,985,416

31.3 Special reserve – share premium

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

Description	EGP
Balance as of 31 December 2021	1,483,154,057
Closing in merge 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 the year 2024.	206,915,652
	1,690,069,708



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

Notes to the separate financial statements for the year ended 31 December 2025

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

32. Borrowings

32.1 Bank loans

	Nominal interest rate	31 December 2025			31 December 2024		
		Current portion	Non-current portion	Toal Loan	Current portion	Non-current portion	Toal Loan
On October 13, 2021, Sixth of October for Development and Investment Company "SODIC" signed a medium-term syndicated loan contract with the Arab African International Bank "facility and guarantee agent" and Banque Misr (in its capacity as the account bank) with a total amount of EGP 1,570 million according to the previous syndicated loan contract signed on April 4, 2017 on two tranches: First tranche amount to finance the total debt outstanding & Second tranche to finance "SODIC West" projects.	Floating	135,315,784	943,988,681	1,079,304,465	112,763,153	1,079,304,464	1,192,067,617
Debt covenant: - The company pledges to deposit all proceeds from the sale of the project.							
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).							



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

Notes to the separate financial statements for the year ended 31 December 2025

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

	Nominal interest rate	31 December 2025			31 December 2024		
		Current portion	Non-current portion	Toal Loan	Current portion	Non-current portion	Toal Loan
On January 22, 2023, the Company 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	-	-	-
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 company commits to a coverage ratio of 111% of the proceeds from the sale of units in the Vilette 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)
		966,242,132	6,545,304,173	7,511,546,305	111,152,897	1,970,045,490	2,081,198,387



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

Notes to the separate financial statements for the year ended 31 December 2025

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

32. Borrowings (continued)

- Sale and Leaseback Transaction and Full Settlement of Obligations.

On 9 November 2025, the Company 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 Company 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 Company 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 Company settled all obligations arising from the financial leasing contract, as confirmed by a clearance letter issued by EFG Corp Solutions. Accordingly, the Company was fully discharged of all liabilities, and the asset returned to the Company's ownership permanently.

32.2 Bank facilities

	Nominal interest rate	2025	2024
On November 13, 2023, SODIC signed a revolving credit facility agreement with Commercial International Bank (CIB) for a total amount of EGP 1.2 billion to finance ongoing operations of SODIC projects. The facility has a seven-year term and is secured by a mortgage on outstanding balances, representing a future instrument for delivered units in SODIC's diverse projects. (Interest rate corridor + margin).	Floating	489,592,152	800,303,274
On June 13, 2022, the company signed a facility agreement with the National Bank of Egypt to discount checks for some of the units delivered in the Eastown project issued by the unit owners in favor of the company, provided that the amount of the facility does not exceed EGP 600 million of the net present value after calculating the discount rate and restricting 5% of each discount transaction to the default service account, with the bank having the full right of recourse (the interest rate is the corridor + margin).	Floating	44,814,928	-
On March 10, 2025, the company 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	800,303,274



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

Notes to the separate financial statements for the year ended 31 December 2025

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

33. Land Liabilities

	2025	2024
New Urban Communities Authority (Note 33-1)	6,149,898,492	5,245,916,457
Owners Union – Shahin (Note 33-2)	1,031,636,088	-
MIDAR Company (Note 33-3)	12,125,412,640	-
	19,306,947,220	5,245,916,457
Current portion	1,772,615,057	532,294,201
Non-current portion	17,534,332,163	4,713,622,256
	19,306,947,220	5,245,916,457

33.1 New Urban Communities Authority (NUCA)

	31 December 2025				31 December 2024	
	The Estates	464 Acres (VYE & Karmell)	180 Acres (Ceaser project)	Total	464 Acres (VYE & Karmell)	Total
New Urban Communities Authority	391,664,215	9,803,121,930	340,418,618	10,535,204,763	10,343,855,608	10,343,855,608
Unamortized interest	(38,274,475)	(4,266,527,843)	(80,503,953)	(4,385,306,271)	(5,097,939,151)	(5,097,939,151)
	353,389,740	5,536,594,087	259,914,665	6,149,898,492	5,245,916,457	5,245,916,457
Current portion	176,378,794	861,222,209	103,653,835	1,141,254,838	532,294,201	532,294,201
Non-current portion	177,010,946	4,675,371,878	156,260,830	5,008,643,654	4,713,622,256	4,713,622,256
	353,389,740	5,536,594,087	259,914,665	6,149,898,492	5,245,916,457	5,245,916,457

A) The Estate Residences

In May 2022 an agreement was signed between Egyptian New Urban Communities Authority ("NUCA") and the Company 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 Company and NUCA to establish an integrated urban project with an area of 464.81 acres with a total value of EGP 11.36 billion.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

33. Land Liabilities (continued)

C) 180 Acres Land plot

On 1 August 2023, the Company 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.

33.2 Owners Union-Shahin

	2025	2024
Owners Union – Shahin	1,662,193,125	-
Unamortized interest	(630,557,037)	-
	1,031,636,088	-
Current portion	86,452,563	-
Non-current portion	945,183,525	-
	1,031,636,088	-

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. (21-3A).

33-3 MIDAR Company

	2025	2024
MIDAR Company	40,655,559,221	-
Unamortized interest	(28,530,146,581)	-
	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. (21-2B)



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

Notes to the separate financial statements for the year ended 31 December 2025

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

34. Advances - from customers

	2025	2024
Advances – Projects in West Cairo	8,734,637,982	5,962,399,546
Advances – Projects in East Cairo	2,933,435,661	1,479,754,175
Advances – Projects on the North Coast	16,537,802,228	1,731,828,987
Advances – Clubs memberships	947,984,458	606,647,067
	29,153,860,329	9,780,629,775

- Advances Includes an amount of EGP 5,88 billion representing the value of financial components on installments collected from customers.
- 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 No. (40).

35. Contractors, suppliers and notes payable

	2025	2024
Contractors	197,594,502	65,128,112
Suppliers	150,383,582	100,687,955
Notes payable	464,014,327	137,909,323
	811,992,411	303,725,390

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



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

Notes to the separate financial statements for the year ended 31 December 2025

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

36. Creditors and other credit balances

	2025	2024
Amounts collected on account of management, operation, and maintenance of projects *	5,317,884,378	1,602,211,432
Accrued expenses	803,908,600	426,317,263
Withheld Performance Guarantee	1,072,200,347	252,979,385
Customers – credit balances and cancellation	716,505,859	37,787,910
Tax Authority	80,568,410	113,428,878
Creditors of gas and electricity installments	71,049,355	34,602,074
Short-term paid absences	14,251,977	389,290
Insurance Deposits collected from customers –		28,888,636
Against modifications	24,383,070	
Social insurance – Contractors	146,604,310	10,758,169
Retentions	122,556,684	-
Customers rent advances	5,052,578	1,507,109
Other creditors short term	196,401,328	52,457,239
	<u>8,571,366,896</u>	<u>2,561,327,385</u>

- * 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. (40).
 - The Company's exposure to currency and liquidity risks related to creditors is disclosed in note No. (7).

Notes to the separate financial statements for the year ended 31 December 2025

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

37. Provisions

	2025	2024
Provision for completion of works (37.1)	3,942,325,450	595,412,704
Provision for expected claims (37.2)	328,231,288	242,300,000
	4,270,556,738	837,712,704

37.1 Provision for completion of works

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

	Balance as at 1 January 2025	Merger adjustments effect	Formed during the year	Used during the year	Balance as at 31 December 2025
Provision for completion of works	595,412,704	1,197,993,845	2,631,566,628	(482,647,727)	3,942,325,450
	595,412,704	1,197,993,845	2,631,566,628	(482,647,727)	3,942,325,450

	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	645,990,014	151,081,538	(201,658,848)	595,412,704
	645,990,014	151,081,538	(201,658,848)	595,412,704

37.2 Provision for expected claims

	Balance as at 1 January 2025	Merger Adjustments effect	Formed during the year	Used during the year	Balance as at 31 December 2025
Provision for expected claims	92,300,000	34,682,543	122,609,220	(71,360,475)	178,231,288
Provision for compensation	150,000,000	-	12,390,780	(12,390,780)	150,000,000
	242,300,000	34,682,543	135,000,000	(83,751,255)	328,231,288

	Balance as at 1 January 2024	Formed during the year	Used during the year	Balance as at 31 December 2024
Provision for expected claims	33,250,000	95,093,585	(36,043,585)	92,300,000
Provision for compensation	-	150,000,000	-	150,000,000
	33,250,000	245,093,585	(36,043,585)	242,300,000

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



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

Notes to the separate financial statements for the year ended 31 December 2025

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

38. Transactions with related parties

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

Party	Nature of relationship	31 December 2025
		Amount of Transaction
Beverly Hills Company for Management of Cities and Resorts	A subsidiary	3,272,919
Sodic Garden City for development and investment	A subsidiary	857,296
Edara for Services of Cities and Resorts Company	A subsidiary	840,171,944
Fourteen for Real Estates Co.	A subsidiary	1,774,186
SODIC Clubs	A subsidiary	134,167,191
		9,028,800
Aldar Egypt for Projects Development	Under common control from the parent company	768,787
Executive managers	Executive Directors	40,174,529
Board of Directors	Board Members	16,000,000

The nature of the transactions with related parties is payments on behalf of the Company except for SODIC Clubs where the nature of its transactions are revenue/expense and administrative fees.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

38. Transactions with related parties (continued)

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

1- Due from related parties

	2025	2024
Green scape for Agriculture and Reclamation Company (under Liquidation)	3,651,668	3,651,668
Move-In for Advanced Contracting Company	22,411,128	22,411,128
SODIC Syria Company	434,145,985	434,145,985
Palmyra Real Estate Development Company – a Joint project	35,191,620	35,191,620
SODIC Garden City for development and investment	4,219,438	3,362,142
Aldar for Real Estate Company – Egypt	273,354	1,042,141
Tabrouk Development Company	-	51,035,510
Fourteen for Real Estates Co.	12,431,420	-
Edara for City and Resort Management Services	38,954,940	-
Beverly Hills City and Resort Management Company	18,391,529	10,511,238
	569,671,082	561,351,432
Expected credit losses *	(495,506,515)	(495,424,870)
	74,164,567	65,926,562

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

Accordingly, the Board of Directors of Sixth of October Development and Investment "SODIC" saw that the assets of the investee company all became in dispute with the mentioned country's government, which requires to recognize a loss arising from an inability to recover its investments and therefore the Board of Directors decided on April 16, 2014 to impair the due from related parties relating to investments that have been injected for projects in the Syrian Arab Republic in addition to an impairment for due from some subsidiaries related to debts that are not expected to be collected which are amounted to EGP 495,506,515 as at December 31, 2025



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

Notes to the separate financial statements for the year ended 31 December 2025

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

38. Transactions with related parties (continued)

2- Due to related parties

	2025	2024
Sixth of October for Development and Real Estate Projects (SOREAL)	-	1,821,738,146
SOREAL for Real Estate Company	-	293,525,680
Al Yosr for Projects and Real estate Development Company	-	126,276,861
SODIC for Clubs	103,008,959	73,627,897
SODIC for Development and Real Estate Investment Company	-	214,530,675
Edara for Services of Cities and Resorts Company	-	21,016,381
	103,008,959	2,550,715,640

39. Tax position

Summary of the Company's tax status at the separate 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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (continued)

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.

Summary of the merged companies' tax positions as at the date of the separate 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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (continued)

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.

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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (continued)

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.

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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (continued)

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.

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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (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 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.

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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (continued)

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.

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.



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

Notes to the separate financial statements for the year ended 31 December 2025

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

39. Tax position (continued)

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.

40. Post-dated checks (off balance sheet)

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

	2025	2024
Postdated checks of customers and unit's installments	79,587,292,928	40,978,208,896
Postdated checks of customers cancellations	27,637,505	7,870,952
Postdated checks of customers and maintenance installments	7,141,596,157	3,222,009,845
	86,756,526,590	44,208,089,693
These are due		
Checks due short term	14,251,187,810	7,280,600,437
Checks due long term	72,505,338,780	36,927,489,256
	86,756,526,590	44,208,089,693

41. Non - cash transactions

For the purpose of preparing the separate 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:

	EGP
Amortized interests on NUCA & land purchase creditors, that were capitalized to work in process	12,220,337,146
Capitalized financial component on installments collected from customers	4,255,269,503
Transfer between investment properties under development and investment properties	166,739,808



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

Notes to the separate financial statements for the year ended 31 December 2025

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

42. Merger

The Company has merged the companies listed below, 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