

**PIONEERS PROPERTIES FOR URBAN  
DEVELOPMENT COMPANY (S.A.E.)  
SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024  
TOGETHER WITH AUDIT REPORT**

**Pioneers Properties for Urban Development Company (S.A.E.)**

**Separate Financial Statements  
For The Year Ended 31 December 2024**

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Translation Of Audit Report  
Originally Issued in Arabic

## AUDITOR'S REPORT

### **TO THE SHAREHOLDERS of Pioneers Properties For Urban Development Company (S.A.E.)**

#### **Report on Financial Statements**

We have audited the accompanying separate financial statements of **Pioneers Properties For Urban Development Company (S.A.E.)** represented in the separate Financial Position as of 31 December 2024, and the related separate statements of profit or loss, comprehensive income, changes in shareholders equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This 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 applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion, the separate financial statements referred to above, give a true and fair view, in all material respects, of the separate financial position of **Pioneers Properties for Urban Development Company (S.A.E.)**, as of 31 December 2024 and of its separate financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

### Emphasis of Matter

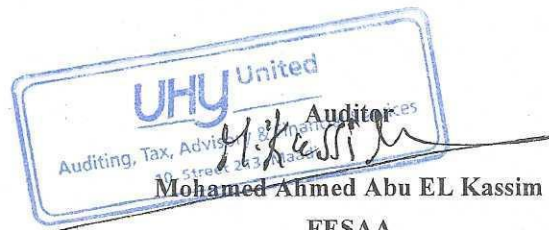
without qualifying our opinion, and with reference to notes No. (4), (25-2) the company applied the impact of the Egyptian Accounting Standard No. (17) "Separate Financial Statements" replacing Ministerial Decree No. (636) dated March 3, 2024. The company applied As a result, and with reference to notes No. (4), (16), and (25) of the financial statements for the year 2025, the company applied the impact of the Egyptian Accounting Standard No. (47) "Independent Financial Statements" replacing Ministerial Decree No. (636) dated March 3, 2024. The company reassessed the rights of ownership interests in its financial investments in subsidiaries or associates. This had an impact on the retained earnings and losses amounting to 1,031,434,538 Egyptian pounds, and the Retained earnings amounted to (1,111,900,039) Egyptian pounds. During the period, the group applied the Egyptian Accounting Standard No. (34) using the fair value model in real estate investments. The company's share adjustments for the period impacted net profits by an amount of 1,436,878,345 Egyptian pounds, which were reversed as part of settlements on accumulated losses during the year. These adjustments were made in accordance with notes No. (4), (16), and (25).

### Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the Company's records.

The financial information included in the General managers' Report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, agrees with the books of the Company insofar as such information is recorded therein.

Cairo: 27 March 2025

  
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FESAA

FEST

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United For Auditing and Tax

UHY – United

SEPARATE STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2024

	Notes	31 December 2024 EGP	(Adjusted) 31 December 2023 EGP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	(3)	13,633,847	15,093,476
Investments in subsidiaries	(4)	5,967,610,297	3,982,195,150
Paid under the capital increase of subsidiary	(4)	6,522,302	-
Investment properties	(5)	54,930,153	58,168,991
Right-of-use assets	(19-1)	14,475,164	17,075,744
Deferred tax – asset	(15)	117,087,094	12,369,016
<b>Total non-current assets</b>		<b>6,174,258,857</b>	<b>4,084,902,377</b>
<b>Current assets</b>			
Investments at fair value through profit or loss	(6)	265,582	279,393
Due from related parties	(7-1)	949,756,626	549,588,793
Prepayments and other debit balances	(8)	12,734,861	7,722,040
Investment in treasury bills	(9)	117,630,425	95,316,209
Cash on hand and at banks	(10)	2,180,272	27,516,200
<b>Total current assets</b>		<b>1,082,567,766</b>	<b>680,422,635</b>
<b>TOTAL ASSETS</b>		<b>7,256,826,623</b>	<b>4,765,325,012</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Capital Issued and Paid	(11)	4,746,623,220	4,746,623,220
Treasury Stocks	(11)	(111,280,771)	-
General reserve		-	5,653,980
Legal reserve		104,716	104,716
Splitting process results		-	124,031,553
Retained earnings (Accumulated losses)		705,292,337	(1,412,411,553)
Profit for the year		580,100,251	159,527,397
<b>TOTAL EQUITY</b>		<b>5,920,839,753</b>	<b>3,623,529,313</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	(19-2)	96,029,885	55,891,624
<b>Total non-current liabilities</b>		<b>96,029,885</b>	<b>55,891,624</b>
<b>Current liabilities</b>			
Credit facilities	(12)	1,016,424,729	924,030,957
Current portion of lease liabilities	(19-2)	23,426,936	21,826,857
Due to related parties	(7-2)	116,217,393	95,668,556
Current portion of long-term loans	(13)	-	2,500,000
Tax liabilities		24,194,367	10,156,260
Accruals and other credit balances	(14)	59,693,560	31,721,445
<b>Total current liabilities</b>		<b>1,239,956,985</b>	<b>1,085,904,075</b>
<b>TOTAL LIABILITIES</b>		<b>1,335,986,870</b>	<b>1,141,795,699</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,256,826,623</b>	<b>4,765,325,012</b>

Group Chief Financial Officer

Mohamed Mostafa Abdelaziz

Chief Executive Officer

Walid Mohamed Zaki

- The accompanying notes from (1) to (25) are an integral part of these separate financial statements.
- Audit report "attached".

**Pioneers Properties For Urban Development Company (S.A.E.)**

**SEPARATE STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 December 2024**

	Notes	31 December 2024 EGP	(Adjusted) 31 December 2023 EGP
Operations revenue	(16)	836,752,103	351,286,009
Operations cost	(17)	(3,238,837)	(3,643,692)
<b>GROSS PROFIT</b>		<b>833,513,266</b>	<b>347,642,317</b>
General and administrative expenses	(18)	(88,842,749)	(60,815,214)
Expected credit loss in due from related parties balance	(7-1)	(4,391,188)	(618,079)
Reversal of expected credit loss in due from related parties balance	(7-1)	-	6,069,900
Other revenues		5,451,993	29,034,759
<b>OPERATING PROFIT</b>		<b>745,731,322</b>	<b>321,313,683</b>
Finance expenses		(234,949,417)	(168,109,014)
Finance income		869,153	963,178
Return on investment in treasury bills		11,089,627	398,089
Foreign exchange differences		(11,833,410)	(1,963,930)
<b>PROFIT BEFORE INCOME TAXES FOR THE YEAR</b>		<b>510,907,275</b>	<b>152,602,006</b>
Income taxes	(15)	69,192,976	6,925,391
<b>PROFIT FOR THE YEAR</b>		<b>580,100,251</b>	<b>159,527,397</b>
<b>EARNINGS PER SHARE</b>	(23)	<b>0.48</b>	<b>0.151</b>

Group Chief Financial Officer



Mohamed Mostafa Abdelaziz



Chief Executive Officer



Walid Mohamed Zaki

SEPARATE STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 December 2024

	(Adjusted)
<b>31 December 2024</b>	31 December 2023
<b>EGP</b>	EGP
Profit for the year	159,527,397
<b>Items related to other comprehensive income:</b>	
Foreign exchange differences of monetary items at the flotation date	(48,741,938)
<b>Deduct:</b>	
Transferred to accumulated losses during the same year	48,741,938
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>159,527,397</b>

**Pioneers Properties For Urban Development Company (S.A.E.)**

Translation Of Financial Statements  
Originally Issued in Arabic

SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 December 2024

	Paid up Capital EGP	Treasury Stocks EGP	General reserve EGP	Legal reserve EGP	Splitting process adjustments EGP	Retained earnings (Accumulated losses) EGP	Profit for the year EGP	Total EGP
Balances as of 1 January 2024 (before adjustments)	4,746,623,220	-	5,653,980	104,716	124,031,553	(114,423,465)	(26,560,652)	4,735,429,352
Adjustments (Note 25) *						(1,297,988,088)	186,088,049	(1,111,900,039)
Balances as of 1 January 2024 (after adjustments)	4,746,623,220	-	5,653,980	104,716	124,031,553	(1,412,411,553)	159,527,397	3,623,529,313
Transferred to (Accumulated losses)****	-	-	(5,653,980)	-	(124,031,553)	289,212,930	(159,527,397)	-
Adjustments to (Accumulated losses) **	-	-	-	-	-	(114,724,201)	-	(114,724,201)
Adjustments to retained earnings of subsidiaries ***	-	-	-	-	-	1,943,215,161	-	1,943,215,161
Treasury stocks purchase) (Note 11)	-	(111,280,771)	-	-	-	-	-	(111,280,771)
Profit for the year	-	-	-	-	-	-	580,100,251	580,100,251
<b>Balance as of 31 December 2024</b>	<b>4,746,623,220</b>	<b>(111,280,771)</b>	<b>-</b>	<b>104,716</b>	<b>-</b>	<b>705,292,337</b>	<b>580,100,251</b>	<b>5,920,839,753</b>
Balances as of 1 January 2023 (before adjustments)	4,746,623,220	-	5,653,980	-	124,031,553	(62,967,742)	2,094,315	4,815,435,326
Adjustments (Note 26) *	-	-	-	-	-	(1,280,987,717)	(17,000,371)	(1,297,988,088)
Balances as of 1 January 2023 (after adjustments)	4,746,623,220	-	5,653,980	-	124,031,553	(1,343,955,459)	(14,906,056)	3,517,447,238
Adjustments to (Accumulated losses) **	-	-	-	104,716	-	(15,010,772)	14,906,056	-
Transferred to legal reserve and (Accumulated losses)	-	-	-	-	-	(4,504,424)	-	(4,504,424)
Dividends distributed for year 2022	-	-	-	-	-	(198,960)	-	(198,960)
Foreign exchange differences of monetary items at the flotation date	-	-	-	-	-	(48,741,938)	-	(48,741,938)
Profit for the year (Adjusted)	-	-	-	-	-	-	159,527,397	159,527,397
Balance as of 31 December 2023 (Adjusted)	4,746,623,220	-	5,653,980	104,716	124,031,553	(1,412,411,553)	159,527,397	3,623,529,313

\* Adjustments to retained earnings resulting from the impact of changing the policy of measuring investments in subsidiaries companies in the separate financial statements in accordance with Prime Minister's Resolution No. 636 for the year 2024 amending some provisions of the Egyptian Accounting Standards - Egyptian Accounting Standard No. (17) "Separate Financial Statements" (Note 25-2).

\*\* Adjustments to retained earnings represent the differences resulting from evaluation foreign currency balances (beginning balances) using the observed exchange rate in accordance with the Prime Minister's Resolution No. 636 for the year 2024 amending some provisions of the of the Egyptian Accounting Standards - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" (Note 25-1).

\*\*\* Adjustments on the accumulated losses represent the company's share in the net profit of its subsidiaries from adjustments on retained earnings that resulted from applying the investment properties standard with the amount of EGP 1,436,878,345 and other adjustments with the amount of EGP 506,336,816 (Note 4).

\*\*\*\* On April 15, 2024, the Extraordinary General Assembly approved the transfer of the balance included in the general reserve amounting to EGP 5,653,980 and the result of the split amounting to EGP 124,031,553 to accumulated losses.

- The accompanying notes from (1) to (25) are an integral part of these separate financial statements.



**SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 December 2024**

	Note	31 December 2024 EGP	(Adjusted) 31 December 2023 EGP
<b>Cash flows from operating activities</b>			
Profit for the year before income taxes		510,907,275	152,602,006
Depreciation of fixed assets	(3)	2,330,179	1,900,786
Depreciation of investment properties	(5)	3,238,837	3,643,692
Amortization of right-of-use assets	(19-1)	2,600,580	2,600,580
Expected credit loss in due to related parties balance	(7-1)	4,391,188	618,079
Reversal of expected credit loss in due to related parties balance	(7-1)	-	(6,069,900)
Investments at fair value through profit or loss valuation difference	(16)	13,811	(42,459)
Gain on sale of investments at fair value through profit or loss		-	875,856
Gain on sale of investments in financial instruments - not listed on the stock exchange	(16)	(283,908)	(150,137,222)
Gain on (loss) sale of investments in financial instruments - listed on the stock exchange	(16)	209,849,689	-
Dividends distributed from subsidiaries	(16)	(2,912)	(999,890)
Profit shares from subsidiaries	(16)	(1,031,434,538)	(186,088,049)
Return on investment in treasury bills		(11,089,627)	(398,089)
Finance expense		234,949,417	168,109,014
Finance income		(869,153)	(963,178)
<b>Operating (losses) before changes in working capital</b>		<b>(75,399,162)</b>	<b>(14,348,774)</b>
Changes in investments at fair value through profit or loss		-	144
Changes in due from related parties*		(403,034,874)	476,936,080
Changes in prepayments and other debit balances		(5,012,821)	2,561,529
Changes in due to related parties		20,517,489	12,681,764
Changes in tax liabilities		14,038,107	5,567,713
Changes in accruals and other credit balances		27,424,960	(82,424,796)
<b>Net cash flows provided from operating activities</b>		<b>(421,466,301)</b>	<b>400,973,660</b>
<b>Cash flows from investing activities</b>			
Payments to acquire fixed assets	(3)	(870,550)	(4,955,741)
Proceeds from sale investments in subsidiaries	(4)	895,467,833	-
Payments in investments in treasury bills		(117,402,500)	(94,918,120)
Proceeds from sale of treasury bills		103,959,987	-
Payments in investments in subsidiaries		(122,290,016)	-
Finance income received		869,153	963,178
<b>Net cash flow (used in) investing activities</b>		<b>759,733,907</b>	<b>(98,910,683)</b>
<b>Cash flows from financing activities</b>			
Payments of credit facilities *		(57,446,230)	(29,730,214)
Proceeds from financing arrangement contracts		57,000,000	-
Payments of lease liabilities		(15,261,660)	(10,550,067)
Payments to purchase treasury stocks	(11)	(111,280,771)	-
Payments of long-term loans		(2,500,000)	(82,147,302)
Finance expense paid		(234,402,413)	(158,376,157)
<b>Net cash flows (used in) financing activities</b>		<b>(363,891,074)</b>	<b>(280,803,740)</b>
<b>Net changes in cash and cash equivalent during the year</b>		<b>(25,623,468)</b>	<b>21,259,237</b>
Cash and cash equivalent – beginning of the year	(10)	27,516,200	6,256,963
Foreign exchange differences related to cash and cash equivalent *		287,540	-
<b>Cash and cash equivalent – end of the year</b>	(10)	<b>2,180,272</b>	<b>27,516,200</b>

\*The impact of non-cash transactions resulting from the application of Standard No. (13) amended 2024 (Note 25-1) has been excluded.

- The accompanying notes from (1) to (25) are an integral part of these separate financial statements.

## 1- Background

**Pioneers Properties for Urban Development Company (S.A.E.)** was established in accordance with Law No. (159) for the year 1981 as a result of the splitting of Aspire Capital Holding Company for Financial Investments (S.A.E) (previously - Pioneers Holding Company for Financial Investments) in according to Law No. (159) of 1981 and without violating Article (27) of the Capital Market Law No. (95) for the year 1992 and Article (121) and Article (122) of the Executive regulations.

The main purpose of the Company is to invest in real estate activities share and contribute, directly and indirectly in all areas of real estate investments, contracting and real estate development activities and the Company may have an interest or participate in any way with companies and others that carry out similar businesses or that may assist it in achieving its purpose in Egypt or abroad. It may also merge with, buy, or join the mentioned parties in accordance with the provisions of the law and its executive regulations.

The Company was registered in the Commercial Register under No. 172104 - Cairo on 8 September 2021.

The Company was listed on the stock exchange on 10 October 2021.

The Company's duration is 25 years, starting on 8 September 2021.

The separate financial statements for year ended 31 December 2024 were approved by the Board of Directors resolution on 29 March 2025.

## 2- Significant Accounting Policies

### 2-1 Basis of preparation the financial statements

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for financial assets and Investments at fair value through profit or loss, and Investments at fair value through comprehensive income measured at fair value.

#### Statement of compliance

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

#### Changes in accounting policies

Accounting policies applied this year is the same as in the previous years except for the following:

- Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Currency Exchange Rates" (Note 25-1).
- Egyptian Accounting Standard No. (17) "Separate Financial Statements" (Note 25-2).

Amended in accordance with the decision of the Prime Minister No. 636 of 2024 to amend some of the Egyptian Accounting Standards."

### 2-2 Lease contracts

Contract is defined to be (or include) a lease contract based on its contents, The contract is a lease contact or include a lease contract if it transfers the control over the use of the asset described for a year for a price.

At the commencement of the contract, lease is classified as a financial lease or operating lease; where the contract is classified as a financial lease if it transfers in a material respect mostly all the risks and rewards from owning the contractual asset and classified as an operating lease if it doesn't transfer in a material respect mostly all the risks and rewards from owning the contractual asset.

At the commencement of the contract, asset is measured (right of use) at cost, where cost includes all initiation costs incurred to prepare the asset to the condition required as per the contract.

The lease liability is measured by the fair value of the unpaid lease payments at the date, deducting the lease payments using the imbedded interest in the contract, if it can be easily measured, or using interest on extra lending for the lessor if it can't be measured, in addition to any other variable payments, expected payments, and price for the right of purchasing the asset, according to the contract.

Interest on lease payments, or any variable payments not included in the measurement of the lease liability is included in the statement of profits or losses.

## 2- Significant Accounting Policies (Cont'd)

### 2-2 Lease contracts (Cont'd)

If the lease contract transfers the ownership of the asset, or the asset cost reflects the right of purchasing the asset, the asset is amortized over its useful life (right of use), and except for that, the asset is amortized (right of use) starting from the contract commencing date till its useful life (right of use) or the end of the contract date, whichever is shorter.

The Company assesses at each reporting date whether there is an indication that asset may be impaired, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, impairment loss is recognized in the statement of profits or losses.

A previously recognized 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 recognized, 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 amortization, had no impairment loss been recognized for the asset in prior years, such reversal is recognized in the statement of profits or losses.

### 2-3 Foreign currency translation

- The financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.
- Transactions in currencies other than Egyptian pound are initially recorded using the prevailing exchange rates on the transaction date.
- Monetary assets and liabilities denominated in currencies other than Egyptian pound are retranslated using the exchange rate at the statement of financial position date, all differences are recognized in the statement of profit or loss.
- Nonmonetary items that are measured at historical cost in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date of the initial recognition.
- Nonmonetary items measured at fair value in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date when the fair value is determined.

### 2-4 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses, Such cost includes the cost of replacing part of the Fixed assets when the cost is incurred, if the recognition criteria are met, likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the Fixed assets as a replacement if the recognition criteria are satisfied, all other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the assets as follows:

	<b>Years</b>
Computers	8
Furniture	16.7
Leasehold Improvements	As per contract term
Electric Devices	5-8
Vehicles	5-4
Telecommunications Equipment	8
Decorations	10-5
Machinery and Equipment	10

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each reporting date whether there is an indication that Fixed assets may be impaired, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, impairment loss is recognized in the statement of profit or loss.

## **2- Significant Accounting Policies (Cont'd)**

### **2-4 Fixed assets (Cont'd)**

A previously recognized 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 recognized, 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 recognized for the asset in prior years, Such reversal is recognized in the statement of profit or loss.

### **2-5 Investments**

#### **Investments in subsidiaries**

Investments in subsidiaries are investments in entities which the company has control, Control is presumed to exist when the parent has direct or indirect control through subsidiaries on the investee having the power to control the financial and operating policies of the company to benefit from its operations, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

Investments in subsidiaries are accounted for using the equity method and according to the equity method the investment in any subsidiary company is recognized initially at cost. Then the investment balance is increased or decreased to prove the company's share in the investee company profit or loss among the company's profit or loss, the investment balance is decreased by dividends value acquired from the investee company.

#### **Investments at fair value through profit or loss**

Investments at fair value through profit or loss are financial assets classified according to fair value model, as either held for trading acquired for the purpose of selling in the near term or financial assets designated upon initial recognition at fair value through profit or loss.

Investments at fair value through profit and loss are initially recognized at fair value.

Investments at fair value through profit and loss are carried in the financial position at fair value with gains or losses recognized in the statement of profit or loss.

Gains or losses from sale of an investments at fair value through profit or loss shall be recognized in the statement of profit or loss.

### **2-6 Accounts receivable and other debit balances**

Accounts and other receivables are stated at original invoice amount net of any impairment losses.

Impairment losses are measured as the difference between the accounts and other receivables carrying amount and the present value of estimated future cash flows, The impairment loss is recognized in the statement of profit or loss, reversal of impairment is recognized in the statement of profit or loss in the year in which it occurs.

### **2-7 Legal reserve**

According to the Company's articles of association, 5% of the profits are transferred to the legal reserve until this reserve reaches 50 % of the capital, the reserve is used upon a decision from the general assembly meeting according to board of directors' suggestion.

### **2-8 Projects under construction**

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing assets until it is ready to be used in the operation, upon which it is transferred to relevant asset category. Projects under construction are valued at cost less decline in value.

### **2-9 Investment properties**

Investment properties held to generate rent or for value appreciation, or both, is initially recognized at cost, Cost includes purchase price, or construction cost, and any related direct expenses, After the initial recognition, Investment properties are measured at cost after deducting the accumulated depreciation and any impairment in value, Depreciation is calculated using straight-line method according to the useful life of the asset.

## 2- Significant Accounting Policies (Cont'd)

### 2-10 Accounts payable and other credit balances

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### 2-11 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

#### Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority.

#### Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of income for the year, except to the extent that the tax arises from a transaction or an event which is recognized, in the same year or a different year, directly in equity.

### 2-12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

- **Revenue from contracts with customers**

An Egyptian standard no.48 revenue from contract with customers set out five step model to be applied as follow:

**Step one: Identify the contract (contracts) with the customer.** A contract is an agreement between two parties or more creates enforceable rights or obligations A company applies the revenue guidance to contracts with customers.

**Step two: Identify the separate performance obligations in the contract.** A performance obligation is a promise in a contract to provide a product or service to a customer.

**Step nine: Determine the transaction price.** The transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services, except the amount that collect on behalf of third parties.

**Step Four: Allocate the transaction price to the separate performance obligations.** If more than one performance obligation exists in a contract, allocate the transaction price based on relative standalone selling prices.

**Step five: Recognize revenue:** when the company satisfies its performance obligation.

Companies satisfy performance obligations and recognize revenue over a year of time if one of the following criteria is met.

- a. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- b. The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If an entity does not satisfy its performance obligation over time according to previous conditions, the entity will recognize revenue at point in time when performance obligation is satisfied.

**2- Significant Accounting Policies (Cont'd)****2-12 Revenue recognition (Cont'd)**

The following specific recognition criteria must also be met before revenue is recognized:

- **Contracting revenue**

Revenues from construction contracts include the initial value of each construction contract in addition to order changes, incentives, or subsequent claims, provided that sufficient expectation exists for the realization of that value and the reliability of its estimate.

Where the results of the contract can be reliably estimated, revenues from construction contracts are recognized in accordance with the percentage of completion method according to the nature of the contract as follows:

- Long-term contracts: The percentage of completion is determined according to limitation of the executed works method. The contract costs incurred to meet this revenue are recognized.
- Short-term contracts: Short-term contract revenue is recognized in accordance with accounting for the work performed method and the actual costs incurred to meet the revenue.

Where a contract revenue cannot be reliably estimated, revenue is recognized within the limit of the actual cost incurred and is expected to be recovered.

Any expected loss of the contract is recognized as an expense in the event that the expected total cost of the contract is likely to exceed the total revenue of the contract irrespective to the percentage of completion of the contract.

Any increase (decrease) in the value of income calculated according to the percentage of completion than the actual bill of progress issued to the client is charged to the clients' account.

- **Units' sales**

Housing and developments projects revenue is recognized on the sale of unit when all risks and rewards is transferred to the buyer and realized by the completion of the actual contract of the unit.

- **Sale on instalments**

The net present value of the sold unit is recognized as income on the date of sale. The selling price is the present value of the consideration and is determined by discounting the amount of premiums receivable using the targeted interest rate. Deferred interest is recognized as income when earned and on a time proportion basis taking into account the targeted interest rate.

- **Real estate rental revenue**

Real estate revenue is recognized in the statement of profit and loss using fixed installments over the term of the contract.

- **Dividends revenue**

Revenue is recognized when the company's right to receive the payment is established.

- **Interest income**

Interest income is recognized as interest accrues according to timeline considering the targeted return on the financial asset.

**2-13 Expenses**

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss in the financial year in which these expenses were incurred.

**2-14 Related parties' transactions**

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the board of directors. Pricing policies and terms of these transactions with related parties are similar to those with others.

**2- Significant Accounting Policies (Cont'd)****2-15 Borrowings**

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a year exceeding one year after the balance sheet date, then the loan balance should be classified as long-term liabilities.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in the statement of income.

**2-16 Cost of borrowings**

Costs of borrowings directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the year they occur. Cost of borrowings consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalization cost of borrowing expenses should be stopped during the years which the contract process for the assets is postponed.

**2-17 Significant accounting estimates**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses during the financial years, while the actual results may vary from those estimates.

**2-18 Impairment****Impairment of financial assets**

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired, a financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired, where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, 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, had no impairment loss been recognized for the asset in prior years, Such reversal is recognized in the statement of profit or loss.

**2-19 Financial Instruments****A- Initial Recognition**

The institution is to recognize in the balance sheet the financial asset, or liability only when the institution is a contractual part in a financial instrument.

At initial recognition the financial asset, or liability is measured at fair value if they are classified as financial assets, or liabilities at fair value through profits or losses.

At initial recognition, the financial assets classified as financial assets at fair value through other comprehensive income, and financial assets at amortized cost are recognized at fair value plus the transaction cost.

**2- Significant Accounting Policies (Cont'd)****2-19 Financial Instruments (Cont'd)****A- Initial Recognition (Cont'd)**

At initial recognition, the financial liabilities classified as amortized cost are recognized at fair value minus the transaction cost.

**B- Classification and measurement of financial assets and liabilities**

The Egyptian standard number (47) – Financial Instruments include nine main categories based on the subsequent measurement for the financial assets, as follows:

- Financial assets by amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets through profits or losses.

In general, the classification of the financial assets as per the Egyptian standard number 47 – Financial Instruments is based on the business model managing the financial asset and related contractual cash flows.

Financial assets are classified based on amortized cost, or fair value through other comprehensive income, or fair value through profits or losses.

The financial asset is classified based on the business model managing the financial asset and related contractual cash flows.

Financial assets are measured by amortized cost, if two conditions were met, and if was not measure by fair value through profits or losses.

- The asset is included in a business model planning to keep the asset for its contractual future cash flows.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.
- The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measured by fair value through profits or losses.
- The asset is included in a business model. Its goal is to collect contractual cash flows and sale of the financial asset.

The financial asset must be measured at fair value through profits or losses, if not measured by the amortized cost, or at fair value through comprehensive income.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, if this would materially result in reducing the volatility of measurement and recognition.

The institution must classify all its assets to be subsequently measure at amortized cost, except for the following:

- Financial liabilities at fair value through profits or losses, where those kinds of liabilities and related derivatives represent these liabilities, subsequently, at fair value.
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.
- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the larger one of the two following amounts:
  - A. Impairment loss in accordance with Egyptian accounting standard.
  - B. Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).



**2- Significant Accounting Policies (Cont'd)****2-19 Financial Instruments (Cont'd)****B- Classification and measurement of financial assets and liabilities (Cont'd)**

- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the larger one of the two following amounts:
  - A. Impairment loss in accordance with Egyptian accounting standard.
  - B. Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, when applicable by the Egyptian Accounting Standards, or when it results in better information, for:

- A. Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes- as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.
- B. There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for this group on this base to the top management of the institution (also as defined in the Egyptian accounting standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president.

**Financial Assets and Liabilities – re-classification:**

financial instruments are re-classified only when the financial model of the portfolio as a total change.

**C. Impairment of financial assets value**

The "Expected Credit Loss" model is applied on the financial assets measured at amortized cost, and contractual assets, and debt investments, at fair value through other comprehensive income, but not based on investments in equity.

The company evaluates all available information, including future-based information for the expected credit losses related to the included assets at amortized cost.

The "Expected Credit Loss" model is based on whether there is an increase in the expected credit losses. And to valuate if there is a material increase in credit risk, the failure to pay risk, at the separate financial statements date, is compared with the failure to pay risk at the initial recognition date, according to all the available information, and reasonable supporting future information.

As for only trading debtors' balances, due from related parties, and cash and cash equivalent, the company recognize the expected credit losses according to simple approach as per Egyptian Accounting Standard number (47).

**C. Impairment of financial assets value (Cont'd)**

The simple approach for recognizing expected credit losses, don't require the company to track the credit risk changes, but it can recognize impairment losses according to the permanent expected credit losses, at the preparation date of the separate financial statements.

The impairment in the credit losses value guide may include indicators showing that debtors or group of debtors are facing material financial problems, or failure, or delay in profits or principal payment, or liquidation problem, or any other financial restructuring, and as the observable information are showing a measurable impairment in the expected future cash flows, like, delays variables, or economic conditions related to payment failure. The trading debtors are audited in kind, depending on each situation, to detect if there is any reason for disposal.

The company measures the expected credit losses through considering payment failure risks during the contractual year, and includes, during measurement, the future information.

## **2- Significant Accounting Policies (Cont'd)**

### **2-19 Financial Instruments (Cont'd)**

#### **D- Disposing of the financial asset from the books**

The institution is to dispose of the financial assets from the books, only when:

- The contractual rights of the financial asset cash flows are over, or
- The institution transfers the financial asset.

The institution must dispose of the financial assets from the books (or part of the financial liability) from the balance sheet, when only it is reconciled – meaning that, the liability is paid to the contractual exact time, or canceled, or expired.

### **2-20 Statement of cash flows**

The statement of cash flows is prepared using the indirect method.

### **2-21 Cash and cash equivalent**

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within year after deducted banks credit balances.

**Pioneers Properties For Urban Development Company (S.A.E.)**  
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**3- Fixed Assets**

	Computer	Furniture	Leasehold Improvements	Electric Devices	Vehicles	Tele- communications Equipment	Decorations	Machinery and Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
<b>Cost</b>									
1 January 2024	511,342	2,550,222	11,036,159	1,007,936	845,000	476,096	1,044,946	255,700	17,727,401
Additions for the year	-	75,897	384,834	338,974	-	-	70,845	-	870,550
31 December 2024	<u>511,342</u>	<u>2,626,119</u>	<u>11,420,993</u>	<u>1,346,910</u>	<u>845,000</u>	<u>476,096</u>	<u>1,115,791</u>	<u>255,700</u>	<u>18,597,951</u>
<b>Accumulated depreciation</b>									
1 January 2024	(81,231)	(228,523)	(1,570,860)	(171,920)	(338,000)	(63,038)	(155,351)	(25,002)	(2,633,925)
Depreciation for the year (Note 18)	<u>(63,917)</u>	<u>(154,315)</u>	<u>(1,479,616)</u>	<u>(159,420)</u>	<u>(169,000)</u>	<u>(59,512)</u>	<u>(218,829)</u>	<u>(25,570)</u>	<u>(2,330,179)</u>
31 December 2024	<u>(145,148)</u>	<u>(382,838)</u>	<u>(3,050,476)</u>	<u>(331,340)</u>	<u>(507,000)</u>	<u>(122,550)</u>	<u>(374,180)</u>	<u>(50,572)</u>	<u>(4,964,104)</u>
<b>Net book value</b>									
<b>As of 31 December 2024</b>	<b><u>366,194</u></b>	<b><u>2,243,281</u></b>	<b><u>8,370,517</u></b>	<b><u>1,015,570</u></b>	<b><u>338,000</u></b>	<b><u>353,546</u></b>	<b><u>741,611</u></b>	<b><u>205,128</u></b>	<b><u>13,633,847</u></b>

- There is no mortgage over the ownership of fixed assets.

**Pioneers Properties For Urban Development Company (S.A.E.)**  
**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS**  
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**3- Fixed Assets (cont'd)**

	Computer	Furniture	Leasehold Improvements	Electric Devices	Vehicles	Tele- communications Equipment	Decorations	Machinery and Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
<b>Cost</b>									
1 January 2023	308,542	2,340,560	7,916,359	758,530	845,000	394,130	208,539	-	12,771,660
Additions for the year	202,800	209,662	3,119,800	249,406	-	81,966	836,407	255,700	4,955,741
31 December 2023	<u>511,342</u>	<u>2,550,222</u>	<u>11,036,159</u>	<u>1,007,936</u>	<u>845,000</u>	<u>476,096</u>	<u>1,044,946</u>	<u>255,700</u>	<u>17,727,401</u>
<b>Accumulated depreciation</b>									
1 January 2023	(29,490)	(80,738)	(354,882)	(54,885)	(169,000)	(11,381)	(32,763)	-	(733,139)
Depreciation for the year	(51,741)	(147,785)	(1,215,978)	(117,035)	(169,000)	(51,657)	(122,588)	(25,002)	(1,900,786)
31 December 2023	<u>(81,231)</u>	<u>(228,523)</u>	<u>(1,570,860)</u>	<u>(171,920)</u>	<u>(338,000)</u>	<u>(63,038)</u>	<u>(155,351)</u>	<u>(25,002)</u>	<u>(2,633,925)</u>
<b>Net book value</b>									
As of 31 December 2023	<u>430,111</u>	<u>2,321,699</u>	<u>9,465,299</u>	<u>836,016</u>	<u>507,000</u>	<u>413,058</u>	<u>889,595</u>	<u>230,698</u>	<u>15,093,476</u>

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS**

AS OF 31 DECEMBER 2024

**4- Investments In Subsidiaries**

	Nature	Share	(Adjusted)	
			31 December 2024	31 December 2023
			EGP	EGP
(1) Cairo for Housing and Real Estate Development Company (S.A.E.)	Subsidiary	31.50%	1,601,451,684	873,855,005
(2) Wadi for Consulting Company (S.A.E.)	Subsidiary	99.99%	1,719,344,675	290,769,274
(3) El Safwa for Consulting and Development Company (S.A.E.)	Subsidiary	58.12%	467,257,518	535,884,297
(4) Rooya Holding Company for Investments (S.A.E.)	Subsidiary	36.70%	628,810,647	739,532,106
(5) United Company for Housing and Development (S.A.E.)	Subsidiary	17.74%	274,397,460	255,542,810
(6) Al Giza General for Contracting and Real Estate Investment Company (S.A.E.)	Subsidiary	60.59%	573,554,972	546,969,608
(7) Telal North Coast for Touristic Resorts & Real Estate Investment Company (S.A.E.)	Subsidiary	-	-	844,187
(8) Telal Red Sea for Real Estate Investment & Touristic Resorts Company (S.A.E.)	Subsidiary	-	-	842,664
(9) El Saeed Contracting and Real Estate Investment Company (S.A.E.)	Subsidiary	5.69%	55,566,885	51,854,127
(10) Blue for Real Estate Development Company (S.A.E.)	Subsidiary	57.18%	647,026,456	686,101,072
(11) Sigma for Urban Planning Company (S.A.E.)	Subsidiary	20.00%	200,000	-
			<u>5,967,610,297</u>	<u>3,982,195,150</u>

**The company's profit share from investments in subsidiaries as follows:**

	31 December 2024	(Adjusted) 31 December 2023
	EGP	EGP
Cairo for Housing and Real Estate Development Company	372,867,981	114,350,679
Wadi for Consulting Company	778,611,780	88,884,608
El Safwa for Consulting and Development Company	(22,342,844)	55,504,630
Rooya Holding Company for Investments	(145,134,350)	(63,584,309)
United Company for Housing and Development	23,110,879	(4,259,369)
Al Giza General for Contracting and Real Estate Investment Company	43,367,073	22,917,534
Telal North Coast for Touristic Resorts & Real Estate Investment Company	-	(25,353)
Telal Red Sea for Real Estate Investment & Touristic Resorts Company	-	(25,253)
El Saeed Contracting and Real Estate Investment Company	5,346,201	(16,992,624)
Blue for Real Estate Development Company	(24,392,182)	(10,682,494)
	<u>1,031,434,538</u>	<u>186,088,049</u>

**The company's share from adjustments on retained earnings of investments in subsidiaries as follows:**

	31 December 2024
	EGP
Cairo For Housing and Real Estate Development Company	768,139,636
Wadi For Consulting Company	649,963,621
El Safwa for Consulting and Development Company	(46,283,934)
Rooya Holding Company for Investments	(87,665,866)
United Company for Housing and Development	(4,256,228)
Al Giza General for Contracting and Real Estate Investment Company	(16,781,709)
El Saeed Contracting and Real Estate Investment Company	(1,633,443)
Blue for Real Estate Development Company	(14,682,435)
	<u>1,246,799,642</u>

- (1) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Cairo for Housing and Real Estate Development Company was valued according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 1,089,535,902 for 68822551 shares, representing 76.45% of capital.

During 2021, the company restructured its investments in the Cairo for Housing and Real Estate Development Company by transferring the ownership of share of its investments amounted to 6.45%, valued EGP 91,820,314 to its subsidiaries, so that the Company's ownership in it reached 70% with a value of EGP 997,715,588 for 63022551 shares, resulting in gains of EGP 105,142,366 allocated in the activity revenues line item in the statement of profit or loss.

During 2023, Cairo for Housing and Real Estate Development Company retired treasury shares which resulted in the Company's ownership percentage to become 70.31% of capital.

During the year, the company applied the Egyptian Accounting Standard No. (17) modified 2024 "Separate Financial Statements", and used the equity method to account for its investments in its subsidiaries, which resulted in an amount of EGP (123,860,583) that was included in retained earnings (Note 25-2) and an amount of EGP 372,867,981 that was included in the item of the relative share in the results of operations of subsidiaries in the statement of profit or loss (Note 16).

On October 31, 2024, the Extraordinary General Assembly unanimously approved increasing the issued and paid-up capital of Cairo Housing and Development Company from EGP 448,181,972 to EGP 647,681,972, to implement our purchase offer to acquire a maximum of 133 million shares of United Housing and Development Company shares through a share swap without a cash option and according to the exchange ratio of three shares of Cairo Housing and Development Company shares for one share of United Housing and Development Company shares.

**4- Investments In Subsidiaries (Cont'd)**

- (Cont'd) (1) By issuing a maximum of 399 million shares at a fair value of EGP 3.03 per share (a nominal value of EGP 50 per share plus an issuance premium of EGP 2.53 per share), equivalent to EGP 1,208,970,000 (a nominal value of EGP 199,500,000 and an issuance premium of EGP 1,009,470,000) (without exercising the pre-emptive rights of old shareholders).

The number of shares that responded to the purchase offer submitted amounted to 54881458 shares of United Housing and Development Company shares in exchange for issuing shares to both Pioneers Properties for Urban Development (S.A.E.) for a number of 2152575 shares and Wadi Consulting Company (S.A.E.) for a number of 162,491,799 shares at the fair value of the company amounting to EGP 3.03 per share. Accordingly, the company's direct ownership percentage in Cairo Housing and Development Company decreased to 59.40%.

During December 2024, the company restructured its investments in Cairo Housing and Development Company by transferring ownership of a 27.90% stake in its investments at a cost of EGP 468,600,222 and a relative stake of EGP 696,415,519 to one of its subsidiaries, incurring losses of EGP 210,245,304, which were included in the operating revenues item in the statement of profit or loss, the company's direct share in it amounts to 31.50% for 334225510 shares. Accordingly, the total investment value became EGP 1,601,451,684 on December 31, 2024 EGP (873,855,005 on December 31, 2023).

The outstanding balance represents a paid item under the account of the capital increase of a subsidiary company for the number of shares that Pioneers Properties for Urban Development (S.A.E.) responded to the purchase offer submitted for 2152575 shares for an amount of EGP 6,522,302.

- (2) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Wadi for Consulting Company was valued according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted to EGP 227,757,685 for 99989 shares, representing 99.99% of capital.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 63,011,589 that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP 778,611,780 as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 1,719,344,675 as of 31 December 2024 (amounted to EGP 290,769,274 as of 31 December 2023).

- (3) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in El Safwa for Consulting and Development Company was valued according to equity method taken as a base for splitting as of 31 December 2020.

During 2021, EL Safwa for Consulting and Development Company had increased its capital by EGP 1,063,856,760 and Aspire Capital Holding Company for Financial Investment (previously - Pioneer Holding Company for Financial Investment subscribed in that capital increase by EGP 991,818,810, which had transferred to Pioneers Properties for Urban Development Company as a result of splitting process. And investment value becomes EGP 1,295,362,759 for 106249500 shares, representing 86.11% of capital.

During 2022, EL Safwa for Consulting and Development Company had increased its capital, and Pioneers Properties for Urban Development Company (S.A.E.) subscribed in that capital increase by EGP 8,530,896. And investment value becomes EGP 1,303,893,655 for 106782681 shares representing 76.82% of capital.

During 2023, the Company restructured its investments in the EL Safwa for Consulting and Development Company by transferring the ownership of share of its investments equal to 18.70% valued EGP 317,478,778 to its subsidiaries, so that the Company's ownership in it reached 58.12% with a value of EGP 986,414,877 for 80782681 shares.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP (46,283,934) that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP (22,342,844) as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 467,257,518 as of 31 December 2024 (amounted to EGP 535,884,297 as of 31 December 2023).

#### **4- Investments In Subsidiaries (Cont'd)**

- (4) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Rooya Holding Company for Investments was valued according to equity method taken as a base for splitting as of 31 December 2020.

During 2021, Rooya Holding Company for Investments had increased its capital by EGP 175,000,000 and Aspire Capital Holding Company for Financial Investment (previously - Pioneer Holding Company for Financial Investment) subscribed in that capital increase by EGP 122,078,756, which had transferred to Pioneers Properties for Urban Development Company as a result of splitting process and the increase was registered during the first quarter of year 2022. The investment value became EGP 1,266,071,807 for 758238350 shares, representing 36.70% of capital.

During 2021, Rooya Holding Company for Investments had increased its capital by EGP 175,000,000 Pioneers Properties for Urban Development Company (S.A.E.) subscribed in that capital increase by EGP 122,078,756, And investment value becomes EGP 1,388,150,563 for 758238350 representing 36.70% of capital.

During 2021, Rooya Holding Company for Investments had increased its capital by EGP 175,000,000, and Pioneers Properties for Urban Development Company (S.A.E.) subscribed in that capital increase by EGP 122,078,758. And investment value becomes EGP 1,510,229,321 for 758238350 representing 36.70% of capital.

The investment has been classified as an investment in subsidiaries as the Company and its subsidiaries control the company's operational and financial decisions.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP (450,530,580) that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP (145,134,350) as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 628,810,647 as of 31 December 2024 (amounted to EGP 739,532,106 as of 31 December 2023).

- (5) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in United Company for Housing and Development was valued according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted to EGP 435,057,867 for 91698776 shares, representing 32.37% of capital.

During 2022, United Company for Housing and Development retired treasury shares which resulted in the Company's ownership percentage to become 34.16% of capital.

During 2023, United Company for Housing and Development retired treasury shares which resulted in the Company's ownership percentage to become 35.06% of capital.

During 2023, the Company restructured its investments in the United Company for Housing and Development by transferring the ownership of share of its investments equal to 17.32% valued EGP 214,909,243 to its subsidiaries, so that the Company's ownership in it reached 17.74% with a value of EGP 220,148,624 for 46401550 shares.

The investment has been classified as an investment in subsidiaries as the Company and its subsidiaries control the company's operational and financial decisions.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements" and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 35,394,186 that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP 23,110,879 as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 27,397,460 as of 31 December 2024 (amounted to EGP 255,542,810 as of 31 December 2023).

- (6) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Al Giza General for Contracting and Real Estate Investment Company was valued according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted to EGP 441,853,908 for 874114530 shares, representing 59.69% of capital.

During 2023, Al Giza General for Contracting and Real Estate Investment Company retired treasury shares which resulted in the Company's ownership percentage to become 60.59% of capital.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 105,115,700 that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP 43,367,073 as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 573,554,972 as of 31 December 2024 (amounted to EGP 546,969,608 as of 31 December 2023).

**Pioneers Properties For Urban Development Company (S.A.E.)**

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS**

AS OF 31 DECEMBER 2024

**4- Investments In Subsidiaries (Cont'd)**

- (7) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Telal North Coast for Touristic Resorts & Real Estate Investment Company was valued according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 968,391 for 99998 shares, representing 99.99% of capital.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP (124,204) that was adjusted to the retained earnings (Note 26-2).

During the year, the company sold its investment in Telal North Coast For Touristic Resorts & Real Estate Investment Co. with the amount of EGP 987,880 which resulted in gain on sale of investments in subsidiary amounted to EGP 148,547.

- (8) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Telal Red Sea for Real Estate Investment & Touristic Resorts Company was valued according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted to EGP 967,298 for 99998 shares, representing 99.99% of capital.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP (124,634) that was adjusted to the retained earnings (Note 26-2).

During the year, the company sold its investment in Telal Red Sea For Real Estate Investment & Touristic Resorts Co. with the amount of EGP 985,380 which resulted in gain on sale of investments in subsidiary amounted to EGP 146,620.

- (9) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in El Saeed Contracting and Real Estate Investment Company was valued according to the closing price taken as a base for splitting as of 31 December 2020. The investment value became EGP 106,678,851 for 126248350 shares, representing 16.57% of capital.

During 2022, El Saeed Contracting and Real Estate Investment Company retired treasury stocks which resulted in increasing the Company's percentage to become 16.73% of capital.

During 2023, El Saeed Contracting and Real Estate Investment Company retired treasury shares which resulted in the Company's ownership percentage to become 17.29% of capital.

During 2023, the Company restructured its investments in the El Saeed Contracting and Real Estate Investment Company by transferring the ownership of share of its investments equal to 11.64% valued EGP 71,824,323 to its subsidiaries, so that the Company's ownership in it reached 5.65% with a value of EGP 34,854,527 for 41248350 shares.

The investment has been classified as an investment in subsidiaries as the Company and its subsidiaries control the company's operational and financial decisions.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP 16,999,600 that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP 5,346,201 as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 55,566,885 as of 31 December 2024 (amounted to EGP 51,854,127 as of 31 December 2023).

- (10) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Blue for Real Estate Development Company was valued according to equity method taken as a base for splitting as of 31 December 2020.

During 2021, Blue for Real Estate Development Company had increased its capital by EGP 943,750,000 and Aspire Capital Holding Company for Financial Investment (previously - Pioneer Holding Company For Financial Instruments) subscribed in that capital increase by EGP 794,968,200, which had transferred to Pioneers Properties For Urban Development Company as a result of splitting process. And the investment value became EGP 795,263,728 for 79496821 shares, representing 57.18 % of capital.

During the year, the company has applied the Egyptian Accounting Standard No. (17) modified in 2024 "Separate Financial Statements", and adapted the equity method on its investments in subsidiaries which resulted in the amount of EGP (109,162,656) that was adjusted to the retained earnings (Note 25-2) and in the amount of EGP (24,392,182) as a profit share of investments in subsidiaries in the statement of profit or loss (Note 16). And the investment value became EGP 647,026,456 as of 31 December 2024 (amounted to EGP 686,101,072 as of 31 December 2023).

- (11) On 24 June 2023, the company subscribed to the shares of Sigma Urban Planning Company (S.A.E.) the ownership of share of its investments equal to 20% of the company's total capital, where the number of shares reached 100,000 shares for an amount of 1,000,000 Egyptian pounds (the nominal value of the share is ten pounds), which was paid. Completely.



**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS**

AS OF 31 DECEMBER 2024

**5- Investment Properties**

	Lands EGP	Building EGP	Total EGP
<b>Cost</b>			
1 January 2024	44,616,480	25,505,845	<b>70,122,325</b>
31 December 2024	<u>44,616,480</u>	<u>25,505,845</u>	<u><b>70,122,325</b></u>
<b>Accumulated Depreciation</b>			
1 January 2024	-	(11,953,334)	<b>(11,953,334)</b>
Depreciation for the year (Note 17)	-	(3,238,838)	<b>(3,238,838)</b>
31 December 2024	<u>-</u>	<u>(15,192,172)</u>	<u><b>(15,192,172)</b></u>
<b>Net book value as of 31 December 2024</b>	<u>44,616,480</u>	<u>10,313,673</u>	<u><b>54,930,153</b></u>
	Lands EGP	Building EGP	Total EGP
<b>Cost</b>			
1 January 2023	44,616,480	25,505,845	70,122,325
31 December 2023	<u>44,616,480</u>	<u>25,505,845</u>	<u>70,122,325</u>
<b>Accumulated Depreciation</b>			
1 January 2023	-	(8,309,642)	(8,309,642)
Depreciation for the year (Note 17)	-	(3,643,692)	(3,643,692)
31 December 2023	<u>-</u>	<u>(11,953,334)</u>	<u>(11,953,334)</u>
<b>Net book value as of 31 December 2023</b>	<u>44,616,480</u>	<u>13,552,511</u>	<u>58,168,991</u>

Investment properties represent sold and leased back assets value resulted after applying the new Egyptian Accounting Standard number (49) - Lease contracts (Note 19). The company is in the process of preparing a study of the fair value of the investment.

**6- Investments At Fair Values Through Profit or Loss**

	<b>31 December 2024</b> EGP	31 December 2023 EGP
Quoted investments	<u>265,582</u>	<u>279,393</u>
	<u><b>265,582</b></u>	<u>279,393</u>

**Pioneers Properties For Urban Development Company (S.A.E.)**

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2024**

**7- Due From / To Related Parties**

**A- Due From Related Parties**

	<b>Affiliation</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
		<b>EGP</b>	<b>EGP</b>
Nemow for Consulting Company	Subsidiary	<b>189,065,262</b>	2,375,380
Cairo For Real Estate Marketing Company	Subsidiary	<b>11,405</b>	11,405
El Safwa for Consulting and Development Company	Subsidiary	<b>86,887,380</b>	3,157,500
Rooya Holding Company for Investments	Subsidiary	<b>1,536,022</b>	1,536,022
Cairo For Housing and Real Estate Development Company	Subsidiary	<b>7,846,148</b>	2,219,751
Blue for Real Estate Development Company	Subsidiary	<b>126,650</b>	27,075
Mashareq For Real Estate Investments Company	Subsidiary	<b>37,536,011</b>	3,831,926
Aspire Capital Holding Company for Financial Investments	Related Party	<b>184,130,356</b>	194,015,554
Gadwa For Industrial Development Company	Related Party	<b>448,369,512</b>	343,762,286
Telal North Coast for Touristic Resorts & Real Estate Investment Company	Subsidiary	-	6,413
Telal Red Sea for Real Estate Investment & Touristic Resorts Company	Subsidiary	-	6,413
		<b>955,508,746</b>	550,949,725
Expected credit loss in due from related parties' balances		<b>(5,752,120)</b>	(1,360,932)
		<b>949,756,626</b>	549,588,793

- Expected credit loss in due from related parties' balances as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>EGP</b>	<b>EGP</b>
Beginning balance	<b>1,360,932</b>	6,812,753
Charged during the year	<b>4,391,188</b>	618,079
Reversal during the year	-	-6,069,900
Ending balance	<b>5,752,120</b>	1,360,932

**B- Due To Related Parties**

	<b>Affiliation</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
		<b>EGP</b>	<b>EGP</b>
Mashareq For Real Estate Investments Company	Subsidiary	-	-
Wadi For Consulting Company	Subsidiary	<b>115,131,747</b>	92,680,913
Shareholders current account	Shareholders	<b>1,085,646</b>	2,987,643
		<b>116,217,393</b>	95,668,556

**8- Prepayments And Other Debit Balances**

	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>EGP</b>	<b>EGP</b>
Advance payments	<b>1,650,927</b>	1,791,722
Deposits with others	<b>576,076</b>	576,076
Employee's custodies and trusts	<b>499,211</b>	171,999
Amounts paid to employees under dividends distributions	<b>8,797,465</b>	4,647,740
Advance payments to acquire assets	<b>627,000</b>	513,000
Deferred revenue	<b>462,886</b>	-
Other debit balances	<b>121,296</b>	21,503
	<b>12,734,861</b>	7,722,040

## 9- Investment In Treasury Bills

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Face value	<b>125,000,000</b>	108,100,000
Deferred returns	<b>(7,312,594)</b>	(10,804,721)
Taxes on returns	<b>(56,981)</b>	(1,979,070)
Present value	<b><u>117,630,425</u></b>	<u>95,316,209</u>

## 10- Cash On Hand and At Banks

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
<b>Local Currency</b>		
Cash on hand	<b>336,382</b>	1,525,489
Current accounts	<b>1,443,284</b>	17,546,987
Term deposits (less than Nine months)	<b>-</b>	8,000,000
	<b><u>1,779,666</u></b>	<u>27,072,476</u>
<b>Foreign currency</b>		
Cash on hand	<b>9,660</b>	10,815
Current accounts	<b>390,946</b>	432,909
	<b><u>400,606</u></b>	<u>443,724</u>
	<b><u>2,180,272</u></b>	<u>27,516,200</u>

## 11- Capital

As of 24 July 2021, the Extraordinary General Assembly Meeting unanimously approved the report number 534 as of 15 September 2021 from the Economic Performance Sector of the General Authority for Investment and Free Zones reports, confirming the preliminary book and fair value assessment of the company's assets and liabilities for the purpose of splitting the company into three companies (an original company and two resulted companies). The report concluded that net shareholders' equity value of Aspire Capital Holding Company for Financial Investments (S.A.E) (Previously - Pioneers Holding Company for Financial Investments) is EGP 7,039,494,200, which resulted the following:

Net shareholders' equity of Pioneers Properties for Urban Development Company (S.A.E) (resulted company) amounted to EGP 4,752,277,200 divided as follows:

Issued and paid-up capital of EGP 4,746,623,220 divided on 1054805160 shares with a face value of 4.5 Egyptian pound per share, and a general reserve amounted to EGP 5,653,980, with authorized capital of 23 billion Egyptian pounds. The Commercial Register was issued on 8 September 2021.

During the year, the Company purchased treasury stocks in accordance with the Board of Directors resolution on 3 March 2024, and the number of treasury stocks purchased until 31 December 2024, equal to 35936758 shares, with a value of EGP 111,280,771.

The capital structure is as the follow:

	Percentage	Number of shares	Value EGP
<b>Walid Mohamed Zaki</b>	26.00%	274285929	1,234,286,681
<b>Abdelkader Elmohedeb And Sons Company</b>	14.38%	151658750	682,464,375
<b>Taha Ibrahim Mostafa Mohamed Eltelbani</b>	10.08%	106344921	478,552,145
<b>Hesham Ali Shoukry Hafez</b>	7.08%	74643766	335,896,947
<b>EGYCAP Investments Ltd.</b>	6.73%	70935897	319,211,537
<b>Hossam Mohammed Zaki</b>	5.84%	61615652	277,270,434
<b>Nawaf ibn Abdallah</b>	5.05%	53315000	239,917,500
<b>Other Shareholders</b>	%24.84	262005245	1,179,023,601
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>1054805160</u></b>	<b><u>4,746,623,220</u></b>

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS**

AS OF 31 DECEMBER 2024

**12- Credit Facilities**

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Credit Facilities - Local Currency	<b>606,881,735</b>	675,103,212
Credit Facilities - Foreign Currency	<b>409,542,994</b>	248,927,745
	<b><u>1,016,424,729</u></b>	<u>924,030,957</u>

Credit facilities granted by banks with an average interest rate of 1.1% - 1.25% above net treasury bills return, and 1% above the LIBOR price guaranteed by securities deposited with the bank.

**13- Current portion of Long-Term Loans**

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Subordinating Loan – Shareholder	-	2,500,000
	<u>-</u>	<u>2,500,000</u>

**14- Accruals And Other Credit Balances**

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Accrued expenses	<b>5,377,772</b>	1,091,092
Unearned rent	<b>27,429</b>	759,190
Accrued interest	<b>982,389</b>	435,385
Brokerage companies' liabilities	<b>52,593,733</b>	28,867,668
Other credit balances	<b>712,237</b>	568,110
	<b><u>59,693,560</u></b>	<u>31,721,445</u>

**15- Income Taxes**

<b>Deferred Tax</b>	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Beginning balance – Asset	<b>12,369,016</b>	5,264,018
Deferred tax for the year – Revenue	<b>71,411,052</b>	7,104,998
Deferred tax adjustments- (Note 26-1)	<b>33,307,026</b>	-
Ending balance – Asset	<b><u>117,087,094</u></b>	<u>12,369,016</u>

<b>Income Taxes Expenses</b>	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Deferred tax - revenue	(71,411,052)	(7,104,998)
Taxes on dividends	151	99,989
Taxes on treasury bill returns	2,217,925	79,618
	<b><u>(69,192,976)</u></b>	<u>(6,925,391)</u>

**Reconciliation of effective income tax rate**

	<b>31 December 2024</b>
	<b>EGP</b>
Profit before income taxes	<b>510,907,275</b>
<b>Adjustments</b>	
<b>Add:</b>	
Amounts that are not considered deductible costs are included in the income statement	<b>160,659,607</b>
<b>Deducted:</b>	
Amounts considered deductible costs and not included in the income statement	<b>(1,676,652,386)</b>
Adjusted taxable net (loss)	<b><u>(1,005,085,504)</u></b>
<b>Income tax</b>	<u>-</u>
<b>Effective tax rate</b>	<u>-</u>

## NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

**16- Operations Revenue**

	<b>31 December 2024</b>	(Adjusted) 31 December 2023
	<b>EGP</b>	EGP
Investment properties rental revenue	<b>14,894,245</b>	14,894,245
Investments at fair value through profit or loss valuation difference	<b>(13,811)</b>	42,459
(loss) from sale of Investments at fair value through profit or loss	-	(875,856)
Gain on sale of investments in financial instruments - not listed on the stock exchange	<b>283,908</b>	150,137,222
Gain on (loss) sale of investments in financial instruments - listed on the stock exchange	<b>(209,849,689)</b>	-
Dividends	<b>2,912</b>	999,890
Profit shares from investments in subsidiaries	<b>1,031,434,538</b>	186,088,049
	<b>836,752,103</b>	351,286,009

**17- Operations Cost**

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Investment properties depreciation (Note 5)	<b>3,238,837</b>	3,643,692
	<b>3,238,837</b>	3,643,692

**18- General And Administrative Expenses**

	<b>31 December 2024</b>	31 December 2023
	<b>EGP</b>	EGP
Salaries and wages	<b>55,950,210</b>	39,053,960
Registrations and other fees	<b>1,151,430</b>	1,504,404
Other expenses	<b>26,810,350</b>	15,755,484
Depreciation of fixed assets (Note 3)	<b>2,330,179</b>	1,900,786
Amortization of right-of-use assets (Note 19)	<b>2,600,580</b>	2,600,580
	<b>88,842,749</b>	60,815,214

**19- Lease Contracts**

As of August 2020, Aspire Capital Holding Company for Financial Investments (S.A.E) (Previously - Pioneers Holding Company for Financial Investments) signed a financial lease contract with Cairo Leasing company, for land and buildings associated, for a property in Nozha district, with a rental value amounted to EGP 104,259,713, and a present value of EGP 70,122,325, represented in a down payment of EGP 5,122,325 and the rest on quarterly instalments for 7 years, each of EGP 3,540,621.

During the year, the company obtained an additional tranche from Cairo Leasing Company amounting to 50,000,000, in addition to an additional tranche from the Housing and Construction Leasing Company amounting to 7,000,000, bringing the total rental value to 177,146,136, to be paid in 12 quarterly installments.

The Company has the right to purchase the land and the buildings associated with it at the end of the contract year by EGP 1.

During 2021, the company leased its headquarters in the New Cairo area, Cairo Governorate, for a year of nine years. The total undiscounted rental value according to the contract amounted to EGP 39,720,835, to be paid in quarterly instalments of EGP 864,114, with an annual increase of 5% for the second year and 7% starting from the third year until the end of the contract.

**19-Lease Contracts (Cont'd)**

**1- Right-of-use assets**

	<b>31 December 2024</b>	31 December 2023
	<b>Buildings</b>	Buildings
	<b>EGP</b>	EGP
<b>Cost</b>		
Beginning balance	<u>22,971,794</u>	22,971,794
<b>Ending balance</b>	<u>22,971,794</u>	22,971,794
<b>Accumulated Amortization</b>		
Beginning balance	<u>(5,896,050)</u>	(3,295,470)
Amortization for the year (Note 18)	<u>(2,600,580)</u>	(2,600,580)
<b>Ending balance</b>	<u>(8,496,630)</u>	(5,896,050)
<b>Net book value at the end of the year</b>	<u>14,475,164</u>	17,075,744

**2- Lease liability**

	<b>Financial Lease contracts</b>	<b>Operating Lease contracts</b>	<b>31 December 2024 Total</b>
	<b>EGP</b>	<b>EGP</b>	<b>EGP</b>
Liability balance	100,007,083	19,449,738	<b>119,456,821</b>
Current portion	<u>(20,648,598)</u>	<u>(2,778,338)</u>	<b>(23,426,936)</b>
	<u>79,358,485</u>	<u>16,671,400</u>	<b>96,029,885</b>
	<b>Financial Lease contracts</b>	<b>Operating Lease contracts</b>	<b>31 December 2023 Total</b>
	<b>EGP</b>	<b>EGP</b>	<b>EGP</b>
Liability balance	56,849,714	20,868,767	77,718,481
Current portion	<u>(18,886,451)</u>	<u>(2,940,406)</u>	(21,826,857)
	<u>37,963,263</u>	<u>17,928,361</u>	<u>55,891,624</u>

**20- Tax Position**

**Corporate tax**

- The Company was established in September 2021 and submitted tax returns on the legal dates for year 2022 according to Law No. 91 for year 2005 and has not been examined till the financial statements date.

**Payroll tax**

- The Company deducts payroll taxes from employees according to Law No. 91 for year 2005 and its amendments and reconciled regularly with the Tax Authority.

**Withholding tax**

- The Company deducts withholding taxes according to the Law and pay the accrued balance to the Tax Authority.

**Stamp tax**

- The Company was established in September 2021 and has not examined any books or records until the financial statements date.

**21- Financial Instruments Risk Management****Introduction**

The company is exposed to the following risks due to the usage of financial instruments:

- A) Market risk.
- B) Foreign Currency Risk.
- C) Interest rate risk.
- D) Credit risk.
- E) Liquidity risk.

This note presents the information on the company's exposure to the previously mentioned risks and the company's objectives, policies, and operations in terms of measuring and managing these risks as well as how the company manages its capital.

The Board of Directors of the parent company is responsible for establishing and supervising a general framework for managing the risks to which the company is exposed. And the company's senior management is responsible for developing and following up on risk management policies and submitting reports to the parent company on its activities on a regular, periodic basis.

The Company's current financial risk management framework is a mixture of formally documented risk management policies in some areas and non-formally documented risk management policies in other areas.

Financial instruments of the company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade and notes receivable, due from related parties, and other receivables), the financial liabilities include (customers – credit balances, credit facilities, lease liabilities, trade payable, contractors, notes payable, loans, land creditors, due to related parties, tax liabilities, shareholders' credit balances, accrued expenses and other credit balances). Note (2) in the accompanying notes of the consolidated financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

In accordance with the valuation principles used in the valuation of the Company's assets and liabilities stated in Note (2), the fair values of financial assets and liabilities are not materially different from their carrying amounts at the financial position date.

**A) Market Risk**

Market risk represents the risk of fluctuation of the fair value of future cash flows of a financial instrument as a result of changes in market prices, such as foreign exchange rate risk and interest rate risk, which are risks that would affect the company's profits. Financial instruments affected by market risk include loans, interest-bearing facilities and deposits. The objective of market risk management is to manage and control risk within acceptable limits while at the same time achieving attractive returns. The Company does not hold or issue derivative financial instruments.

**B) Foreign Currency Risk**

The foreign currency risk represents the risk that the value of the inflows and outflows in foreign currencies, as well as, valuation of monetary assets and liabilities in foreign currencies, will fluctuate due to changes in foreign currency exchange rates. The major financial instruments that include foreign currency balances represents cash and cash equivalent, current accounts, due to/from related parties, accrued expenses, other credit balances and loans.

The assets (liabilities) value in foreign currency in the date of the financial statements amounted to:

	<b>31 December 2024</b>	31 December 2023
	<b>Net</b>	Net
<b>Currency</b>	<b>EGP</b>	EGP
US Dollar	<b>415,968,319</b>	(251,301,668)
Euro	<b>7,771,302</b>	4,934,160
Sterling Pound	<b>66,503</b>	414,418

## 21- Financial Instruments Risk Management (Cont'd)

### B) Foreign Currency Risk (Cont'd)

Currency	31 December 2024		31 December 2023	
	Change	Effects on the	Change	Effects on the
	percentage	profit before tax	percentage	profit before tax
	%	EGP	%	EGP
US Dollar	+%10	41,596,832	%10+	(25,130,167)
US Dollar	-%10	(41,596,832)	%10-	25,130,167
Euro	+%10	777,130	%10+	493,416
Euro	-%10	(777,130)	%10-	(493,416)
Sterling Pound	+%10	6,650	%10+	41,442
Sterling Pound	-%10	(6,650)	%10-	(41,442)

### C) Interest rate risk

Interest risk represents the risk that results from changes in interest rates that may have an adverse effect on business results.

The company's total assets (treasury bills and term deposits) on 31 December 2024 amounted to EGP 117,630,425 (as of 31 December 2023, the amount of EGP 103,316,209). The total interest charged on those liabilities during the nine months ended on 31 December 2024 amounted to EGP 11,958,780 (as of 31 December 2023, amounted to EGP 1,361,267 included in finance income and return on treasury bills). The company's total liabilities (loans, credit facilities and lease liability) on 31 December 2024 amounted to EGP 1,135,881,550 (as of 31 December 2023, the amount of EGP 1,004,249,438). The total interest charged on those liabilities during the nine months ended on 31 December 2024 amounted to EGP 205,680,723 (as of 31 December 2023, amounted to EGP 153,941,536 included in finance expenses).

The company's management always works to obtain the best borrowing terms available.

There are no effects on the shareholders' equity except for the effect on net profit as shown below:

	31 December 2024		31 December 2023	
	Changes in	Effects on the	Changes in	Effects on the
	interest rate	profit before tax	interest rate	profit before tax
		EGP		EGP
Financial asset	+1%	1,176,304	+1%	1,033,162
	-1%	(1,176,304)	-1%	(1,033,162)
Financial liability	+1%	11,358,816	+1%	10,042,494
	-1%	(11,358,816)	-1%	(10,042,494)

### D) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, resulting in financial losses beard by the other party. The Company is exposed to credit risk from its deposits with banks, accounts receivables as well as some other assets as represented on the financial position.

The company seeks to reduce credit risk related to bank deposits by dealing with reputable banks and by setting credit limits to its clients and monitoring their customer outstanding credit balances.

#### Other financial assets and cash deposits

Other credit risks arising from other financial assets related to the company which includes the balances at the banks, financial assets at amortized cost, the company is exposed the credit risks due to the failure of the other party to settle the amounts. The maximum exposure level to the credit risk equals the fair value of the assets.

The financial department of the company with the support of the parent company takes over and manages the credit risk that arise from the balances at the banks and financial entities.

#### Due from related parties

Balances due from related parties are related to transactions that arise within the normal course of business, and the exposure of these balances to credit risk is low, and the maximum exposure to risk is the book value of these balances.



## 21- Financial Instruments Risk Management (Cont'd)

### E) Liquidity risk

Liquidity risk represents all factors which affect the company's ability to pay part or all of its obligations.

The Company's management monitors the company's cashflows, financing, and liquidity requirements and its objective is to maintain a balance between continuity of funding and flexibility through the use of retained earnings, and company bank balances to match the maturity of the company liabilities when due. It also manages liquidity risks by maintaining sufficient reserves and by obtaining credit facilities.

The below table summarizes the dates of the accrual financial liabilities related to the company based on undiscounted contractual payments.

Financial liabilities 31 December 2024	Less than 3 months EGP	From 3 to 12 months EGP	From 1 to 5 years EGP	Total EGP
Loans and lease contracts	-	23,426,936	96,029,885	119,456,821
Credit facilities	-	1,016,424,729	-	1,016,424,729
Due to related parties	-	116,217,393	-	116,217,393
Tax liabilities	-	24,194,367	-	24,194,367
Accrued expenses and other credit balances	-	59,693,560	-	59,693,560
Total undiscounted financial liabilities	-	<u>1,239,956,985</u>	<u>96,029,885</u>	<u>1,335,986,870</u>

Financial liabilities 31 December 2023	Less than 3 months EGP	From 3 to 12 months EGP	From 1 to 5 years EGP	Total EGP
Loans and lease contracts	2,500,000	21,826,857	55,891,624	80,218,481
Credit facilities	-	924,030,957	-	924,030,957
Due to related parties	-	95,668,556	-	95,668,556
Tax liabilities	-	10,156,260	-	10,156,260
Accrued expenses and other credit balances	-	31,721,445	-	31,721,445
Total undiscounted financial liabilities	<u>2,500,000</u>	<u>1,083,404,075</u>	<u>55,891,624</u>	<u>1,141,795,699</u>

## 22- Key Sources for Uncertain Estimates

The Company makes future estimates and assumptions, the results of accounting estimates, as defined, are rarely equal to actual results, estimates and assumptions with significant risks that could cause a material adjustment to the carrying amounts of assets and liabilities during the next financial year are indicated below:

### Income taxes

The company is subject to corporate tax, a provision for income tax is estimated using an expert opinion, any discrepancies between estimated and actual tax are reflected on provision for income tax and deferred tax for these years.

## 23- Earnings Per Share

Earnings per share is based on a projected distribution, by dividing profit for the year by weighted average number of outstanding shares during the year as follows:

	31 December 2024 EGP	(Adjusted) 31 December 2023 EGP
Net profit for the year	1,276,515,770	159,527,397
Employees Share (estimate)*	(51,188,198)	-
Board of directors' remuneration (estimated)*	(97,535,882)	-
	<u>1,127,791,690</u>	<u>159,527,397</u>
Weighted average number of outstanding shares during the year	1036644207	1054805160
Earnings per share	<u>1.0900</u>	<u>0.151</u>

## 23- Earnings Per Share (Cont'd)

\* Employees share and board of directors' remuneration in the dividend's distribution is calculated based on an estimated distribution project for the year's profit, for the purpose of calculating the earnings per share.

## 24- Related Parties Transaction

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the board of directors.

**The transactions with related parties included in the statement of profit or loss are as follows:**

Company	Affiliation	Nature of transaction	31 December 2024 EGP	31 December 2023 EGP
Wadi for Consulting Company	Subsidiary	Other revenue	-	5,352,493
United Company For Housing And Development	Subsidiary	Other revenue	<b>1,973,430</b>	2,615,164
Al Giza General For Contracting And Real Estate Investment Company	Subsidiary	Other revenue	<b>1,962,886</b>	1,067,102
Cairo For Housing and Real Estate Development Company	Subsidiary	Other revenue	<b>1,515,678</b>	-
Nemow for Consulting Company	Subsidiary	Gains (losses) from the sale of investments in financial instruments	-	129,070,589
Wadi for Consulting Company	Subsidiary	Profits from sale of investments in financial instruments	-	20,106,345
Mashareq For Real Estate Investments Company	Subsidiary	Losses from sale of investments in financial instruments	<b>(212,932,881)</b>	-
Wadi for Consulting Company	Subsidiary	Dividends	-	999,890
Rooya for Real Estate Investments Company	Subsidiary	Investment properties rental revenue	<b>14,894,245</b>	14,894,245
Pioneers Securities Company	Related Party	Finance expense	<b>29,268,694</b>	14,167,478
Aspire Capital Holding Company for Financial Investments	Related Party	Fees and subscriptions	<b>2,186,714</b>	260,932

**The balances of related parties included in the statement of financial position are as follows:**

Company	Affiliation	Item	31 December 2024 EGP	31 December 2023 EGP
Cairo For Housing And Real Estate Development Company	Subsidiary	Deposits with others	<b>576,076</b>	576,076
Cairo For Housing And Real Estate Development Company	Subsidiary	Lease liabilities	<b>19,449,738</b>	20,868,766
Rooya Holding Company For Investments	Subsidiary	Unearned rent	<b>27,429</b>	759,190
Pioneers Securities Company	Related Party	Brokage companies' liabilities	<b>52,593,732</b>	28,867,668

**25- Significant Events**

A. As of 3 March 2024, according to the Prime Minister's Resolution No. (636) for the year 2024, adjustments have been made on the following Egyptian Accounting Standards:

- Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"
- Egyptian Accounting Standard No. (17) "Separate Financial Statements"
- Egyptian Accounting Standard No. (34) "Investment Properties"

**1- The Company has applied the adjustments mentioned in the Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" on the financial statements which resulted in the following:**

	<b>31 December 2024</b>
	<b>EGP</b>
Cash on hand and at banks	<b>287,540</b>
Due from related parties	<b>1,521,235</b>
Credit facilities	<b>(149,840,002)</b>
Deferred income tax - asset	<b>33,307,020</b>
Foreign exchange differences (adjustments on retained earnings)	<b><u>(114,724,201)</u></b>

**2- Comparative figures**

**The Company has applied the adjustments mentioned in the Egyptian Accounting Standard No. (17) "Separate Financial Statements" on the financial statements and measured its investments in its subsidiaries using the equity method. The cumulative effect of applying that policy was adjusted to the accumulated losses and re-presented the comparative figures with the effect of that. The modifications, and the effect of the application were as follows:**

Item	Statement	31 December 2023	Adjustments	31 December 2023
		(Before Adjustments)		(After Adjustments)
		EGP	EGP	EGP
Investments in subsidiaries	Balance Sheet	5,094,095,189	(1,111,900,039)	3,982,195,150
Retained earnings	Balance Sheet	(114,423,465)	(1,297,988,088)	(1,412,411,553)
Net income for the year	Balance Sheet	(26,560,652)	186,088,049	159,527,397

Items	Statement	31 December 2023	Adjustments	31 December 2023
		(Before Adjustments)		(After Adjustments)
		EGP	EGP	EGP
Share in subsidiaries results	Profit or Loss Statement	93,687,294	79,558,405	173,245,699

B. As of 6 June 2024, the Central Bank of Egypt decreed to allow determining the exchange rate for the Egyptian Pound according to the market conditions and also decreed to increase the interest rate by 600 points which translates to roughly a 6% increase which totals to %27.25.

**C. Foreign Exchange Differences**

As of 23 May 2024, the Prime Minister issued decree no. 1711 for the year 2023 to amend some terms of the Egyptian Accounting Standards - annex (C) of the Egyptian Accounting Standard No. (13) amended in 2015 "The effects of changes in foreign exchange rates" and this for developing a special (optional) Accounting Standards that could be used for dealing with the impact of floatation of foreign exchange rate on the financial statements which deals with Egyptian Pound as a currency. At the end, this special (optional) Accounting Standard is not considered as an adjustment to the amended Accounting Standards which are currently in force after the time frame of the in force of this annex.

## **25- Significant Events (Cont'd)**

### **C. Foreign Exchange Differences (Cont'd)**

#### **The first treatment: Assets financed by foreign currency liabilities:**

The company that has purchased fixed assets and/or investment properties and/or exploration and evaluation assets and/or intangible assets (other than goodwill) and/or right of use assets financed by foreign currency liabilities during the year, can recognize the debit foreign currency differences resulted from re-translating the related liability balance on the floatation date of the exchange rate using the exchange rate on that date for the year of applying this special accounting treatment, in the assets cost. In addition to the foreign currency difference resulted from translating existing balances of monetary items on 6 March 2024 or at the date of Financial Statements for the year of applying this special accounting treatment if it previously used the exchange rate used on that date. The Company can apply this treatment to each asset separately.

When adjusting the assets by applying paragraph No. (6) from this annex, the substitute cost cannot exceed the replacement cost of the asset. The substitute cost is measured according to the requirements of the amended Egyptian Accounting Standard No. (31) "Impairment of assets".

#### **The second treatment: Foreign currency differences:**

As an exception of paragraph No. (28) of the amended Egyptian Accounting Standard No. (13) "The effects of changes in foreign exchange rates" related to the recognition of foreign currency differences, the Company whose net profit or loss has been affected by foreign currency differences resulted from the change in exchange rate can recognize the debit and credit foreign currency differences resulted from translating existing balances of monetary items on 6 March 2024 or at the date of Financial Statements for the year of applying this special accounting treatment in other comprehensive income statement using the closing rate on that date while deducting any foreign currency differences that have been recognized as a part of the assets cost according to the first treatment mentioned in this annex, considering that these differences essentially resulted from the floatation of the exchange rates.

Foreign currency differences resulted from translating balances of monetary items which were presented in other comprehensive income statement is included in retained earnings or accumulated loss in the same accounting year to apply the related accounting treatment mentioned in this annex.

The company did not apply any of these treatments.