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

PIONEERS PROPERTIES FOR URBAN DEVELOPMENT COMPANY (S.A.E.)

Consolidated Financial Statements
For The Year Ended 31 December 2024

Contents

Translation Of Audit Report
Originally Issued in Arabic

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AUDITOR'S REPORT

TO THE SHARE HOLDERS OF Pioneers Properties for Urban Development Company (S.A.E.)
Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Pioneers Properties for Urban Development Company (S.A.E.)** represented in the consolidated financial position as of 31 December 2024, and the related consolidated statements of profit or loss, comprehensive income, changes in 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 Consolidated Financial Statements

These consolidated 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, 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks 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 consolidated financial statements referred to above, give a true and fair view, in all material respects, of the financial position of **Pioneers Properties for Urban Development Company (S.A.E.)** as of 31 December 2024 , and of its financial performance and its cash flows for the year then ended in accordance with Egyptian accounting standards.

Emphasis of Matter

without qualifying our opinion, and with reference to notes No. (8) and (39), the group applied the Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates," as amended by Ministerial Decree No. (636) dated March 3, 2024. The application had an impact on the profits for the period amounting to (179,728,249) Egyptian pounds.

Additionally, the group applied the Egyptian Accounting Standard No. (34) "Investment Property," as amended by Ministerial Decree No (636) dated March 3, 2024. The group revalued real estate investments according to the fair value model, which had an impact on the profits for the period amounting to 2,442,220,704 Egyptian pounds..

UHY United
Auditing, Tax, Advisory & Financial Services
10, Street 213, Maadi

Cairo on: 27 March 2025

Auditor

M.Kassim

Mohamed Ahmed Abu EL Kassim
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R.A.A. 17553
EFSAR 359
United For Auditing and Tax
UHY – United

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024

	Note	31 December 2024 EGP	31 December 2023 EGP
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	(4)	**293,333,428**	187,058,807
Projects under construction	(5)	**24,281,748**	24,200,304
Right-of-use assets	(35-1)	**67,396,110**	69,705,723
ıvestments in associates	(6)	**584,209,326**	584,978,272
Investments at fair value through comprehensive income	(7)	**239,060**	239,060
Governmental bonds		**832,151**	832,151
Investment Properties	(8)	**5,604,047,920**	908,966,614
Goodwill	(10)	**575,681,736**	575,681,736
Deferred tax assets	(30)	**-**	485,947,761
TOTAL NON-CURRENT ASSETS		**7,150,021,479**	2,837,610,428
CURRENT ASSETS			
Cash on hand and at banks	(11)	**2,774,075,929**	1,442,290,433
Investments at fair value through profit or loss	(12)	**1,080,576,756**	494,533,408
Investments in treasury bills	(13)	**302,278,715**	344,018,611
Trade and notes receivable	(14)	**4,203,549,036**	4,048,097,145
Due from related parties	(15-A)	**641,697,787**	598,638,945
Housing and development projects	(16)	**38,808,607,743**	30,702,021,426
Inventories	(17)	**687,411,054**	149,695,349
Prepayments and other debit balances	(18)	**5,113,735,026**	2,935,847,603
TOTAL ASSETS		**53,611,932,046**	40,715,142,920
TOTAL ASSETS		**60,761,953,525**	43,552,753,348
EQUITY AND LIABILITIES			
EQUITY			
Capital	(19)	**4,746,623,220**	4,746,623,220
General reserve		**-**	5,653,980
Legal reserve		**104,716**	104,716
Treasury stocks	(19)	**(111,280,771)**	-
Foreign currency translation reserve		**(8,378,595)**	(10,187,765)
Splitting process adjustments		**-**	124,031,553
Retained Earnings (Accumulated losses)		**1,393,610,804**	(98,385,386)
Profit for the year		**1,101,137,464**	414,023,411
TOTAL EQUITY ARRRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENTS		**7,121,816,838**	5,181,863,729
Non-controlling interests	(20)	**6,024,738,912**	4,878,080,708
TOTAL EQUITY		**13,146,555,750**	10,059,944,437
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of long-term loans	(21)	**6,242,370,506**	4,730,438,233
Non-current portion of land creditors	(22)	**13,341,367,394**	9,883,886,653
Shareholders' credit balances	(23)	**139,783,558**	149,563,426
Deferred tax liabilities	(30)	**306,594,871**	-
Non-current portion of lease liabilities	(35-2)	**1,346,689,939**	1,344,557,808
TOTAL NON-CURRENT LIABILITIES		**21,376,806,268**	16,108,446,120
CURRENT LIABILITIES			
Due to related parties	(15-B)	**-**	39,278,229
Current portion of long-term loans	(21)	**202,965,772**	182,069,506
Current portion of land creditors	(22)	**1,512,585,742**	876,809,579
Advances from customers	(24)	**14,224,242,315**	8,345,903,863
Credit facilities	(25)	**3,597,634,448**	3,555,003,206
Trade payable, contractors and notes payable	(26)	**3,076,140,458**	1,688,967,621
Tax authority - credit balances	(27)	**425,956,939**	343,441,100
Accrued expenses and other credit balances	(28)	**2,937,049,896**	2,134,133,748
Provisions	(29)	**48,293,142**	40,309,104
Current portion of lease liabilities	(35-2)	**190,062,379**	150,916,843
Dividends payable		**23,660,416**	27,529,992
TOTAL CURRENT LIABILITIES		**26,238,591,507**	17,384,362,791
TOTAL LIABILITIES		**47,615,397,775**	33,492,808,911
TOTAL LIABILITIES AND EQUITY		**60,761,953,525**	43,552,753,348

Group Chief Financial Officer | **Chief Executive Officer**

بايونيرز بروبرتيز للتنمية العمرانية
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Mohamed Mustafa Abdel Aziz | **Walid Mohamed Zaki**

- The accompanying notes from (1) to (39) are an integral part of these consolidated financial statements.
- Audit report "attached".

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**31 December 2024**	31 December 2023
		EGP	EGP
Operations revenue	(31)	**4,996,513,647**	5,782,917,745
Operations cost	(32)	**(3,632,113,992)**	(4,352,861,942)
GROSS PROFIT		**1,364,399,655**	1,430,055,803
General, administrative and marketing expenses		**(842,710,178)**	(511,702,674)
Expected credit loss in trade and notes receivable	(14)	**(98,735,837)**	(6,003,051)
Expected credit loss in due from related parties	(15)	**(160,445)**	(170,981)
Reversal of Expected credit loss in other debit balances	(18)	**(2,543,745)**	-
Provisions	(29)	**(30,000,000)**	(593,066)
Provisions no longer require	(29)	**727,000**	-
Investments at fair value through profit or loss valuation difference	(12)	**600,699,659**	118,764,128
Gain (loss) on sale of investments at fair value through profit or loss	(12)	**1,687,149**	(641,558)
Coupons		**29,528**	32,148
Return on investments in treasury bills		**66,105,456**	44,218,014
Revaluation of investment properties	(8)	**1,653,761,671**	-
Profit share from investments in associates	(6)	**492,526**	135,670,012
Gain on sale of investments in associates	(33)	**-**	4,537,095
Other operating income		**78,466,513**	99,816,908
OPERATING PROFIT		**2,792,218,952**	1,313,982,778
Finance expense		**(1,853,923,165)**	(1,187,383,938)
Finance income		**254,514,898**	227,370,477
Foreign exchange differences		**90,181,033**	18,552,013
Gain on sale of fixed assets	(4)	**3,593,538**	1,888,910
Results from exclusion of a subsidiary from business combination	(6)	**-**	292,163,769
PROFIT FOR THE YEAR BEFORE INCOME TAXES		**1,286,585,256**	666,574,009
Income taxes	(30)	**(20,659,106)**	(109,600,408)
PROFIT FOR THE YEAR		**1,265,926,150**	556,973,601
Attributable to:			
Equity holders of the holding company		**1,101,137,464**	414,023,411
Non-controlling interest	(20)	**164,788,686**	142,950,190
PROFIT FOR THE YEAR		**1,265,926,150**	556,973,601
EARRNINGS PER SHARE FOR THE HOLDING COMPANY	(34)	**1.062**	0.393

Group Chief Financial Officer — **Chief Executive Officer**

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Mohamed Mustafa Abdel Aziz — **Walid Mohamed Zaki**

- The accompanying notes from (1) to (39) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**31 December 2024**	31 December 2023
		EGP	EGP
Profit for the year		**1,265,926,150**	556,973,601
Items related to other comprehensive income:			
Exchange differences on translation of foreign operations		**2,984,092**	(3,642,038)
Foreign exchange differences of monetary items at the flotation date	(39-A)	**-**	(76,395,171)
Deduct:			
Transferred to retained earnings during the same year		**-**	76,395,171
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,268,910,242**	553,331,563
Attributable to:			
Equity holders of the holding company		**1,102,513,745**	412,269,141
Non-controlling interests	(20)	**166,396,497**	141,062,422
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,268,910,242**	553,331,563

- The accompanying notes from (1) to (39) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid up capital	General reserve	Legal reserve	Treasury stocks	Exchange differences on translation of foreign operations	Splitting process adjustments	Retained earnings (accumulated losses)	Profit for the year	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2024	4,746,623,220	5,653,980	104,716	-	(10,187,765)	124,031,553	(98,385,386)	414,023,411	5,181,863,729	4,878,080,708	10,059,944,437
Transferred to (accumulated losses)	-	-	-	-	-	-	414,023,411	(414,023,411)	-	-	-
General reserve and splitting process adjustments transferred to retained earnings	-	(5,653,980)	-	-	-	(124,031,553)	129,685,533	-	-	-	-
Adjustments on (accumulated losses) *	-	-	-	-	-	-	1,458,323,501	-	1,458,323,501	577,327,269	2,035,650,770
Adjustments arising from capital increase of subsidiaries	-	-	-	-	-	-	-	-	-	7,500,015	7,500,015
Adjustments arising from acquisition of subsidiaries	-	-	-	-	-	-	2,112,504	-	2,112,504	903,415	3,015,919
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	432,889	-	(467,492,781)	-	(467,059,892)	451,350,521	(15,709,371)
Adjustments arising from subsidiaries' treasury stocks purchase	-	-	-	-	-	-	(20,093,392)	-	(20,093,392)	(31,894,196)	(51,987,588)
Treasury stock purchase holding company	-	-	-	(111,280,771)	-	-	-	-	(111,280,771)	-	(111,280,771)
Dividends distributed	-	-	-	-	-	-	(24,562,586)	-	(24,562,586)	(24,925,317)	(49,487,903)
Exchange differences on translation of foreign operations	-	-	-	-	1,376,281	-	-	-	1,376,281	1,607,811	2,984,092
Profit for the year	-	-	-	-	-	-	-	1,101,137,464	1,101,137,464	164,788,686	1,265,926,150
Balance as of 31 December 2024	**4,746,623,220**	**-**	**104,716**	**(111,280,771)**	**(8,378,595)**	**-**	**1,393,610,804**	**1,101,137,464**	**7,121,816,838**	**6,024,738,912**	**13,146,555,750**
Balance as of 1 January 2023	4,746,623,220	5,653,980	-	-	(8,437,817)	124,031,553	284,774,171	(153,105,044)	4,999,540,063	5,267,785,889	10,267,325,952
Transferred to legal reserve and retained earnings	-	-	104,716	-	-	-	(153,209,760)	153,105,044	-	-	-
Adjustments on retained earnings – subsidiaries	-	-	-	-	-	-	(23,053,956)	-	(23,053,956)	(21,593,553)	(44,647,509)
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	4,322	-	(62,947,909)	-	(62,943,587)	(53,151,261)	(116,094,848)
Adjustments arising from subsidiaries' treasury stocks purchase	-	-	-	-	-	-	(50,511,023)	-	(50,511,023)	(60,523,440)	(111,034,463)
Dividends distributed	-	-	-	-	-	-	(31,384,065)	-	(31,384,065)	(17,982,072)	(49,366,137)
Exchange differences on translation of foreign operations	-	-	-	-	(1,754,270)	-	-	-	(1,754,270)	(1,887,768)	(3,642,038)
Foreign exchange differences of monetary items at the flotation date*	-	-	-	-	-	-	(62,052,844)	-	(62,052,844)	(14,342,327)	(76,395,171)
Adjustments arising from exclusion of a subsidiary from business combination	-	-	-	-	-	-	-	-	-	(363,174,950)	(363,174,950)
Profit for the year	-	-	-	-	-	-	-	414,023,411	414,023,411	142,950,190	556,973,601
Balance as of 31 December 2023	4,746,623,220	5,653,980	104,716	-	(10,187,765)	124,031,553	(98,385,386)	414,023,411	5,181,863,729	4,878,080,708	10,059,944,437

* 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" amounting to EGP (179,728,349) (Note 39-1). It also includes adjustments related to investment properties valuation 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. (34) "Investment Properties" amounting to EGP 2,442,160,704 (Note 39-2), It also includes adjustments related to applying Egyptian Accounting Standard No. (17) "Separate Financial Statements" on the financial statements. It measured its investments in its subsidiaries using fair value though profit or loss method. The impact of the application amounting to EGP (226,325,547). and includes other adjustments amounted to EGP (456,038) (Note 39-3).

- The accompanying notes from (1) to (39) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**31 December 2024 EGP**	31 December 2023 EGP
Cash flows from operating activities			
Profit for the year before income taxes and non-controlling interests		**1,286,585,256**	666,574,009
Depreciation of fixed assets	(4)	**42,629,877**	30,096,680
Depreciation of investment properties		**-**	15,265,423
Amortization of right-of-use assets	(35-1)	**12,716,107**	11,535,450
Gain on sale of fixed assets	(4)	**(3,593,538)**	(1,888,910)
Results from exclusion of a subsidiary from business combination		**-**	(292,163,769)
Expected credit loss in trade and notes receivable	(14)	**98,735,837**	6,003,051
Expected credit loss in other credit balances		**2,543,745**	-
Expected credit loss in due from related parties	(15)	**160,445**	170,981
Provided Provisions	(29)	**30,000,000**	593,066
Provisions no longer require		**(727,000)**	-
Gain on sale of investments in associates and subsidiaries	(33)	**-**	(4,537,095)
Revaluation of investment properties	(8)	**(1,653,761,671)**	-
Profit share from investments in associates	(6)	**(492,526)**	(135,670,012)
Investments at fair value through profit or loss valuation differences	(12)	**(600,699,659)**	(118,764,128)
Gain on sale of investments at fair value through profit or loss	(12)	**(1,687,149)**	641,558
Coupons		**(29,528)**	(32,148)
Return on investments in treasury bills		**(66,105,456)**	(44,218,014)
Finance expense		**1,853,923,165**	1,187,383,938
Finance income		**(254,514,898)**	(227,370,477)
Operating profit before changes in working capital		**745,683,007**	1,093,619,603
Changes in investments at fair value through profit or loss	(12)	**16,343,460**	15,304,079
Changes in trade and notes receivable		**(254,187,728)**	(500,450,909)
Changes in due from related parties*		**(44,002,411)**	(93,096,847)
Changes in housing and development projects		**(2,525,018,976)**	(2,363,505,999)
Changes in inventories		**(537,715,705)**	(17,571,471)
Changes in prepayments and other debit balances*		**(2,175,360,362)**	(187,331,575)
Changes in advances from customers*		**5,215,425,401**	2,030,426,817
Changes in trade payable, contractors and notes payable		**1,387,172,837**	167,301,167
Changes in tax liabilities – credit balances		**(18,810,366)**	5,798,388
Changes in due to related parties		**(15,888)**	39,262,341
Changes in accrued expenses and other credit balances*		**777,263,544**	214,572,840
Provisions used	(29)	**(2,000,000)**	(5,028,817)
Net cash flows provided from operating activities		**2,584,776,813**	399,299,617
Cash flows from investing activities			
Payments to acquire fixed assets	(4)	**(61,526,536)**	(70,859,866)
Proceeds from sale of fixed assets	(4)	**4,249,367**	2,156,433
Payments in investments properties	(8)	**(9,385,864)**	-
Payments to increase projects under constructions	(5)	**(81,444)**	(263,007)
Payments to increase investments in associates		**-**	(80,348,427)
Dividends income received		**-**	1,684,541
Coupons collected		**29,528**	32,148
Proceeds from investment in treasury bills		**94,624,261**	(64,301,929)
Changes in deposits (more than 3 months)		**(235,229,557)**	(327,557,615)
Finance income received		**254,514,898**	227,370,477
Net cash paid to increase investments in subsidiaries		**(16,482,921)**	(135,109,384)
Net cash flows provided from (used in) investing activities		**30,711,732**	(447,196,629)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**31 December 2024 EGP**	31 December 2023 EGP
Cash flows from financing activities			
(Payments in) Proceeds from credit facilities*		**(107,208,760)**	612,628,997
Proceeds from lease companies		**70,000,000**	179,124,752
Payments in lease liabilities		**(83,131,775)**	(52,398,754)
Proceeds from long term loans		**361,830,420**	765,296,733
Payments in land creditors		**(53,961,964)**	-
Changes in shareholders' credit balances		**(9,779,868)**	(181,737,229)
Non-controlling interests in establishment / capital increase of subsidiaries		**7,500,015**	4,107,669
Payments to purchase treasury stocks - subsidiaries		**(163,268,359)**	(111,034,463)
Dividends paid		**(53,357,479)**	(50,022,985)
Finance expense paid		**(1,811,713,175)**	(1,163,029,920)
Net cash flows (used in) provided from financing activities		**(1,843,090,945)**	2,934,800
Net change in cash and cash equivalent during the year		**772,397,600**	(44,962,212)
Foreign operations translation difference		**(6,097,566)**	(4,473,788)
Foreign exchange differences of monetary items at the flotation date		**-**	(76,395,171)
Foreign exchange differences of cash and cash equivalent*		**1,735,092**	-
Cash and cash equivalent – acquired subsidiaries		**328,520,813**	20,709,765
Cash and cash equivalent – excluded subsidiaries		**-**	(4,865)
Cash and cash equivalent – beginning of the year	(11)	**788,541,217**	893,667,488
Cash and cash equivalent – end of the year	(11)	**1,885,097,156**	788,541,217
Cash and cash equivalent is as follows:			
Cash on hand and at banks – end of the year	(11)	**2,774,075,929**	1,442,290,433
Deduct:			
Deposits (more than 3 months)	(11)	**(888,978,773)**	(653,749,216)
Cash and cash equivalent – end of the year	(11)	**1,885,097,156**	788,541,217

* The impact of non-cash transactions resulting from the application of Standard No. (13) amended 2024 (Note 39-1) has been excluded.

- The accompanying notes from (1) to (39) are an integral part of these consolidated financial statements.

1 BACKGROUND

Pioneers Properties For Urban Development Company (S.A.E.) (resulted company) 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) according to Law No. (159) of 1981 and without violating Article (27) of the Capital Market Law No. (95) of 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 consolidated financial statements for the Year ended 31 December 2024 were authorized for issuance in accordance with the board of directors' resolution on **27 March 2024**

Ownership percentage of the company in the following subsidiaries:

	Activity	Country	Percentage
Cairo For Housing And Real Estate Development Company	Real-estate development (S.A.E)	Egypt	72.07%
El Safwa For Consulting And Development Company	Financial advisors (S.A.E.)	Egypt	86.50%
Nemow For Consulting Company	Financial advisors (S.A.E.)	Egypt	72.43%
New Cairo for Projects Management Company	Contracting and real estate investment (S.A.E.)	Egypt	72.06%
Cairo Property Management Company	Real estate investments (L.L.C)	Egypt	72.07%
Cairo for Building Management And Maintenance Company (under liquidation)	Management and maintenance for building (L.L.C)	Egypt	69.19%
Cairo For Real Estate Marketing Company (under liquidation)	Real-estate marketing (S.A.E.)	Egypt	72.15%
El Saeed For Contracting And Real Estate Investment Company*	Constructions and developer work (S.A.E)	Egypt	46.12%
Gama For Real Estate Investments Company*	Real estate investments (S.A.E)	Egypt	46.12%
Al Giza General For Contracting And Real Estate Investment Company	Constructions and developer (S.A.E)	Egypt	66.23%
Alfa For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	66.23%
United Company For Housing And Development*	Buy, Sale and titling building and lands (S.A.E)	Egypt	38.65%
UDC Investments Company*	Real estate investments (S.A.E)	Egypt	38.65%
Flourish Investments Company*	Real estate investments (S.A.E)	Egypt	38.65%
Wadi For Consulting Company	Contracting and real estate investment (S.A.E)	Egypt	0.99998
Mashareq For Real Estate Investments Company*	Real estate investments (S.A.E)	Egypt	47.12%
Stone Plaza Company*	Real estate investments (S.A.E)	Egypt	47.14%
Grant For Real Estate Investment Company*	Real estate investments (S.A.E)	Egypt	23.56%
The Calm For Project Management Company*	Project management (S.A.E)	Egypt	47.09%
PRE For Real Estate Investment Company*	Real estate investments (S.A.E)	Egypt	45.00%
Telal East For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	47.05%
Blue for Real Estate Development Company	Real estate investments (S.A.E)	Egypt	57.20%
USG For Contracting Company*	Contracting and real estate investment (S.A.E)	Egypt	42.36%
Telal North Coast For Touristic Resorts & Real Estate Investment Co.	Real estate investments (S.A.E)	Egypt	0.69005
Telal Red Sea For Real Estate Investment & Touristic Resorts Co.	Real estate investments (S.A.E)	Egypt	0.69005
Rooya Holding Company For Investments	Contracting and real estate investment (S.A.E)	Egypt	69.00%
Lake side For Real Estate Investment Co.	Real estate investments (S.A.E)	Egypt	82.11%
Sigma for Urban Planning Company (S.A.E.)	Real-estate development (S.A.E)	Egypt	56.90%

* The financial statements of these companies have been consolidated, although the holding company's contribution to its capital is less than 50%, however the holding company has control over the company with its ability to control the company's financial and operational policies in order to obtain benefits from its activities.

2 BASIS OF CONSOLIDATION

- The following steps are followed when preparing the consolidated financial statements:

a- Eliminate the carrying amount of the parent's investment in each subsidiary and the Parent Company portion of equity of each subsidiary.

b- Identify Non-controlling interests in the profit (loss) of the consolidated subsidiaries for the reporting year.

2 BASIS OF CONSOLIDATION (CONT'D)

c- Identify Non-controlling interests in net assets of consolidated subsidiaries and are presented separately from the Parent Company's ownership interests in them.

They consist of:
(1) The amount of those non-controlling interests at the date of the original consolidation.
(2) The Non-controlling interests' share of changes in equity since the date of the consolidation.

d- Full elimination for intergroup balances, transactions, income and expenses.

- The financial statements of the Parent Company and its subsidiaries which are used in the preparation of the consolidated financial statements are prepared at same date.
- The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.
- Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the Parent Company. Also, the Non-controlling interests share in the group profit or loss presented separately.
- Profit or loss and each component of OCI are attributed to the equity holders of the parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- Deconsolidating subsidiaries is when the group loses control, where any remaining investment from lost subsidiary, is recognized at its fair value, at the date of losing control. Any variance is recognized as profit or loss in the parent company.

3 SIGNIFICANT ACCOUNTING POLICIES

3-1 Basis of preparation

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for financial assets, 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.

Change in accounting policies

Accounting policies applied this year is the same as in the previous years.

On 3 March 2024, Prime Minister's Resolution No. (636) for the year 2024 was issued amending some provisions of Egyptian accounting standards. The Company implemented the following standards amendments:

- Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Currency Exchange Rates" (Note 39-1).
- Egyptian Accounting Standard No. (34) "Investment Properties" (Note 39-2).
- Egyptian Accounting Standard No. (17) "Separate Financial Statements" (Note 39-3).

3-2 Lease Contracts

Contract is defined to be (or include) a lease contract based on its contents. The contract is a lease contract when 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 measure by the present 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 cconsolidated statement of profits or losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CON'D)

3-2 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 consolidated 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 consolidated statement of profits or losses.

3-3 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 rates prevailing at the statement of financial position date. All differences are recognized in the statement of profit or loss.
- Non-monetary 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.
- Non-monetary 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.

3-4 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated decline in value. 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 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:

Item	Years
Computers	3 – 8
Furniture	4 – 16.7
Electrical equipment	5 – 8
Tools and equipment	5 – 10
Decorations	5 – 10
Vehicles	4 – 5
Buildings	10 – 50
Machinery and equipment	4 – 20
Wood scaffold	2.5 – 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CON'D)

3-4 Fixed assets (Cont'd)

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 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 depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profits or losses.

3-5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated decline in value.

Internally generated intangible assets are not capitalized, and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for decline in value whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Intangible assets represent the computer software and the related licenses and are amortized using the straight-line method over their estimated useful lives (4 years).

3-6 Goodwill

At the acquisition date, the company recognizes goodwill acquired from business combination as an asset. Goodwill is initially measured at cost, which represents the excess of the aggregate of the consolidation transferred over the company's share in the net identifiable assets and liabilities acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impaired loss, goodwill acquired in a business combination cannot be amortized, and consequently the company makes an impairment test on the goodwill acquired annually or periodically, if there is an indication of impairment in its value.

3-7 Investments

Investments in associates

Investments in associates are investments in entities which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture, significant influence is presumed to exist when the company holds, directly or indirectly through subsidiaries 20 percent or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case.

Investments in associates are accounted for using the equity method and according to the equity method the investment in any associate 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 in Government bonds

Investments in government bonds are recorded at cost according to amortized cost model. In case of decline in value; the book value should be adjusted by the amount declined and charged to the consolidated statement of profit or loss in the same year for each investment separately.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-7 Investments (Cont'd)

Investments at fair value through comprehensive income
Investments at fair value through comprehensive income are non-derivative financial assets.

Investments at fair value through comprehensive income are initially recognized at fair value including directly related expenses.

After the initial measurement, investments at fair value through other comprehensive income are revalued at fair value with recognition of the realized and unrealized profit or loss directly in comprehensive income.

All investments in equity instruments, including unquoted investments should be measured at fair value, however, in specific circumstances the cost may be an acceptable indicator of the fair value in the case of absence of sufficient information to determine the fair value or in the presence of a wide range of fair values for the same instrument and in that case, the cost is the best estimate of fair value.

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 consolidated statement of profit or loss.

A gain or loss arising from sale of an investment at fair value through profit or loss shall be recognized in the consolidated statement of profit or loss.

3-8 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.

3-9 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 initial recognition, all investment properties are measured at fair value, and the profit or loss arising from the change in the fair value of the investment properties must be recognized in the profit or loss statement for the year in which this change arises.

3-10 Trade and notes receivables

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 consolidated statement of profit or loss, reversal of impairment is recognized in the consolidated statement of profit or loss in the year in which it occurs.

3-11 Housing and development projects (Unfinished – Finished)

Projects under construction
Include the acquisition cost of lands to be used in housing and development projects plus all costs related to develop and improve that lands, in addition to the construction costs and other costs of units the entity bears to be available for use.

Completed Projects
Represents the acquisition cost of land plus its improvement, development and providing with facilities costs in addition to the construction costs and other costs the entity bears to be suitable for use.

At the balance sheet date housing and development projects are revaluated at the lower of cost or net realizable value. Any impairment will be charged on the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-12 Inventories

The inventories elements are valued as follows:

Spare parts and supplies: at the lower of cost (using the moving average method) or net realizable value.

Fuel and oil: at the lower of cost (using the moving average method) or net realizable value.

Raw materials and packing: at the lower of cost (using the moving average method) or net realizable value.

Finished goods: at the lower of the cost of production (based on the costing sheets) or net realizable value. Cost includes direct material, direct labour and allocated share of manufacturing overhead and excluding borrowing cost.

Work in process: at the lower of the cost of production of the latest completed phase (based on the costing sheets) or net realizable value.

Cost includes direct material, direct labour and allocated share of manufacturing overhead and excluding borrowing cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any decline in value of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the consolidated statement of profit or loss in the year the decline in value occurs. The amount of any reversal of any decline in value of inventories, arising from an increase in net realizable value, shall be recognized as reduction of cost of sales in the consolidated statement of profit or loss in the year in which the reversal occurs.

3-13 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.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process in the consolidated statement of profit or loss.

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 consolidated statement of profit or loss.

3-14 Cost of borrowings

Costs of borrowings directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period 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.

3-15 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-16 Related Party transactions

Related parties represent associated companies, major quota holders, 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.

3-17 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.

3-18 Taxes

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 profit or loss for the year, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different year, directly in equity.

3-19 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 three: 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 period of time if one of the following criteria is met.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-19 Revenue recognition (Cont'd)

- Revenue from contracts with customers (Cont'd)

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.

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 consolidated statement of profit and loss using a 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.

3-20 Expenses

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-21 Impairment in value

Impairment in value 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 decline in value 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 in value 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. Decline in value are recognized in the consolidated statement of profit or loss.

A previously recognized decline in value is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last decline in value 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 decline in value been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

3-22 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.

At initial recognition, the financial liabilities classified at 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 measure by fair value through profits or losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-22 Financial Instruments (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

- The asset is included in a business model its goal is to collect contractual cash flows and sale of the financial asset.
- 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 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 that kind of liabilities and related derivatives representing 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 lager 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).
- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager 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 b 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-22 Financial Instruments (Cont'd)

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 at equity.

The company valuates 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, if 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).

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 include, during measurement, the future information.

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 asset 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 cancelled, or expired.

3-23 Trade payable, contractors and notes payable

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

3-24 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.

3-25 Statement of cash flows

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

3-26 Cash and cash equivalent

For the purpose of preparing the consolidated 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.

4 FIXED ASSETS

	Land	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Wood scaffold	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2024	72,154	20,412,048	47,884,591	6,087,826	39,984,988	37,114,371	56,244,879	51,677,620	102,646,922	68,635,001	430,760,400
Transferred from right to use asset (Note 35)	-	-	-	-	-	-	1,714,000	-	-	-	1,714,000
Transferred from investment properties (Note 8)	44,616,480	-	-	-	-	-	-	52,036,654	-	-	96,653,134
Fixed assets from acquired subsidiary	-	-	-	-	-	4,001,143	-	-	-	-	4,001,143
Additions for the year	-	9,109,090	11,256,307	3,251,767	2,377,242	5,094,178	12,500,931	3,938,043	13,998,978	-	61,526,536
Disposals	-	(27,300)	(98,912)	-	-	-	(1,885,765)	-	-	-	(2,011,977)
Translation of foreign operations	-	-	2,260,893	-	3,090,952	-	-	-	6,343,421	-	11,695,266
31 December 2024	44,688,634	29,493,838	61,302,879	9,339,593	45,453,182	46,209,692	68,574,045	107,652,317	122,989,321	68,635,001	604,338,502
Accumulated depreciation											
1 January 2024	-	(11,375,491)	(28,521,678)	(2,378,102)	(27,659,545)	(12,675,888)	(35,513,082)	(31,758,575)	(49,572,275)	(44,246,957)	(243,701,593)
Transferred from right to use asset (Note 35)	-	-	-	-	-	-	(377,080)	-	-	-	(377,080)
Transferred from investment properties (Note 8)	-	-	-	-	-	-	-	(19,472,886)	-	-	(19,472,886)
Accumulated depreciation from acquired subsidiary	-	-	-	-	-	(842,842)	-	-	-	-	(842,842)
Depreciation for the year	-	(2,902,816)	(4,549,674)	(938,755)	(2,494,865)	(4,814,805)	(5,919,903)	(9,191,844)	(6,388,752)	(5,428,463)	(42,629,877)
Depreciation of disposals	-	9,100	98,912	-	-	-	1,248,136	-	-	-	1,356,148
Translation of foreign operations	-	-	(2,246,789)	-	(3,090,155)	-	-	-	-	-	(5,336,944)
31 December 2024	-	(14,269,207)	(35,219,229)	(3,316,857)	(33,244,565)	(18,333,535)	(40,561,929)	(60,423,305)	(55,961,027)	(49,675,420)	(311,005,074)
Net book value											
As of 31 December 2024	**44,688,634**	**15,224,631**	**26,083,650**	**6,022,736**	**12,208,617**	**27,876,157**	**28,012,116**	**47,229,012**	**67,028,294**	**18,959,581**	**293,333,428**

- Gain on sale of fixed assets during the year is presented as follows:

		31 December 2024
	EGP	**EGP**
Proceeds from sale of fixed assets		4,249,367
Cost of disposed asset	(2,011,977)	
Accumulated depreciation of disposed asset	1,356,148	
Net book value of disposed asset		(655,829)
Gain on sale of fixed assets		**3,593,538**

4 FIXED ASSETS (CONT'D)

	Land	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Wood scaffold	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2023	72,154	13,666,652	39,901,344	3,718,090	34,515,416	29,831,857	44,838,659	51,569,890	92,550,177	56,156,568	366,820,807
Fixed assets from acquired subsidiary (Note 35)	-	114,991	83,208	-	-	-	290,000	-	-	-	488,199
Additions	-	6,651,997	7,273,572	2,369,736	4,493,166	14,652,825	11,293,370	107,730	11,539,037	12,478,433	70,859,866
Disposals	-	-	(13,062)	-	(926)	(7,370,311)	(177,150)	-	(1,442,292)	-	(9,003,741)
Translation of foreign operations	-	-	714,875	-	977,332	-	-	-	-	-	1,692,207
Balances of subsidiaries excluded from business combination	-	(21,592)	(75,346)	-	-	-	-	-	-	-	(96,938)
31 December 2023	72,154	20,412,048	47,884,591	6,087,826	39,984,988	37,114,371	56,244,879	51,677,620	102,646,922	68,635,001	430,760,400
Accumulated depreciation											
1 January 2023	-	(9,720,993)	(24,701,483)	(1,952,477)	(24,248,915)	(16,324,317)	(32,689,961)	(28,244,117)	(45,225,672)	(37,300,056)	(220,407,991)
Accumulated depreciation from acquired subsidiary	-	(58,317)	(39,385)	-	-	-	(217,500)	-	-	-	(315,202)
Depreciation for the year	-	(1,617,769)	(3,131,646)	(425,625)	(2,434,255)	(3,721,882)	(2,782,771)	(3,514,458)	(5,521,373)	(6,946,901)	(30,096,680)
Depreciation of disposals	-	-	13,061	-	926	7,370,311	177,150	-	1,174,770	-	8,736,218
Translation of foreign operations	-	-	(711,595)	-	(977,301)	-	-	-	-	-	(1,688,896)
Balances of subsidiaries excluded from business combination	-	21,588	49,370	-	-	-	-	-	-	-	70,958
31 December 2023	-	(11,375,491)	(28,521,678)	(2,378,102)	(27,659,545)	(12,675,888)	(35,513,082)	(31,758,575)	(49,572,275)	(44,246,957)	(243,701,593)
Net book value											
As of 31 December 2023	72,154	9,036,557	19,362,913	3,709,724	12,325,443	24,438,483	20,731,797	19,919,045	53,074,647	24,388,044	187,058,807

5 PROJECTS UNDER CONSTRUCTION

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	**24,200,304**	23,937,297
Additions for the year	**81,444**	263,007
Ending Balance	**24,281,748**	24,200,304

6 INVESTMENTS IN ASSOCIATES

	Percentage	**31 December 2024**	Percentage	31 December 2023
	%	**EGP**	%	EGP
Lotus For Hotels and Resorts Company	36.76	**563,232,468**	42.75	563,320,010
Bedaya For Roads and Contracting Company	27.95	**1,125,000**	28.46	1,125,000
Lake Side For Real Estate Development Company *	-	**-**	17.55	1,261,472
Aman Construction Company	13.25	**1,412,111**	13.26	1,597,570
Arabian Company for Dairy Products (Arab Dairy)	0.61	**16,002,025**	0.67	16,029,899
El Hessn For Consulting Company	0.25	**2,292,083**	0.29	1,539,666
Universal For Papers And Packing Materials Company (Unipack)	0.04	**145,639**	0.04	104,655
		584,209,326		584,978,272

- These investments were considered as an investment in associate companies due to the presence of significant influence represented in the exchange of management personnel.

The Company's share of associates' assets, liabilities and equity as follows:

Values in (EGP)	Non-current assets	Current assets	Current liabilities	Non-current liabilities	Capital and shareholders' equity
Lotus For Hotels and Resorts Company	38,873	18	36	3,947	34,908
Bedaya For Roads and Contracting Company	689	17,402	14,358	-	3,733
Aman Construction Company	10	55,904	54,978	-	936
Arabian Company for Dairy Products (Arab Dairy)	2,501	11,242	9,469	1,074	3,200
El Hessn For Consulting Company	3,234	218	1,888	-	1,564
Universal For Papers And Packing Materials Company (Unipack)	100	331	290	19	122

The Company's profit share from investments in associates as follows:

	31 December 2024	31 December 2023
	EGP	EGP
Lake Side For Real Estate Development Company	**-**	1,011,722
Lotus For Hotels and Resorts Company	**(87,542)**	-
Aman Construction Company	**(185,459)**	2,865,834
Electro Cable Egypt Company **	**-**	129,924,086
Arabian Company for Dairy Products (Arab Dairy)	**(27,875)**	936,353
El Hessn For Consulting Company	**752,417**	922,390
Universal For Papers And Packing Materials Company (Unipack)	**40,985**	9,627
	492,526	135,670,012

* During the year, the Company consolidated the assets and liabilities of Lake side For Real Estate Investment Company as a result of converting it from an associate to a subsidiary as the Company took control over the operational and financial decisions because of acquiring the majority of ownership.

** During year 2023, one of the group companies lost significant influence on its investments in Electro Cable Egypt Company and as a result, the Company reclassified the investment from investment in associates to investments at fair value through profit or loss.

7 INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024	31 December 2023
	EGP	EGP
Non-quoted investments	**239,060**	239,060
	239,060	239,060

8 INVESTMENT PROPERTIES

	Balance as of 1 January 2024	Adjustments to retained earnings	Additions during the year	Transferred to housing and development projects	Transferred to fixed assets (Note 4)	Revaluation during the year	Balance as of 31 December 2024
	EGP	EGP	EGP	EGP	EGP	EGP	**EGP**
Other Projects	77,230,331	-	-	(50,083)	(77,180,248)	-	-
Point 90 Mall *	623,905,374	2,752,505,626	8,986,460	-	-	1,331,953,340	**4,717,350,800**
Al-Multaka Mall **	45,290,346	326,114,654		(42,011,000)	-	131,445,520	**460,839,520**
Maarouf Land	162,540,563	72,554,822		-	-	86,012,215	**321,107,600**
Al-Masna land ***	-	-	399,404	-	-	104,350,596	**104,750,000**
	908,966,614	3,151,175,102	9,385,864	(42,061,083)	(77,180,248)	1,653,761,671	**5,604,047,920**

* During the year, the Company applied the amended Egyptian Accounting Standard No. (34) 2024 "Investment properties". Accordingly, the Company used the fair value model for its investment properties on the date of initial application of the amended standard amounting to EGP 3,982,911,385 on 1 January 2024, according to the real estate evaluator's report (Finbi Co. "Business and Finance Consultants" - Adequacy and Expertise Co.) licensed from the Egypt Financial Supervisory Authority. This amendment resulted in adjustments to retained earnings in accordance with Paragraph No. (81) of Egyptian Accounting Standard No. (34) Amended 2024, amounting to EGP 2,442,160,704 after excluding the effect of deferred tax, amounting to EGP 709,014,398 (Note 30). The Company also re-evaluated its investment properties on 31 December 2024 according to the real estate evaluator's report (Finbi Co. "Business and Finance Consultants" - Adequacy and Expertise Co.) licensed from the Egypt Financial Supervisory Authority which resulted in a revaluation gain of EGP 1,549,411,075 that was included in the statement of profits or losses for the year.

**During year 2024, the company transferred part of the Al-Multaqa building from investment properties to Housing and development projects according to the decision of the Board of Directors, this is in order to sell it as part of the company's activities

***During the year, based on the change in the business model for the Mention land, based on the management plan, the purpose of using the land owned by the company was changed from development to Retaining purpose and achieving an increase in its value and selling it in the future, as the land is being held for that purpose and in accordance with paragraph No. 57 of the Egyptian Accounting Standard for Real Estate Investment Standard No. (34). Accordingly, the company used the fair value model for its real estate investment on December 31, 2024, according to the report of the real estate appraiser approved by the Financial Regulatory Authority (Al Nour Consulting Group Company) and allocated for the same purpose, which resulted in an appraisal gain of 104,350,596 Egyptian pounds, which was included in the statement of profit or loss for the year in accordance with paragraph No. 63.

9 INTANGIBLE ASSETS

	31 December 2024	31 December 2023
	EGP	EGP
Cost		
Beginning balance	**807,763**	1,377,763
Disposals	**-**	(570,000)
Ending balance	**807,763**	807,763
Accumulated amortization		
Beginning balance	**(807,763)**	(880,596)
Amortization of disposals	**-**	72,833
Ending balance	**(807,763)**	(807,763)
Net book value at the end of the year	**-**	-

10 GOODWILL

	31 December 2024 EGP	31 December 2023 EGP
United Company For Housing And Development	**263,603,006**	263,603,006
Al Giza General For Contracting And Real Estate Investment Co.	**191,119,964**	191,119,964
Cairo For Housing And Real Estate Development Company	**117,200,787**	117,200,787
El Saeed For Contracting And Real Estate Investment Company	**3,757,979**	3,757,979
	575,681,736	575,681,736

- The goodwill balance represents the difference between the acquisition cost and the group's share in the fair value of the investments.

11 CASH ON HAND AND AT BANKS

	31 December 2024 EGP	31 December 2023 EGP
A. Local currency		
Cash on hand	**37,797,500**	15,114,920
Current accounts	**1,768,730,616**	543,820,562
Deposits	**902,575,270**	721,810,880
	2,709,103,386	1,280,746,362
B. Foreign currency		
Cash on hand	**11,409,816**	6,911,672
Current accounts	**46,898,707**	154,632,399
	6,664,020	-
	64,972,543	161,544,071
Total cash on hand and at banks	**2,774,075,929**	1,442,290,433
Deduct:		
Deposits (more than 3 months) *	**(888,978,773)**	(653,749,216)
Cash and cash equivalent as of the cash flow	**1,885,097,156**	788,541,217

* These deposits are held by the banks as collateral for credit facilities and letters of guarantee at the financial statements date.

12 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024 EGP	31 December 2023 EGP
Investment funds securities	**50,000**	15,949,996
Quoted investments	**1,080,521,560**	478,525,100
Non-quoted investments	**5,196**	58,312
	1,080,576,756	494,533,408

- The movement of investments at fair value through profit or loss during the year is as follows:

	31 December 2024 EGP	31 December 2023 EGP
Balance at the beginning of the year	**494,533,408**	33,430,127
Investments at fair value through profit or loss valuation differences	**600,699,659**	118,764,128
Gain from (loss) sale of investments at fair value through profit or loss	**1,687,149**	(641,558)
Investment transferred from associate companies	**-**	358,284,790
Balance at the end of the year	**(1,080,576,756)**	(494,533,408)
The change in investments at fair value through profit or loss	**16,343,460**	15,304,079

13 INVESTMENT IN TREASURY BILLS

	31 December 2024 EGP	31 December 2023 EGP
Par value	**320,900,000**	365,800,001
Deferred returns	**(16,197,386)**	(15,954,880)
Taxes on return on treasury bills	**(2,423,899)**	(5,826,510)
Present value	**302,278,715**	344,018,611

14 TRADE AND NOTES RECEIVABLE

	31 December 2024 EGP	31 December 2023 EGP
Contracting receivable	**3,115,763,888**	2,774,250,813
Real estate receivable	**1,464,487,374**	1,428,376,991
Rent receivable	**32,266,644**	32,574,259
	4,612,517,906	4,235,202,063
Expected credit loss in trade and notes receivable	**(163,383,395)**	(64,647,558)
Deferred instalments interest	**(245,585,475)**	(122,457,360)
	4,203,549,036	4,048,097,145

- Expected credit loss in trade and notes receivable movement is as follow:

	31 December 2024 EGP	31 December 2023 EGP
Beginning balance	**64,647,558**	51,885,696
Adjustments	**-**	6,758,811
Charged during the year	**98,735,837**	6,003,051
Ending balance	**163,383,395**	64,647,558

15 DUE FROM / TO RELATED PARTIES

A- Due From Related Parties

	Affiliation	31 December 2024 EGP	31 December 2023 EGP
Aspire Capital Holding Company for Financial Investments	Related party	**184,130,356**	194,015,554
Gadwa for Industrial Development Company	Related party	**448,369,512**	343,762,286
El Hessn For Consulting Company	Associate	**22,226**	22,226
PHC Food Company	Related party	**5,750,000**	5,750,000
Lotus For Hotels and Resorts Company	Associate	**4,883,165**	4,628,165
Semow For Consulting Company	Related party	**-**	51,757,741
		643,155,259	599,935,972
Expected credit loss in due from related party		**(1,457,472)**	(1,297,027)
		641,697,787	598,638,945

- Expected credit loss in due from related parties' movement is as follow:

	31 December 2024 EGP	31 December 2023 EGP
Beginning balance	**1,297,027**	1,126,046
Charged during the year	**160,445**	170,981
Ending balance	**1,457,472**	1,297,027

B- Due To Related Parties

	Affiliation	31 December 2024 EGP	31 December 2023 EGP
The National Company for Construction and Development	Related party	**-**	15,888
Lake Side For Real Estate Development Company	Subsidiary	**-**	39,262,341
		-	39,278,229

16 HOUSING AND DEVELOPMENT PROJECTS

	31 December 2024 EGP	31 December 2023 EGP
Housing and development projects – under construction	**37,959,193,748**	30,527,083,148
Housing and development projects – completed	**849,413,995**	174,938,278
	38,808,607,743	30,702,021,426

17 INVENTORIES

	31 December 2024 EGP	31 December 2023 EGP
Raw materials	**682,148,916**	146,084,840
Spare parts	**4,584,742**	2,816,571
Fuel	**625,596**	742,138
Scrap	**51,800**	51,800
	687,411,054	149,695,349

18 PREPAYMENTS AND OTHER DEBIT BALANCES

	31 December 2024 EGP	31 December 2023 EGP
Prepaid expenses	**48,370,427**	56,905,128
Prepaid sales commissions	**1,828,939,871**	524,166,996
Advance payments to acquire fixed assets	**157,741,964**	2,639,337
Advance payments to suppliers and contractors	**451,366,980**	495,677,328
Sundry contractors	**16,240,102**	47,021,501
Deposits with others	**1,093,188,522**	838,297,203
Letters of guarantee margin	**17,248,364**	21,074,323
Tax Authority	**108,056,463**	72,163,602
Accrued revenue	**126,942,409**	110,447,128
Financial Group – Securitization*	**26,318,420**	26,032,465
Accrued maintenance expenses	**427,393,079**	345,662,896
Other debit balances	**818,212,128**	399,499,654
	5,120,018,729	2,939,587,561
Expected credit loss in other debit balances value	**(6,283,703)**	(3,739,958)
	5,113,735,026	2,935,847,603

* The group companies signed a securitization contract in December 2021 for the portfolio of some clients of the Stone Residence project - Fifth Settlement to the EFG Hermes company, with a total value of EGP 409,481,604, including a present value discount of EGP 67,470,911.

  In return, EFG Hermes paid EGP 315,634,532 after deducting administrative expenses of EGP 10,155,756 to the group companies and setting aside EGP 16,220,405 for the credit enhancement account.

* The group companies signed a securitization contract in July 2022 for the portfolio of some clients of the Stone Residence project - Fifth Settlement to the EFG Hermes company, with a total value of EGP 230,916,301, including a present value discount of EGP 58,748,154.

  In return, EFG Hermes paid EGP 156,516,511 after deducting administrative expenses of EGP 6,694,526 to the group companies and setting aside EGP 8,957,110 for the credit enhancement account.

* The group companies signed a securitization contract in November 2022 for the portfolio of some clients of the Stone Residence project - Fifth Settlement to the EFG Hermes company, with a total value of EGP 290,196,194, including a present value discount of EGP 104,401,268.

  In return, EFG Hermes paid EGP 143,673,987 after deducting administrative expenses of EGP 7,720,384 to the group companies and setting aside EGP 8,082,135 for the credit enhancement account, and the remaining EGP 36,318,420 owed to the group companies with EFG Hermes company.

18 PREPAYMENTS AND OTHER DEBIT BALANCES (CONT'D)

- Expected credit loss in other debit balance is as follow:

	31 December 2024 EGP	31 December 2023 EGP
Beginning balance	**3,739,958**	3,739,958
charged during the year	**2,543,745**	-
Ending balance	**6,283,703**	3,739,958

19 CAPITAL

As of 24 July 2021, the Extraordinary General Assembly Meeting unanimously approved the report number 534 as of 15 June 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 nine companies (an original company and two resulted companies). The report concluded that net owners' 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 (resulted company) is EGP 4,752,277,200 divided as follows:
Issued and paid-up capital of EGP 4,746,623,220 divided over 1054805160 shares with a face value of EGP 4.5 per share, and a general reserve amounted to EGP 5,653,980 with authorized capital of EGP 23 billion.
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 follows:

Shareholders	**Percentage**	**No. of shares**	**Value EGP**
Walid Mohamed Zaki	26.00%	274285929	1,234,286,681
Abdelkader Elmohedeb And Sons Company	14.38%	151658750	682,464,375
Taha Ibrahim Mostafa Mohamed Eltelbani	10.08%	106344921	478,552,145
Hesham Ali Shoukry Hafez	7.08%	74643766	335,896,947
EGYCAP Investments Ltd.	6.73%	70935897	319,211,537
Hossam Mohammed Zaki	5.84%	61615652	277,270,434
Nawaf ibn Abdallah	5.02%	52915000	238,117,500
Other Shareholders	24.87%	262405245	1,180,823,601
Total	**100%**	**1054805160**	**4,746,623,220**

20 NON-CONTROLLING INTEREST

	31 December 2024 EGP
Beginning balance	**4,878,080,708**
Adjustments on retained earnings – subsidiaries	**577,327,269**
Adjustments arising from capital increase of subsidiaries	**7,500,015**
Adjustments arising from acquisition of subsidiaries	**903,415**
Adjustments arising from changes in subsidiaries' ownership percentage	**451,350,521**
Adjustments arising from subsidiaries' treasury stocks purchase	**(31,894,196)**
Dividends distributed – subsidiaries	**(24,925,317)**
Exchange differences on translation of foreign operations	**1,607,811**
Non-controlling interest in consolidated statement of profit or loss	**164,788,686**
Ending balance	**6,024,738,912**

21 LONG-TERM LOANS

	31 December 2024 EGP	31 December 2023 EGP
Long-term supporting loan	**-**	2,500,000
Loans balance	**6,445,336,278**	4,910,007,739
Deduct:		
Current portion	**(202,965,772)**	(182,069,506)
Non-current portion	**6,242,370,506**	4,730,438,233

- Loans granted by banks with an interest rate of 1% - 3% above the corridor rate and guaranteed by securities held by banks.

22 LAND CREDITORS

	31 December 2024 EGP	31 December 2023 EGP
Liability balance	**14,853,953,136**	10,760,696,232
Deduct:		
Current portion of land creditors	**(1,512,585,742)**	(876,809,579)
Non-current portion of land creditors	**13,341,367,394**	9,883,886,653

23 SHAREHOLDERS' CREDIT BALANCES

	31 December 2024 EGP	31 December 2023 EGP
Shareholders – (Parent company)	**-**	2,987,643
Shareholders – (Subsidiary companies)	**139,783,558**	146,575,783
	139,783,558	149,563,426

24 ADVANCES FROM CUSTOMERS

	31 December 2024 EGP	31 December 2023 EGP
Customers – Contracting activity	**468,559,602**	206,240,401
Customers – Real estate activity	**13,755,682,713**	8,139,663,462
	14,224,242,315	8,345,903,863

25 CREDIT FACILITIES

	31 December 2024 EGP	31 December 2023 EGP
Credit Facilities - Local Currency	**3,188,091,454**	3,306,075,461
Credit Facilities - Foreign Currency	**409,542,994**	248,927,745
	3,597,634,448	3,555,003,206

- Credit facilities granted by banks with interest rates between 0.5% - 2.5% above the CORRIDOR rate and between 1% - 3% above the LIBOR price, guaranteed by term deposits and commercial papers held by banks.

26 TRADE PAYABLE, CONTRACTORS, AND NOTES PAYABLE

	31 December 2024 EGP	31 December 2023 EGP
Trade payable and contractors	**1,461,315,736**	1,228,998,864
Notes payable	**1,614,824,722**	459,968,757
	3,076,140,458	1,688,967,621

27 TAX AUTHORITY – CREDIT BALANCES

	31 December 2024	31 December 2023
	EGP	EGP
Tax Authority – Income tax	**105,196,868**	112,101,295
Tax Authority – Other taxes	**320,760,071**	231,339,805
	425,956,939	343,441,100

28 EXPENSES AND OTHER CREDIT BALANCES

	31 December 2024	31 December 2023
	EGP	EGP
Accrued expenses	**82,733,013**	64,484,141
Deposits from others	**469,718,487**	381,317,068
Social Insurance Authority	**57,165,062**	3,268,880
Contractors Social Insurance	**75,208,931**	112,752,326
Accrued construction cost	**-**	4,902,682
Accrued maintenance expenses	**94,542,626**	4,895,565
Deferred revenue	**1,606,483**	6,900,916
Union of occupants	**978,843,541**	749,983,250
The Egyptian Real Estate Finance Company	**1,190,050**	5,183,089
The Arabian Egyptian Real Estate Bank	**98,041,171**	105,734,733
Amlak Financing Company	**52,824,867**	59,760,692
Accrued interest	**37,280,333**	11,237,206
Other credit balances	**987,895,332**	623,713,200
	2,937,049,896	2,134,133,748

29 PROVISIONS

	1 January 2024	Reclassified during the year	Charged during the year	No longer require	Used during the year	**31 December 2024**
	EGP	EGP	EGP	EGP	EGP	**EGP**
Provision for liabilities	8,863,913	3,965,950	-	(727,000)	-	**12,102,863**
Provision for claims	31,445,191	(23,254,912)	30,000,000	-	(2,000,000)	**36,190,279**
	40,309,104	(19,288,962)	30,000,000	(727,000)	(2,000,000)	**48,293,142**

30 INCOME TAXES

INCOME TAXE EXPENSE	**31 December 2024**	31 December 2023
	EGP	EGP
Current income tax	**95,332,794**	102,089,997
Returns on treasury bills taxes	**13,221,091**	8,843,603
Deferred income tax – (revenue)	**(87,894,779)**	(1,333,192)
Income tax expense	**20,659,106**	109,600,408

DEFERRED INCOME TAX	**31 December 2024**	31 December 2023
	EGP	EGP
Beginning balance - Asset	**485,947,761**	482,908,516
Deferred income tax - acquire subsidiary - Asset	**-**	877,673
Adjustments (Note 39)	**(883,160,747)**	-
Translation of foreign operations	**2,723,336**	828,439
Deferred income tax for the year –revenue	**87,894,779**	1,333,192
Balances of subsidiaries excluded from business combination	**-**	(59)
Ending Balance – (Liability) Asset	**(306,594,871)**	485,947,761

31 OPERATIONS REVENUE

	31 December 2024 EGP	31 December 2023 EGP
Contracting activity revenue	**3,014,242,069**	3,285,436,158
Real estate sales revenue	**1,666,405,295**	2,205,810,854
Investments properties rental revenue	**297,742,974**	251,388,402
Retail activity revenue	**18,123,309**	40,282,331
	4,996,513,647	5,782,917,745

32 OPERATIONS COST

	31 December 2024 EGP	31 December 2023 EGP
Contracting activity cost	**2,395,092,247**	2,736,114,967
Real estate sales cost	**1,165,875,740**	1,549,355,891
Investment properties rental cost	**59,227,464**	27,106,119
Retail activity cost	**11,918,541**	40,284,965
	3,632,113,992	4,352,861,942

33 GAIN ON SALE INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

	31 December 2024 EGP	31 December 2023 EGP
Gain on sale investment in associates	-	4,537,095
	-	4,537,095

34 EARNINGS PER SHARE

Earnings per share is calculated by dividing equity holders of the Parent Company share in profit for the year by weighted average number of outstanding shares, as follows:

	31 December 2024 EGP	31 December 2023 EGP
Net profit for the year attributable to the equity holders of the parent company	**1,101,137,464**	414,023,411
Weighted average number of outstanding shares during the year	**1036644207**	1054805160
Earnings per share for the holding company	**1.062**	0.393

The share of profits without investment properties valuation differences would have been as follows:

	31 December 2024 EGP	31 December 2023 EGP
Net profit for the year attributable to the equity holders of the parent company	**176,408,778**	414,023,411
Weighted average number of outstanding shares during the year	**1036644207**	1054805160
Earnings per share for the holding company	**0.170**	0.393

35 LEASE CONTRACTS

1- RIGHT-OF-USE ASSETS

	Buildings EGP	Vehicles EGP	Total EGP
Cost			
1 January 2024	86,814,597	7,921,586	94,736,183
Adjustments	19,496,358	-	19,496,358
Additions	1,011,796	-	1,011,796
Transferred to fixed assets (Note 4)	-	(1,714,000)	(1,714,000)
disposals	(11,626,598)	-	(11,626,598)
31 December 2024	95,696,153	6,207,586	101,903,739
Accumulated Amortization			
1 January 2024	(22,891,134)	(2,139,326)	(25,030,460)
Adjustments	(690,713)	-	(690,713)
Amortization for the year	(11,759,485)	(956,622)	(12,716,107)
Transferred to fixed assets (Note 4)	-	377,080	377,080
Depreciation of disposals	3,552,571	-	3,552,571
31 December 2024	(31,788,761)	(2,718,868)	(34,507,629)
Net Book Value			
As of 31 December 2024	**63,907,392**	**3,488,718**	**67,396,110**

	Buildings EGP	Vehicles EGP	Total EGP
Cost			
1 January 2023	76,209,155	7,921,586	84,130,741
Adjustments	10,605,442	-	10,605,442
31 December 2023	86,814,597	7,921,586	94,736,183
Accumulated Amortization			
1 January 2023	(11,874,384)	(1,091,290)	(12,965,674)
Adjustments	(529,336)	-	(529,336)
Amortization for the year	(10,487,414)	(1,048,036)	(11,535,450)
31 December 2023	(22,891,134)	(2,139,326)	(25,030,460)
Net Book Value			
As of 31 December 2023	63,923,463	5,782,260	69,705,723

2- LEASE LIABILITIES

	Operating Lease Contracts EGP	**Finance Lease Contracts EGP**	**31 December 2024 Total EGP**
Lease liabilities balance	**78,507,355**	**1,458,244,963**	**1,536,752,318**
deduct:			
Current portion of lease liability	**(15,580,924)**	**(174,481,455)**	**(190,062,379)**
	62,926,431	**1,283,763,508**	**1,346,689,939**

	Operating Lease Contracts EGP	Finance Lease Contracts EGP	31 December 2023 Total EGP
Lease liabilities balance	74,039,395	1,421,435,256	1,495,474,651
deduct:			
Current portion of lease liability	(11,740,351)	(139,176,492)	(150,916,843)
	62,299,044	1,282,258,764	1,344,557,808

- The finance lease contracts are represented in the balances of Pioneers Properties for Urban Development Company with a value of EGP 100,007,083, Cairo for Housing and Real Estate Development Company with a value of EGP 741,966,724, and the United Company for Housing and Development with a value of EGP 427,547,210, and Mashareq For Real Estate Investment Company with a value of EGP 106,590,386 and El Saeed For Contracting And Real Estate Investment Company with a value of EGP 12,132,560 and Al Giza General For Contracting And Real Estate Investment Company with a value of EGP 70,000,000 resulting from contracts of sale and leaseback of assets that were originally owned by the companies and will regain its ownership at the end of the contract at a value of EGP 1 per contract.

36 TAX POSITION

Pioneers Properties for Urban Development Company (S.A.E.) and its subsidiaries are subject to income tax. Income tax is calculated for each company. The income tax balance shown in the consolidated statement of profit or loss represents the total income tax for the financial year ended 31 December 2024.

37 FINANCIAL INSTRUMENTS RISK MANAGEMENT

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 (3) 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.

Fair value of financial instruments

In accordance with the valuation principles used in the valuation of the Company's assets and liabilities stated in Note (3), the fair values of financial assets and liabilities are not materially different from their carrying amounts at the financial position date.

Interest rate risk

The Company monitors the maturity structure of assets and liabilities with the related interest rates.

Foreign Currency Risk

The foreign currency risk is the risk that the value of the inflows and outflows in foreign currencies, as well as, valuation of assets and liabilities in foreign currencies, will fluctuate due to changes in foreign currency exchange rates.

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.

Liquidity risk

The Company's 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.

Cash flows risk related to the interest rate

The risk of interest rate cash flows is the risk of changes in future cash flows due to changes in interest rates. The Company seeks to reduce that risk by relying on cash flows from operating activities.

Capital Management

The main purpose of the capital management is to ensure that the company maintain a proper percent of the capital to support its business and to achieve the maximum increase for the shareholders.

The company manages the capital structure and adjust it in considerations to the changes in the business environment. There were no changes in the company goals, policies and operations for the financial year ended 31 December 2024 and the financial year ended 31 December 2023.

38 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:

Decline in trade and other receivables value

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

38 KEY SOURCES FOR UNCERTAIN ESTIMATES (CONT'D)

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.

39 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 Group 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:

Item	**31 December 2024 EGP**
Cash on hand and at banks	**1,735,092**
Other debit balances	**2,168,488**
Due from related parties	**(783,125)**
Advances from customers	**(83,700,000)**
Accrued expenses and other credit balances	**(1,488,000)**
Credit facilities	**(149,840,002)**
Deferred income tax - asset	**(52,179,198)**
Foreign exchange differences (adjustments on accumulated losses)	**(179,728,349)**
Attributable to:	
Equity holders of the parent company	**(145,353,905)**
Non-controlling interest	**(34,374,443)**
Foreign exchange differences (adjustments on accumulated losses)	**(179,728,349)**

2- The Group applied the effect of the amendments mentioned in the Egyptian Accounting Standard No. (34) "Investment Properties" on the financial statements and measured its investment properties according to the fair value model. The cumulative effect of applying that policy was adjusted to the accumulated losses, and the effect of the application was as follows:

Item	**1 January 2024 EGP**
Investment properties	**3,151,175,102**
Deferred income tax – (liability)	**(709,014,398)**
Investment properties valuation (adjustments on accumulated losses)	**2,442,160,704**
Attributable to:	
Equity holders of the parent company	**1,760,068,166**
Non-controlling interest	**682,092,538**
Investment properties valuation (adjustments on accumulated losses)	**2,442,160,704**

3- One of the group companies applied the effect of the amendments contained in Egyptian Accounting Standard No. (17) "Separate Financial Statements" to the financial statements and measured its investments in its subsidiaries using fair value though profit or loss method. The effect of the application was deferred income taxes **-** (liability) in the amount of EGP 226,325,547, distributed to Equity holders of the parent company and Non-controlling interest, respectively EGP 156,175,876, EGP 70,149,671.

B. As of 6 March 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 and the company has been investigating the effects of applying these adjustments on the future financial statements.

39 SIGNIFICANT EVENTS (CONT'D)

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.

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 assts 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 group did not apply any of these treatments.