RSM Egypt – Chartered Accountants

Heliopolis for Housing and Development Company (S.A.E)

Interim Financial Statements
For The Three – Months Period Ended March 31, 2026
And Limited Review report

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Limited Review Report of Interim Financial Statements

To\ The Board of Directors Members of Heliopolis for Housing and Development Company (S.A.E)

Introduction

We have reviewed the accompanying interim statement of financial position of **Heliopolis for Housing and Development Company "S.A.E"** as of March 31, 2026 as well as the related to interim statements of profit or loss, Comprehensive income, changes in equity and cash flows for the period of three months ended March 31, 2026, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

We were not provided with the calculation of the deferred instalment interest related to notes receivable (Note 12).

Qualified Conclusion

Based on our limited review, and except for the effects of the potential adjustments referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of **Heliopolis for Housing and Development Company "S.A.E"** does not give a true and fair view, in all material respects, of the financial position of the entity as of March 31, 2026, and of its financial performance and its cash flows for the period of Three months ended March 31, 2026 in accordance with Egyptian Accounting Standards.

Tarek Hashish
Rregister of Accountants and Auditors No. (9473)
Register of Financial Regulatory Authority No. (118)
Fellow of Egyptian Society for Accountants and Auditors
Fellow of Egyptian Society of Tax
RSM Egypt - Chartered Accountants

Cairo: June 7, 2026

Translation of financial statements
Orginally issued in Arabic

Heliopolis for Housing and Development Company S.A.E
Interim statement of financial position as of March 31, 2026
(All amounts are presented in Egyptian Pound unless otherwise stated)

	Note	31 March 2026	31 December 2025
Assets			
Non- current assets			
Fixed assets (Net)	(5)	1,230,912,254	1,237,354,685
Projects under construction	(6)	443,261,652	443,261,652
Investment properties	(7)	66,267,551	66,823,058
Financial assets at fair value through OCI	(8)	-	-
Financial assets at amortized cost	(9)	107,459	107,459
Trade and notes receivable – Non-current Portion	(13)	339,951,774	565,349,818
Total non-current assets		**2,080,500,690**	**2,312,896,672**
Current assets			
Inventory	(10)	52,264,536	43,066,070
Units and lands held for sale	(11)	13,688,221,561	15,650,922,254
Work in progress	(12)	3,807,910,068	1,168,134,122
Trade and notes receivable – Current Portion	(13)	968,940,765	729,236,762
Debtors and other debit balances	(14)	63,790,154	42,086,383
Due from related party - Holding Company	(15)	-	28,673,665
Advance payments	(16)	566,676,645	640,231,557
Cash and cash equivalents	(17)	1,641,774,921	1,740,315,518
Total current assets		**20,789,578,650**	**20,042,666,331**
Total assets		**22,870,079,340**	**22,355,563,003**
Shareholders' equity			
Issued and paid up capital	(18)	1,001,313,900	1,001,313,900
Reserves	(19)	2,638,333,727	2,638,333,727
Retained Earnings	(37)	6,677,365,772	3,972,041,691
Net profit for the period / year		250,639,442	2,705,324,081
Total shareholders' equity		**10,567,652,841**	**10,317,013,399**
Non-current liabilities			
Loans and Financings – Non-current Portion	(20)	-	89,675,819
Deferred tax liabilities	(2-27)	45,821,479	45,821,479
Notes payable-Non current portion	(25)	2,550,542,064	2,576,178,370
Utility completion cost (Land and Buildings)	(21)	947,050,725	922,372,101
Other liabilities	(22)	1,483,359,031	1,327,891,960
Total non-current liabilities		**5,026,773,299**	**4,961,939,729**
Current Liabilities			
Loans and Financings – Current Portion	(20)	469,704,091	237,849,832
Provisions	(1-23)	235,878,025	250,672,717
Contractors, accounts payable	(24)	1,394,534,235	1,507,614,353
Notes payable-current portion	(25)	3,573,939,932	3,573,939,932
Creditors and other credit balances	(26)	906,370,647	884,073,060
Current income tax liabilities	(1-27)	695,120,549	622,354,260
Deferred installment sales profit	(28)	105,721	105,721
Total current liabilities		**7,275,653,200**	**7,076,609,875**
Total liabilities		**12,302,426,499**	**12,038,549,604**
Total shareholders' equity and liabilities		**22,870,079,340**	**22,355,563,003**

The accompanying notes form an integral part of these interim financial statements and should be read
Limited review report is attached.

General accounts managar	Head of Accounting Department	Chief Financial Officer	Chief Executive Officer
Mr. Wael Ali El-Sawy	Mr. Ahmed Fouad	Dr. Mohamed Mostafa	Dr. Samah El-Sayed

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Heliopolis for Housing and Development Company S.A.E
Interim statement of profit or loss for the period ended March 31, 2026
(All amounts are presented in Egyptian Pound unless otherwise stated)

	Note	For the three-months period ended 31 March 2026	31 March 2025
Operating revenue	(29)	422,433,261	530,825,474
Sales returns	(31)	(6,133,414)	(2,495,331)
Cost of operations	(30)	(50,522,470)	(104,067,955)
Cost of sales returns	(31)	586,340	61,447
Gross profit		**366,363,717**	**424,323,635**
Add / (Deduct)			
Investments and interest income	(32)	97,546,985	311,193,786
Other income	(33)	12,241,234	7,015,341
General and administrative expenses	(34)	(93,589,968)	(82,521,643)
Solidarity contribution		(1,140,738)	(2,116,348)
Other expenses	(35)	(41,414,945)	(650,353)
Finance costs	(36)	(16,600,554)	(40,397,572)
Net profit for the period before tax		**323,405,731**	**616,846,846**
Income tax	(27)	(72,766,289)	(138,790,540)
Net profit for the period after tax		**250,639,442**	**478,056,306**
Number of outstanding shares		4,005,255,600	1,335,085,200
Basic and diluted earnings per share (EGP / Share) for the period	(38)	**0.06**	**0.36**

The accompanying notes form an integral part of these interim financial statements and should be read with them.

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Heliopolis for Housing and Development Company S.A.E

Interim statement of Comperhensive Income for the period ended March 31, 2026

(All amounts are presented in Egyptian Pound unless otherwise stated)

	For the three-months period ended	
	31 March 2026	**31 March 2025**
Net profit for the period	**250,639,442**	**478,056,306**
Items of other comprehensive income	-	-
Total comprehensive income	**250,639,442**	**478,056,306**

The accompanying notes form an integral part of these interim financial statements and should be read with Limited review report is attached.

Heliopolis for Housing and Development Company S.A.E

Interim statement of changes in equity for the period ended March 31, 2026

(All amounts are presented in Egyptian Pound unless otherwise stated)

	Issued and paid up capital	Reserves	Retained Earnings	Net Profit for the period / year	Total
Balance at January 1, 2025	**333,771,300**	**1,998,375,586**	**4,510,809,751**	**2,559,832,567**	**9,402,789,204**
Net profit for the financial period ended March 31, 2025	-	-	-	478,056,306	**478,056,306**
Total Comprehensive Income	**-**	**-**	**-**	**478,056,306**	**478,056,306**
Transactions with company's shareholders					
Transferred to retained earnings	-	-	2,559,832,567	(2,559,832,567)	-
Adjustments to retained earnings	-	-	(37,302,588)	-	**(37,302,588)**
Total Transactions with the shareholders	**-**	**-**	**2,522,529,979**	**(2,559,832,567)**	**(37,302,588)**
Balance at March 31, 2025	**333,771,300**	**1,998,375,586**	**7,033,339,730**	**478,056,306**	**9,843,542,922**
Balance at January 1, 2026	**1,001,313,900**	**2,638,333,727**	**3,972,041,691**	**2,705,324,081**	**10,317,013,399**
Net profit for the period ended March 31, 2026	-	-	-	250,639,442	**250,639,442**
Total comprehensive income	**-**	**-**	**-**	**250,639,442**	**250,639,442**
Transactions with company's shareholders					
Transferred to retained earnings	-	-	2,705,324,081	(2,705,324,081)	-
Total Transactions with the shareholders	**-**	**-**	**2,705,324,081**	**(2,705,324,081)**	**-**
Balance at March 31, 2026	**1,001,313,900**	**2,638,333,727**	**6,677,365,772**	**250,639,442**	**10,567,652,841**

The accompanying notes form an integral part of these interim financial statements and should be read with them.

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Heliopolis for Housing and Development Company S.A.E
Interim statement of Cash flow for the period ended March 31, 2026
(All amounts are presented in Egyptian Pound unless otherwise

	Note	For the three-months period ended 31 March 2026	31 March 2025
Cash flows from operating activities:			
Net profit for the period before tax		323,405,731	616,846,846
Adjustments to reconcile net profit with cash flows from operating activities:			
Depreciation and amortization		13,949,975	1,896,344
Net finance (income) / costs		(80,946,431)	(270,796,214)
		256,409,275	**347,946,976**
Changes in:			
Inventory, work in progress and lands and building held for sale		(686 273 719)	149,492,394
Trade and notes receivable and other debit balances		66,218,847	(640,609,178)
Trade and notes payable and other credit balances		63,726,858	(479,334,345)
Net cash flows (used in) /generated from operating activities		**(299,918,739)**	**(622,504,153)**
Provision used		(14,794,692)	-
Net cash flows (used in) operating activities		**(314,713,431)**	**(622,504,153)**
Cash Flows from Investing Activities:			
Payments for acquisition of Fixed assets, investment Property and intangible assets		(6,952,037)	(8,141,485)
Interest income proceeds		97,546,985	311,193,786
Net cash flows generated from/ (used in) investing activities		**90,594,948**	**303,052,301**
Cash Flows from Financing Activities:			
Payments of loans and borrowings		142,178,440	(143,085,236)
Dividends paid		-	(38,839,631)
Finance cost paid		(16,600,554)	(40,397,572)
Net cash flows (used in) financing activities		**125,577,886**	**(222,322,439)**
Net Change in Cash and Cash Equivalents During the Period		**(98,540,597)**	**(541,774,291)**
Cash and cash equivalents at beginning of the period	(17)	1,740,315,518	4,851,375,217
Less:			
Adjustments to retained earnings		-	(37,302,588)
Deposits and treasury bills with maturities exceeding 3		-	(30,170,637)
Cash and cash equivalents at end of the period	(17)	**1,641,774,921**	**4,242,127,701**

All non-cash transactions have been excluded.
The accompanying notes form an integral part of these interim financial statements and should be read with

Heliopolis for Housing and Development Company S.A.E
Notes to Interim financial statements for the financial Period ended March 31, 2026
(All amounts are presented in Egyptian Pound unless otherwise is stated)

1. About the company

Company Name:
Heliopolis for Housing and Development Company S.A.E, a subsidiary for the Holding Company for Construction and Development.

Company's address:
28 Ibrahim El-Laqani Street - Heliopolis - Cairo.

Legal form:
The Company is an Egyptian joint stock company that had been subject to the provisions of Law No. 203 of 1991 governing the Public Business Sector until August 2021.
On September 1, 2021, the Company regularized its status and exited from the scope of Law No. 203 of 1991 to become subject to the provisions of Law No. 159 of 1981, and the relevant amendment was duly recorded in the Commercial Register.

Incorporation date:
The company is established at year 1906.

Company durations:
The company duration is 100 years starting from the date of registration June 23, 1969.

Financial year:
In accordance with Article No. (54) of the company's fundamental principles issued on September 12, 2021, the company's fiscal year was changed to begin on the first of January and end at December end of the same year instead of beginning on the first of July and end on June end of the same year, provided that the first fiscal year begins. For the company from the date of reconciliation of conditions until the end of the next fiscal year, provided that this does not exceed 24 months.
The interim financial statements were approved by the company's Board of Directors on June 7, 2026.

Company's Purpose:
- Carrying out all activities related to housing and urban development projects, including land preparation, subdivision, and provision of utilities and services.
- Organizing, planning, and selling lands owned or managed by the Company on behalf of third parties.
- Performing design and supervision works for the implementation of local projects and projects financed by Arab and foreign investments.
- Establishing residential properties of a special nature, such as hotels, hospitals, and tourism facilities .

Commercial register:
Commercial Registration No. 138485 dated June 23, 1969.
The Company's status was regularized in accordance with Law No. 203 of 1991 by virtue of annotation No. 6229 dated May 5, 1994, and annotation No. 9262 dated June 16, 2021.
On September 1, 2021, the Commercial Register was further annotated to reflect the regularization of the Company's status and its exit from the scope of Law No. 203 of 1991, whereby the Company became subject to the provisions of Law No. 159 of 1981 under annotation No. 1395.

- On August 14, 2021, the Extraordinary General Assembly approved proceeding with the procedures for transferring the Company's legal framework from the provisions of Law No. 203 of 1991 and continuing operations under the provisions of Law No. 159 of 1981, its amendments, and Executive Regulations. The relevant annotation in the Commercial Register was made on September 1, 2021.
- The latest annotation in the Commercial Register was No. 20588 dated December 14, 2021.

Company's status in the stock exchange:

- The Company's shares were listed on the Egyptian Stock Exchange effective May 9, 1995, and the listing was amended on July 25, 1996. On February 19, 2003, the Listing Committee of the Egyptian Exchange approved the following:

  a) Regularization of the listing status of the Company's shares with an issued capital of EGP 24,723,800 divided into 4,944,760 shares at a nominal value of EGP 5 per share on the Official Table (1), representing seventeen issuances, in accordance with the listing, continuation, and delisting rules and procedures effective August 1, 2002, issued pursuant to the Capital Market Authority Board Resolution No. 30 dated June 18, 2002 and the Egyptian Exchange Board Resolution dated July 24, 2002.

  b) Listing of the capital increase from EGP 24,723,800 to EGP 74,171,400, representing an increase of EGP 49,447,600 distributed over 9,889,520 shares at a nominal value of EGP 5 per share on the Official Table (1) as the eighteenth issuance, through the distribution of two bonus shares for each original share.
- Pursuant to the approval of the Capital Market Authority letter No. 1468 dated July 7, 2008, the Company issued 74,171,400 ordinary nominal shares at a par value of EGP 1 per share following the amendment, with an issued capital amounting to EGP 74,171,400. The stock split was implemented effective July 31, 2008.
- On November 11, 2009, the Company regularized its listing status on the Egyptian Exchange with an issued and fully paid capital amounting to EGP 74,171,400 divided into 74,171,400 shares at a nominal value of EGP 1 per share, representing eighteen issuances listed on the Egyptian Exchange securities schedule (shares).
- Pursuant to the approval of the Capital Market Authority letter No. 24,902 dated November 3, 2010, the Company issued 37,085,700 ordinary cash shares at a nominal value of EGP 1 per share, with a total issuance value of EGP 37,085,700, fully paid from retained earnings as reflected in the Company's financial statements as of June 30, 2010. Accordingly, the issued and paid-up capital increased to EGP 111,257,100 instead of EGP 74,171,400.
- On November 24, 2010, the Listing Committee of the Egyptian Exchange approved the increase in the issued and paid-up capital from EGP 74,171,400 to EGP 111,257,100, representing an increase of EGP 37,085,700 distributed over 37,085,700 shares at a nominal value of EGP 1 per share (nineteenth issuance), pursuant to the Egyptian Exchange letter No. 7,274 dated November 25, 2010.
- On November 16, 2016, the Financial Regulatory Authority (Capital Market Authority) and, subsequently, the Listing Committee of the Egyptian Exchange on November 23, 2016 approved the split of the nominal value of the Company's share from EGP 1 to EGP 0.25 per share, while maintaining the issued and paid-up capital unchanged at EGP 111,257,100. Accordingly, the capital became divided into 445,028,400 shares at a nominal value of EGP 0.25 per share, pursuant to the Egyptian Exchange letter No. 6,981 dated November 27, 2016.

(All amounts are presented in Egyptian Pound unless otherwise is stated)

Company's status in the stock exchange (Continued):

- Pursuant to the approval of the Financial Regulatory Authority letter No. 205 dated January 8, 2020, the Company issued 890,056,800 ordinary cash shares at a nominal value of EGP 0.25 per share, with a total issuance value of EGP 222,514,200, fully paid from retained earnings as reflected in the Company's financial statements as of June 30, 2019. Accordingly, the issued and paid-up capital increased to EGP 333,771,300 instead of EGP 111,257,100.
- On February 12, 2020, the Listing Committee of the Egyptian Exchange approved the increase in the issued and paid-up capital from EGP 111,257,100 to EGP 333,771,300, representing an increase of EGP 222,514,200 distributed over 890,056,800 shares at a nominal value of EGP 0.25 per share (twentieth issuance), listed on the Egyptian Exchange securities schedule (shares).
- The above amendments were recorded in the Commercial Register under annotation No. 1,307 dated January 26, 2020

Status of the Company's Valuation and the Valuation Entity:

- The Company completed the valuation of its assets and the determination of shareholders' equity and share value through Banque Misr in cooperation with Shouki & Co. and Sabour & Co.
- Such valuation was approved by the Company's Board of Directors, the Central Auditing Organization, and Holding Company for Construction and Development.
- The first tranche representing 20% of the Company's share capital was offered for public subscription through the Egyptian Exchange during July and August 1995. In addition, the Holding Company sold 2.14% of the Company's share capital through the Egyptian Exchange.
- Furthermore, the second tranche representing 5% of the share capital was offered for public subscription through the Egyptian Exchange on November 28, 1996. The Holding Company also sold 90 thousand shares during May 2007.

Market Value of the Share:

- The market value of the Company's share amounted to EGP 5.59 per share as at March 31, 2026. Accordingly, the Company's market capitalization as at March 31, 2026 was as follows:

Nominal Value per Share	Number of Shares	Market Price per Share as at 31/03/2026	Market Capitalization as at 31/03/2026
EGP 0.25	4,005,255,600 Shares	EGP 5.59	EGP 22,389,378,804

(All amounts are presented in Egyptian Pound unless otherwise is stated)

Market Value of the Share (continued)

Employees:

- The number of employees as at March 31, 2026 amounted to 1,146 employees, compared to 1,155 employees as at March 31, 2025, distributed as follows:

Description	Number of Employees as at 31/03/2026		Number of Employees as at 31/03/2025	
	Partial	Total	Partial	Total
Permanent Employees	1106	-	1119	-
Insured Contract Employees	15	-	14	-
Total Permanent Workforce	-	1121	-	1133
Lump-Sum Salary Employees	-	2	-	2
Consultancy Contracts	-	7	-	7
Seconded Employees from Outside the Company	-	16	-	13
Total Number of Employees	**1121**	**1146**	**1133**	**1155**

- Central Depository of the Company's Shares in Accordance with Law No. 93 of 2000:
In implementation of the provisions of Law No. 93 of 2000, the Company registered its shares under the central depository system with Misr for Central Clearing, Depository and Registry effective August 16, 2001.
As of such date, trading in physical share certificates has ceased, and all share transactions are conducted through account statements issued to each shareholder by banks licensed to carry out custodial activities.
The Company also published the necessary announcements in daily newspapers to notify shareholders accordingly.

2. Use of Estimates and Professional Judgment

The preparation of the financial statements in accordance with the Egyptian Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses.
These estimates and assumptions are based on historical experience and other factors that management believes are reasonable under the circumstances prevailing at the date of the statement of financial position. The results of these estimates and assumptions form the basis for exercising professional judgment regarding the carrying values of assets and liabilities. Accordingly, actual results may differ from these estimates.

- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if such revisions affect future periods.
- The significant estimates and assumptions affecting the financial statements include the following:
  - Estimated useful lives used in calculating depreciation of property, plant, and equipment.
  - Income taxes.
  - Impairment of financial and non-financial assets.
  - Provision for completion of works.

3. Basis of Preparation of the Interim Financial Statements

3-1 Compliance with Accounting Standards and Applicable Laws

- The financial statements have been prepared in accordance with the Egyptian Accounting Standards and in the light of the relevant Egyptian laws and regulations.

3-2 Functional and Presentation Currency

- The financial statements are presented in Egyptian Pounds ("EGP"), which represents the Company's functional currency. All financial information presented in the financial statements is expressed in Egyptian Pounds.

3-3 Use of Estimates and Assumptions

- The preparation of the financial statements in accordance with the Egyptian Accounting Standards requires management to use judgment, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. These estimates and related assumptions are based on historical experience and various other factors. Actual results may differ from those estimates.
- Estimates and underlying assumptions are reviewed on a periodic basis.
- Changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

3-4 Fair Value Measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs. The values of financial assets are determined based on current bid prices for such assets, while the values of financial liabilities are determined based on the current prices at which such liabilities could be settled.
- In the absence of an active market to determine the fair value of financial instruments, fair value is estimated using various valuation techniques, taking into consideration recent transaction prices, the current fair value of substantially similar instruments, discounted cash flow models, or any other valuation method that results in reliable values.
- When discounted cash flow models are used as a valuation technique, future cash flows are estimated based on management's best estimates. The discount rate used is determined based on the prevailing market rate at the date of the financial statements for financial instruments with similar terms and characteristics.

4. Significant Accounting Policies

Property, Plant and Equipment and Depreciation

Recognition and Measurement

- Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses.
- Where significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) within property, plant and equipment.
- Gains or losses resulting from the disposal of property, plant and equipment are recognized in profit or loss.

  Subsequent Costs

  Subsequent expenditures related to an asset are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation

- The depreciable amount of an item of property, plant and equipment, which represents the cost of the asset less its residual value, is depreciated using the straight-line method over the estimated useful life of each class of property, plant and equipment. Depreciation is charged to profit or loss. Land is not depreciated.
- The following are the estimated useful lives applied during the period:

Asset Category	Useful Life (Years)
Buildings and Constructions	20–50
Elevators	10
Production Equipment and Machinery	5
Utility Services Equipment and Machinery	20
Vehicles	5
Tools and Instruments	20
Furniture and Office Equipment	3–10

Projects Under Construction

Costs incurred by the Company in connection with the construction of property, plant and equipment are recorded under projects under construction and presented in the statement of financial position net of any impairment losses, if any. Such costs are transferred to property, plant and equipment upon completion of the asset and when it becomes ready for use for its intended purpose.

Intangible Assets

Recognition

Intangible assets are recognized when the asset is expected to generate probable future economic benefits, and where a feasibility study supporting the completion of the asset is available, in addition to the availability of adequate financial, technical, and other resources necessary to complete the development and use of the asset. Furthermore, the Group must be able to measure reliably the expenditures attributable to the asset.

4. Significant Accounting Policies (Continue):
Intangible Assets (Continue):
Subsequent Costs

Subsequent expenditures are recognized as an asset only if the intangible asset is expected to generate additional future economic benefits related to research and development projects under implementation and recognized as intangible assets. All other expenditures, including internally generated goodwill and trademarks, are recognized as an expense when incurred.

Amortization

Amortization is calculated to allocate the cost of intangible assets, less their estimated residual values, using the straight-line method over the estimated useful lives of such assets. Amortization expense is recognized in profit or loss.
The amortization method, useful lives, and residual values are reviewed at the end of each financial period and adjusted when appropriate.

Intangible assets are amortized as follows:

Item	Estimated Useful Life (Years)
ERP Software	2

(d) Investment Property
Recognition and Measurement

- Investment property represents properties held to earn rentals, for capital appreciation, or both. Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Investment property is depreciated using the straight-line method over the estimated useful lives of each category of investment property. Depreciation expense is recognized in profit or loss. Land is not depreciated.

The following are the estimated useful lives applied during the period:

Asset	Estimated Useful Life (Years)
Buildings	20-50

Gains or losses arising from the disposal of investment property, determined as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss.

4. Significant Accounting Policies (Continue):

Work in Progress (Real Estate Development Projects)

- Work in progress is measured at cost, whereby all costs related to the real estate development projects undertaken by the Company are recognized under work in progress in the statement of financial position. This item also includes all costs associated with the repurchase of real estate units, represented by all amounts previously collected from customers in addition to other necessary costs incurred by the Company in order to reacquire such units.
- Borrowing costs related to the acquisition cost of the project land are capitalized under work in progress for the areas qualifying for capitalization, represented by areas under preparation and development to become suitable for construction, as such borrowing costs are considered unavoidable for the acquisition and preparation of the land to become ready for construction.

Capitalization of borrowing costs for each unit ceases when the preparation of such unit is completed and the unit is actually or constructively delivered to customers.

Subsequent measurement of real estate development projects is carried out at the lower of cost or net realizable value.

Inventory of Completed Units at Cost

Completed units held for sale are stated at cost. All costs related to such units, including construction costs and indirect costs, are charged to work in progress until completion of all works related to the relevant phase. Thereafter, the cost per square meter is determined based on the total accumulated costs, and accordingly the cost of each unit is determined according to its area.

Finance Lease

Sale and Leaseback Transactions

If a seller-lessee transfers an asset to another entity (the buyer-lessor) and leases back that asset from the buyer-lessor, both the seller-lessee and the buyer-lessor shall account for the lease contract as follows:

Assessment of Whether the Transfer of an Asset Constitutes a Sale

The Company shall apply the requirements for determining when a performance obligation is satisfied in accordance with Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" to determine whether the transfer of an asset is accounted for as a sale of that asset.

First: Transfer of the Asset Represents a Sale

If the transfer of an asset by the seller-lessee satisfies the requirements of Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" to be accounted for as a sale of the asset:

a) The seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognize only the amount of any gain or loss relating to the rights transferred to the buyer-lessor.

4. Significant Accounting Policies (Continue):

Finance Lease (Continue):

b) The buyer-lessor shall account for the purchase of the asset by applying the applicable accounting standards and shall account for the lease contract by applying the lessor accounting requirements of this Standard. If the fair value of the consideration for the sale of the asset does not equal the fair value of the asset, or if the lease payments are not at market rates, the entity shall make the following adjustments to measure the sale proceeds at fair value:

a) Any deficiency below market terms shall be accounted for as a prepayment of lease payments.

b) Any excess above market terms shall be accounted for as additional financing provided by the buyer-lessor to the seller-lessee.

c) The entity shall measure any potential adjustment required based on the more readily determinable of:

- The difference between the fair value of the consideration for the sale and the fair value of the asset; and
- The difference between the present value of the contractual lease payments and the present value of lease payments at market rates.

Second: Transfer of the Asset Does Not Represent a Sale

If the transfer of an asset by the seller-lessee does not satisfy the requirements of Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" to be accounted for as a sale of the asset:

a) The seller-lessee shall continue to recognize the transferred asset and shall recognize a financial liability equal to the transfer proceeds. The financial liability shall be accounted for in accordance with Egyptian Accounting Standard No. (47) "Financial Instruments".

b) The buyer-lessor shall not recognize the transferred asset and shall recognize a financial asset equal to the transfer proceeds. The financial asset shall be accounted for in accordance with Egyptian Accounting Standard No. (47) "Financial Instruments".

(h) Financial Instruments

Financial Assets

Classification and Measurement of Financial Assets

The Company classifies its financial assets into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

The classification generally depends on the business model under which the financial assets are managed and their contractual cash flow characteristics.

Financial Assets at Amortized Cost

Customer loans are recognized within the business model for financial assets held to collect contractual cash flows. The objective of this business model is to hold financial assets in order to collect contractual cash flows represented by the principal amount of the investment and related returns.

Sales are considered incidental or exceptional events in relation to the objective of this model and are permitted only under the conditions set out in the Standard, such as deterioration in the creditworthiness of the issuer of the financial instrument.

4. Significant Accounting Policies (Continue):

(h) Financial Instruments (Continue):

Sales under this model are infrequent and insignificant in value. Clear and approved documentation shall be maintained for the justification of each sale transaction and the extent of its compliance with the requirements of the Standard.

Financial Assets at Fair Value through Other Comprehensive Income

A financial asset is classified within the business model for financial assets held both to collect contractual cash flows and to sell financial assets, where the contractual cash flows represent solely payments of principal and interest.

Except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses recognized in profit or loss, changes in fair value are recognized in other comprehensive income.

Upon derecognition of the financial asset, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss and recognized within other gains (losses).

Interest income from these financial assets is recognized within finance income using the effective interest rate method. Foreign exchange gains and losses are presented within other gains (losses), while impairment losses are presented as a separate item in the statement of profit or loss.

Financial Assets at Fair Value through Profit or Loss

A financial asset is classified within other business models that include trading activities, management of financial assets on a fair value basis, or maximizing cash flows through sale.

The objective of the business model is neither to hold the financial asset to collect contractual cash flows nor to hold it both to collect contractual cash flows and to sell the asset. Collection of contractual cash flows is considered incidental to the objective of the business model.

Assessment of the Business Model

The Company assesses the business model in which a financial asset is held at the portfolio level, as this best reflects the manner in which the business is managed and information is provided to management.

The information considered includes the following:

- The stated policies and objectives for the portfolio and the practical operation of those policies, including whether management's strategy focuses on earning contractual interest income, matching the duration of financial assets with the duration of the financial liabilities funding those assets, or realizing cash flows through the sale of assets.
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks affecting the performance of the business model and the financial assets held within that business model, and how those risks are managed.
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales, and expectations regarding future sales activity. However, information regarding sales activity is not considered in isolation, but rather as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

4. Significant Accounting Policies (Continue):
Assessment of the Business Model (Continue):
Financial assets held for trading or whose performance is evaluated on a fair value basis are measured at fair value through profit or loss, as they are neither held solely for collecting contractual cash flows nor held for collecting contractual cash flows and selling the financial assets.

Debt instruments and equity instruments are classified and measured as follows:

Financial Instrument	Measurement Methods According to the Business Model		
	Measurement at Amortized Cost	**Fair Value through Other Comprehensive Income (FVOCI)**	**Fair Value through Profit or Loss (FVTPL)**
Equity Instruments	Not applicable	Irrevocable one-time election upon initial recognition	Default treatment for equity instruments
Debt Instruments	Business model for assets held to collect contractual cash flows	Business model for assets held to collect contractual cash flows and for sale	Other business models

Derecognition of Financial Assets
The Company derecognizes a financial asset only when:
- The contractual rights to the cash flows from the financial asset expire; or
- The Company transfers the contractual rights to receive the cash flows of the financial asset and transfers substantially all the risks and rewards of ownership of the financial asset; or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients and transfers substantially all the risks and rewards of ownership of the financial asset; or
- The Company transfers the contractual rights to receive the cash flows of the financial asset without transferring or retaining substantially all the risks and rewards of ownership of the financial asset, provided that the Company has not retained control over the financial asset; or
- The Company retains the contractual rights to receive the cash flows of the financial asset while assuming a contractual obligation to pay the cash flows to one or more recipients without transferring or retaining substantially all the risks and rewards of ownership of the financial asset, provided that the Company has not retained control over the financial asset.

Upon derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

Impairment of Financial Assets
The Company applies a three-stage approach for measuring expected credit losses ("ECL") on financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income. Financial assets migrate through the following three stages based on changes in credit quality since initial recognition.

4. Significant Accounting Policies (Continue):
Impairment of Financial Assets (Continue):

Stage 1: 12 Month Expected Credit Losses
Stage 1 includes financial assets upon initial recognition that have not experienced a significant increase in credit risk since initial recognition, or that have relatively low credit risk.
For these assets, 12-month expected credit losses are recognized, and interest revenue is calculated on the gross carrying amount of the asset (without deducting the credit loss allowance).
Twelve-month expected credit losses represent the portion of lifetime expected credit losses resulting from default events that are possible within 12 months after the reporting date.

Stage 2: Lifetime Expected Credit Losses – Not Credit Impaired
Stage 2 includes financial assets that have experienced a significant increase in credit risk since initial recognition but for which there is no objective evidence of impairment.
For these assets, lifetime expected credit losses are recognized; however, interest revenue continues to be calculated on the gross carrying amount of the asset.
Lifetime expected credit losses represent the expected credit losses resulting from all possible default events over the expected life of the financial instrument.

Stage 3: Lifetime Expected Credit Losses – Credit Impaired
Stage 3 includes financial assets for which there is objective evidence of impairment at the reporting date.
For these assets, lifetime expected credit losses are recognized.

Financial Liabilities
Financial liabilities are initially classified at fair value through profit or loss. Direct transaction costs are recognized in the statement of profit or loss and other comprehensive income when incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein, including any interest expense, are recognized in the statement of profit or loss and other comprehensive income.
Non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, such liabilities are measured at amortized cost using the effective interest rate method.

Classification and Subsequent Measurement
The Company classifies all financial liabilities to be subsequently measured at amortized cost, except for:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities arising from the transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.
- Financial guarantee contracts.

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest rate method.

4. Significant Accounting Policies (Continue):

Classification and Subsequent Measurement (Continue):

Amortized cost is calculated by taking into account any discount or premium on acquisition, as well as fees or costs that are considered an integral part of the effective interest rate. The effective interest rate is included as finance costs in profit or loss.

Derecognition of Financial Liabilities

Financial liabilities are derecognized when the contractual obligations are settled, cancelled, or expire.
When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or when the terms of an existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position, when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

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 economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- A contingent liability is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation arising from past events that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or because the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize contingent liabilities in the financial statements but discloses them in the notes to the financial statements.
- Where there are a number of similar obligations, the likelihood that an outflow of resources will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any individual item may be small, provided that it is probable that an outflow of resources will be required to settle the obligations as a whole.

4. Significant Accounting Policies (Continue):

Provisions (Continue):

- When the effect of the time value of money is material, the amount of the provision represents the present value of the expenditures expected to be required to settle the obligation, using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the carrying amount of the provision due to the passage of time is recognized as a borrowing cost in profit or loss.
- When some or all of the expenditures required to settle a provision are expected to be reimbursed by another party outside the Company, the reimbursement is recognized when it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement is treated as a separate asset in the statement of financial position, provided that the amount recognized for the reimbursement does not exceed the amount of the provision.

Trade and Other Payables

Other payables are initially recognized at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest rate method.

Dividends are recognized as a liability in the period in which they are declared and approved by the Company's General Assembly.

Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the financial statements.
- Assets and liabilities measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.
- Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction.
- In general, foreign exchange differences are recognized in profit or loss.

Impairment of Assets

Impairment of Non-Financial Assets

Egyptian Accounting Standard No. (47) "Financial Instruments" replaces the "incurred loss" model under Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement" with the "Expected Credit Losses" ("ECL") model.

The new impairment model applies to financial assets measured at amortized cost and trade receivables.

For impaired trade receivables, expected credit losses are estimated as the difference between all contractual cash flows due to the Company in accordance with the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate in accordance with the executed contract.

Expected credit losses represent a probability-weighted estimate of credit losses. They are measured by considering expected cash flows to be received, probability of default, and loss given default (i.e., the magnitude of loss in the event of default).

4. Significant Accounting Policies (Continue):
Impairment of Assets (Continue):

The relevant assessment is based on historical delinquency data adjusted by customer specific factors and forward-looking information that includes macroeconomic factors.
The Company determines the amounts exposed to expected credit losses based on the number of days past due, which are considered predictive of loss risk in accordance with Egyptian Accounting Standard No. (47) "Financial Instruments".
The expected credit loss determinants (probability of default, exposure at default, and loss given default) produce three scenarios.
Probability-weighted expected credit losses are calculated under three scenarios (base, best, and worst) for all three stages (12-month expected credit losses and lifetime expected credit losses).
Trade receivables are written off (either partially or in full) when there is no reasonable expectation of recovering the financial asset in whole or in part. This is generally the case when the Company determines that the tenant has no assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. This assessment is performed individually for each customer.
Recoveries of amounts previously written off are included within "Impairment Losses on Financial Instruments" in the statement of profit or loss and other comprehensive income.
Financial assets that have been written off may still be subject to legal enforcement procedures in accordance with the Company's procedures for recovering amounts due.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand, current accounts with banks, and time deposits with maturities not exceeding three months.

Capitalization of Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably.
Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale have been completed.
Revenue Recognition
Real Estate and Land Sales

- Revenue from the sale of contracted residential, administrative, commercial units and land is recognized when control is transferred to customers, whether such units or villas are fully or partially completed (fully finished or semi-finished), at an amount that reflects the consideration expected to be received by the Company in exchange for such units. Revenue from such units/land is recognized at a point in time.
- Revenue is measured based on the amount specified in the contract with the customer, excluding amounts collected on behalf of third parties. The Company recognizes revenue when control over land, units, or services is transferred to customers.

4. Significant Accounting Policies (Continue):
Revenue Recognition (Continue):

The Company applies the principles of Egyptian Accounting Standard No. (48) using the following five-step model:

- **Step 1:** The Company accounts for a contract with a customer when all of the following conditions are met:
    - The contract has been approved and committed to by all parties.
    - The rights of each party have been identified.
    - Payment terms have been identified.
    - The contract has commercial substance.
    - Collection of the consideration is probable.
- **Step 2:** The Company identifies all promised goods or services in the contract and determines whether each promised good or service should be accounted for as a separate performance obligation. A good or service is considered distinct and separated from other obligations in the contract if:
    - The customer can benefit from the good or service either on its own or together with other resources readily available to the customer.
    - The good or service is separately identifiable from other goods or services within the contract.
- **Step 3:** The Company determines the transaction price, which is the amount of consideration expected to be received in exchange for transferring the promised goods or services to the customer.
- **Step 4:** The transaction price is allocated to each separate performance obligation based on the standalone selling price of the goods or services provided to the customer.
- **Step 5:** Revenue is recognized when control of the goods or services is transferred to the customer. The Company transfers a good or service when the customer obtains control of that good or service. The customer obtains control when having the ability to direct the use of and obtain substantially all the benefits from the good or service.

Rental Income
Rental income is recognized on a straight-line basis over the lease term.

Interest Income
Interest income is recognized using the effective interest rate method. Interest income is presented in the statement of profit or loss under finance income.

Investment Income
Income from financial investments is recognized to the extent of dividends received by the Company from investee companies in respect of profits realized after the acquisition date, effective from the date of issuance of the dividend distribution resolution by the general assemblies of the investee companies approving such dividend distributions.

4. Significant Accounting Policies (Continue):

Employees' Share in Profits

In accordance with the Company's Articles of Association, employees are entitled to a share of the profits approved for cash distribution to shareholders of not less than 10%, provided that such share does not exceed the total annual salaries of the Company's employees.

Employees' share in profits is recognized as dividends in the separate statement of changes in equity and as a liability during the financial period in which such distribution is approved by the Company's shareholders.

No liability is recognized for employees' share in undistributed profits.

Recognition of Costs

- Contracts related to individual units for which revenue has been recognized are measured based on total cost, which includes:
  - Land cost attributable to each unit.
  - Direct construction costs attributable to each unit.
  - The unit's share of direct wages and salaries allocated based on the direct construction costs of each unit.
  - The unit's share of utilities and common services costs.
  - The unit's share of indirect costs.
  - Interest on deferred land payments (qualifying asset) based on the area of land sold and delivered as constructed units.

Costs related to bulk sale contracts for existing residential units and any future similar contracts are recognized based on calculated costs, whether actual or estimated, according to the contract date with each company and in accordance with the volume theory. Such costs are calculated based on the granted built-up area for these contracts compared to the total built-up area of the entire project, in addition to charging these contracts with their share of infrastructure and utilities costs related to the entire project land. Any future additional costs are allocated to the remaining undelivered components of the project.

Expenses

All operating expenses, including general and administrative expenses and selling and distribution expenses, are recognized in profit or loss in accordance with the accrual basis during the financial period in which such expenses are incurred.

Lease Payments

Payments made under operating lease contracts with third parties are recognized in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense.

Deferred Revenue

Deferred revenue is recognized within the Company's liabilities on the due dates of installments related to units sold to customers in accordance with the payment schedules stipulated in the sales contracts. Such deferred revenue is subsequently recognized as revenue in accordance with the Company's revenue recognition policy (Note 3).

4. Significant Accounting Policies (Continue):

Related Party Transactions

The Company deals with related parties on the same basis applied in transactions with third parties.

Legal Reserve

In accordance with the Company's Articles of Association, 5% of the net profit is appropriated to form the legal reserve. Such appropriation ceases once the balance of the legal reserve reaches an amount equal to one-half of the Company's issued share capital. If the reserve falls below such limit, the appropriation shall be resumed.

Statutory Reserve

In accordance with the Company's Articles of Association, an amount not exceeding 20% of net profit is appropriated to form a statutory reserve to be used for purposes beneficial to the Company.

Taxation

Income tax expense comprises current income tax calculated in accordance with the Income Tax Law using the tax rates enacted at the date of the financial statements, as well as deferred tax.
Current tax relating to the Company's profits is recognized directly in profit or loss, while income tax relating to items recognized directly in equity is also recognized directly in equity.

Deferred Tax

- Deferred tax is calculated using the statement of financial position liability method for temporary differences arising between the tax bases of assets and liabilities under the applicable tax law and their carrying amounts in the financial statements prepared in accordance with the Egyptian Accounting Standards.
- Deferred tax is measured using the tax rates enacted at the date of the financial statements.

Deferred tax is recognized for all temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which such deferred tax assets can be utilized.
At each reporting date, deferred tax assets are reviewed and reduced to the extent that it is no longer probable that the related tax benefit will be realized in future years.

Dividend Distributions

Dividend distributions are recognized as a liability during the year in which such distributions are declared.

Employee Benefits

The Company is committed to paying its share to the social insurance system administered by the National Organization for Social Insurance for the benefit of employees in accordance with the provisions of Social Insurance Law No. 79 of 1975 and its amendments.
The Company bears the cost of such contributions, which are recognized under wages and salaries in the statement of profit or loss on an accrual basis.

4. Significant Accounting Policies (Continue):

Contingent Liabilities and Commitments

Contingent liabilities in which the Company is a party, in addition to off-balance sheet commitments, are disclosed as they do not represent actual assets or liabilities at the date of the statement of financial position.

Statement of Cash Flows

The statement of cash flows is prepared using the indirect method. For the purposes of preparing the statement of cash flows for the year, cash and cash equivalents include cash balances and time deposits with maturities not exceeding three months.

Earnings per Share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Comparative Figures

Comparative figures are reclassified whenever necessary to conform with changes in the presentation adopted in the current year.

Financial Risk Management

Financial instruments include receivables, payables, cash, bank accounts, and other saving instruments. Note (3) sets out the accounting policies adopted for the recognition and measurement of the main financial instruments. The following are the principal risks associated with financial instruments and the main procedures adopted by the Company to manage such risks:

(a) Liquidity Risk:- Liquidity risk represents the factors affecting the Company's ability to settle part or all of its obligations. In accordance with the Company's policy, adequate liquidity is maintained, including arrangements with banks for additional facilities, in order to minimize such risk.

(b) Credit Risk:- Credit risk represents the inability of debtors to settle amounts due.

To mitigate this risk, the Company distributes receivables among a large number of customers with strong and stable financial positions. The Company also obtains, whenever possible, appropriate guarantees to minimize credit risk.

(c) Foreign Currency Exchange Risk:- Foreign currency exchange risk arises from fluctuations in exchange rates, which affect payments and collections denominated in foreign currencies, as well as the valuation of assets and liabilities denominated in foreign currencies.

The Company minimizes foreign currency exchange risk by avoiding uncovered foreign currency positions in order to reduce such risk to the minimum possible level.

(d) Interest Rate Risk:- Interest rate risk arises from changes in interest rates related to liabilities bearing fixed interest rates. The Company mitigates interest rate risk through long-term loans bearing variable interest rates.

(e) Capital Management:- The Company's objective in managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other parties using the financial statements. Management also aims to maintain an optimal capital structure that minimizes the cost of capital.

Heliopolis for Housing and Development Company S.A.E
Notes to the interim for the financial statements for the period ended March 31, 2026
(All amounts are presented in Egyptian Pound unless otherwise stated)

5- Fixed assets (Net)

	Land	Buildings	Machinery and Equipment	Tools	Furniture	Vehicles and Transportation	Total
Cost as of January 01, 2026	5,490,042	444,376,867	784,981,286	456,923	27,964,162	21,404,425	1,284,673,705
Additions during the period	-	-	-	-	493,837	6,458,200	6,952,037
Cost as of March 31, 2026	5,490,042	444,376,867	784,981,286	456,923	28,457,999	27,862,625	1,291,625,742
Accumulated depreciation as of January 01, 2026	-	9,881,931	11,630,102	430,339	13,640,632	11,736,016	47,319,020
Depreciation for the period	-	2,207,056	9,794,591	1,866	570,594	820,361	13,394,468
Accumulated depreciation as of March 31, 2026	-	12,088,987	21,424,693	432,205	14,211,226	12,556,377	60,713,488
Net book value as of March 31, 2026	5,490,042	432,287,880	763,556,593	24,718	14,246,773	15,306,248	1,230,912,254
Net book value as of December 31, 2025	5,490,042	434,494,936	773,351,184	26,584	14,323,530	9,668,409	1,237,354,685

(All amounts are presented in EGP unless otherwise stated)

6- Projects Under Construction	**31/03/2026**	**31/12/2025**
Heliopolis Pumping Stations and Reservoirs	386,889,981	386,889,981
Construction of an Administrative Building in Sheraton	47,016,889	47,016,889
Project of 3 Campaign Warehouses	6,114,538	6,114,538
Heliopolis Administrative Building	2,192,514	2,192,514
Tourist Resort in Montazah	882,730	882,730
Wastewater Treatment	66,000	66,000
Heliopolis Fencing Works	99,000	99,000
Total	**443,261,652**	**443,261,652**

7- Investment Property	**Land**	**Buildings**	**Total**
Cost as of 1 January 2025	**1,249,377**	**105,416,988**	**106,666,365**
Disposals during the year	(821,515)	(8,876)	**(830,391)**
Cost as of 31 December 2025	**427,862**	**105,408,112**	**105,835,974**
Cost as of 1 January 2026	**427,862**	**105,408,112**	**105,835,974**
Cost as of March 31, 2026	**427,862**	**105,408,112**	**105,835,974**
Accumulated depreciation as of January 1, 2026	-	**39,012,916**	**39,012,916**
Depreciation for the period	-	555,507	**555,507**
Accumulated depreciation as of March 31, 2026	-	**39,568,423**	**39,568,423**
Net book value as of 31 March 2026	**427,862**	**65,839,689**	**66,267,551**
Net book value as of 31 December 2025	**427,862**	**66,395,196**	**66,823,058**

8-Financial assets at fair value through OCI

	31/03/2026	**31/12/2025**
Al Nasr Real Estate Development Company*	24,000,000	24,000,000
Impairment of Financial Investments	(24,000,000)	(24,000,000)
Net	-	-

*A resolution was passed by the General Assembly of Al Nasr Real Estate Development Company to proceed with liquidation. Accordingly, the management of Heliopolis Company for Housing and Development decided to recognize a full impairment provision for the total investment cost.

9- Financial Assets at Amortized Cost

	31/03/2026	**31/12/2025**
Government bonds deposited with the National Investment Bank *	107,459	107,459
Total	**107,459**	**107,459**

* Legal proceedings have been initiated regarding these bonds to recover their value along with the accrued legal interest. The company has demanded the bank return these bonds, however, the bank has stated that the bonds were issued pursuant to legislation and cannot be cancelled except through new legislative action.

10- Inventory

	31/03/2026	**31/12/2025**
Spare parts and tools	51,833,931	42,996,441
Fuel and oils	417,431	58,009
Scrap and waste	12,636	11,082
Raw materials	538	538
Total	**52,264,536**	**43,066,070**

(All amounts are presented in EGP unless otherwise stated)

11-Units and lands held for sale

	31/03/2026	31/12/2025
Land in the Administrative Capital	13,031,752,483	13,000,050,445
Units, shops, and villas	558,393,277	449,947,523
Obour land	96,330,000	-
Obour land (barter/exchange land)	821,515	-
Lands (Mansoura land – Obour land)	-	2,200,000,000
Service lands	924,286	924,286
Total	**13,688,221,561**	**15,650,922,254**

12-Work in progress

	31/03/2026	31/12/2025
Mansoura Land Participation	2,179,000,000	-
New Heliopolis City Projects	1,155,996,383	738,041,221
Middle East Participation 1	144,158,017	102,411,871
Middle East Participation 2	104,988,165	57,731,320
Gardenia Projects	55,420,203	47,810,751
Heliopolis Area Projects	54,134,505	54,134,505
Madinet Masr Participation	53,296,041	29,306,638
SODIC Participation	51,244,458	36,227,660
Matawa'a Participation	9,672,296	5,318,641
Obour Land	-	96,330,000
Obour Land (barter/exchange)	-	821,515
Total	**3,807,910,068**	**1,168,134,122**

*** Important Note:**

The financial statements as of March 31, 2026 were adjusted to reflect an excess area of 0.71 km² in the New Heliopolis City land beyond the area specified in Presidential Decree No. 165 of 2019, in accordance with the report dated January 15, 2026, at a value of EGP 486,093,734 (Four Hundred Eighty-Six Million Ninety-Three Thousand Seven Hundred Thirty-Four Egyptian Pounds).

13-Trade and notes receivable

	31/03/2026	31/12/2025
Trade receivables *	793,607,739	1,008,612,556
Notes receivable **	1,348,619,470	1,219,417,089
Total	**2,142,227,209**	**2,228,029,645**
Less:		
Deferred installment interest	(506,428,709)	(606,537,104)
Expected credit losses	(326,905,961)	(326,905,961)
Net	**1,308,892,539**	**1,294,586,580**

*The customer balance includes returned cheques amounting to EGP 48,418,658.
**Analysis of the maturity dates of notes receivable.

	31/03/2026	31/12/2025
Less than one year	373,652,760	349,598,697
Less than two years	119,209,565	323,116,961
Less than three years	180,150,378	240,051,786
Less than four years	159,114,945	183,826,256
Less than five years	516,491,822	122,823,389
Total	**1,348,619,470**	**1,219,417,089**

Customers and notes receivable are divided into :.

	31/03/2026	31/12/2025
Current Portion	968,940,765	729,236,762
Non-current Portion	339,951,774	565,349,818
Total	**1,308,892,539**	**1,294,586,580**

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(All amounts are presented in EGP unless otherwise stated)

14-Debtors and other debit balances

	31/03/2026	31/12/2025
Employee advances	36,159,478	14,576,511
Accounts under settlement with individuals and entities	15,251,324	15,251,324
Advances with Cairo Electricity Distribution Co.	6,280,860	6,280,860
Accrued revenues	3,571,156	3,450,352
Security deposits with third parties	2,290,235	2,290,235
Receivables from some clubs and recreational facilities	2,913,772	2,913,772
Receivables from contracting companies	857,099	857,099
Total	**67,323,924**	**45,620,153**
Less:		
Expected credit losses	(3,533,770)	(3,533,770)
Net	**63,790,154**	**42,086,383**

15. Due from Related Parties – Holding Company

	31/03/2026	31/12/2025
Holding Company for Construction & Development	-	28,673,665
Total	-	**28,673,665**

16-Advance payments

	31/03/2026	31/12/2025
Advance payments to suppliers and contractors	580,537,848	653,930,065
Prepaid expenses	551,776	714,471
Total	**581,089,624**	**654,644,536**
Less:		
Expected credit losses	(14,412,979)	(14,412,979)
Net	566,676,645	640,231,557

17. Cash and Cash Equivalents

	31/03/2026	31/12/2025
Bank current accounts	1,412,678,476	1,525,163,520
Maintenance deposits – National Investment Bank	166,541,000	166,541,000
Company deposits – Banque du Caire (loan guarantee)	30,178,477	30,176,511
Excess account for bank employees	10,165,834	9,859,220
Bank current accounts – maintenance interest	23,883,407	5,551,789
Cash on hand	127,966	4,823,717
Total	1,643,575,160	1,742,115,757
Less:		
Expected credit losses	(1,800,239)	(1,800,239)
Net	1,641,774,921	1,740,315,518

18. Issued and Paid-up Capital

The authorized capital of the company is set at EGP 1.5 billion (one billion five hundred million Egyptian pounds). The issued and paid-up capital is set at EGP 1,001,313,900 (one billion one million three hundred thirteen thousand nine hundred Egyptian pounds), divided into 4,005,255,600 shares (four billion five million two hundred fifty-five thousand six hundred shares), with a nominal value of 25 piasters per share, all of which are fully paid cash shares.

Pursuant to the Ordinary General Assembly held on 14 May 2025, it was unanimously approved to increase the issued and paid-up capital through retained earnings by an amount of EGP 667,542,600 (six hundred sixty-seven million five hundred forty-two thousand six hundred Egyptian pounds), and this amendment was recorded in the Commercial Register on 27 August 2025.

Shareholder	No. of Shares	Par Value (EGP)	Ownership %
Holding Company for Construction & Development	2,893,840,812	723,460,203	72.25%
Various Shareholders (Public Shares)	1,111,414,788	277,853,697	27.75%
Total	**4,005,255,600**	**1,001,313,900**	**100.00%**

(All amounts are presented in EGP unless otherwise stated)

19. Reserves

	31/03/2026	31/12/2025
Statutory reserve	2,255,801,163	2,255,801,163
Treasury shares reserve	2,200,871	2,200,871
Legal reserve	294,877,278	294,877,278
Investment projects financing reserve	40,521,093	40,521,093
General reserve	37,957,785	37,957,785
Capital reserve	3,092,001	3,092,001
Fixed assets revaluation reserve	2,431,260	2,431,260
Reserve invested in government bonds	790,574	790,574
Extraordinary reserve	661,702	661,702
Total	**2,638,333,727**	**2,638,333,727**

Breakdown of Other Reserves:

Reserve Invested in Government Bonds: Retained from profits over several past years for investment in government bonds.

Investment Projects Financing Reserve: Retained from profits over several years to support the company's financial position.

General Reserve: Retained from profits over several years to strengthen the company's financial position.

Fixed Assets Revaluation Reserve: Represents depreciation of fully depreciated fixed assets accumulated over several years to enhance the company's financial position.

Extraordinary Reserve: Represents a credit balance of land royalty accounts accumulated over several years, originally recorded under other credit balances and transferred to "Extraordinary Reserve" in December 1990.

Treasury Shares Reserve: Represents profit from the sale of treasury shares previously repurchased by the company in January 1999 and in October and November 2008.

These reserves were formed prior to the issuance of the Central Auditing Organization's Chairman Decision No. 609 for the year 2016.

20. Loans and Financings

	31/03/2026	31/12/2025
Bank of Cairo Facilities **	439,912,520	-
Cairo bank loan *	29,791,571	327,525,651
Total	**29,791,571**	**327,525,651**

The balance is classified as follows:

	31/03/2026	31/12/2025
Loans and Financings – Current Portion	469,704,091	237,849,832
Loans and Financings – Non-current Portion	-	89,675,819
Total loans and borrowings	**469,704,091**	**327,525,651**

*** Cairo bank Loan**

Loan agreement date: December 2018

Loan tranches:

First tranche: EGP 900 million, used to pay infrastructure costs for Heliopolis City.

Second tranche: EGP 200 million, used to repay short-term facilities previously used to finance the company's development projects.

Collateral: The company's receivables from SODIC related to the joint project over 655 feddans in Heliopolis City.

Loan duration: 7.5 years

Drawdown period: 1 year, with a grace period of 2.5 years ending March 2022

Installments: 5 installments, starting from March 2022 to March 2026.

(All amounts are presented in EGP unless otherwise stated)

20. Loans and Financings(Continued)

**** Bank of Cairo Facilities**

This includes a credit facility granted by Banque du Caire in favor of Heliopolis Housing and Development Company to support and finance the Company's business activities, in accordance with the following terms and conditions:

Facility tenor: From 2026/2/1

Maximum facility amount: EGP 500,000,000 (Egyptian Pounds Five Hundred Million only).

Collaterals: Include all financial and commercial papers, cash deposits, Banque du Caire certificates, precious metals, goods, and any other funds frozen or pledged in favor of the bank.

Interest. Calculated based on a declining simple compounded debit interest rate at Corridor Rate + 1% per annum, calculated monthly on the utilized balance of the facility until full settlement.

21-Utility Completion Cost (Land and Buildings)

	31/03/2026	31/12/2025
Provision for completion of infrastructure (land and buildings)	947,050,725	922,372,101
Total	**947,050,725**	**922,372,101**

22. Other Liabilities	**31/03/2026**	**31/12/2025**
Customer deposits (joint venture projects)	1,100,000,000	1,100,000,000
Sales of incomplete production	178,113,965	63,485,469
SODIC	100,000,000	100,000,000
Construction companies (guarantee of work)	47,876,334	42,361,375
Commitments for infrastructure completion	16,325,600	14,882,090
Surplus from 10% of employee profit share	7,068,143	7,163,026
Liabilities related to the assignment of rights to Qatar Bank	33,974,989	-
Total	**1,483,359,031**	**1,327,891,960**

23- Provisions
23.1 Provisions

	31/03/2026	31/12/2025
Provision for disputed taxes	129,188,094	129,188,094
Provision for claims and disputes (legal cases)	67,892,752	67,892,752
Provision for completion of new cities' infrastructure	38,327,670	53,122,362
Provision for additional expenses (price differences)	469,509	469,509
Total	**235,878,025**	**250,672,717**

The movement in provisions during the year is as follows:

	31/03/2026	31/12/2025
Balance at beginning of the year	**250,672,717**	**311,106,723**
Transferred from income tax (Note 27-1)	-	77,017,024
Reversal of provisions	-	(110,948,706)
Provision used	(14,794,692)	(26,502,324)
Balance at end of the period	**235,878,025**	**250,672,717**

The provisions represent amounts recognized for claims related to obligations with uncertain timing or amounts, associated with the Company's operations. Management reviews these provisions periodically and adjusts the amounts based on the latest developments, discussions, and agreements with the involved parties. The customary disclosure of detailed information regarding these provisions has been omitted, as the Company's management believes that such disclosure could seriously impact the outcome of ongoing negotiations with the respective parties.

(All amounts are presented in EGP unless otherwise stated)

23.2 Expected Credit Losses

	Trade Receivables and Notes Receivable	Other Debtors	Advances Paid	Cash and Cash Equivalents	Total
Balance as of 1 January 2026	**326,905,961**	**3,533,770**	**14,412,979**	**1,800,239**	**346,652,949**
Balance as of 31 March 2026	**326,905,961**	**3,533,770**	**14,412,979**	**1,800,239**	**346,652,949**

24-Contractors, accounts and notes payable	**31/03/2026**	**31/12/2025**
Suppliers	1,257,414,731	1,485,360,304
Contractors	137,119,504	22,254,049
Total	**1,394,534,235**	**1,507,614,353**

25-Notes payable	**31/03/2026**	**31/12/2025**
Notes payable	14,377,812,565	14,403,448,871
less deferred interest	(8,253,330,569)	(8,253,330,569)
Net	**6,124,481,996**	**6,150,118,302**
The balance is allocated as follows.		
Notes payable-current portion	3,573,939,932	3,573,939,932
Notes payable-non current portion	2,550,542,064	2,576,178,370
Total	**6,124,481,996**	**6,150,118,302**

Accounts payable represent the value of installments for the Administrative Capital land and certain supplier liabilities.

26-Creditors and other credit balances	**31/03/2026**	**31/12/2025**
Retained security for land purchases	200,000,000	200,000,000
Security deposits from others*	109,903,501	108,066,909
Customers – advance payments and debit balances	67,172,418	67,172,418
Maintenance deposits benefits	44,994,438	29,733,767
Reservation payments and other real estate obligations	29,750,571	27,499,579
Creditors – deductions from employees	14,975,517	15,072,251
Accrued expenses	14,570,695	40,515,090
Payables to government authorities***	13,106,991	15,051,869
Employee entitlements held as deposits	12,495,060	12,444,312
Solidarity contribution	10,923,829	9,781,980
Deductions from contractors	1,979,621	2,005,514
Balance of cancelled cheques account	1,834,040	1,834,040
Insurance policy balances for retired employees	52,805	35,425
Various creditors and balances pending settlement**	384,611,161	354,859,906
Total	**906,370,647**	**884,073,060**

Explanatory Notes:

* The amount of EGP 109,903,501 (third-party insurance) represents auction insurance and support for water and electricity networks against receipt documents.

** The amount of EGP 384,611,161 (miscellaneous payable accounts and balances under settlement) includes utilities maintenance amounting to EGP 118,410,881, customer bank deposits amounting to EGP 17,361,470, and the Obour Development Fund amounting to EGP 10 million.

*** The amount of EGP 13,106,991 relates to payable accounts owed to governmental authorities and entities.

(All amounts are presented in EGP unless otherwise stated)

27- Income Tax burden

	31/03/2026	31/12/2025
Current income tax for the period (Note 27-1)	695,120,549	622,354,260
Deferred tax expense (Note 27-2)	45,821,479	45,821,479
Total	**740,942,028**	**668,175,739**

27-1 Current Income Tax Liabilities

Accrued income tax	695,120,549	622,354,260
Total	**695,120,549**	**622,354,260**

Movement in Current Income Tax Liabilities during the period/year is as follows:

	31/03/2026	31/12/2025
Balance at beginning of the period/year	**622,354,260**	**295,476,015**
Payments made during the period/year	-	(218,458,991)
Formed during the period/year	72,766,289	622,354,260
Transferred to provision	-	(77,017,024)
Balance at end of the period/year	**695,120,549**	**622,354,260**

27-2 Deferred Tax Liabilities

	31/03/2026	31/12/2025
Balance at beginning of period/year	**805,648**	**805,648**
Formed during the period/year	45,015,831	45,015,831
Balance at end of period/year	**45,821,479**	**45,821,479**

28- Deferred Installment Sales Profits

	31/03/2026	31/12/2025
Deferred installment sales profits	105,721	105,721
Total	**105,721**	**105,721**

29-Operating Revenue

	For the Three month ended	
	31/03/2026	31/03/2025
Revenue from Middle East partnership	146,307,507	391,553,824
Revenue from partnership with SODIC	127,998,125	118,665,745
Revenue from Madinet Masr partnership	82,278,110	-
Sales of lands/buildings	40,344,561	9,958,858
Services sold	18,426,274	9,238,960
Revenue from Ajad partnership	3,579,117	-
Sales of purchased goods	3,499,567	1,408,087
Total	**422,433,261**	**530,825,474**

30- Cost of Operations

	For the Three month ended	
	31/03/2026	31/03/2025
Cost of revenue from partnership with SODIC	16,639,757	23,733,149
Cost of sales of lands and buildings	11,917,897	719,702
Cost of revenue from Middle East partnerships	7,315,375	78,310,764
Cost of water and electricity revenue	3,675,785	782,409
Cost of revenue from Madinet Masr partnerships	1,645,562	-
Cost of revenue from Ajad partnerships	357,912	-
Cost of revenue from Montaza Tourist Area	477,783	505,847
Other	8,492,899	16,084
Total	**50,522,470**	**104,067,955**

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31-Net Returns from Sales of Previous Contracts

	For the Three month ended	
	31/03/2026	31/03/2025
Returns of building sales	6,133,414	2,495,331
Total sales returns	**6,133,414**	**2,495,331**
Less:		
Cost of sales returns	586,340	61,447
Total cost of sales returns	**586,340**	**61,447**
Net returns of prior contract sales	**6,719,754**	**2,433,884**

32- Investment and Interest Income

	For the Three month ended	
	31/03/2026	31/03/2025
Interest on land and buildings	56,193,239	60,837,583
Interest on delayed installments	2,178,728	2,502,119
Interest on deposits	492,120	298,591
Interest on Current Accounts	38,682,898	247,555,493
Total	**97,546,985**	**311,193,786**

The decrease in investment and interest income is due to the absence of Treasury bill returns for the current year compared to the previous year, resulting from no Treasury bills being held during the period.

33- Other Income

	For the Three month ended	
	31/03/2026	31/03/2025
Miscellaneous income (inclusive)	7,424,912	3,719,573
Compensation and fines (including income from contract terminations)	3,739,677	3,295,768
Foreign exchange gains	1,076,645	-
Total	**12,241,234**	**7,015,341**

34- General and administrative expenses

	For the Three month ended	
	31/03/2026	31/03/2025
Wages	58,335,579	45,657,692
Purchased services	17,728,793	24,965,283
Depreciation	13,949,973	1,271,688
Materials and spare parts	3,227,286	10,061,812
Indirect taxes	348,337	565,168
Total	**93,589,968**	**82,521,643**

35- Other Operating Expenses

	For the Three month ended	
	31/03/2026	31/03/2025
Heliopolis Operating and Development Expenses *	36,760,450	-
Donations and Grants	3,977,457	11,695
Company Contribution to Hajj and Umrah	631,250	565,950
Company Contribution to Employee Medical Treatment	20,000	17,000
Compensations and Fines	12,887	17,435
Emergency Fund	-	31,949
Cultural Services	5,320	5,455
Families of martyrs	7,581	869
Total	**41,414,945**	**650,353**

(All amounts are presented in EGP unless otherwise stated)

35- Other Operating Expenses (Continued)

* The existence of expenses for Heliopolis City is due to the company's strategy to develop the city.

	31/03/2026	31/03/2025
Wages	26,522,227	-
Purchased services	8,448,757	-
Materials and spare parts	1,627,318	-
Indirect taxes	162,148	-
Total	**36,760,450**	**-**

36- Finance Costs

	For the Three month ended	
	31/03/2026	31/03/2025
Loan Interest Expenses	14,218,648	37,491,309
Bank charges	2,381,906	2,906,263
Total	16,600,554	40,397,572

37-Retained Earnings

	31/03/2026
Balance of retained earnings as of 31 December 2025	**3,972,041,691**
Transferred to retained earnings from 2025 profits	2,705,324,081
Balance of retained earnings as of 31 March 2026	**6,677,365,772**

38- Basic Earnings per Share for the Period

	For the Three month ended	
	31/03/2026	31/03/2025
Net profit for the period	**250,639,442**	**478,056,306**
Number of outstanding shares during period	4,005,255,600	1,335,085,200
Basic earnings per share (EGP/share)	**0.06**	**0.36**

39- Tax Position

First: Corporate Income Tax

For the years up to 1993, accounting and filing were done by the company according to the rulings of appeal committees.

For the period from 1994 to 1999, accounting and filing were done by the company according to court rulings.

For the period from 2000 to 2008, accounting and filing were done by the company according to the rulings of appeal committees.

For the period from 2009 to 2014, accounting and filing were done by the company according to an internal committee decision.

For the period from 2014 to 2017, accounting was done on an estimated basis and notification was made through Tax Form 19 dated 4/10/2020 with reference number 1419. The taxable bases were as follows:

Year	Corporate Income Tax Base	Article 57 Base	Article 147 Base
2014/2015	302,636,316	878,736	5,309,692
2015/2016	525,126,810	326,400	5,666,837
2016/2017	479,064,856	481,464	4,801,508

An objection was filed on the forms, and an internal committee decision was issued to re-examine on 10/11/2020. The re-examination was conducted, and an objection was raised against the result of the re-examination. Currently, an internal committee is being formed at the Tax Authority for Major Taxpayers. Accounting and filing were carried out according to the decision of the internal committee.

For the period from 2017 to 2020, accounting was done on an estimated basis, and notification was made through Tax Form 19 dated 22/10/2023 with reference number 4623. The taxable bases were as follows:

(All amounts are presented in EGP unless otherwise stated)

39- Tax Position (Continued)

Year	Corporate Income Tax Base	Article 57 Base
2017/2018	458,645,604	53,972,327
2018/2019	716,680,899	62,088,842
2019/2020	694,430,406	49,394,540

An objection was filed on the forms dated 22/10/2023, and an internal committee decision was issued to re-examine. The re-examination will be conducted.

Second: Stamp Tax

The years up to 30 June 2021 have been audited, the audit results approved, and the due taxes paid. For the years from 1 July 2021 to January 2022, the audit is currently ongoing by the company.

Third: Value Added Tax (VAT)

Monthly VAT returns are submitted according to the law and payments are made within the specified deadlines.
Audits have been completed and all tax differences up to 31/12/2020 have been fully paid.

Fourth: Payroll Tax

The years from the start of the activity until 2019 have been audited and settled.
For the years 2020 to 2022, the company has not requested an audit to date.

Fifth: Property Tax

The tax is paid annually for the headquarters building located at 28 Ibrahim Al-Lakani Street – Heliopolis – Roxy, Cairo.

A survey was conducted for the company's buildings in New Heliopolis City, and 50% of the claimed amounts were paid pending an objection to the rental value and the estimated areas subject to tax.

An objection was filed regarding the rental value of the company's buildings in New Heliopolis City, and the objection committee issued a decision to reduce the rental value by 75%.

Sixth: Withholding and Collection Tax

Quarterly Form 41 is submitted in accordance with the provisions of the law within legal deadlines, and payments are made according to the new tax system.

40- Comparative figures

The comparative figures have been reclassified to conform with the current year's presentation.

41- Significant events

- On February 12, 2026, the Central Bank of Egypt decided to cut its overnight deposit rate, overnight lending rate, and the main operation rate by 100 basis points to 19%, 20%, and 19%, respectively. The discount rate and the credit rate were also reduced by 100 basis points to 19.5%.

- On April 6, 2026, the Central Bank of Egypt decided to keep its overnight deposit rate, overnight lending rate, and the main operation rate unchanged at 19%, 20%, and 19%, respectively. The discount rate and the credit rate were also maintained at 19.5%.

42. New Editions & Amendments To Egyptian Accounting Standards

On March 3, 2024 and October 23, 2024, the Prime Minister issued Decree amending some provisions of the Egyptian Accounting Standards, and the following is a summary of the most important of those amendments:

New Amended Standards	Summary Of The Most Significant Amendments	Impact On the Consolidated Interim Financial Statements	Effective Date
Egyptian Accounting Standard No. (50) "Insurance Contracts".	1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows. 2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets".	It does not apply to the Consolidated Interim Financial Statement of the Company.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.

New Amended Standards	Summary Of The Most Significant Amendments	Impact On the Consolidated Interim Financial Statements	Effective Date
	- Egyptian Accounting Standard No. (34) " Investment property ".		
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	The management is currently studying the financial implications of applying the accounting interpretation to the Company's Consolidated Interim financial statements.	The application starts on or after the first of January 2025, early adaption is allowed.

New Amended Standards	Summary Of The Most Significant Amendments	Impact On the Consolidated Interim Financial Statements	Effective Date
Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies"	On October 23, 2024, the Egyptian Cabinet issued a decision to add Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies." The standard shall apply to the separate and consolidated financial statements of any company or group whose recording currency is in a hyperinflationary economy. This standard shall also apply to any group that has a foreign currency (including a branch, subsidiary, sister company, joint venture, etc.) in a hyperinflationary economy. This standard essentially requires adjusting the financial statements prepared in the currency of a hyperinflationary economy.	No decision was issued by the Prime Minister or his authorized representative specifying the beginning and end dates of the financial period or periods during which this standard must be applied.	This decision shall be implemented and activated by a decision from the Prime Minister or his delegate.