Pyramisa Hotels & Resorts
S.A.E
Consolidated Interim Financial Statements
For The Six-Month Ended As at 30 June 2026
&
Limited Review Report Thereon

Contents

Auditor's Report on the Financial Statements
Pyramisa Hotels & Resorts
S.A.E

To: **Shareholders of Pyramisa Hotels & Resorts (S.A.E.)**

Introduction

We have performed a limited review for the accompanying consolidated interim statement of financial position of Pyramisa Hotels & Resorts (S.A.E.), as at 30 june 2026 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six-month then ended, and a summary of significant accounting policies and other explanatory notes. The company's management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conduct our limited review in accordance with Egyptian Standards on Review Engagements (2410) "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity" A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the substantially less in scope that 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 on these interim financial statements.

Conclusion

Based on Our Limited Review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the company as at 30 june 2026 and of its consolidated financial performance and its consolidated cash flows for the six-month then ended in accordance with Egyptian Accounting Standards.

Auditor
Medhat Fouad Ghaly

Register Auditors the Central Bank of Egypt No. 8383
Register Auditors the General Authority for Financial Supervision No. 121
Register Auditors the Central Bank of Egypt No. 263

MEDHAT GHALY NO. 8383 CERTIFIED ACCOUNTANT

Medhat Ghaly

Cairo at 13/08/2026

Cairo : 33 Abd ElKhalek Tharwat St. Tel. / Fax : 23926231 - 23938112 - 23959150 القاهرة : ٣٣ ش عبد الخالق ثروت - تليفون/ فاكس : ٢٣٩٢٦٢٣١ - ٢٣٩٣٨١١٢ - ٢٣٩٥٩١٥٠
Sharm EL Sheikh : Nema Bay - Roza Mall Tel. / Fax : 069 / 3602035 شرم الشيخ : خليج نعمة - روزا مول - تليفون / فاكس : ٣٦٠٢٠٣٥ / ٠٦٩
E-mail:ma-acc@ma-acc.com

Pyramisa Hotels & Resorts
S.A.E
Consolidated interim Statement of Financial Position
as at 30 Jun 2026

	Note Reference	Egyptian Pounds 30-06-2026	Egyptian Pounds 31-12-2025
Assets			
Non-Current Assets			
Fixed Assets (Net)	(6)	1,243,624,080	1,163,031,746
Projects Under Construction	(7)	1,335,970,629	1,136,246,714
Long-term Notes Receivable	(8)	43,607,315	55,320,574
Assets Held for Sale	(9)	94,296,763	94,296,763
Intangible Assets (Net)	(10)	77,976,861	79,080,219
Total Non-Current Assets		**2,795,475,647**	**2,527,976,016**
Current Assets			
Hotel Inventories	(11)	103,223,681	93,530,358
Inventory of Completed Real Estate Units	(12)	115,738,026	115,862,949
Work in Progress	(13)	602,275,130	592,216,968
Short-term Notes Receivable	(14)	23,631,932	24,244,133
Trade and Notes Receivable	(15)	858,838,509	775,847,224
Due from Related Parties	(16)	129,553,705	101,262,132
Other Receivables	(17)	511,800,412	382,037,348
Tax Debit Balances	(18)	44,336,053	29,566,468
Cash and Cash Equivalents	(19)	1,792,257,211	1,745,391,984
Total Current Assets		**4,181,654,659**	**3,859,959,564**
Total Assets		**6,977,130,306**	**6,387,935,580**
Equity			
Paid-up Capital	(20)	507,000,000	507,000,000
Legal Reserve		186,710,683	139,657,380
General Reserve		14,720,026	14,595,065
Share Premium / Consolidation Reserve		373,747,719	175,115,388
Retained Earnings	(21)	1,375,631,271	1,004,742,870
Net Profit for the period		376,544,589	751,870,738
Total Equity		**2,834,354,288**	**2,592,981,441**
Treasury Shares		(206,862,788)	(206,862,788)
Equity Attributable to Owners of the Parent		**2,627,491,500**	**2,386,118,653**
Non-controlling Interests	(22)	248,774,263	286,427,270
Total Equity		**2,876,265,762**	**2,672,545,923**
Non-Current Liabilities			
Customers' Long-Term Checks Liability	(23)	43,607,315	55,320,573
Deferred Tax Liabilities		111,486,077	103,291,135
Total Non-Current Liabilities		**155,093,391**	**158,611,708**

Current Liabilities			
Provisions	(24)	316,678,971	234,615,581
Trade and Notes Payable	(25)	489,220,726	400,353,977
Customers' Liabilities Against Short-Term Cheques	(26)	23,628,548	24,244,133
Due to Related Parties	(27)	24,277,371	49,338,597
Customers' Advances	(28)	397,321,869	445,478,152
Other Payables	(29)	2,520,434,751	2,051,356,626
Tax Payables	(30)	173,906,653	351,152,428
Dividends Payable	(31)	302,265	238,455
Total Current Liabilities		**3,945,771,153**	**3,556,777,949**
Total Liabilities		**4,100,864,544**	**3,715,389,657**
Total Equity and Liabilities		**6,977,130,306**	**6,387,935,580**

- The accompanying notes (pages 9-51) form an integral part of these financial statements and should be read in conjunction therewith, the auditor's report is attached.

Chief Financial Officer (CFO)	Board Chairman	Certified Public Accountant (CPA)

Pyramisa Hotels & Resorts
S.A.E
Consolidated interim Statement of Profit or Loss
For the Six-Month Period Ended 30 June 2026

	Note Reference	Egyptian Pounds From 1-4-2026 To 30-6-2026	Egyptian Pounds From 1-1-2026 To 30-6-2026	Egyptian Pounds From 1-4-2025 To 30-6-2025	Egyptian Pounds From 1-1-2025 To 30-6-2025
Revenue					
Operating Revenue	(32)	827,006,804	1,546,664,167	710,754,033	1,312,836,183
Less:					
Cost of Revenue	(33)	(536,344,504)	(868,396,319)	(317,837,559)	(686,687,537)
Operating Depreciation		(10,010,412)	(26,120,883)	(11,435,339)	(23,591,996)
Amortization of Right-of-Use Assets		(551,679)	(1,103,358)	(551,679)	(1,103,358)
Gross Operating Profit (GOP)		**280,100,209**	**651,043,608**	**380,929,456**	**601,453,292**
Less: Operating Expenses					
Marketing Expenses	(34)	(2,359,309)	(6,524,549)	(3,938,951)	(6,818,682)
General and Administrative Expenses	(35)	(11,574,273)	(20,817,789)	(6,121,426)	(12,644,962)
Legal Provisions		(30,063,390)	(30,063,390)	-	-
Provision for Tax Liabilities		(52,000,000)	(52,000,000)	-	-
Board Salaries and Allowances		(1,208,713)	(2,413,425)	(1,187,453)	(2,343,747)
Depreciation		(111,076)	(222,152)	(58,468)	(111,076)
Total Operating Expenses		**(97,316,760)**	**(112,041,305)**	**(11,306,298)**	**(21,918,467)**
Total Operating Profit		**182,783,449**	**539,002,303**	**369,623,159**	**579,534,826**
Add / (Less):					
Comprehensive Health Insurance Contribution		(1,361,201)	(2,584,510)	(1,871,404)	(3,241,284)
Finance Costs	(36)	(20,911)	(36,877)	(62,790)	(103,568)
Interest Income	(37)	10,629,195	23,621,167	5,059,739	8,454,587
Expected Credit Losses (ECL)		(12,078,573)	(45,597,731)	(25,271,420)	(20,188,746)
Profits from Pyramisa Hotel Apartments		(5,303,390)	12,426,311	28,786,058	28,786,058
Foreign Exchange Valuation Differences		(18,277,153)	20,246,368	3,889,928	4,561,928
Net Profit for the Period before Tax		**156,371,416**	**547,077,031**	**380,153,270**	**597,803,800**
Income Tax		(56,124,474)	(131,222,462)	(86,160,452)	(131,355,610)
Deferred Tax		(7,539,467)	(8,194,941)	(3,056,970)	(4,970,350)
Net Profit for the Period after Tax		**92,707,475**	**407,659,628**	**290,935,848**	**461,477,840**
Attributable to:					
Owners of the Parent Company		94,472,959	376,544,589	252,186,840	416,226,989
Non-controlling Interests		(1,765,483)	31,115,039	38,749,002	45,250,849
Net Profit after Tax		**92,707,476**	**407,659,628**	**290,935,842**	**461,477,838**
Earnings per Share (EPS)	(38)	**3.91**	**17.20**	**11.67**	**18.40**

- The accompanying notes (pages 9-51) form an integral part of these financial statements and should be read in conjunction therewith, the auditor's report is attached.

Chief Financial Officer (CFO) **Board Chairman**

Pyramisa Hotels & Resorts
S.A.E
Consolidated interim Statement of Comprehensive Income
For the Six-Month Period Ended 30 June 2026

	Egyptian Pounds From 1-4-2026 To 30-6-2026	Egyptian Pounds From 1-1-2026 To 30-6-2026	Egyptian Pounds From 1-4-2025 To 30-6-2025	Egyptian Pounds From 1-1-2025 To 30-6-2025
Net Profit for the Period	92,707,475	407,659,628	290,935,848	461,477,840
Total Other Comprehensive Income (OCI) for the period, net of tax	**92,707,475**	**407,659,628**	**290,935,848**	**461,477,840**
Attributable to:				
Owners of the Parent Company	94,472,959	376,544,589	252,186,840	416,226,989
Non-controlling Interests	(1,765,483)	31,115,039	38,749,002	45,250,849
Total Comprehensive Income for the Period	**92,707,476**	**407,659,628**	**290,935,842**	**461,477,838**

- The accompanying notes (pages 9-51) form an integral part of these financial statements and should be read in conjunction therewith, the independent auditor's report is attached.

Chief Financial Officer (CFO)

Board Chairman

Pyramisa Hotels & Resorts
S.A.E
Consolidated interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2026

	Egyptian Pounds 30-06-2026	Egyptian Pounds 30-06-2025
Cash Flows from Operating Activities		
Net Profit before Tax	547,077,031	597,803,800
Adjustments to reconcile net profit to cash flows:		
Depreciation	26,343,035	23,703,072
Amortization of Right-of-Use (ROU) Assets	1,103,358	1,103,358
Interest Income	(23,621,167)	(8,454,587)
Foreign Exchange Valuation Differences	(20,246,368)	(4,561,928)
Finance Costs	36,877	103,568
Adjustments to Retained Earnings	(62,989,787)	(27,067)
Other Provisions	30,063,390	-
Expected Credit Losses (ECL)	45,597,731	-
Provision for Tax Liabilities	52,000,000	-
Operating profit before changes in working capital	**595,364,100**	**609,670,216**
Change in Hotel Inventories	(9,693,323)	12,329,972
Change in Inventory of Completed Real Estate Units	124,923	(3,098,099)
Change in Work in Progress	(10,058,162)	(30,260,509)
Change in trade and notes receivable (LT & ST)	(116,263,556)	(276,247,786)
Change in Due from Related Parties	(28,291,571)	11,019,832
Change in Other Debit Balances and Tax Assets	(144,532,648)	5,399,157
Change in Suppliers and Notes Payable	88,866,749	(98,989,079)
Change in Due to Related Parties	(25,061,227)	(16,712,031)
Change in Customers' Advances	(48,156,284)	37,355,321
Change in Other Credit Balances and Tax Authority	160,609,886	455,599,010
Change in Dividends Payable	63,810	(276,355)
Change in Client Liabilities against Notes (LT & ST)	(12,328,844)	3,475,135
Finance Costs (Paid)	(36,877)	(103,568)
Net cash provided by operating activities	**450,606,976**	**709,161,216**

<u>Cash Flows from Investing Activities</u>		
Payments for PPE and projects under construction	(306,659,284)	(311,731,619)
Payments for Investment Property	-	(8,468,750)
Adjustments to Capital Value of Controlled Companies	-	24,300,000
Interest Received	23,621,167	8,454,587
Net cash used in investing activities	**(283,038,119)**	**(287,445,782)**
<u>Cash Flows from Financing Activities</u>		
Dividends paid from retained earnings	(140,950,000)	-
Treasury Shares	-	(117,925,571)
Net cash used in financing activities	**(140,950,000)**	**(117,925,571)**
Net change in cash during the period	26,618,857	303,789,863
Foreign exchange valuation differences	20,246,368	4,561,928
Cash and cash equivalents at beginning of the year	**1,745,391,984**	**1,070,476,910**
Cash and cash equivalents at the end of the period	**1,792,257,211**	**1,378,828,701**

- The accompanying notes (pages 9-51) form an integral part of these financial statements and should be read in conjunction therewith, the independent auditor's report is attached.

Chief Financial Officer (CFO)

Board Chairman

Pyramisa Hotels & Resorts
S.A.E
Consolidated interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2026

	Paid-up Capital	Legal Reserve	General Reserve	Capital Increase in Controlled Companies	Retained Earnings	Profit/Loss for the Period	Treasury Shares	Total Equity Attributable to Parent Company	Non-controlling Interests	Total Equity
Balance as at 31 December 2025	507,000,000	139,657,380	14,595,065	175,115,388	1,004,742,870	751,870,738	(206,862,788)	2,386,118,654	286,427,270	2,672,545,923
Transfer of Prior Year's Profit	-	-	-	-	751,870,738	(751,870,738)	-	-	-	-
Adjustments to Retained Earnings	-	-	-	-	(62,989,787)	-	-	(62,989,787)	-	(62,989,787)
Legal and General Reserves	-	47,053,303	124,960	-	(47,178,263)	-	-	-	-	-
Treasury Shares Transactions	-	-	-	-	(140,950,000)	-	-	(140,950,000)	-	(140,950,000)
Change in Non-controlling Interests	-	-	-	-	88,835,712	-	-	88,835,712	(68,768,047)	20,067,665
Capital Increase	-	-	-	198,632,331	(218,700,000)	-	-	(20,067,669)	-	(20,067,669)
Net Profit for the Period	-	-	-	-	-	376,544,589	-	376,544,589	31,115,039	407,659,628
Balance as at 30 June 2026	**507,000,000**	**186,710,683**	**14,720,025**	**373,747,719**	**1,375,631,271**	**376,544,589**	**(206,862,788)**	**2,627,491,499**	**248,774,261**	**2,876,265,760**

- The accompanying notes (pages 9-51) form an integral part of these financial statements and should be read in conjunction therewith, the independent auditor's report is attached.

Chief Financial Officer (CFO) | **Board Chairman**

Pyramisa Hotels & Resorts
Egyptian Joint Stock Company (S.A.E)
Notes to the Consolidated interim Financial Statements
For the Six-Month Period Ended 30 June 2026

1. Corporate Information:

- **Pyramisa Hotels & Resorts** – an Egyptian Joint Stock Company (S.A.E) – was incorporated on 18 July 1994, in accordance with the provisions of Law No. 159 of 1981 and Law No. 95 of 1992 and its executive regulations. The Company's Articles of Incorporation and Statutes were published in the Companies' Gazette, Issue No. 639 of 1994.
- The Company's duration is set for seventy-five (75) years starting from the date of its registration in the Commercial Register. The Company was registered at the Giza Commercial Registry Office under No. 99480 on 21 August 1994.
- The Company's head office and legal domicile are located in Giza. The Board of Directors is entitled to establish branches, offices, or agencies within Egypt or abroad.
- The Board of Directors is chaired by **Mr. Magdy Mohamed Azab**.

1/2. Financial Year:

- The Company's fiscal year commences on the 1st of January and ends on the 31st of December of each year.

1/3. Approval of the Financial Statements:

- The consolidated interim financial statements for the fiscal period ended 30 Jun 2026 were approved in accordance with the resolution of the Board of Directors held on 13 August 2026

1/4. Company's Objects:

According to the Company's Statutes, its objects are as follows:

- Engaging in the field of tourism development; owning, establishing, selling, leasing, and managing tourism and hotel facilities; and providing them with recreational, sporting, and therapeutic amenities, along with complementary services.
- Operating in fields related to tourism activities, including tourism transport services, booking, and organizing tours within Egypt or abroad, and executing associated transport, accommodation, and travel agency services.
- Owning and operating land, maritime, air, and river transportation means for tourists.
- Establishing, owning, and managing all activities related to tourism and hotel development, including complementary or closely related activities, as well as any other supporting industries.
- Providing all catering and food supply services.
- Engaging in commercial agencies and importation within the limits necessary for the Company's operations.
- Providing technical consultations and economic feasibility studies, as well as preparing and implementing training programs required for tourism and related activities.
- Purchasing agricultural, desert, and reclaimed lands to establish tourism villages and projects that align with the Company's objects and operational needs.
- Real estate investment in new cities and urban communities, including purchasing land, constructing, selling, and transferring ownership of units (apartments and villas) across various categories (low-cost, middle-income, and luxury housing), whether by developing vacant lands for its own account or selling them under the ownership system.

All of the above is carried out as detailed in the Company's Statutes.

1/5. Scope of the Consolidated Financial Statements:

- The consolidated financial statements include the following subsidiaries:

Company Name	Country of Incorporation	Nature of Participation	Ownership Percentage
Pyramisa for Tourism and Hotel Investment	Egypt	Direct	96.7%
Pyramisa Tourism Resorts (Sahl Hasheesh)	Egypt	Direct	86.043%
Pyramisa Tourism Resorts (Luxor)	Egypt	Direct	63.33%
Pyramisa Marsa Alam (Subsidiary of Pyramisa Sahl Hasheesh)	Egypt	Direct	95%

Basis of Consolidation:

- The financial statements of the Parent Company and its subsidiaries (where the Parent's ownership exceeds 50% of the subsidiary's capital) are consolidated. Similar items of assets, liabilities, income, and expenses are combined on a line-by-line basis. The following eliminations are performed:
  - The carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity in each subsidiary are eliminated.
  - All intra-group balances, transactions, and unrealized profits resulting from intra-group transactions are eliminated in full.
  - Unrealized losses are also eliminated in the same manner as unrealized profits, provided there is no evidence of impairment.

Non-controlling Interests (NCI):

- Non-controlling interests represent the portion of net equity in the results of operations of subsidiaries controlled by the Parent Company. These are presented as a separate item, "Non-controlling Interests," within the consolidated statement of financial position. They are calculated based on their share in the book value of the net assets of the subsidiaries as of the date of the consolidated financial statements.

Subsidiaries:

- Subsidiaries are entities controlled by the Holding Company. Control is achieved when the Holding Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into consideration.
- The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- A subsidiary is no longer consolidated when the Holding Company loses control over its financial and operating policies.

Associates:

- Associates are entities over which the Parent Company has significant influence over financial and operating policies but not control. Significant influence is presumed to exist when the Holding Company holds between 20% and 50% of the voting rights of the entity.

2. Basis of Preparation of the Financial Statements:

2/1. Going Concern Assumption

- The consolidated interim financial statements as at 30 Jun 2026 have been prepared on a **going concern** basis and in accordance with the **historical cost** principle.

2/2. Applicable Accounting Standards and Laws:

- The financial statements are prepared in accordance with **Egyptian Accounting Standards (EAS)** and in light of the relevant prevailing local laws and regulations.
- policies have been consistently applied in the preparation of these financial statements throughout the presented financial years:

2/2/1. Fixed Assets:

a) Recognition

- Property, plant and equipment are stated at **cost less accumulated depreciation** (Note 6) and **accumulated impairment losses,** if any.
- Cost includes expenditures that are **directly attributable to the acquisition** of the asset.
- For **self-constructed** assets, cost includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, in addition to **costs of dismantling and removing the items and restoring the site** on which the asset is located.
- Where parts of an item of property, plant and equipment have **different useful lives,** such parts are recognized and accounted for as **separate components** of property, plant and equipment.

b) Measurement

- Property, plant and equipment are measured at **cost,** determined based on the **cash price equivalent at the recognition date.**
- If payment for an asset is deferred beyond normal credit terms, the difference between the **cash price equivalent** and the **total payment** is recognized as **interest expense over the credit period.**

c) Subsequent Expenditure

- The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of **replacing part of such an item** when that cost is incurred, if it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.
- All other subsequent expenditures are recognized in the **Statement of Profit or Loss** as expenses in the period in which they are incurred.

d) Depreciation

- Depreciation of an asset commences when it is **available for use,** i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.
- Depreciation is calculated using the **straight-line method** over the estimated useful lives of the assets, **except for production machinery,** as follows:

Asset Category	Depreciation Rate
Buildings and Constructions	2%
Decorations and Ornaments	2%
Machinery and Equipment	10%
Furniture and Fixtures	10%
Linens and Furnishings	10%
Kitchen Utensils and Equipment	10%
Tableware and Silverware	10%
Calculators and Computers	10%
Transportation Vehicles	10%

- Property, plant and equipment are **derecognized** upon disposal or when no future economic benefits are expected from their use or disposal.
- The **residual values, useful lives,** and **depreciation methods** of assets are reviewed at the end of each financial year.
- Any **gains or losses** arising from the derecognition of an asset are recognized in the **Statement of Profit or Loss** in the period in which the asset is derecognized.

2/2/2. Construction in Progress:

- This item represents amounts incurred for the **construction or acquisition of property, plant and equipment** until such assets are ready for their intended use, at which time they are transferred to **Property, Plant and Equipment.**
- Construction in progress is recognized at **cost.**
- **No depreciation is charged** on construction in progress until the related assets are transferred to property, plant and equipment and become available for use.

2/2/3. Investments:

a) Investments in Subsidiaries

- Investments in entities over which the Company has **control,** through its ownership interest and the ability to exercise power over the investee, are classified as **Investments in Subsidiaries.**
- Such investments are initially recognized at **cost (acquisition cost)** at the date of issuance of the purchase order.
- These investments are subsequently **reduced by any non-temporary impairment losses,** if any, which are recognized in the **Statement of Profit or Loss,** on an **investment-by-investment basis.**

b) Investments in Associates

- Investments in entities over which the Company has **significant influence,** but which are neither subsidiaries nor joint ventures, are classified as **Investments in Associates.**
- Such investments are initially recognized at **cost** at the date of acquisition.
- Subsequently, at the end of each financial period, these investments are measured using the **cost method,** while the **equity method** is applied upon the preparation of the financial statements by recognizing the Company's share in the changes in the associates' equity and results of operations subsequent to the acquisition date, after deducting any **dividends received or declared.**
- An investment in an associate is an investment in an entity over which the Company has **significant influence,** but which is neither a subsidiary nor an interest in a joint venture.
- Significant influence is presumed to exist when the Company holds, directly or indirectly through its subsidiaries, **20% or more of the voting power** of the investee, unless it can be clearly demonstrated that such ownership does not constitute significant influence.

c) Investment Properties

- Investment properties comprise **completed properties and properties under construction or development** held to earn **rental income,** for **capital appreciation,** or for both purposes.
- Properties under development are classified as **Investment Properties** when the definition of investment property is met.
- Investment properties are measured at **cost,** including costs incurred for the **replacement of part of an investment property,** provided that the recognition criteria are met. **Daily servicing costs** of investment properties are excluded.
- An investment property is **derecognized** upon disposal, transfer to other asset categories, or when it is withdrawn from use and no future economic benefits are expected.

- The difference between the **net disposal proceeds** and the **carrying amount** is recognized in the **Statement of Profit or Loss** in the period in which the investment property is derecognized.
- **Land is not depreciated.**

2/2/4. Inventories:

- Inventories are stated at the **lower of cost and net realizable value.**
- Net realizable value represents the **estimated selling price in the ordinary course of business,** less the estimated costs of completion and the estimated costs necessary to make the sale.
- The cost of inventories is determined using the **First-In, First-Out (FIFO) method.**
- Any **write-down of inventories to net realizable value** and all **inventory losses** are recognized within **Cost of Sales** in the **Statement of Profit or Loss** in the period in which the write-down or loss occurs.
- Any **reversal of a write-down** arising from an increase in net realizable value is recognized in the **Statement of Profit or Loss** as a **reduction of Cost of Sales** in the period in which the reversal occurs.

2/2/5. Finished + Units Held for Sale:

- Finished units held for sale comprise **completed residential units** constructed by the Company, as well as **purchased or constructed properties** held for sale in the **ordinary course of business,** and not held for rental purposes or for capital appreciation.
- Such units are classified as **inventories.**
- All costs attributable to these units, including **land costs and construction costs,** are accumulated under Work in Progress until completion of all construction phases.
- Upon completion, the **cost per square meter** is determined based on the total accumulated costs, and the cost of each unit is allocated according to its area and transferred to **Finished Units.**
- The cost of the unit is recognized in the **Statement of Profit or Loss** against the **contracted selling price** upon **actual handover of the unit** and after collection of the full selling price, which indicates the **transfer of control to the customer.**
- Finished units held for sale are subsequently measured at the **lower of cost and net realizable value.**

2/3. Construction Work in Progress (CWIP):

- Work in progress represents the **direct and indirect costs of land** allocated to the Company for its ordinary operations, for which marketing procedures have commenced.
- It also includes **construction works and associated utilities** related to contracted units for which the **criteria for revenue recognition under Egyptian Accounting Standard No. 48** have not yet been met.
- Revenue is recognized in the **Statement of Profit or Loss** based on the **stage of completion method,** measuring progress in fulfilling the performance obligations.

2/4. Trade and Other Receivables:

- Trade and other receivables are initially recognized at the **original invoice amount,** less any **impairment losses.**
- Impairment losses are measured as the difference between the **carrying amount of receivables** and the **present value of expected future cash flows.**
- Any **reversal of impairment losses** is recognized in the **period in which it occurs.**

2/5. Notes Receivable:

- Notes receivable represents the value of **post-dated checks** received by the Company as **payment instruments** against the contractual values of contracted units.
- Notes receivable are initially recognized at the **fair value of the transaction** at the contract date with the customer.
- Subsequently, notes receivable that are considered **traded financial instruments** are measured at **amortized cost,** determined by discounting the expected future cash flows using the **market interest rate of similar financial instruments,** with amortization recognized in the **Statement of Profit or Loss.**

2/6. Related Party Transactions:

- Related parties include **direct or indirect relationships** between the Company and its subsidiaries, associates, or joint ventures.
- They also include relationships between the Company and **key management personnel** or their close family members, who can **exercise significant influence over decision-making,** directly or indirectly.
- The term **related parties** applies to all **transactions, resource transfers, services, and obligations** arising between the Company and these parties.
- Such transactions must be conducted on the **same terms as transactions with unrelated parties,** and pricing policies are approved by the **Board of Directors.**

2/7. Treasury Shares:

- Treasury shares represent the **Company's own shares** acquired pursuant to **Board of Directors' resolutions** and in accordance with **Law No. 159 of 1981** (and amendments) and the **relevant stock exchange rules and Financial Regulatory Authority instructions.**
- Treasury shares are recognized in the financial statements at **acquisition cost,** and **deducted from equity.**
- Any subsequent **gains or losses arising from disposal** of treasury shares are recognized within **equity.**

2/8. Provisions:

- A provision is recognized when the Company has a **present legal or constructive obligation** as a result of a past event, it is **probable** that an **outflow of economic resources** will be required to settle the obligation, and a **reliable estimate** can be made.
- Provisions are **reviewed at the reporting date** and adjusted to reflect the **best current estimate.**
- If the **time value of money is material,** the recognized amount of a provision is the **present value of the expected expenditure** to settle the obligation.
- Any increase in the provision due to the passage of time is recognized as a **finance cost.**

2/9. Revenue Recognition:

- Revenue arising from the **provision of hotel services** is recognized when the **outcome of the transaction can be reliably measured,** to the **extent of completion** of the transaction as at the **statement of financial position date.** The outcome of a transaction can be measured reliably when all of the following conditions are met:
  - The **amount of revenue** can be measured reliably.
  - It is **highly probable that the economic benefits** associated with the **hotel service** will flow to the **Company.**
  - The **stage of completion** of the **hotel service** at the **reporting date** can be measured reliably.

- The **costs incurred** in providing the **hotel service,** as well as the **costs to complete** the service, can be measured reliably.

2/10. Revenues from Usufruct Units:

- Revenue relating to **usufruct arrangements** is recognized upon **full settlement of the contractual consideration** and the **delivery of the property** subject to the contract to the **beneficiary,** as evidenced by an **official handover report.**

2/11. Dividends from Financial Investments:

- **Dividend income** is recognized when the **shareholders' right to receive dividends** is established.
- Where dividends are distributed in the form of **bonus shares** by the **investee company,** only the **increase in the number of shares** is recognized, with **no increase in the carrying amount of the investment.**

2/12. Revenue from Sale of Units:

- Revenue from the **sale of contracted units** is recognized upon the **transfer of all significant risks and rewards of ownership** to the **customer,** upon **actual delivery of the units** and **full settlement of the contractual consideration.**
- The Company also collects **deposits** against **services rendered** to **unit owners** under the caption **"Service Charges"** until the **formation of the Owners' Association.**

2/13. Time-Share Units Revenue:

- Revenue from **time-share units** is recognized upon **signing the contract** and **collection of the full contractual value,** whether in a **lump sum or in installments,** and is recognized as **revenue on the date of collection** without **allocation over the contract period.**
- Fees collected in consideration of **services rendered** by the Company during the **actual usage periods** are recognized under **"Maintenance Charges"**.

2/14. Foreign Currency Transactions:

- The Company maintains its accounting records in **Egyptian Pounds (EGP). Foreign currency transactions** are recorded at the **exchange rates prevailing at the date of the transaction.**
- **Monetary assets and liabilities** denominated in foreign currencies are translated at the **exchange rates prevailing at the statement of financial position date,** and resulting **exchange differences** are recognized in the **statement of profit or loss.**
- In the event of exchange differences arising from a **severe devaluation of the functional currency,** where **no practical hedging means** are available, and which affect **unsettled liabilities** arising directly from the **recent acquisition of a foreign-currency-denominated asset,** such differences are **capitalized within the adjusted carrying amount of the asset,** limited to the **lower of replacement cost or recoverable amount.**

2/15. Legal Reserve:

- In accordance with the **Company's Articles of Association, 10% of the net profits for the period** is transferred to form a **legal reserve** until it reaches **50%** of the issued share capital.
- The **legal reserve** may be utilized based on a **resolution of the Ordinary General Assembly** and in accordance with **Board of Directors' decisions.**

2/16. Borrowings:

- Borrowings are initially recognized at the **amounts received,** and amounts **due within one year** are classified as **current liabilities,** unless the Company has the **right to defer settlement** of the loan balance for a period exceeding one year from the reporting date, in which case the loan balance is presented as **non-current liabilities.**
- Loans and borrowings bearing interest are subsequently measured using the **amortized cost method** applying the **effective interest rate method. Gains or losses** arising from the derecognition of liabilities, in addition to amortization using the effective interest rate method, are recognized in the **statement of profit or loss.**
- The amortized cost is calculated taking into account any **discount or premium on acquisition,** as well as **fees and costs** that form an integral part of the effective interest rate. Amortization using the effective interest rate is included within **finance costs** in the statement of profit or loss.
- **Borrowing costs** that are directly attributable to the acquisition, construction, or production of a **qualifying asset,** which requires a substantial period of time to get ready for its intended use or sale, are **capitalized as part of the cost of the asset.**
- Other borrowing costs are recognized as an **expense in the period incurred.** Borrowing costs consist of **interest and other costs** incurred by the Company in connection with the borrowing of funds.

2/17. Income Tax:

Current Income Tax

- Income tax for the period comprises **current and deferred tax**. Income tax is recognized except to the extent that it relates to items recognized **directly in equity**, in which case it is recognized directly in **equity**.
- Current tax is the **tax payable** on the taxable profit for the year, using **tax rates enacted or substantively enacted** at the reporting date, and any **adjustments to tax payable** in respect of prior years.

2/18. Deferred Income Tax:

- Deferred tax is recognized on **temporary differences** between the carrying amounts of assets and liabilities for accounting purposes and their **tax bases**. Deferred tax is measured based on the **expected manner of realization or settlement** of the carrying amounts of assets and liabilities, using **tax rates prevailing** at the reporting date.
- **Deferred tax assets** are recognized when it is **probable that future taxable profits** will be available against which such assets can be utilized, and are reduced to the extent that it is no longer probable that the related tax benefit will be realized in subsequent periods.
- Current and deferred tax are recognized as **income or expense** in the **statement of profit or loss** for the period.

2/19. Social Insurance System:

- The Company contributes to the **social insurance system** administered by the **Social Insurance Authority** for the benefit of its employees in accordance with the provisions of the Social Insurance Law and its amendments. The Company's contributions are charged to **salaries and wages** in the statement of profit or loss on an **accrual basis**.

2/20. Leases:

- Assets leased under **operating leases** are included within the Company's **property, plant and equipment** in the statement of financial position and are depreciated over their **expected useful lives** using the same useful lives applied to similar owned assets.
- **Rental income**, net of any **rent-free periods or discounts**, is recognized on a **straight-line basis** over the **lease term**.

2/21. Investment Property:

- This item includes **completed properties** and **properties under construction or development** held to earn **rental income**, for **capital appreciation**, or for **both purposes**. Leased properties are classified as **investment property** when they meet the definition of investment property.
  Investment properties are measured at **cost**, including **transaction costs**, and include the **cost of replacing part of the investment property** when such cost is incurred and the recognition criteria are met, excluding **day-to-day servicing costs** of the investment property.

2/22. Real Estate Inventory:

- Properties purchased or constructed for the purpose of **sale in the ordinary course of business**, rather than for rental or capital appreciation, are classified as **inventory** and measured at the **lower of cost and net realizable value**. Cost includes:
  - Amounts paid to **construction contractors**.
  - **Borrowing costs, planning and design costs, site preparation costs, professional legal fees, property tax, construction costs**, and other related costs.
  - **Non-refundable commissions** paid to sales and marketing agents for selling real estate units are recognized as **expenses when incurred**.
  - **Net realizable value** represents the estimated selling price in the ordinary course of business based on **market prices at the reporting date**, discounted when the time value of money is material, less **estimated costs to complete** and **expected selling costs**.

2/23. Work in Progress:

- **Investment housing projects** and **low-cost housing projects** constructed by the Company within its real estate investment activity are recognized at the **lower of cost and net realizable value**.
- Cost includes the **cost of acquiring land** used in such projects, plus costs of **preparation, development, and infrastructure**, as well as **construction costs** and other costs incurred by the entity to bring the residential units to a condition suitable for sale.
- Upon completion, such projects are reclassified in the financial statements as **completed residential unit inventory**.

2/24. Expenses:

- All expenses, including **cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses**, and **other expenses**, are recognized and presented in the **statement of profit or loss** in the financial year in which they are incurred.

2/25. Impairment of Assets:

Impairment of Financial Assets

- The Company assesses, at each statement of financial position date, whether there is **objective evidence** that a **financial asset or a group of financial assets** is impaired.
- A financial asset or a group of financial assets is considered impaired **if and only if** there is objective evidence of impairment resulting from one or more events that have occurred, and such events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be **reliably measured**.

Impairment of Non-Financial Assets

- The Company assesses, at each statement of financial position date, whether there is any **indication** that an asset may be impaired.
- When the **carrying amount** of an asset or a **cash-generating unit (CGU)** exceeds its **recoverable amount**, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the **statement of profit or loss**.
- An impairment loss is reversed **only** if there has been a change in the estimates used to determine the asset's recoverable amount since the recognition of the last impairment loss, and such reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognized in the statement of profit or loss.

2/26. Statement of Cash Flows:

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

2/27. Cash and Cash Equivalents:

- For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise **cash on hand**, **current accounts**,
- **bank balances** and **time deposits maturing within Six months**, net of **bank overdrafts**.

2/28. Earnings per Share:

- Basic earnings per share represent the amount of earnings attributable to each ordinary share of the Company, calculated based on net profit from ordinary activities after deducting the **employees' profit share** and the **Board of Directors' share** (if any), based on the **weighted average number of ordinary shares outstanding** during the financial period, weighted by time.

2/29. Other:

A. **Service Charge Proceeds**

- The total proceeds of the service charge collected from guests are distributed in accordance with the decision of the Minister of State for Manpower and Training No. (22) of 1984, as follows:
  1- **75%** of the total service charge proceeds are distributed as follows:
    - First, total wages of employees directly dealing with guests are deducted.
    - The remaining balance is distributed between employees directly and indirectly involved.

  2- **5%** of the total proceeds are distributed as incentives to eligible employees of all hotel categories.
  3- **20%** of the total proceeds are allocated as compensation for **breakage, loss, and damage of operating equipment**.

B. Breakage, Loss, and Damage of Operating Equipment

1- A provision is created equivalent to **20%** of the total service charge proceeds during the financial year.
   - At the end of each financial year, operating equipment at operational locations is inventoried, and the cost of consumed or unusable items is deducted from the balance of the **20% service charge provision**, as such items are considered **unfit for use**.

2/30. Cost includes:

- Amounts paid to contractors for construction.
- Borrowing costs, planning and design costs, site preparation costs, professional legal fees, real estate tax, construction costs and other directly attributable costs.
  non-refundable commissions paid to sales and marketing agents for the sale of real estate units are recognized as an expense when paid.
- Net realizable value represents the estimated selling price in the ordinary course of business based on market prices at the reporting date.
  When the effect of the time value of money is material, the estimated selling price is discounted.
  Net realizable value is determined after deducting costs to complete and estimated selling costs.

2/31. Fair Value Measurement:

- Many of the accounting policies adopted by the Company, as well as the related disclosure requirements, require the determination of fair value for financial and non-financial assets and liabilities.
- The assumptions and valuation techniques used in determining fair value are disclosed in the notes to the financial statements relating to those assets and liabilities, where applicable.

3. Financial Risk Management:

A. Credit Risk

- **Credit risk** represents the risk of **financial loss** to the Company if a **customer or counterparty** to a **financial instrument** fails to meet its **contractual obligations**. This risk arises primarily from **trade receivables** and **other receivable balances**. Credit risk at the Company is considered limited due to the Company's policy of dealing with **reputable customers**.

B. Liquidity Risk

- **Liquidity risk** represents the risk that the Company will encounter difficulty in meeting its **financial obligations as they fall due**. The Company's policy in managing liquidity is to ensure that it maintains **sufficient liquidity** to meet its liabilities under both **normal and stressed conditions**, without incurring **unacceptable losses** or risking damage to the Company's reputation.

C. Market Risk

- **Market risk** represents the risk that changes in **market prices**, such as **foreign exchange rates**, **interest rates**, and **equity prices**, will affect the Company's **income** or the value of its **financial instruments**. The objective of market risk management is to manage and control exposures within **acceptable parameters** while achieving optimal returns.

D. Operational Risk

- **Operational risk** represents the risk of **direct or indirect losses** arising from operating processes, personnel, systems, or **external events**, excluding credit, liquidity, and market risks. This includes **legal and regulatory risks** and compliance with **generally accepted corporate standards**.
  The Company aims to manage operational risk in a balanced manner to avoid **financial losses** and **reputational damage** at a reasonable cost.

4. Capital Management:

- The **Board of Directors' policy** is to maintain a **strong capital base** to retain the confidence of **investors**, **creditors**, and the **market**, as well as to support **future business development**.
- The Board supervises the **return on capital**, defined by the Company as **net operating profit divided by financial position** (i.e., total equity).

5. Compliance with Egyptian Accounting Standards:

- During the financial period ended **30 Jun 2026**, the Company **complied** with **Egyptian Accounting Standards** issued by **Ministerial Decree No. 110 of 2015**, as amended by **Ministerial Decree No. 69 of 2019**, and followed **previously applied accounting policies** in the preparation of the latest financial statements.

5/1. Applied Accounting Policies:

Basis of Financial Statement Preparation

- Preparation of the financial statements is the **responsibility of management**.
- The financial statements are prepared in accordance with **Egyptian Accounting Standards** issued under **Ministerial Decree No. 110 of 2015**, as amended by **Decree No. 69 of 2019**, applying relevant standards, **except non-related standards**.

Measurement Basis

- Financial statements are prepared **under the historical cost principle**, except for **financial assets and liabilities** arising from **foreign currency swap contracts**, **available-for-sale financial investments**, and **trading financial investments**, which are measured at **fair value**.

Presentation Currency

- The currency used to present the Company's financial statements is the **Egyptian Pound (EGP)**, which is also the **functional currency**.

5/2. Accounting Estimates and Assumptions:

- Preparation requires reliance on the **best estimates and assumptions** determined by management to apply **accounting policies** reflecting the **economic substance** of transactions, including:
  - **Revenue from current operations**
  - **Cost of projects under construction**
  - **Impairment of assets**
  - **Intangible assets**
  - **Investment property**
  - **Right-of-use assets**
  - **Deferred taxes**
  - **Fair value of financial instruments**
- Such **estimates and assumptions** are based on the **best available information** and can significantly affect **revenues, costs, assets, and liabilities** if actual results differ from estimates.

5/3. Changes in Accounting Policies:

- According to **Minister of Investment Decree No. 69 of 2019**, some **new standards** and **amendments to existing standards** were issued, effective from **1 January 2020**.
- On **12 April 2020**, the **Financial Regulatory Authority** issued a decision **postponing the application** of these amendments to **annual financial statements for 2020 only.**
- On **17 September 2020**, **Prime Minister Decision No. 1871 of 2020** postponed the application of the following **Egyptian Accounting Standards** to **1 January 2021** (**deferred implementation standards**):
  - Standard 47: Financial Instruments
  - Standard 48: Revenue from Contracts with Customers
  - Standard 49: Leases
- The **opening balance of retained earnings** as of **1 January 2021** is adjusted for the **cumulative effect** of first-time application, while comparative figures are **not adjusted**.

5/4. The new standards are as follows:

The Egyptian Accounting Standard No. 47 on Financial Instruments:

- This standard shall be applied mandatorily for annual periods beginning on or after 1 January 2021.
- The standard establishes financial reporting principles for assets and liabilities to provide:
  1- Relevant and reliable information to financial statement users
  2- Enhanced predictability of:
     - Future cash flow amounts
     - Their timing and uncertainty
  3- Transparent disclosure of measurement bases and assumptions.

The standard shall be applied as follows:

(A) Initial Recognition

- An entity shall recognize a financial asset or financial liability in its statement of financial position only when it becomes a party to the contractual provisions of the instrument.
- A financial asset or liability classified at fair value through profit or loss (FVTPL) shall be initially measured at its fair value. Transaction costs are expensed immediately in the income statement.
- Initial Measurement of Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and Amortized Cost:
  1- Fair Value Through Other Comprehensive Income (FVOCI) Assets:
     - Financial assets classified at FVOCI shall be initially measured at:
       Fair value + directly attributable transaction costs
       Subsequent changes in fair value are recognized in OCI

2- Amortized Cost Assets:
- Financial assets measured at amortized cost are initially recognized at:
  Fair value + transaction costs
  Subsequently measured using the effective interest method

- Financial liabilities classified at amortized cost shall be initially recognized at:
  - Fair value minus directly attributable transaction costs
    Subsequently measured using the effective interest method (EIR).

(B) Classification and Measurement of Financial Assets and Liabilities

- Egyptian Accounting Standard No. 47 "Financial Instruments" includes three primary categories of financial assets based on their subsequent measurement, as follows:
  - Financial assets measured at amortized cost
  - Financial assets at fair value through other comprehensive income (FVOCI)
  - Financial assets at fair value through profit or loss (FVTPL)
- Under Egyptian Accounting Standard No. 47 "Financial Instruments," the classification of financial assets is generally based on:
  - The business model under which the financial asset is managed
  - The contractual cash flow characteristics of the financial asset
- Financial assets are classified as either:
  1- Measured at amortized cost
  2- At fair value through other comprehensive income (FVOCI), or
  3- At fair value through profit or loss (FVTPL).
- Financial assets are classified according to:
  - The business model under which they are managed, and
  - Their contractual cash flows.
- A financial asset is measured at amortized cost if it meets both of the following conditions and is not measured at fair value through profit or loss (FVTPL):
  - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.
- Debt instruments are measured at fair value through other comprehensive income (FVOCI) when:
  - The asset is held within a business model whose objective is achieved by both:
    1- Collecting contractual cash flows, and
    2- Selling the financial assets.
- The contractual terms of the financial asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.
- An entity shall classify all financial liabilities to be subsequently measured at amortized cost, except for the following:
  1- Financial liabilities at fair value through profit or loss (FVTPL). Such liabilities shall be subsequently measured at fair value.
  2- Financial liabilities arising when:
     - The transfer of a financial asset does not qualify for derecognition, or
     - The continuing involvement approach applies.

  These financial liabilities shall be measured in accordance with Egyptian Accounting Standards.
- Financial Guarantee Contracts
  After initial recognition, the issuer shall subsequently measure the contract at the higher of:
  (a) The impairment loss amount determined under EAS, or
  (b) The initially recognized amount (less cumulative recognized income, where appropriate) under EAS 48 principles.
- Commitments to Provide Below-Market Interest Loans
  The issuer shall measure such commitments at the higher of:
  (a) The impairment loss determined under EAS, or
  (b) The initially recognized amount (less cumulative recognized income, where appropriate) under EAS 48 principles.
- Contingent Consideration in Business Combinations (EAS 29)
  Subsequent measurement shall be at fair value, with changes recognized in profit or loss.
- Fair Value Through Profit or Loss (FVTPL) Election

An entity may irrevocably designate a liability at FVTPL upon initial recognition if permitted by EAS or if it provides more relevant information because:

(a) It eliminates/reduces an accounting mismatch (e.g., from measuring assets/liabilities or recognizing gains/losses inconsistently); or
(b) The liability is part of a fair value-managed portfolio under a documented risk/investment strategy, with internal reporting to senior management (per EAS 15 "Related Party Disclosures").

- Classification per EAS 47
  1- Financial assets/liabilities are classified under EAS 47 "Financial Instruments".
  2- Financial statement line items are presented per EAS 47 requirements.

<u>(C) Amortized Cost</u>

1- Customers (or Trade Receivables when referring specifically to customer balances)
2- Prepaid expenses and other debit balances
3- Amounts due from related parties
4- Cash and bank balances
5- Suppliers, contractors and bills payable (or Trade Payables for suppliers)
6- Accrued expenses and other credit balances
7- Amounts due to related parties
8- Financial Assets and Financial Liabilities:
   - Financial instruments are reclassified only when there is a change in the business model for managing the entire portfolio.

<u>(D) Impairment of Financial Assets</u>

- **Expected Credit Loss (ECL) Model Application**
  1- The ECL model applies to:
     - Financial assets at amortized cost
     - Contract assets
     - Debt investments at FVOCI
       (Excludes equity investments)
  2- Assessment Basis:
     - Entities must evaluate all available information (including forward-looking data) to estimate ECL on amortized-cost assets.
- **Credit Risk Assessment Methodology**
  - Significant Increase in Credit Risk (SICR):
    Compare default risk at:
    (a) Reporting date vs.
    (b) Initial recognition date
    (Using reasonable/supportable forward-looking information)
  - Simplified Approach (per EAS 47):
    Applies only to:
    (1) Trade receivables
    (2) Related-party receivables
    (3) Cash equivalents
    (No SICR tracking required; lifetime ECL recognized at each reporting date)

- **Impairment Indicators**
  Observable evidence includes:
  ✓ Borrower's financial difficulty
  ✓ Payment defaults/delays
  ✓ Bankruptcy/restructuring likelihood
  ✓ Adverse changes in:
    - Arrears
    - Economic conditions linked to default

- **Measurement & Reporting**
  - Trade receivables: Individually assessed for write-offs.
  - ECL calculation: Incorporates:
    (a) Contractual default risk
    (b) Forward-looking data
  - ECL allowance balance (per EAS 47) as of the reporting date:
    "Profit/loss ECL allowance" under EAS 47 is not applicable as stated.
- **Derecognition of Financial Assets and Liabilities**
  1- Financial Asset Derecognition
     An entity shall derecognize a financial asset only when:
     - The contractual rights to cash flows expire, or
     - The asset is transferred (per EAS 47/IFRS 9.3.2.3)
  2- Financial Liability Derecognition
     A liability (or part) is derecognized when:
     - It is extinguished (paid, canceled, or expired)
       (EAS 47.3.3.1 mirrors IFRS 9.3.3.1)
- **Classification & Measurement**
  1- Financial Assets are classified based on subsequent measurement as:
     - Amortized cost
     - FVOCI (Fair Value Through Other Comprehensive Income)
     - FVTPL (Fair Value Through Profit & Loss)
  2- Financial Liabilities are measured at:
     - Amortized cost (default)
     - FVTPL for:
       a) Fair value option liabilities
       b) Liabilities from non-derecognized asset transfers
- **Expected Credit Loss (ECL) Requirements**
  1- ECL Allowance must be recognized for:
     - Financial assets under EAS 47
     - Lease receivables (EAS 49)
     - Contract assets (EAS 48)
     - Loan commitments & financial guarantees
  2- Credit Risk Stages:
     - Stage 1: 12-month ECL if no SICR (Significant Increase in Credit Risk)
     - Stage 2: Lifetime ECL upon SICR (comparison of: Reporting date default risk vs. Initial recognition risk).
- **Hedge Accounting (EAS)**
  Hedge accounting standards apply prospectively once designated

Impact of Initial Application

- The adoption of the standard has no material accounting impact on the financial statements for the year ended 31 December 2024. Consequently, there is no effect on:
  1- Statement of Profit or Loss (no changes to revenue or expense line items).
  2- Statement of Financial Position (no adjustments to asset, liability, or equity balances).

Egyptian Accounting Standard No. 48 (EAS 48) – Revenue from Contracts with Customers:

- **Effective Date & Replacement of Previous Standards**
  - Mandatory Application: 1 January 2021 (early adoption permitted)
  - Replaced Standards:
    1- EAS 8 (Construction Contracts)
    2- EAS 11 (Revenue Recognition)
- **Five-Step Revenue Recognition Model**
  1- Identify the Contract
     - Enforceable agreement between parties
     - Commercial substance
     - Probable collection

2- Identify Performance Obligations
   - Distinct goods/services
   - Separately identifiable benefits
3- Determine Transaction Price
   - Fixed/variable consideration
   - Constraints on variable amounts
   - Significant financing component adjustment (if payment >12 months).
4- Allocate Transaction Price
   - Relative standalone selling price (SSP)
   - Residual approach if SSP unobservable
5- Recognize Revenue
   - Over time:
     a) Customer simultaneously consumes benefit
     b) Asset creation with no alternative use + enforceable payment right
   - Point in time: Transfer of control

- **Contract Cost Accounting Requirements**
  The standard specifically governs the accounting treatment for:
  - Direct contract fulfillment costs: Expenses directly attributable to performing the contract
  - Incremental contract acquisition costs: Additional expenses incurred solely to secure the contract
- The standard requires entities to exercise accounting judgment, taking into account all relevant facts and circumstances when applying each step of the model to contracts concluded with their customers. Additionally, the standard specifies the accounting treatment for incremental costs of obtaining a contract and costs directly related to fulfilling a contract. The company has implemented the new accounting policy outlined below, which governs the recognition of its revenue, including:
  1- Service revenue,
  2- Investment income,
  3- Financing income.

  Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer, at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. No revenue is recognized if there is significant uncertainty about the collectability of the consideration.

1- **Service revenue:**
   Revenue from operating activities is recognized when the service is performed for the customer and the invoice is issued in accordance with the contract terms.
2- **Investment income:**
   Dividend income is recognized when the right to receive payment is established.
3- **Financing income:**
   Interest income is recognized on an accrual basis using the effective interest method. This is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or a shorter period, when appropriate) to equal the carrying amount of a financial asset or liability.

<u>Impact of Initial Application</u>

- The adoption of the new standard had no impact on opening retained earnings at January 1, 2021, as the company's existing customer contract revenue recognition policies, as approved by management, were already consistent with the new standard's requirements.

Egyptian Accounting Standard No. 49 (EAS 49) – Leases:

- The standard shall be applied effective January 1, 2021, with early application permitted. Egyptian Accounting Standard No. 49 (EAS 49) on Leases supersedes Egyptian Accounting Standard No. 20 on Accounting Rules for Finance Lease Operations, as follows:

  1- For Lessees:

  A right-of-use asset shall be recognized within assets at cost at the contract's commencement date, with a corresponding lease liability measured at the present value of unpaid lease payments at that date.

  The company's obligations require that:

  - The asset (right-of-use) shall be depreciated from the contract's commencement date to the earlier of the contract's end or the asset's useful life, per the depreciation requirements of Egyptian Accounting Standard No. 10 (EAS 10).
  - Any impairment losses on the right-of-use asset shall be recognized if applicable.

  The Company elects to apply the short-term lease and low-value lease exemptions permitted under EAS 49. For these leases, payments are recognized as expenses on a straight-line basis over the lease term.

  2- For Lessors:

  The lessor shall classify each lease (a contract that conveys the right to use an underlying asset for a period of time in exchange for consideration) according to the substance of the transaction rather than its legal form. Leases shall be classified as follows:

  (1) Finance Lease:

  A lease that transfers substantially all the risks and rewards incidental to ownership of the underlying asset shall be classified as a finance lease. The lessor shall:

  - Recognize the underlying asset as a receivable at an amount equal to the net investment in the lease.
    (the gross lease payments receivable discounted at the implicit interest rate)
  - Present this receivable within 'amounts due from lessees'
  - Allocate finance income over the lease term on a systematic and rational basis that reflects a constant periodic return on the lessor's net investment.

  (2) Operating Lease:

  If the contract does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset, it shall be classified as an operating lease. For operating leases:

  - The lessor shall recognize lease income either:
    a) On a straight-line basis, or
    b) Another systematic basis that better represents the pattern of benefit transfer.
  - The underlying asset shall continue to be recognized in the lessor's financial statements.

Impact of Initial Application

- The company adopted Egyptian Accounting Standard No. 49 (Leases) effective January 1, 2021, with full implementation during the fiscal period ended Jun 30, 2026. As the company had no lease contracts (either as lessee or lessor), the adoption had no impact on opening retained earnings or comparative periods.

6. Fixed Assets:

- The Breakdown as follows:

Description	Pyramisa Hotels & Touristic Resorts 30 June 2026	Pyramisa Tourism Resorts Sahl Hasheesh 30 June 2026	Total 30 June 2026
Cost as at 1 January 2026	1,057,447,704	607,942,389	1,665,390,093
Additions during the period	4,093,339	102,842,031	106,935,370
Total Cost as at 30 June 2026	**1,061,541,043**	**710,784,419**	**1,772,325,463**
Accumulated Depreciation as at 1 January 2026	383,375,957	118,982,389	502,358,346
Depreciation for the period	14,536,849	11,806,185	26,343,034
Total accumulated depreciation as at 30 June 2026	**397,912,807**	**130,788,574**	**528,701,381**
Net book value as at 30 June 2026	**663,628,236**	**579,995,845**	**1,243,624,082**

Special notes on assets:

- **Pyramisa Sharm El Sheikh Land:** The cost of Pyramisa Sharm El Sheikh Hotel includes **EGP 6,846,088** representing the cost of the land upon which the hotel is constructed. This land is officially registered under the Company's name.
- **Release of Commercial Mortgage:** The commercial mortgage was officially released on June 18, 2014, and the discharge has been duly noted in the Company's Commercial Register.
- **Pyramisa Al Galaa Hotel Acquisition:** In accordance with the Board of Directors' resolution dated March 17, 2010, and subsequent approval by the Ordinary General Assembly on April 28, 2010, the Company acquired Pyramisa Al Galaa Hotel from Pyramisa for Tourism and Hotel Investment at its **net book value**.

Fixed Assets:

- **The Breakdown as follows:**

Description	Pyramisa Cairo 30 June 2026	Pyramisa Sharm El-Sheikh 30 June 2026	Pyramisa El-Galaa 30 June 2026	Administrative HQ 30 June 2026	Vehicles 30 June 2026	Pyramisa Dubai 30 June 2026	Total 30 June 2026
Cost as at 1 January 2026	154,390,824	454,729,722	44,876,459	26,800,030	9,342,075	367,308,593	1,057,447,704
Additions during the period	-	-	-	4,093,339	-	-	4,093,339
Total Cost as at 30 June 2026	**154,390,824**	**454,729,722**	**44,876,459**	**30,893,368**	**9,342,075**	**367,308,593**	**1,061,541,042**
Accumulated Depreciation as at 1 January 2026	91,251,015	244,891,931	13,114,608	3,450,259	239,184	30,428,961	383,375,957
Depreciation for the period	2,778,929	4,372,000	330,031	111,076	467,104	6,477,710	14,536,850
Total accumulated depreciation as at 30 June 2026	**94,029,944**	**249,263,931**	**13,444,639**	**3,561,335**	**706,288**	**36,906,671**	**397,912,807**
Net book value as at 30 June 2026	**60,360,880**	**205,465,791**	**31,431,820**	**27,332,034**	**8,635,787**	**330,401,923**	**663,628,235**
Net book value as at 1 January 2026	**63,139,809**	**209,837,790**	**31,761,851**	**23,349,771**	**9,102,891**	**336,879,633**	**674,071,745**

Fixed Assets – Net (Pyramisa Cairo Hotel):

- **The Breakdown as follows:**

Description	Buildings & Constructions 30 June 2026	Furniture & Fixtures 30 June 2026	Machinery & Equipment 30 June 2026	Elevators 30 June 2026	Total 30 June 2026
Cost as at 1 January 2026	66,942,971	65,122,214	21,075,726	1,249,913	154,390,824
Additions during the period	-	-	-	-	-
Total Cost as at 30 June 2026	**66,942,971**	**65,122,214**	**21,075,726**	**1,249,913**	**154,390,824**
Accumulated Depreciation as at 1 January 2026	29,856,808	39,430,133	20,714,161	1,249,913	91,251,015
Depreciation for the period	590,010	1,962,188	226,731	-	2,778,929
Total accumulated depreciation as at 30 June 2026	**30,446,818**	**41,392,321**	**20,940,892**	**1,249,913**	**94,029,944**
Net book value as at 30 June 2026	**36,496,153**	**23,729,893**	**134,834**	-	**60,360,880**
Net book value as at 1 January 2026	**37,086,163**	**25,692,081**	**361,565**	-	**63,139,809**

Fixed Assets – Net (Pyramisa Sharm El-Sheikh Hotel):

- The Breakdown as follows:

Description	Land	Buildings & Constructions	Furniture & Fixtures	Machinery & Equipment	Kitchen Equipment & Utensils	Linen & Soft Furnishings	Tableware & Silverware	Vehicles	Decorations & Ornaments	Total
	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 202
;ost as at 1 January 2026	6,846,088	337,831,018	54,515,962	35,178,552	10,725,518	4,688,081	910,131	2,423,590	1,610,782	454,729,72
,dditions during the period	-	-	-	-	-	-	-	-	-	-
otal Cost s at 30 June 2026	6,846,088	337,831,018	54,515,962	35,178,552	10,725,518	4,688,081	910,131	2,423,590	1,610,782	454,729,72
,ccumulated Depreciation s at 1 January 2026	-	154,043,513	39,995,989	32,667,209	10,725,518	4,688,081	910,131	980,663	880,827	244,891,93
)epreciation for the period	-	3,441,361	541,397	-	-	-	-	92,061	297,181	4,372,000
otal accumulated depreciation s at 30 June 2026	-	157,484,874	40,537,386	32,667,209	10,725,518	4,688,081	910,131	1,072,724	1,178,008	249,263,93
let book value s at 30 June 2026	6,846,088	180,346,144	13,978,576	2,511,343	-	-	-	1,350,866	432,774	205,465,79
let book value s at 1 January 2026	6,846,088	183,787,505	14,519,973	2,511,343	-	-	-	1,442,927	729,955	209,837,79

Fixed Assets – Net (Pyramisa El-Galaa Hotel):

- The Breakdown as follows:

Description	Land	Buildings & Constructions	Furniture & Fixtures	Calculators & Computers	Kitchen Tools & Utensils	Linen & Bedding	Firefighting Network	Tableware & Silverware	Room Equipment	Installations	Decoration Works	Elevators	Total
	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 20
st as at 1 January 26	11,107,765	29,388,656	1,947,456	19,922	159,633	161,935	179,236	68,174	8,877	455,105	821,025	558,675	44,876,45
tal Cost at 30 June 2026	11,107,765	29,388,656	1,947,456	19,922	159,633	161,935	179,236	68,174	8,877	455,105	821,025	558,675	44,876,45
cumulated preciation at 1 January 2026	-	9,399,989	1,947,455	19,922	159,632	161,935	179,236	68,174	8,877	455,105	262,746	451,537	13,114,60
preciation for the riod	-	293,687	-	-	(1)	-	-	-	-	-	8,211	27,934	330,031
tal accumulated preciation at 30 June 2026	-	9,693,876	1,947,455	19,922	159,631	161,935	179,236	68,174	8,877	455,105	270,957	479,471	13,444,63
t book value at 30 June 2026	11,107,765	19,694,780	1	-	2	-	-	-	-	-	550,068	79,204	31,431,82
t book value at 1 January 2026	11,107,765	19,988,667	1	-	1	-	-	-	-	-	558,279	107,138	31,761,85

Fixed Assets – Net (Head Office):

- The Breakdown as follows:

Description	Land	Buildings & Constructions	Furniture & Fixtures	Calculators & Computers	Total
	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026
Cost as at 1 January 2026	10,569,160	12,435,427	2,471,366	1,324,077	26,800,030
Additions during the period	-	2,435,772	1,136,656	520,911	4,093,339
Total Cost as at 30 June 2026	**10,569,160**	**14,871,199**	**3,608,022**	**1,844,987**	**30,893,368**
Accumulated Depreciation as at 1 January 2026	-	1,594,460	1,391,716	464,083	3,450,259
Depreciation for the period	-	26,042	55,809	29,225	111,076
Total accumulated depreciation as at 30 June 2026	-	**1,620,502**	**1,447,525**	**493,308**	**3,561,335**
Net book value as at 30 June 2026	**10,569,160**	**13,250,697**	**2,160,497**	**1,351,680**	**27,332,034**
Net book value as at 1 January 2026	**10,569,160**	**10,840,967**	**1,079,650**	**859,994**	**23,349,771**

Fixed Assets – Net (Vehicles):

- The Breakdown as follows:

Description	Mercedes Vehicle 30 June 2026	Logan Vehicle 30 June 2026	Total 30 June 2026
Cost as at 1 January 2026	8,902,075	440,000	9,342,075
Additions during the period	-	-	-
Total Cost as at 30 June 2026	8,902,075	440,000	9,342,075
Accumulated Depreciation as at 1 January 2026	74,184	165,000	239,184
Depreciation for the period	445,104	22,000	467,104
Total accumulated depreciation as at 30 June 2026	519,288	187,000	706,288
Net book value as at 30 June 2026	8,382,787	253,000	8,635,787
Net book value as at 1 January 2026	8,827,891	275,000	9,102,891

Fixed Assets – Net (Dubai):

- **The Breakdown as follows:**

Description	Land 30 June 2026	Buildings & Constructions 30 June 2026	Furniture & Fixtures 30 June 2026	Machinery & Equipment 30 June 2026	Vehicles 30 June 2026	Total 30 June 2026
Cost as at 1 January 2026	16,894,322	274,068,531	43,495,968	26,656,638	6,193,136	367,308,593
Additions during the period	-	-	-	-	-	-
Total Cost as at 30 June 2026	**16,894,322**	**274,068,531**	**43,495,968**	**26,656,638**	**6,193,136**	**367,308,593**
Accumulated Depreciation as at 1 January 2026	-	12,333,084	9,666,783	8,390,862	38,233	30,428,961
Depreciation for the period	-	2,740,685	2,174,798	1,332,832	229,395	6,477,710
Total accumulated depreciation as at 30 June 2026	-	**15,073,769**	**11,841,581**	**9,723,694**	**267,628**	**36,906,671**
Net book value as at 30 June 2026	**16,894,322**	**258,994,762**	**31,654,387**	**16,932,944**	**5,925,508**	**330,401,923**
Net book value as at 1 January 2026	**16,894,322**	**261,735,447**	**33,829,185**	**18,265,776**	**6,154,903**	**336,879,633**

Project Financing & Management - Dubai

- **Project Completion:** The project was completed through **self-financing** from the Company's own resources. Necessary operating licenses have been obtained for the **soft opening** phase.
- **Subsidiary Incorporation: Pyramisa Hotel Apartments LLC** (a Sole Establishment - Single Person Company) was incorporated in Dubai, 100% owned by Pyramisa Hotels & Touristic Resorts, to manage the project operations.
- **Audit and Taxation:** * **MSA Audit and Advisory** has been appointed as the authorized external auditor in Dubai to conduct the financial audits.
  - ➢ **Prime Vision Tax Consultancy** has been appointed as the authorized tax consultant in Dubai to manage tax compliance.
- **Financial Reporting:** The Company's financial position has been issued, supported by the **External Auditor's Report**, covering the operating period ended June 30, 2026.

Fixed Assets – Net (Pyramisa Tourism Resorts - Sahl Hasheesh):

- The Breakdown as follows:

Description	Land	Buildings & Constructions	Furniture & Fixtures	Vehicles	Total
	30 June 2026	30 June 2026	30 June 2026	30 June 2026	30 June 2026
Cost as at 1 January 2026	15,025,012	290,812,596	298,939,514	3,165,265	607,942,387
Additions during the period	-	12,365,999	90,476,031	-	102,842,030
Total Cost as at 30 June 2026	**15,025,012**	**296,526,555**	**337,340,393**	**3,165,265**	**652,057,225**
Accumulated Depreciation as at 1 January 2026	-	49,362,837	67,980,996	1,638,555	118,982,388
Depreciation for the period	-	3,019,690	8,707,364	79,131	11,806,185
Total accumulated depreciation as at 30 June 2026	**-**	**52,382,527**	**76,688,360**	**1,717,686**	**130,788,573**
Net book value as at 30 June 2026	**15,025,012**	**250,796,069**	**312,727,185**	**1,447,579**	**579,995,845**
Net book value as at 1 January 2026	**15,025,012**	**241,449,759**	**230,958,518**	**1,526,710**	**488,960,000**

Sahl Hasheesh Lands:

- The lands located in Sahl Hasheesh were acquired from the Egyptian Resorts Company (ERC) under preliminary contracts. The final registration of these contracts will be completed upon the full execution of the tourism project, in accordance with the terms and conditions set by the Tourism Development Authority (TDA).

7. Projects Under Construction:

- The Breakdown as follows:

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Pyramisa Hotels & Resorts	963,961,035	778,062,604
Pyramisa Tourism Resorts - Sahl Hasheesh	372,009,594	358,184,110
Total Year-End Balance	**1,335,970,629**	**1,136,246,714**

First: Pyramisa Hotels & Resorts

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Pyramisa Sharm El Sheikh Hotel		
Opening Balance	1,841,719	1,841,719
Additions during the period	336,000	-
Closing Balance	**2,177,719**	**1,841,719**
Pyramisa Sahl Hasheesh Village (Cloud 9 Project)		
Opening Balance	644,515,981	568,956,447
Additions during the period	185,562,431	361,762,534
Disposals / Transfer	-	(286,203,000)
Total	**830,078,412**	**644,515,981**
Pyramisa Elite Hotel – Projects Under Construction		
Pyramisa Elite Hotel	1,631,039	1,631,039
Closing Balance	**831,709,452**	**646,147,021**
Pyramisa Sphinx Hotel		
Opening Balance	130,073,864	130,073,864
Closing Balance	**130,073,864**	**130,073,864**
Total Projects Under Construction		
Total	**963,961,035**	**778,062,604**

Additional Disclosures

- In 2005, the Company entered into a contract with the South Sinai Governorate for the acquisition of a land plot representing the second phase of the Sharm El Sheikh Hotel. In 2024, an agreement was reached with the Governorate to complete the required licensing procedures.
- The Company contracted with the Egyptian Resorts Company for the purchase of Plot (5A) located in Sahl Hasheesh with an area of 96,800 sqm at a total value of USD 7,744,000 (equivalent to EGP 44,063,360 at an exchange rate of EGP 5.69 per USD). An amount of USD 4,716,620 was paid, and the remaining USD 3,027,380 was settled at an exchange rate of EGP 8.83 per USD in accordance with the agreement dated 21/4/2017. There are no outstanding financial obligations related to the land.
  Construction of a water park has commenced on the land as part of the development works.
- Pursuant to the resolution of the Ordinary General Assembly held on 27/3/2025, approval was granted for a usufruct agreement over an area of 15,000 sqm, being part of Plot (5A) at Sahl Hasheesh Resort, in favor of Pyramisa Touristic Resorts – Sahl Hasheesh (a subsidiary with an ownership percentage of 81.74%), under the following terms:
  - Contract term: **25 years**.
  - Pyramisa Touristic Resorts shall bear the cost of constructing the water park amounting to **EGP 286,203,000** up to 1/2/2025.

- Guests of Pyramisa Hotels & Touristic Villages in Sahl Hasheesh shall have the right to use the water park.
- Usufruct consideration: **5% of the net revenues** of Pyramisa Hotels & Touristic Villages in Sahl Hasheesh throughout the usufruct period, payable annually to Pyramisa Touristic Resorts – Sahl Hasheesh.

- The parties agreed to transfer the value of works and equipment purchased by Pyramisa Hotels & Touristic Villages (First Party) to Pyramisa Touristic Resorts – Sahl Hasheesh (Second Party) in settlement of the First Party's payable balance to the Second Party amounting to **EGP 286,203,000**.

Second: Pyramisa Tourism Resorts - Sahl Hasheesh
Plot 18A:

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Additions: "The V Spa" Project	362,100,794	358,184,110
Additions from Finished Real Estate Inventory	9,908,800	-
Total	**372,009,594**	**358,184,110**

- **Note:** According to the Extraordinary General Assembly resolution on 5/12/2024, the company modified the "Paradise Gardens" project from projects under construction and real estate inventory to establish a tourism project on plot 18A named **"The V Spa Hotel"** with a capacity of 150 rooms. An amount of EGP 64,924,586 was transferred from finished units inventory to the project, and additional amounts of EGP 358,184,110 were added during the year.

8. Long-Term Notes Receivable:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Total Long-Term Notes Receivable	57,122,984	76,838,750
Less:		
Present Value Discount	(13,515,669)	(21,518,176)
Net Long-Term Notes Receivable	**43,607,315**	**55,320,574**

9. Assets Held for Sale – Sunset Project (Real Estate Investment):

- **The Breakdown as follows:**

Egyptian Pounds

Description	Land	Buildings & Constructions	Furniture & Fixtures	Total
Balance as of 1 January 2026	12,385,206	78,289,243	3,622,314	**94,296,763**
Additions during the period	-	-	-	-
Cost of Assets as at 30 June 2026	**12,385,206**	**78,289,243**	**3,622,314**	**94,296,763**

10. Intangible Assets (Net):

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Cost as at 1 January 2026	147,850,000	147,850,000
Additions during the period	-	-
Total Cost as at 31 March 2026	**147,850,000**	**147,850,000**
Accumulated Amortization as at 1 January 2026	68,769,781	66,563,065
Amortization for the period	1,103,358	2,206,716
Total Accumulated Amortization as at 31 March 2026	**69,873,139**	**68,769,781**
Net Book Value as at 31 March 2026	**77,976,861**	**79,080,219**

Additional Explanatory Notes:

- The Company holds a **usufruct right** for **Pyramisa Cairo Hotel** for a period of **67 years**, commencing on **13 July 1994** and expiring on **14 May 2061**, pursuant to the contract executed between the Company and Misr Real Estate and Tourism Investment Company.
- The **usufruct right** is amortized over the contractual term of **67 years**.
- The total contractual consideration for the usufruct right, in accordance with **Article (6)** of the agreement, amounted to **EGP 153.15 million**. Of this amount, **EGP 147.85 million** has been settled, while the remaining balance of **EGP 5.3 million** is payable periodically (comprising a fixed portion and a variable portion).
- Accordingly, the settled usufruct cost of **EGP 147.85 million** is amortized over 67 years, resulting in an annual amortization charge of approximately **EGP 2.206 million**.
- In addition to amortization:
  - A **fixed annual charge of EGP 242,910** is recognized directly in the Statement of Profit or Loss.
  - A **variable charge equivalent to 4% of total revenues** is also recognized in the Statement of Profit or Loss.

11. Hotel Inventories:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
General Stores and Operating Supplies	30,735,740	29,896,060
Food and Beverage Stores	52,424,246	47,528,612
Spare Parts Stores	20,063,695	16,105,686
Total	**103,223,681**	**93,530,358**

12. Completed Inventory – Real Estate Development:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Cost of Investment Housing Project	15,260,009	20,346,679
Inventory of Finished Units	100,478,017	95,516,270
Total	**115,738,026**	**115,862,949**

13. Work in Progress:

- **The Breakdown as follows:**

	Egyptian Pounds	
Description	**Balance as at 30/06/2026**	**Balance as at 31/12/2025**
Work in Progress - Sahl Hasheesh	587,912,823	577,939,682
WIP - Construction of Two Buildings (Palm View)	14,362,307	14,277,286
Total	**602,275,130**	**592,216,968**

Project Background and Developments

- **Town View Project (Low-Cost Housing):**
  - On 1 October 2007, a contract was signed with the **Ministry of Housing** to purchase 50 acres in **6th of October City**.
  - 50% of the land is allocated for the construction of **1,620 low-cost housing units** (63 sqm per unit). The remaining 50% is allocated for **investment housing units**.
  - Construction licenses were obtained for **24 buildings** as a first phase (36 units per building) on an area of 12.5 acres. The project is named **"Town View"**.
  - Construction works for **20 buildings (720 units)** were completed at a total cost of **EGP 78,713,175** (including land value of EGP 3,062,500). These units were transferred to **Finished Housing Inventory.**
  - Additionally, **2 buildings (72 units)** were completed at a cost of **EGP 8,405,025** (including land value of EGP 306,250) and transferred to **Finished Housing Inventory**.
  - Another **2 buildings (72 units)** were completed at a cost of **EGP 9,489,734** (including land value of EGP 306,250) and transferred to **Finished Housing Inventory**.

- **Palm View Project (Investment / Free Housing):**
  - An area of 12.5 acres (representing the second quarter of the total land) was received for the construction of investment units under the project name **"Palm View"**.
  - The general master plan was approved by the Ministry of Housing, and licenses were issued for **12 buildings** (24 units per building) on 12.5 acres (Phase I).
  - **9 buildings (216 units)** were completed at a cost of **EGP 62,963,910** (including land value of EGP 13,111,875) and transferred to **Finished Inventory - Free Housing**.
  - **2 buildings (48 units)** were completed at a cost of **EGP 16,868,913** (including land value of EGP 2,913,750) and transferred to **Finished Inventory - Free Housing**.
  - The current item includes **24 units** in the Palm View project that are currently undergoing **final finishing works**.

- **Expansion - October Gardens (Palm View):**
  - On 23 May 2024, a land plot of **2,232.42 sqm** was purchased from the **New Urban Communities Authority (NUCA) - October Gardens Authority** for the construction of two buildings within the Palm View project.
  - The purchase price for the land amounted to **EGP 9,945,431.10**, including land usufruct rights.
  - An agreement was reached with the **6th of October Gardens Authority** to construct these two buildings. The total expenditure during the period reached **EGP 14,277,287**.

14. Short-Term Notes Receivable:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Gross Short-Term Notes Receivable	26,514,308	26,910,987
Less: Present Value Discount	(2,882,376)	(2,666,854)
Net Balance	**23,631,932**	**24,244,133**

15. Trade Receivables and Notes Receivable:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Trade Receivables and Hotel Guests	958,020,838	823,690,946
Notes Receivable	3,739,806	9,480,681
Less:		
Allowance for Doubtful Debts	(500,000)	(500,000)
Expected Credit Losses (ECL)	(102,422,135)	(56,824,403)
Net Balance	**858,838,509**	**775,847,224**

16. Due from Related Parties:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Isis Luxor	412,237	324,996
Isis for Hotels and Touristic Resorts	128,208,317	100,931,000
Isis Island Hotel	6,138	6,137
Flow Hotel	927,014	-
Total	**129,553,705**	**101,262,132**

17. Other Receivables:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Suppliers – Advance Payments	95,678,751	58,395,705
Accrued Revenue	20,562,925	40,673,080
Prepaid Expenses	-	109,200
Deposits with Third Parties	1,124,660	1,528,622
Contractors	300,025,385	197,755,062
Petty Cash Advances (Imprests)	331,230	766,371
Other Receivables	93,415,797	82,147,646
Advances to Shareholders	661,663	661,663
Total	**511,800,412**	**382,037,349**

18. Due from Tax Authority:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Withholding Tax (WHT)	32,656,343	19,421,024
Value Added Tax (VAT) Authority	5,893,567	4,359,301
Large Taxpayers Center	4,354,806	4,354,806
South Valley Tax Office	1,431,336	1,431,337
Total	**44,336,053**	**29,566,468**

19. Cash on Hand and at Banks:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Cash on Hand	1,614,842	3,307,617
Banks – Current Accounts (Local Currency)	722,011,243	414,284,158
Banks – Current Accounts (Foreign Currency)	970,308,726	1,232,591,609
Time Deposits	98,322,400	95,208,600
Total	**1,792,257,211**	**1,745,391,984**

20. Share Capital:

- **The Breakdown as follows:**

		Egyptian Pounds
Shareholder	**Number of Shares**	**Total**
Magdy Mohamed Mahmoud Azab	3,708,890	74,177,800
Misr for Real Estate and Tourism Investment Company	2,857,552	57,151,040
MZ Investments Company	2,486,293	49,725,860
Amal Mohamed Mahmoud Azab	1,174,012	23,480,240
Hiyam Mohamed Mahmoud Azab	856,050	17,121,000
Mahmoud Mahmoud Azab	791,411	15,828,220
Mohamed Roshdy Mahmoud Hosny	2,804,100	56,082,000
Islam Nagi Mohamed Azab	1,422,937	28,458,740
Seif Allah Nagi Mohamed Azab	1,307,571	26,151,420
Mohamed Magdy Mohamed Azab	522,000	10,440,000
Omar Magdy Mohamed Azab	519,400	10,388,000
Khaled Magdy Mohamed Azab	522,000	10,440,000
Dina Amr Ibrahim El-Desouky	395,746	7,914,920
Ahmed Hazem Abdel Sattar	376,250	7,525,000
Yasmine Amr Ibrahim	29,989	599,780
Habiba Nagi Mohamed Azab	601,672	12,033,440
Azza Abdel Galil Badawy	223,573	4,471,460
Treasury Shares	1,650,000	33,000,000
Other Shareholders	3,100,554	62,011,080
Total	**25,350,000**	**507,000,000**

Authorized Capital

- The Company's **authorized capital** amounts to **EGP 1,000,000,000.**

Issued, Subscribed and Paid-up Capital

- The Company's **issued, subscribed and fully paid-up capital** amounted to **EGP 420,000,000**, divided into **21,000,000 shares**, at a **nominal value of EGP 20 per share**. The share capital previously consisted of **21,608,659 shares** at a nominal value of **EGP 20 per share**.

Capital Reductions

- Pursuant to the resolution of the **Extraordinary General Assembly** held on **30 March 2018**, the share capital was reduced by **608,659 treasury shares**, bringing the total number of shares to **21,000,000 shares** at a nominal value of **EGP 20 per share**.
- Pursuant to the resolution of the **Extraordinary General Assembly** dated **24 December 2023**, ratified on **4 April 2024** and registered in the Commercial Register on **24 April 2024**, the share capital was reduced by **1,000,000 treasury shares** at a nominal value of **EGP 20 per share**. Accordingly, the issued and paid-up capital decreased from **EGP 420,000,000** to **EGP 400,000,000**.
- Pursuant to the **Extraordinary General Assembly** held on **31 December 2024**, the share capital was reduced by **500,000 shares**, with ratification obtained on **28 May 2025**.

Capital Increase

- The **Extraordinary General Assembly** held on **30 June 2024** approved an increase in share capital by **EGP 117,000,000**, representing **30%**, through capitalization of **retained earnings and current year profits**. The resolution was ratified on **30 September 2024**.

Treasury Shares Purchases

- By Board of Directors resolution dated **10 April 2025**, the Company purchased **400,000 treasury shares** at a price of **EGP 110 per share**.
- By Board resolution dated **26 May 2025**, the Company purchased **450,000 treasury shares** at a price of **EGP 110 per share**.
- By Board resolution dated **12 August 2025**, the Company purchased **800,000 treasury shares** at a price of **EGP 111 per share**.

21. Retained Earnings Adjustments:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Opening balance	1,004,742,869	410,955,775
Add/Less:		
Net Profit for the period	751,870,738	566,276,853
Change in Treasury Shares	-	(28,500,000)
Legal Reserve	(47,053,303)	(28,619,548)
General Reserve	(124,960)	-
Adjustments to Retained Earnings	(62,989,787)	154,156,495
Non-controlling Interests (NCI)	88,835,712	(69,526,706)
Dividends Distributions	(140,950,000)	-
Capital Increase	(218,700,000)	-
Closing balance	**1,375,631,271**	**1,004,742,870**

22. Non-Controlling Interests (NCI):

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
NCI in Pyramisa Tourism Resorts - Luxor	3,145,485	3,146,595
NCI in Pyramisa for Tourism and Hotel Investment	874,252	874,351
NCI in Pyramisa Tourism Resorts - Sahl Hasheesh	231,223,977	269,906,325
NCI in Pyramisa Marsa Alam	13,530,548	12,500,000
Total	**248,774,263**	**286,427,270**

23. Customers' Long-Term Checks Liability:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Total long-term notes receivable	57,122,985	76,838,750
Present value discount	(13,515,669)	(21,518,177)
Net balance	**43,607,315**	**55,320,573**

24. Provisions:

- **The Breakdown as follows:**

Description	Balance as at 30/06/2026 (Egyptian Pounds)	Balance as at 31/12/2025 (Egyptian Pounds)
Claims Provision	316,678,971	234,615,581
Total	**316,678,971**	**234,615,581**

- **Claims Provision** represents amounts provided to cover potential exposures arising from tax inspections relating to corporate income tax, payroll tax, value added tax (VAT), stamp tax, and any other potential obligations, based on the tax position as at the financial statement date and the opinion of the Company's tax advisor.

25. Trade and Notes Payable:

- **The Breakdown as follows:**

Description	Balance as at 30/06/2026 (Egyptian Pounds)	Balance as at 31/12/2025 (Egyptian Pounds)
Trade Payables	428,724,661	363,000,928
Notes Payable	60,496,065	37,353,049
Total	**489,220,726**	**400,353,977**

26. Customers' Liabilities Against Short-Term Cheques:

- **The Breakdown as follows:**

Description	Balance as at 30/06/2026 (Egyptian Pounds)	Balance as at 31/12/2025 (Egyptian Pounds)
Gross Short-Term Notes Receivable	26,510,924	26,910,987
Less:		
Present Value Discount	(2,882,376)	(2,666,855)
Total	**23,628,548**	**24,244,133**

27. Due to Related Parties:

- **The Breakdown as follows:**

Description	Balance as at 30/06/2026 (Egyptian Pounds)	Balance as at 31/12/2025 (Egyptian Pounds)
Isis Luxor Hotel	-	16,330
Pyramisa Dubai	24,277,371	49,308,519
Isis Island	-	13,748
Total	**24,277,371**	**49,338,597**

28. Customers' Advances:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Unit Reservation Deposits	2,430,168	526,270
Advances from Customers	394,891,701	444,951,883
Total	**397,321,869**	**445,478,152**

29. Other Payables:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Note	Balance as at 30/06/2026	Balance as at 31/12/2025
Contractors		62,179,364	49,088,919
Trade Receivables / Clients		117,123,061	124,596,018
Accrued Expenses		21,629,525	21,254,629
Deposits from Customers & Travel Agencies		1,936,480,007	1,499,671,656
Miscellaneous Creditors	29/1	232,177,452	229,688,980
Other Credit Balances	29/2	95,094,020	71,210,708
Amounts Under Settlement		10,996	17,044
Maintenance Deposits		54,800,045	54,800,045
Maintenance Creditors - Palm View		911,281	993,183
Gas Creditors - Town View		5,000	11,444
Gas Creditors - Palm View		24,000	24,000
Total		**2,520,434,751**	**2,051,356,626**

Accounting Policy – Deposits from Customers and Travel Agencies

- This item represents credit balances paid by travel agencies as security deposits to facilitate business transactions with the Company.
- **Initial Measurement:** Amounts received from travel agencies are recorded as liabilities under the item **"Deposits from Customers and Travel Agencies."**.
- **Revenue Recognition:** Upon the provision of services, the value of the service is recognized as revenue in the statement of income, and the corresponding amount is deducted from the customer's deposit balance.
- **Default/Non-payment:** In the event of payment default by the travel agency, the outstanding amounts due are offset against the existing security deposits.

29/1. Miscellaneous Creditors:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Penalties Fund	-	75,416
Social Insurance Authority	5,617,769	4,480,868
Emergency Fund	52,852	59,553
Maintenance Deposit	26,824,000	24,781,000
Deposits Held for Others	88,967,917	87,619,584
Other (Supplier Deductions)	33,660,190	28,097,222
75% Proceeds	5,223,263	5,202,013
20% Service Charge Proceeds	42,848,570	32,829,850
Salaries in Trust / Accrued Salaries	155,121	196,704
Penalties / Fines	88,225	125,631
Local Fees	2,944,853	2,944,853
Accounts Under Settlement	-	30,845,819
Other Credit Balances	25,794,694	12,430,467
Total	**232,177,452**	**229,688,980**

29/2. Other Credit Balances:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 31/12/2025
Deferred Revenue	744,451	515,106
20% Breakage Provision	29,760,917	23,340,144
Penalties	122,517	20,749
Claims	8,665,306	8,665,306
Wages in Trust	70,026	68,807
Other Payables	37,866,264	26,385,927
5% Proceeds	7,635,619	6,681,270
Municipality Fees	10,228,920	5,533,399
Total	**95,094,020**	**71,210,709**

30. Tax Payables:

- **The Breakdown as follows:**

	Egyptian Pounds	
Description	**Balance as at 30/06/2026**	**Balance as at 31/12/2025**
Withholding Taxes Payable	5,147,009	4,145,275
Payroll Tax (Employment Income Tax)	5,845,107	4,668,271
Stamp Tax	136,248	93,529
Value Added Tax (VAT) Payable	22,381,297	29,570,087
	20,789	-
Real Estate Tax	9,153,741	9,370,248
Income Tax for Previous Years	-	173,322,423
Current Income Tax for the Period	131,222,462	129,982,595
Total	**173,906,653**	**351,152,428**

31. Dividends Payable:

- **The Breakdown as follows:**

	Egyptian Pounds	
Description	**Balance as at 30/06/2026**	**Balance as at 31/12/2025**
Dividends Payable - Pyramisa Hotels & Touristic Resorts	180,287	116,477
Dividends Payable - Pyramisa Tourism Resorts - Sahl Hasheesh	121,978	121,978
Total	**302,265**	**238,455**

- Pursuant to the resolution of the **Ordinary General Assembly** held on 28 February 2016, it was resolved to distribute shareholders' share of profits for the financial year ended 31 December 2014 in cash amounting to EGP 64,825,977, at EGP 3 per share.
- The Assembly also ratified the Board of Directors' resolution to redistribute employees' profit shares relating to former employees who left service and whose entitlements had lapsed by prescription, amounting to EGP 2,807,749 as of 30 September 2018.
- Pursuant to the resolution of the **Extraordinary General Assembly** held on 28 February 2016, it was resolved to ratify the Board of Directors' decision to cancel the capital increase to EGP 496,999,160, which represented an increase of EGP 64,825,980 to be funded from shareholders' profit share, through the issuance of bonus shares at a rate of 0.15000000694 bonus share for each original share.
- Pursuant to the resolution of the Ordinary General Assembly held on 30 March 2017, it was resolved to distribute profits for the financial year ended 31 December 2016 as follows:
  - Shareholders' share: **EGP 21,608,659**
  - Employees' share: EGP **2,160,866**
  - Board of Directors' share: **EGP 650,445**
- Pursuant to the resolution of the Ordinary General Assembly held on 30 March 2020, it was resolved to distribute profits for the financial year ended 31 December 2019 as follows:
  - Shareholders' share: **EGP 42,000,000**
  - Employees' share: **EGP 4,200,000**
  - Board of Directors' share: **EGP 800,000**
- Pursuant to the resolution of the Ordinary General Assembly held on 30 March 2021, it was resolved to carry forward the profits for the financial year ended 31 December 2020 after deducting 5% as a legal reserve.
- Pursuant to the resolution of the Ordinary General Assembly held on 30 March 2023, it was resolved to distribute dividends for the financial year ended 31 December 2022 at EGP 1 per share, based on a total of 20,400,000 shares outstanding.

- Pursuant to the resolution of the Ordinary General Assembly held on 30 September 2024, it was resolved to distribute bonus shares at a rate of 3 shares for every 10 shares, with a total capitalization amount of EGP 117 million, representing 5,850,000 shares.

32. Revenue from Operating Activities:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 30/06/2025
Pyramisa Sharm El Sheikh Hotel	494,005,296	403,493,917
Pyramisa Cairo Hotel	67,665,639	63,892,224
Pyramisa Al Galaa Hotel	143,639,474	138,048,787
Pyramisa Sahl Hasheesh Hotel Revenue	667,785,527	581,299,113
Sales Value of Units	15,708,190	16,322,033
Other Revenue	3,146,484	-
Flow Revenue	154,713,557	109,780,109
Total	**1,546,664,167**	**1,312,836,183**

33. Cost of Operating Activities:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 30/06/2025
Operating Costs - Pyramisa Sharm El Sheikh	229,348,912	256,976,356
Operating Costs - Pyramisa Cairo	58,929,643	43,682,187
Operating Costs - Al Galaa Hotel	61,753,996	31,969,895
Operating Costs - Sahl Hasheesh	424,342,878	276,540,887
Cost of Real Estate Sold	5,086,670	1,536,100
Flow Project Operating Costs	88,934,219	75,982,112
Total	**868,396,319**	**686,687,537**

Acquisition of Al-Galaa Hotel

- Pyramisa Hotel Luxor (Al-Galaa Branch) was acquired from Pyramisa for Tourism Investment and Hotels pursuant to the Board of Directors' resolution dated 17 March 2010 at book value. The transaction was approved by the Ordinary General Assembly held on 28 April 2010.

Management Agreement

- Pyramisa Hotels & Resorts manages Isis Hotel Luxor and Isis Island Hotel Aswan, which are owned by Isis Hotels & Tourist Establishments Company, under a management agreement dated 30 June 2005.

Key terms of the agreement are as follows:

- The contract term is five (5) years commencing 1 July 2005 and ending 30 June 2010.
- The contract renews automatically for a similar term unless either party notifies the other of its intention not to renew at least three months prior to the expiry of the renewal term.
- Pyramisa Hotels & Resorts is responsible for undertaking appropriate local and international marketing and advertising arrangements for the hotels owned by Isis Hotels & Tourist Establishments Company.

Management Fees

- The management fees are determined as follows:
  - The Management Company shall not be entitled to any fees on the first EGP 10 million of the Hotel's annual net revenue (defined as total revenues less all hotel-related expenses).
  - If the Hotel's annual net revenue exceeds EGP 10 million, the Management Company shall be entitled to **9% of the excess over the first EGP 10 million** of annual net revenue.
  - If the Hotel's annual net revenue exceeds EGP 20 million, the Management Company shall be entitled to:
    - ➢ **9% of the excess over the first EGP 10 million**, plus **11% of the excess over EGP 20 million**.

Renewal of Management Agreement

- The Company renewed the hotel management agreement with Isis Hotels & Tourist Establishments Company for the following additional terms, under the same terms and conditions of the original agreement:
  - A five (5) year term commencing 1 July 2010 and ending 30 June 2015.
  - A further five (5) year term commencing 1 July 2015 and ending 30 June 2020.
  - A further five (5) year term commencing 1 July 2020 and ending 30 June 2025.

34. Marketing Expenses:

- **The Breakdown as follows:**

Description	Egyptian Pounds Balance as at 30/06/2026	Balance as at 30/06/2025
Salaries and Related Benefits	1,237,233	1,111,236
Company's Share of Social Insurance	235,481	190,744
Clothing Expense	81,210	30,000
Transportation Expense	822,003	517,260
Car Expense	120,000	138,267
Meal Allowance	472,106	326,773
Stationery	-	21,945
Post, Telegraph & Telephone	22,500	67,820
Travel Expense	1,148,380	869,071
Maintenance Expense	-	19,672
Online Marketing / Internet Advertising	1,583,141	1,929,916
Vehicle Expenses	152,100	126,602
Printing & Publications	-	66,018
Sales Commissions	272,689	401,880
Hospitality	-	148,258
Visa Fees	10,630	2,281
Property Photography	-	49,160
Exhibition Subscriptions / Trade Fair Fees	367,075	801,782
Total	**6,524,549**	**6,818,685**

35. General and Administrative Expenses:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 30/06/2025
Salaries & Employee Benefits	11,610,164	7,261,358
Social Insurance Contribution	567,271	548,319
Medical Expenses	504,624	138,651
Government Fees & Levies	1,016,654	528,870
Legal Fees	36,842	204,105
Office Supplies & Stationery	129,682	53,702
Transportation	588,264	337,318
Business Hospitality & Entertainment	-	5,202
Postage & Courier Services	91,355	100,763
Travel & Subsistence	613,285	642,504
Repairs & Maintenance	910,478	91,787
Gratuities	2,439,600	1,182,985
Advertising & Promotion	71,500	45,600
Audit Fees	255,000	180,000
Bonuses & Incentives	637,528	227,499
Vehicle Maintenance	292,463	63,813
Sundry / Miscellaneous Expenses	374,300	214,249
Litigation Expenses	647,555	818,236
Lease & Rental Expenses	31,225	-
Total	**20,817,789**	**12,644,961**

36. Finance Costs:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 30/06/2025
Bank Interest & Charges - Pyramisa Hotels	16,797	18,389
Bank Interest - Sahl Hasheesh	20,080	85,179
Total	**36,877**	**103,568**

37. Interest Income:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 30/06/2025
Interest Income - Pyramisa Hotels & Touristic Resorts	3,490,410	2,937,901
Interest Income – Sahl Hasheesh	20,130,757	5,516,685
Total	**23,621,167**	**8,454,586**

38. Earnings per Share:

- **The Breakdown as follows:**

Egyptian Pounds

Description	Balance as at 30/06/2026	Balance as at 30/06/2025
Profit for the period after tax	407,659,628	461,477,838
Weighted average number of shares	23,700,000	19,500,000
Earnings per share (EGP/share)	**17.20**	**23.67**

39. Related Parties:

- Related parties represent the Company's shareholders, members of the Board of Directors, executive management, and companies in which they directly or indirectly hold shares granting them significant influence or control over the Company.
- The Company entered into various transactions with related parties during the period. These transactions were carried out in accordance with the terms approved by the Board of Directors. Below is a summary of the significant transactions and the outstanding balances as at the reporting date:

Egyptian Pounds

Related Party	Nature of Transaction	Balance as at 30/06/2026	Balance as at 31/12/2025
Isis Hotels & Tourism Projects	Current Account Debit	83,528,545	100,931,000
Pyramisa Tourism & Hotel Investment	Current Account Debit	26,074,252	26,080,302
Pyramisa Tourism Resorts (Sahl Hasheesh)	Current Account Debit	2,920,229	2,302,684
Pyramisa Tourism Resorts (Luxor)	Current Account Debit	8,585,763	8,591,813
Pyramisa Hotels and Tourist Villages	Current Account Debit	-	2,302,683
Pyramisa Flow Spectrum Resort	Current Account Debit	927,014	-

Right of Usufruct – Pyramisa Cairo Hotel

- Pyramisa Hotels & Touristic Resorts holds a **usufruct right** for Pyramisa Cairo Hotel for a **67-year term** commencing July 1, 1994. Under this agreement, Pyramisa Cairo Hotel pays a **fixed annual usufruct fee** of **EGP 242,910**. Additionally, a **variable usufruct fee** is applied, starting at **3% of total revenues** for the first five years and increasing to **4%** for the remainder of the contract term. The Company is also committed to performing **periodic maintenance** for the hotel.

Investment in Capital

- **Misr Real Estate and Touristic Investment Company** is an investor in Pyramisa Hotels & Touristic Resorts, holding an **11.27% stake** in the Company's **issued capital**.

40. Contractual Commitments:

- As at 30 June 2026, the value of contractual commitments amounted to **EGP 13,933,330**, represented as follows:

Description	Amount (EGP)
Unpaid portion of the Company's share in the capital of Pyramisa Touristic Resorts Company (Luxor)	13.933.330
Total Contractual Commitments	**13.933.330**

41. Tax Position:

1) Corporate Income Tax:

- The Company is subject to the provisions of the Egyptian Income Tax Law No. 91 of 2005, effective from the financial year ended 31 December 2005.
- The tax inspection covering the period from commencement of operations in 1995 through 2020 has been finalized, and all assessed taxes have been settled.
- Estimated assessments were imposed for the years 1999, 2000, 2006 and 2007. The Company filed legal appeals, the cases were reconsidered, and decisions were issued by the Dispute Resolution Committee. The related tax liabilities for those years were subsequently settled.
- The years from 2001 to 2004 were subject to appeal committees, which resolved to return the files to the Tax Authority for reassessment. The reassessment was finalized and the related taxes were paid.
- The years 2005–2008 and 2013 were inspected, reassessed and tax assessments were issued accordingly.
- The years 2014–2020 were inspected and finalized, and the related taxes were paid.

Effective Tax Rate:

	Egyptian Pounds	
Description	**Balance as at 30/06/2026**	**Balance as at 30/06/2025**
Net Profit Before Tax	547,077,031	597,803,800
Income Tax Expense	131,222,462	131,355,610
Effective Tax Rate	**23.99%**	**21.97%**

2) Payroll Tax:

- The Company deducts the payroll taxes due from employees and remits them to the Egyptian Tax Authority in accordance with the statutory deadlines. Tax returns are submitted regularly using:
- **Form 2** – Monthly payroll returns and payment forms
- **Form 4** – Quarterly payroll returns
- **Form 6** – Annual payroll reconciliations
- The Parent Company (Head Office) has been inspected up to the year 2022, and all payroll taxes due have been fully settled.
- The **Sharm El Sheikh** branch has been inspected up to 2022, with all taxes settled.
- The **Cairo and Al-Galaa** branches have been inspected up to 2022, and all payroll taxes have been settled.

3) Sales Tax (Value-Added Tax – VAT):

- The Company submits monthly VAT returns regularly and pays the tax due based on these filings.
- The Company has been inspected for VAT from the start of operations until 2015; any differences were reconciled and settled.
- VAT inspections for the years 2016–2024 were conducted by the Large Taxpayers Center.

4) Stamp Duty:

- The Company has been inspected for stamp duty from the start of operations until 2022, and all stamp duty liabilities have been settled.

5) Deferred Taxes:

- The Company calculates deferred taxes in accordance with **Egyptian Accounting Standard (EAS) No. 24**, which arise from temporary differences as described in paragraphs 17 and 18 of the standard.
- These differences result in deferred tax assets or liabilities, mainly due to the difference between **tax depreciation** and **accounting depreciation**.

Tax Status: Pyramisa Tourism Resorts – Sahl Hasheesh

- **Corporate Tax Exemption:** The Company was exempt from corporate taxes for Pyramisa Sahl Hasheesh Hotel for a ten-year period, starting from April 22, 2007, and ending on March 31, 2017.
- **Payroll Tax:** Tax examinations were conducted and all liabilities were settled from the commencement of operations through 2011, as well as for the period from 2012 to 2022.
- **Stamp Duty:** The Company's records were examined and the due tax was settled from the commencement of operations through 2011, and for the subsequent period from 2012 to 2022.
- **Corporate Income Tax:** Tax examinations and settlements were completed from the commencement of operations through 2009; further examinations have been carried out for the years up to 2022.
- **Sales Tax (VAT):** Tax examinations were completed from the commencement of operations until March 31, 2023.

42. Legal Position:

- Some lawsuits have been filed **by the Company against third parties** and are still pending before the courts and the Experts Department at the Ministry of Justice.
- Other lawsuits have been filed **against the Company** and are also still pending in the courts.
- The Company has recognized the necessary **provisions** for potential liabilities arising from these cases.

43. Capital Management:

- The Company's capital management aims to ensure the **continuity of operations** and maintain an **efficient capital structure** to support business growth and maximize returns to shareholders through optimal utilization of equity.
- The Company's objectives and policies related to capital management have **remained unchanged since 2012.**
- The capital structure consists of **shareholders' equity**, including **issued capital, reserves, retained earnings, and net profit for the period.**

44. Comparative Figures:

- The item related to revenues and costs of hotel apartments in Dubai has been reclassified and presented as a separate line item in the statement of profit or loss.