PIONEERS PROPERTIES FOR URBAN DEVELOPMENT COMPANY- PRE GROUP (S.A.E.)
CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 TOGETHER WITH REVIEW REPORT

Pioneers Properties for Urban Development Company - PRE Group (S.A.E.)

Consolidated Interim Financial Statements
For The Six Months Ended 30 JUNE 2026

Contents

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Translation Of Review Report
Originally Issued in Arabic

Limited Review Report on consolidated Interim Financial Statements

To The Board of Directors of Pioneers Properties for Urban Development Company - PRE Group (S.A.E.)

Introduction

We have performed a limited review for the accompanying consolidated Interim statement of financial position of **Pioneers Properties for Urban Development Company - PRE Group (S.A.E.)** as of 30 June 2026, as well as the consolidated Interim statements of profit or loss, comprehensive income, changes in equity, and cash flows for the six - months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements No. 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, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated 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 **Pioneers Properties for Urban Development Company - PRE Group (S.A.E.)** as of 30 June 2026, and of its consolidated Interim financial performance and its consolidated Interim cash flows for the Six- months then ended in accordance with Egyptian Accounting Standards.

Cairo: 22 August 2026

Auditor
Mohamed Ahmed Abu El Kassim
FESAA
FEST
R.A.A. 17553
EFSAR 359
United For Auditing &Taxes
(UHY – United)

UHY United
Auditing Tax Advisory & Financial Services
37 Street 200 Maadi

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2026

	Note	**30 June 2026 EGP**	31 December 2025 EGP
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	(4)	**429,060,259**	388,106,018
Projects under construction	(5)	**40,447,150**	24,501,238
Right-of-use assets	(35-1)	**67,946,058**	55,323,428
Investments in associates	(6)	**569,166,443**	569,452,147
Investments at fair value through comprehensive income	(7)	**239,060**	239,060
Governmental bonds		**832,151**	832,151
Investment Properties	(8)	**7,013,205,767**	6,482,025,669
Intangible assets	(9)	**2,285,818**	2,586,794
Goodwill	(10)	**575,681,736**	575,681,736
TOTAL NON-CURRENT ASSETS		**8,698,864,442**	8,098,748,241
CURRENT ASSETS			
Cash on hand and at banks	(11)	**1,644,094,626**	1,511,052,194
Investments at fair value through profit or loss	(12)	**344,682,301**	913,245,740
Financial Assets at amortized cost - current	(13)	**981,404,303**	817,762,480
Trade and notes receivable	(14)	**5,370,798,742**	4,688,519,105
Due from related parties	(15)	**323,658,962**	191,058,090
Housing and development projects	(16)	**52,572,507,236**	47,391,589,764
Inventories	(17)	**410,469,822**	414,138,561
Prepayments and other debit balances	(18)	**4,594,478,989**	3,619,624,058
TOTAL CURRENT ASSETS		**66,242,094,981**	59,546,989,992
TOTAL ASSETS		**74,940,959,423**	67,645,738,233
EQUITY AND LIABILITIES			
EQUITY			
Capital	(19)	**4,712,175,720**	4,712,175,720
Legal reserve		**47,010,632**	29,109,729
Treasury stocks	(19)	**(129,273,014)**	(33,432,867)
Foreign currency translation reserve		**(43,239,489)**	(19,373,122)
Retained Earnings		**2,124,654,419**	2,254,042,065
Profit for the period / year		**514,909,343**	361,774,994
TOTAL EQUITY ARRRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENTS		**7,226,237,611**	7,304,296,519
Non-controlling interests	(20)	**7,152,097,159**	6,283,160,755
TOTAL EQUITY		**14,378,334,770**	13,587,457,274
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of long-term loans	(21)	**4,115,732,992**	4,868,963,119
Non-current portion of land creditors	(22)	**10,838,525,957**	11,001,276,467
Shareholders' credit balances	(23)	**57,445,368**	31,605,339
Deferred tax liabilities	(30)	**527,848,077**	476,937,546
Non-current portion of lease liabilities	(35-2)	**1,114,835,911**	1,115,774,229
TOTAL NON-CURRENT LIABILITIES		**16,654,388,305**	17,494,556,700
CURRENT LIABILITIES			
Current portion of long-term loans	(21)	**1,677,354,088**	1,524,445,274
Current portion of land creditors	(22)	**3,567,099,445**	3,078,423,487
Advances from customers	(24)	**25,242,441,337**	20,509,509,884
Credit facilities	(25)	**3,728,529,809**	2,661,454,401
Trade payable, contractors and notes payable	(26)	**4,269,971,289**	4,100,788,865
Tax authority - credit balances	(27)	**736,033,469**	542,811,420
Accrued expenses and other credit balances	(28)	**4,200,033,932**	3,863,269,834
Provisions	(29)	**52,778,646**	52,211,380
Current portion of lease liabilities	(35-2)	**267,764,202**	208,415,355
Dividends payable		**166,230,131**	22,394,359
TOTAL CURRENT LIABILITIES		**43,908,236,348**	36,563,724,259
TOTAL LIABILITIES		**60,562,624,653**	54,058,280,959
TOTAL LIABILITIES AND EQUITY		**74,940,959,423**	67,645,738,233

Group Chief Financial Officer		Chief Executive Officer
Mohamed Mustafa Abdel Aziz	شركة بايونيرز بروبرتيز للتنمية العمرانية P R E Group بي ار اي جروب	Walid Mohamed Zaki

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

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025	**For the three months ended 30 June 2026**	For the three months ended 30 June 2025
		EGP	EGP	**EGP**	EGP
Operations revenue	(31)	**3,871,707,047**	3,278,305,341	**1,966,847,272**	1,753,042,463
Operations cost	(32)	**(2,220,167,334)**	(1,915,048,846)	**(1,173,991,920)**	(1,070,411,280)
GROSS PROFIT		**1,651,539,713**	1,363,256,495	**792,855,352**	682,631,183
General, administrative and marketing expenses		**(566,444,954)**	(473,631,044)	**(280,371,423)**	(258,671,632)
Expected credit loss in trade and notes receivable	(14)	**(7,716,055)**	(4,618,593)	**13,542,370**	(2,780,974)
Expected credit loss in due from related parties	(15)	**(529,310)**	627,188	**66,986**	30,956
Expected credit loss in prepaid expenses and other debit balances	(18)	**(187,628)**	(1,871,439)	**(183,854)**	(1,940,879)
Provisions Formed	(29)	**(712,266)**	-	-	-
Provisions no longer required	(29)	**145,000**	-	-	-
Investments at fair value through profit or loss valuation difference	(12)	**22,390,474**	10,239,690	**20,858,681**	(457,408)
Loss / Gain on sale of investments at fair value through profit or loss	(12)	**(215,659,922)**	37,768,552	**(1,069,377)**	(1,249,205)
Coupons		**1,151,905**	136,862	**1,138,717**	134,087
Return on Financial Assets at amortized cost		**120,322,503**	16,420,048	**58,295,249**	-
Revaluation of investment in properties	(8)	**561,496,098**	117,567,627	-	-
Profit share from investments in associates	(6)	**(283,456)**	202,252	**28,337**	(1,567,858)
Loss on sale of investments in associates	(33)	-	(2,310,715)	-	(2,310,715)
Other operating income		**51,484,346**	57,625,057	**48,822,092**	35,114,012
OPERATING PROFIT		**1,616,996,448**	1,121,411,980	**653,983,130**	448,931,567
Finance cost		**(496,293,211)**	(604,122,831)	**(222,518,682)**	(292,861,493)
Finance income		**48,042,177**	144,277,184	**26,989,285**	62,238,385
Foreign exchange differences		**(13,574,052)**	(6,363,609)	**24,884,184**	(8,516,501)
Gain on sale of fixed assets	(4)	**9,098**	5,497,063	**11,216**	3,957,890
PROFIT FOR THE PERIOD BEFORE INCOME TAXES		**1,155,180,460**	660,699,787	**483,349,133**	213,749,848
Income taxes	(30)	**(317,258,870)**	(156,478,398)	**(96,045,719)**	13,904,968
PROFIT FOR THE PERIOD		**837,921,590**	504,221,389	**387,303,414**	227,654,816
Attributable to:					
Equity holders of the holding company		**514,909,343**	217,964,866	**191,240,780**	144,022,105
Non-controlling interest	(20)	**323,012,247**	286,256,523	**196,062,634**	83,632,711
PROFIT FOR THE PERIOD		**837,921,590**	504,221,389	**387,303,414**	227,654,816
EARRNINGS PER SHARE	(34)	**0.500**	0.209	**0.188**	0.136

Group Chief Financial Officer

Mohamed Mustafa Abdel Aziz

Chief Executive Officer

Walid Mohamed Zaki

شركة بايونيرز بروبرتيز للتنمية العمرانية
بي ار اي جروب P R E Group
ش.م.م

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

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MOTHS ENDED 30 JUNE 2026

	Note	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025	**For the three months ended 30 June 2026**	For the three months ended 30 June 2025
		EGP	EGP	**EGP**	EGP
Profit for the period		**837,921,590**	504,221,389	**387,303,414**	227,654,816
Items related to other comprehensive income:					
Exchange differences on translation of foreign operations		**(55,431,101)**	(11,905,665)	**(43,525,436)**	(14,744,712)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**782,490,489**	492,315,724	**343,777,978**	212,910,104
Attributable to:					
Equity holders of the holding company		**490,652,979**	212,479,297	**278,173,682**	(987,121,900)
Non-controlling interests	(20)	**291,837,510**	279,836,427	**12,001,083**	142,761,303
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**782,490,489**	492,315,724	**290,174,765**	(844,360,597)

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

Pioneers Properties for Urban Development Company - PRE Group (S.A.E.)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Paid up capital	Legal reserve	Shares based payments reserve	Treasury stocks	Exchange differences on translation of foreign operations	Retained earnings	Profit for the period	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2026	4,712,175,720	29,109,729	-	(33,432,867)	(19,373,122)	2,254,042,065	361,774,994	7,304,296,519	6,283,160,755	13,587,457,274
Transferred to legal reserved and retained earnings	-	17,900,903	-	-	-	343,874,091	(361,774,994)	-	-	-
Adjustments on retained earnings – subsidiaries	-	-	-	-	-	(1,823)	-	(1,823)	(425)	(2,248)
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	389,997	(297,443,032)	-	(297,053,035)	548,684,763	251,631,728
Adjustments arising from increase the capital of subsidiaries	-	-	-	-	-	-	-	-	77,509,651	77,509,651
Purchase of treasury stocks - holding company	-	-	-	(95,840,147)	-	-	-	(95,840,147)	-	(95,840,147)
Purchase of treasury stocks - subsidiaries	-	-	-	-	-	(3,858,576)	-	(3,858,576)	(5,417,761)	(9,276,337)
Dividends distributed year 2025	-	-	-	-	-	(171,958,306)	-	(171,958,306)	(43,677,334)	(215,635,640)
Exchange differences on translation of foreign operations	-	-	-	-	(24,256,364)	-	-	(24,256,364)	(31,174,737)	(55,431,101)
Profit for the period	-	-	-	-	-	-	514,909,343	514,909,343	323,012,247	837,921,590
Balance as of 30 June 2026	**4,712,175,720**	**47,010,632**	**-**	**(129,273,014)**	**(43,239,489)**	**2,124,654,419**	**514,909,343**	**7,226,237,611**	**7,152,097,159**	**14,378,334,770**
Balance as of 1 January 2025	4,746,623,220	104,716	-	(111,280,771)	(8,378,595)	1,393,610,804	1,101,137,464	7,121,816,838	6,024,738,912	13,146,555,750
Transferred to legal reserved and retained earnings	-	29,005,013	-	-	-	1,072,132,451	(1,101,137,464)	-	-	-
Adjustments on retained earnings - Subsidiaries	-	-	-	-	-	(2,069,623)	-	(2,069,623)	21,649	(2,047,974)
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	8,230	(21,027,665)	-	(21,019,435)	48,579,907	27,560,472
Adjustments arising from increase the capital of subsidiaries	-	-	-	-	-	-	-	-	12,613,221	12,613,221
Purchase of treasury shares - the holding company	-	-	-	(17,052,563)	-	-	-	(17,052,563)	-	(17,052,563)
Purchase of treasury shares - subsidiaries	-	-	-		-	(11,917,644)	-	(11,917,644)	(15,891,951)	(27,809,595)
Shares based payments reserve	-	-	(94,021,014)	88,208,463	-	5,812,551	-	-	-	-
Dividends distributed year 2024	-	-	-	-	-	(173,534,191)	-	(173,534,191)	(21,521,356)	(195,055,547)
Exchange differences on translation of foreign operations	-	-	-	-	(5,485,569)	-	-	(5,485,569)	(6,420,096)	(11,905,665)
Profit for the period	-	-	-	-	-	-	217,964,866	217,964,866	286,256,523	504,221,389
Balance as of 30 June 2025	4,746,623,220	29,109,729	(94,021,014)	(40,124,871)	(13,855,934)	2,263,006,683	217,964,866	7,108,702,679	6,328,376,809	13,437,079,488

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

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**For the six months ended 30 June 2026 EGP**	For the six months ended 30 June 2025 EGP
Cash flows from operating activities			
Profit for the period before income taxes and non-controlling interests		**1,155,180,460**	660,699,787
Depreciation of fixed assets	(4)	**30,627,528**	23,833,451
Amortization of intangible assets	(9)	**300,976**	121,988
Amortization of right-of-use assets	(35-1)	**9,482,994**	6,847,959
Gain on sale of fixed assets	(4)	**(9,098)**	(5,497,063)
Expected credit loss in trade and notes receivable	(14)	**7,716,055**	4,618,593
Expected credit loss in due from related parties	(15)	**529,310**	(627,188)
Expected credit loss in prepaid expenses and other debit balances	(18)	**187,628**	1,871,439
Provisions	(29)	**712,266**	-
Provisions no longer required	(29)	**(145,000)**	-
Loss on sale of investments in associates	(33)	**-**	2,310,715
Revaluation of investment properties	(8)	**(561,496,098)**	(117,567,627)
Profit share from investments in associates	(6)	**283,456**	(202,252)
Investments at fair value through profit or loss valuation differences	(12)	**(22,390,474)**	(10,239,690)
Gain on sale of investments at fair value through profit or loss	(12)	**215,659,922**	(37,768,552)
Coupons		**(1,151,905)**	(136,862)
Return on Financial Assets at amortized cost		**(120,322,503)**	(16,420,048)
Finance cost		**496,293,211**	604,122,831
Finance income		**(48,042,177)**	(144,277,184)
Operating profit before changes in working capital		**1,163,416,551**	971,690,297
Changes in investments at fair value through profit or loss		**375,293,991**	316,649,170
Changes in trade and notes receivable		**(913,490,184)**	(576,779,401)
Changes in due from related parties		**(133,130,182)**	291,337,060
Changes in housing and development projects		**(3,781,228,920)**	(3,657,025,626)
Changes in inventories		**3,668,739**	(300,878,116)
Changes in prepayments and other debit balances		**(975,042,559)**	(1,076,246,238)
Changes in advances from customers		**4,956,425,945**	4,732,318,310
Changes in trade payable, contractors and notes payable		**169,182,424**	579,614,222
Changes in tax liabilities – credit balances		**(49,061,759)**	(77,750,576)
Changes in accrued expenses and other credit balances		**336,764,098**	357,690,869
Provisions used		**-**	(620,526)
Net cash flows provided from operating activities		**1,152,798,144**	1,559,999,445
Cash flows from investing activities			
(Payments to) acquire fixed assets	(4)	**(48,772,839)**	(38,422,540)
Proceeds from sale fixed assets	(4)	**55,900**	5,829,332
(Payments in) Projects under constructions	(5)	**(15,945,912)**	(5,279,202)
Coupons collected		**1,151,905**	136,862
(Payments in) / Proceeds from sale of treasury bills		**(67,383,851)**	280,314,049
Changes in deposits (more than 3 months)		**29,158,936**	423,823,175
Finance income received		**48,042,177**	144,277,184
Net proceeds from investments in subsidiaries and associates		**251,631,728**	22,692,857
Net cash flows provided from investing activities		**197,938,044**	833,371,717

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**For the six months ended 30 June 2026 EGP**	For the six months ended 30 June 2025 EGP
Cash flows from financing activities			
Proceeds from / (Payments in) credit facilities		**1,067,075,408**	(810,705,207)
Proceeds from lease aranagment		**-**	29,000,000
Proceeds from / (Payments to) lease liabilities		**6,055,538**	(97,875,807)
(Payments in) long term loans		**(1,292,509,661)**	(954,341,876)
(Payments in) Land creditors		**(381,574,756)**	-
Changes in shareholders' credit balances		**25,840,029**	(12,235,362)
Non-controlling interests in establishment / capital increase of subsidiaries		**77,509,651**	12,613,221
(Payments to) purchase treasury stocks		**(95,840,147)**	(17,052,563)
(Payments to) purchase treasury stocks - subsidiaries		**(9,276,337)**	(11,917,644)
Dividends paid		**(71,799,868)**	(191,673,524)
Finance cost paid		**(466,043,844)**	(571,491,113)
Net cash flows (used in) financing activities		**(1,140,563,987)**	(2,625,679,875)
Net change in cash and cash equivalent during the period		**210,172,201**	(232,308,713)
Foreign operations translation difference beginning of the period		**(47,970,833)**	(11,444,523)
Cash and cash equivalent – beginning of the period	(11)	**908,616,030**	1,885,097,156
Cash and cash equivalent – end of the period	(11)	**1,070,817,398**	1,641,343,920
Cash and cash equivalent is as follows:			
Cash on hand and at banks - end of period	(11)	**1,644,094,626**	2,106,499,518
Deduct:			
Deposits (more than 3 months)	(11)	**(573,277,228)**	(465,155,598)
Cash and cash equivalent – end of the period	(11)	**1,070,817,398**	1,641,343,920

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

1- BACKGROUND

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

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

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

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

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

The consolidated interim financial statements for the six months ended 30 June 2026 were authorized for issuance in accordance with the board of directors’ resolution on 22 August 2026.

Ownership percentage of the company in the following subsidiaries:

	Activity	Country	Percentage
Cairo For Housing And Real Estate Development Company	Real-estate development (S.A.E)	Egypt	67.10%
El Safwa For Consulting And Development Company	Financial advisors (S.A.E.)	Egypt	85.79%
Nemow For Consulting Company	Financial advisors (S.A.E.)	Egypt	67.57%
New Cairo for Projects Management Company	Contracting and real estate investment (S.A.E.)	Egypt	67.09%
Cairo Property Management Company	Real estate investments (L.L.C)	Egypt	67.10%
Cairo for Building Management And Maintenance Company (under liquidation)	Management and maintenance for building (L.L.C)	Egypt	64.42%
Cairo For Real Estate Marketing Company (under liquidation)	Real-estate marketing (S.A.E.)	Egypt	67.20%
El Saeed For Contracting And Real Estate Investment Company*	Constructions and developer work (S.A.E)	Egypt	43.76%
Gama For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	86.22%
Al Giza General For Contracting And Real Estate Investment Company	Constructions and developer (S.A.E)	Egypt	63.02%
Alfa For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	63.02%
United Company For Housing And Development*	Buy, Sale and titling building and lands (S.A.E)	Egypt	41.60%
UDC Investments Company*	Real estate investments (S.A.E)	Egypt	41.60%
Flourish Investments Company*	Real estate investments (S.A.E)	Egypt	41.60%
Wadi For Consulting Company	Contracting and real estate investment (S.A.E)	Egypt	99.998%
Mashareq For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	54.29%
Stone Plaza Company	Real estate investments (S.A.E)	Egypt	54.31%
Grant For Real Estate Investment Company*	Real estate investments (S.A.E)	Egypt	27.15%
The Calm For Project Management Company	Project management (S.A.E)	Egypt	54.26%
PRE For Real Estate Investment Company	Real estate investments (S.A.E)	Egypt	51.12%
Telal East For Real Estate Investments Company	Real estate investments (S.A.E)	Egypt	54.15%
Blue for Real Estate Development Company	Real estate investments (S.A.E)	Egypt	57.20%
USG For Contracting Company*	Contracting and real estate investment (S.A.E)	Egypt	41.47%
Rooya Holding Company For Investments	Contracting and real estate investment (S.A.E)	Egypt	68.79%
Rooya Real Estate Investment Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.79%
Taiba Contracting and Tourism Investment Company	Contracting and real estate investment (S.A.E)	Egypt	68.79%
Al-Rowad Investment and Tourism Development Company	Integrated tourism development (S.A.E)	Egypt	65.74%
Ocoplan Engineering Consulting Company *	Integrated Engineering Consulting (S.A.E)	Egypt	41.28%
Rooya Real Estate Marketing Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.79%
Rooya Real Estate and Tourism Development Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.79%
Rooya Contracting Company	Contracting and real estate investment (S.A.E)	Egypt	61.91%
Wadi Shoni Tourism Development Company	Integrated tourism development	Egypt	55.03%
Sahary Tourism Development Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	61.91%
Rooya Tourism Development Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.79%
Rooya Tourism Projects Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	68.79%
Cluster Construction Company	Real estate investments (S.A.E)	Egypt	68.79%
Telal North Coast For Touristic Resorts & Real Estate Investment Co.	Real estate investments (S.A.E)	Egypt	68.79%
Telal Red Sea For Real Estate Investment & Touristic Resorts Co.	Real estate investments (S.A.E)	Egypt	68.79%
Lake side For Real Estate Investment Co.	Real estate investments (S.A.E)	Egypt	57.91%
Sigma for Urban Planning Company	Real-estate development (S.A.E)	Egypt	55.01%
Montmartre Construction Company	Integrated Tourism and Real Estate Development (S.A.E)	Egypt	57.91%
G.D.S for Security	Building Security and money transport services (S.A.E)	Egypt	53.21%

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

2- BASIS OF CONSOLIDATION

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

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

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

c- Identify non-controlling interests in net assets of consolidated subsidiaries and are presented separately from the Parent Company's ownership interests in them.
They consist of:
(1) The amount of those non-controlling interests at the date of the original consolidation.
(2) The non-controlling interests' share of changes in equity since the date of the consolidation.

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

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

3- SIGNIFICANT ACCOUNTING POLICIES

3-1 Basis of preparation

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

Statement of compliance

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

Change in accounting policies

Accounting policies applied this period is the same as in the previous periods.

3-2 Lease Contracts

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

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

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

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

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

3- SIGNIFICANT ACCOUNTING POLICIES (CON'D)

3-2 Lease Contracts (Cont'd)

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

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

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the statement of profits or losses.

3-3 Foreign currency translation

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

3-4 Fixed assets

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

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

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

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial period end.

3- SIGNIFICANT ACCOUNTING POLICIES (CON'D)

3-4 Fixed assets (Cont'd)

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

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the statement of profits or losses.

3-5 Intangible assets

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

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

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

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

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

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

3-6 Goodwill

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

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

3-7 Investments

Investments in associates

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

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

Investments in Government bonds

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

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-7 Investments (Cont'd)

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

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

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

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

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

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

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

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

3-8 Projects under construction

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

3-9 Investment properties

Investment properties held to generate rent or for value appreciation, or both, is initially recognized at cost, cost includes purchase price, or construction cost, and any related direct expenses.

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

3-10 Trade and notes receivables

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

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

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

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

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

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

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-12 Inventories

The inventories elements are valued as follows:

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

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

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

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

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

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

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

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

3-13 Borrowings

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

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

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

3-14 Cost of borrowings

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

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

3-15 Provisions

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

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-16 Related Party transactions

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

3-17 Legal reserve

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

3-18 Taxes

Income taxes
Income tax is calculated in accordance with the Egyptian Tax Law.

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

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

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

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

3-19 Revenue recognition

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

- **Revenue from contracts with customers**

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

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

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

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

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

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

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

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-19 Revenue recognition (Cont'd)

- Revenue from contracts with customers (Cont'd)

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

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

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

- Contracting revenue

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

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

- Long-term contracts: The percentage of completion is determined according to limitation of the executed works method. The contract costs incurred to meet this revenue are recognized.

- Short-term contracts: Short-term contract revenue is recognized in accordance with accounting for the work performed method and the actual costs incurred to meet the revenue.

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

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

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

- Units sales

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

- Sale on instalments

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

- Real estate rental revenue

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

- Dividends revenue

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

- **Interest income**

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

3-20 Expenses

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

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-21 Impairment in value

Impairment in value of non-financial assets

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

A previously recognized decline in value is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last decline in value was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no decline in value been recognized for the asset in prior periods. Such reversal is recognized in the statement of profit or loss.

3-22 Financial Instruments

A. Initial Recognition

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

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

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

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

B. Classification and measurement of financial assets and liabilities

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

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

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

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

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

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

- The asset is included in a business model planning to keep the asset for its contractual future cash flows.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.

The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measure by fair value through profits or losses.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-22 Financial Instruments (Cont'd)

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

- The asset is included in a business model its goal is to collect contractual cash flows and sale of the financial asset.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.

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

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

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

- Financial liabilities at fair value through profits or losses, where that kind of liabilities and related derivatives representing these liabilities, subsequently, at fair value.
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.
- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard.

  B- Or, the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

  A- Impairment loss in accordance with Egyptian accounting standard.

  B- Or, the recognized balance - initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

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

A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes- as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.

B- There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for b this group on this base to the top management of the institution (also as defined in the Egyptian accounting standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president.

Financial Assets and Liabilities – re-classification:
Financial instruments are re-classified only when the financial model of the portfolio as a total change.

3- SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-22 Financial Instruments (Cont'd)

C. Impairment of financial assets value

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

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

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

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

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

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

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

D. Disposing of the financial asset from the books

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

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

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

3-23 Trade payable, contractors and notes payable

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

3-24 Significant accounting estimates

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

3-25 Statement of cash flows

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

3-26 Cash and cash equivalent

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

4- FIXED ASSETS

	Land	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Wood scaffold	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2026	44,688,634	38,834,138	73,853,201	14,891,341	57,594,093	45,616,280	92,770,687	129,754,044	128,448,637	121,368,162	747,819,217
Transferred from investment properties (Note 8)	-	-	2,098,566	-	-	5,084,853	-	23,132,581	-	-	30,316,000
Additions for the period	-	3,274,685	5,962,590	1,410,530	6,152,272	10,555,967	4,596,191	2,572,004	5,961,194	8,287,406	48,772,839
Disposals for the period	-	-	(8,699)	(11,970)	-	-	-	-	(39,854)	-	(60,523)
Translation of foreign operations	-	-	148,467	-	(224,424)	-	(167,580)	(949,194)	200,281	(6,351,340)	(7,343,790)
30 June 2026	44,688,634	42,108,823	82,054,125	16,289,901	63,521,941	61,257,100	97,199,298	154,509,435	134,570,258	123,304,228	819,503,743
Accumulated depreciation											
1 January 2026	-	(19,119,555)	(39,625,272)	(4,741,917)	(35,908,643)	(25,625,564)	(49,538,036)	(67,708,264)	(61,878,269)	(55,567,679)	(359,713,199)
Depreciation for the period	-	(2,730,982)	(2,827,295)	(923,637)	(1,054,865)	(5,333,168)	(6,128,735)	(3,593,571)	(3,866,207)	(4,169,068)	(30,627,528)
Depreciation of disposals	-	-	8,699	2,352	-	-	-	-	2,670	-	13,721
Translation of foreign operations	-	-	(146,364)	-	(209,267)	-	6,983	21,258	(6,144)	217,056	(116,478)
30 June 2026	-	(21,850,537)	(42,590,232)	(5,663,202)	(37,172,775)	(30,958,732)	(55,659,788)	(71,280,577)	(65,747,950)	(59,519,691)	(390,443,484)
Net book value											
As of 30 June 2026,	**44,688,634**	**20,258,286**	**39,463,893**	**10,626,699**	**26,349,166**	**30,298,368**	**41,539,510**	**83,228,858**	**68,822,308**	**63,784,537**	**429,060,259**

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

		30 June 2026
	EGP	**EGP**
Proceeds from sale of fixed assets		55,900
Cost of disposed asset	(60,523)	
Accumulated depreciation of disposed asset	13,721	
Net book value of disposed asset		(46,802)
Gain on sale of fixed assets		**9,098**

4- FIXED ASSETS (CONT'D)

	Land	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Wood scaffold	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2025	44,688,634	29,493,838	61,302,879	9,339,593	44,611,433	37,444,610	78,180,876	116,657,013	113,984,625	68,635,001	604,338,502
Fixed assets reclassification	-	-	-	841,749	8,765,082	(9,606,831)	(9,004,696)	9,004,696	-	-	-
Additions for the year	-	9,353,300	12,908,804	4,709,999	4,707,112	17,785,897	25,239,711	4,100,881	16,007,157	52,733,161	147,546,022
Disposals for the year	-	(13,000)	(18,226)	-	(6,505)	(7,396)	(1,645,204)	(8,546)	(551,846)	-	(2,250,723)
Translation of foreign operations	-	-	(340,256)	-	(483,029)	-	-	-	(991,299)	-	(1,814,584)
31 December 2024	44,688,634	38,834,138	73,853,201	14,891,341	57,594,093	45,616,280	92,770,687	129,754,044	128,448,637	121,368,162	747,819,217
Accumulated depreciation											
1 January 2025	-	(14,269,207)	(35,219,229)	(3,316,857)	(33,244,565)	(18,333,535)	(40,561,929)	(60,423,305)	(55,961,027)	(49,675,420)	(311,005,074)
Depreciation for the year	-	(4,863,348)	(4,764,474)	(1,425,060)	(3,153,581)	(7,299,425)	(10,291,049)	(7,293,505)	(6,504,252)	(5,892,259)	(51,486,953)
Depreciation of disposals	-	13,000	18,226	-	6,505	7,396	1,314,942	8,546	549,836	-	1,918,451
Translation of foreign operations	-	-	340,205	-	482,998	-	-	-	37,174	-	860,377
31 December 2025	-	(19,119,555)	(39,625,272)	(4,741,917)	(35,908,643)	(25,625,564)	(49,538,036)	(67,708,264)	(61,878,269)	(55,567,679)	(359,713,199)
Net book value											
As of 31 December 2025,	44,688,634	19,714,583	34,227,929	10,149,424	21,685,450	19,990,716	43,232,651	62,045,780	66,570,368	65,800,483	388,106,018

5- PROJECTS UNDER CONSTRUCTION

	30 June 2026	31 December 2025
	EGP	EGP
Beginning balance	**24,501,238**	24,281,748
Additions	**15,945,912**	2,659,248
Transferred to intangible assets (Note 9)	**-**	(2,439,758)
Ending Balance	**40,447,150**	24,501,238

6- INVESTMENTS IN ASSOCIATES

	Ownership Percentage	**30 June 2026**	Ownership Percentage	31 December 2025
	%	**EGP**	%	EGP
Lotus For Hotels and Resorts Company	**34.22**	**563,051,626**	37.55	563,118,991
Bedaya For Roads and Contracting Company	**27.86**	**1,125,000**	28.01	1,125,000
Aman Construction Company	**12.60**	**2,033,486**	12.60	1,921,662
Arabian Company for Dairy Products (Arab Dairy)	**0.03**	**457,365**	0.03	492,865
El Hessn for Consulting Company	**0.23**	**2,265,539**	0.26	2,565,276
Universal For Papers and Packing Materials Company (Unipack)	**0.04**	**233,427**	0.04	228,353
		569,166,443		569,452,147

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

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

Values in EGP (Thousands)	Non-current assets	Current assets	Current liabilities	Non-current liabilities	Capital and shareholders' equity
Lotus For Hotels and Resorts Company	36,363	34	39	3,982	32,376
Bedaya For Roads and Contracting Company	687	17,346	14,312	-	3,721
Aman Construction Company	13	27,698	26,759	-	952
Arabian Company for Dairy Products (Arab Dairy)	296	512	567	42	199
El Hessn for Consulting Company	2,828	522	1,278	409	1,663
Universal For Papers and Packing Materials Company (Unipack)	145	391	295	43	198

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

	The six months ended 30 June 2026	The six months ended 30 June 2025
	EGP	EGP
Lotus For Hotels and Resorts Company	**(67,365)**	(95,236)
Aman Construction Company	**111,824**	(56,378)
Arabian Company for Dairy Products (Arab Dairy)	**(34,965)**	(38,850)
El Hessn for Consulting Company	**(299,737)**	387,321
Universal For Papers and Packing Materials Company (Unipack)	**6,787**	5,395
	(283,456)	202,252

7- INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
	EGP	EGP
Non-quoted investments	**239,060**	239,060
	239,060	239,060

8- INVESTMENT PROPERTIES

	1 January 2026	Transferred to fixed assets (Note 4)	Revaluation during the period	**30 June 2026**
	EGP	EGP	EGP	**EGP**
Point 90 Mall	5,328,580,100	(30,316,000)	478,715,975	**5,776,980,075**
Al-Multaka Mall	535,171,460	-	55,457,940	**590,629,400**
Maarouf Land	333,795,609	-	27,322,183	**361,117,792**
Shubara land	165,476,500	-	-	**165,476,500**
Katmiyya land	119,002,000	-	-	**119,002,000**
	6,482,025,669	(30,316,000)	561,496,098	**7,013,205,767**

- During the Period the Company revalued its investment properties appointed for this purpose in compliance with the requirements of the Egyptian Accounting Standards. The revaluation resulted in a gain of EGP 561,496,098 that was included in the statement of profit or loss.

9- INTANGIBLE ASSETS

	30 June 2026	31 December 2025
Cost	**EGP**	EGP
Beginning balance	**3,817,521**	807,763
Transferred from projects under construction (Note 5)	**-**	2,439,758
Additions during the period	**-**	570,000
Ending balance	**3,817,521**	3,817,521
Accumulated amortization		
Beginning balance	**(1,230,727)**	(807,763)
Amortization for the period	**(300,976)**	(422,964)
Ending balance	**(1,531,703)**	(1,230,727)
Net book value at the end of the period	**2,285,818**	2,586,794

10- GOODWILL

	30 June 2026	31 December 2025
	EGP	EGP
United Company for Housing and Development	**263,603,006**	263,603,006
Al Giza General for Contracting and Real Estate Investment Co.	**191,119,964**	191,119,964
Cairo For Housing and Real Estate Development Company	**117,200,787**	117,200,787
El Saeed for Contracting and Real Estate Investment Company	**3,757,979**	3,757,979
	575,681,736	575,681,736

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

11- CASH ON HAND AND AT BANKS

	30 June 2026	31 December 2025
	EGP	EGP
A. Local currency		
Cash on hand	**47,310,108**	46,866,846
Current accounts	**848,152,878**	637,017,715
Deposits	**699,808,811**	700,172,724
	1,595,271,797	1,384,057,285
B. Foreign currency		
Cash on hand	**237,681**	1,940,921
Current accounts	**34,612,524**	111,875,417
Deposits	**13,972,624**	13,178,571
	48,822,829	126,994,909
Total cash on hand and at banks	**1,644,094,626**	1,511,052,194
Deduct:		
Deposits (more than 3 months) *	**(573,277,228)**	(602,436,164)
Cash and cash equivalent as of the cash flow	**1,070,817,398**	908,616,030

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

12- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
	EGP	EGP
Investment funds securities	**323,362,300**	45,275
Quoted investments	**21,314,906**	913,195,246
Non-quoted investments	**5,095**	5,219
	344,682,301	913,245,740

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	EGP	EGP
Balance at the beginning of the period	**913,245,740**	1,080,576,756
Investments at fair value through profit or loss valuation differences	**22,390,474**	10,239,690
Loss / Gain from sale of investments at fair value through profit or loss	**(215,659,922)**	37,768,552
Balance at the end of the period	**(344,682,301)**	(811,935,828)
The change in investments at fair value through profit or loss	**375,293,991**	316,649,170

13- INVESTMENT IN TREASURY BILLS

	30 June 2026	31 December 2025
	EGP	EGP
Par value	**1,058,783,308**	838,600,000
Deferred returns	**(53,733,694)**	(11,876,034)
Taxes on return on treasury bills	**(23,645,311)**	(8,961,486)
Present value	**981,404,303**	817,762,480

14- TRADE AND NOTES RECEIVABLE

	30 June 2026	31 December 2025
	EGP	EGP
Contracting receivable	**2,909,738,447**	2,934,814,337
Real estate receivable	**3,144,883,362**	2,356,039,823
Rent receivable	**61,279,930**	35,839,800
	6,115,901,739	5,326,693,960
Expected credit loss in trade and notes receivable	**(256,465,009)**	(248,748,954)
Deferred instalments interest	**(488,637,988)**	(389,425,901)
	5,370,798,742	4,688,519,105

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	EGP	EGP
Beginning balance	**(248,748,954)**	(163,383,395)
Charged during the period	**(7,716,055)**	(4,618,593)
Ending balance	**(256,465,009)**	(168,001,988)

15- DUE FROM RELATED PARTIES

	Affiliation	30 June 2026 EGP	31 December 2025 EGP
Aspire Capital Holding Company for Financial Investments	Related party	**52,128,752**	65,127,197
Gadwa for Industrial Development Company	Related party	**261,952,319**	115,976,693
El Hessn For Consulting Company	Associate	**22,226**	22,225
Gadwa Food industries Company	Related party	**5,750,000**	5,750,000
Lotus For Hotels and Resorts Company	Associate	**5,342,165**	5,189,165
		325,195,462	192,065,280
Expected credit loss in due from related party		**(1,536,500)**	(1,007,190)
		323,658,962	191,058,090

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

	For the six months ended 30 June 2026 EGP	For the six months ended 30 June 2025 EGP
Beginning balance	**(1,007,190)**	(1,457,472)
Charged / Reversed during the period	**(529,310)**	627,188
Ending balance	**(1,536,500)**	(830,284)

16- HOUSING AND DEVELOPMENT PROJECTS

	30 June 2026 EGP	31 December 2025 EGP
Housing and development projects – under construction	**52,423,006,478**	47,300,302,019
Housing and development projects – completed	**149,500,758**	91,287,745
	52,572,507,236	47,391,589,764

17- INVENTORIES

	30 June 2026 EGP	31 December 2025 EGP
Raw materials	**403,277,537**	408,018,200
Spare parts	**6,881,245**	5,521,701
Fuel	**311,040**	598,660
	410,469,822	414,138,561

18- PREPAYMENTS AND OTHER DEBIT BALANCES

	30 June 2026 EGP	31 December 2025 EGP
Prepaid expenses	**46,717,529**	44,096,669
Advance payments to acquire fixed assets	**350,915,505**	340,283,100
Advance payments to suppliers and contractors	**1,366,820,013**	657,367,632
Sundry contractors	**127,978,554**	118,909,416
Deposits with others	**1,140,375,218**	1,165,660,455
Letters of guarantee margin	**59,656,425**	39,590,348
Tax Authority	**148,333,570**	140,477,841
Accrued revenue	**151,451,259**	137,798,024
Financial Group – Securitization *	**16,649,804**	19,459,208
Accrued maintenance expenses	**606,723,333**	255,316,022
Other debit balances	**598,609,357**	720,229,293
	4,614,230,567	3,639,188,008
Expected credit loss in other debit balances value **	**(19,751,578)**	(19,563,950)
	4,594,478,989	3,619,624,058

18- PREPAYMENTS AND OTHER DEBIT BALANCES (CONT'D)

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

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

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

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

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

In return, EFG Hermes paid EGP 153,342,603 after deducting administrative expenses of EGP 7,720,384 to the group companies and setting aside EGP 8,082,135 Included in deposits with others for the credit enhancement account, and the remaining EGP 19,459,208 owed to the group companies with EFG Hermes company.

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

	For the six months ended 30 June 2026 EGP	For the six months ended 30 June 2025 EGP
Beginning balance	**(19,563,950)**	(6,283,703)
Charged during the period	**(187,628)**	(1,871,439)
Ending balance	**(19,751,578)**	(8,155,142)

19- CAPITAL

As of 24 July 2021, the Extraordinary General Assembly Meeting unanimously approved the report number 534 as of 15 June 2021 from the Economic Performance Sector of the General Authority for Investment and Free Zones reports, confirming the preliminary book and fair value assessment of the company's assets and liabilities for the purpose of splitting the company into nine companies (an original company and two resulted companies). The report concluded that net owners' equity value of Aspire Capital Holding Company for Financial Investments (S.A.E) (Previously - Pioneers Holding Company for Financial Investments) is EGP 7,039,494,200, Net shareholders' equity of Pioneers Properties for Urban Development Company (resulted company) is EGP 4,752,277,200.

The Issued and paid-up capital of EGP 4,746,623,220 divided over 1054805160 shares with a face value of EGP 4.5 per share, with authorized capital of EGP 23 billion.

The remaining treasury shares as of 30 June 2026 amounted to 29473000 shares with a value of EGP 129,273,014 (9,990,000 shares with a value of EGP 33,432,867 as of 31 December 2025).

The capital structure is as follows:

Shareholders	Percentage	No. of shares	**Value EGP**
Walid Mohamed Zaki	8.60%	90002607	405,011,732
WZ Investment and Trading	21.26%	222605322	1,001,723,950
Abdelkader Elmohedeb And Sons Company	12.00%	125658750	565,464,375
Taha Ibrahim Mostafa Mohamed Eltelbani	10.16%	106344921	478,552,145
Hesham Ali Shoukry Hafez	7.13%	74643766	335,896,947
EGYCAP Investments Ltd Company	4.16%	43611234	196,250,552
Hossam Mohammed Zaki	4.91%	51387410	231,243,345
Others shareholders	31.79%	332896150	1,498,032,675
Total	**100%**	**1047150160**	**4,712,175,720**

20- NON-CONTROLLING INTEREST

	30 June 2026	31 December 2025
	EGP	EGP
Beginning balance for the period / year	**6,283,160,755**	6,024,738,912
Adjustments on retained earnings – subsidiaries	**(425)**	(54,868)
Adjustments arising from capital increase of subsidiaries	**77,509,651**	31,801,505
Adjustments arising from changes in subsidiaries' ownership percentage	**548,684,763**	(26,086,302)
Adjustments arising from subsidiaries' treasury stocks purchase	**(5,417,761)**	(24,184,981)
Dividends distributed – subsidiaries	**(43,677,334)**	(21,628,416)
Exchange differences on translation of foreign operations	**(31,174,737)**	(13,953,743)
Non-controlling interest in consolidated statement of profit or loss	**323,012,247**	312,528,648
Ending balance for the period / year	**7,152,097,159**	6,283,160,755

21- LONG-TERM LOANS

	30 June 2026	31 December 2025
	EGP	EGP
Loans balance	**5,793,087,080**	6,393,408,393
Deduct:		
Current portion	**(1,677,354,088)**	(1,524,445,274)
Non-current portion	**4,115,732,992**	4,868,963,119

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

22- LAND CREDITORS

	30 June 2026	31 December 2025
	EGP	EGP
Liability balance	**14,405,625,402**	14,079,699,954
Deduct:		
Current portion of land creditors	**(3,567,099,445)**	(3,078,423,487)
Non-current portion of land creditors	**10,838,525,957**	11,001,276,467

23- SHAREHOLDERS' CREDIT BALANCES

	30 June 2026	31 December 2025
	EGP	EGP
Shareholders	**57,445,368**	31,605,339
	57,445,368	31,605,339

24- ADVANCES FROM CUSTOMERS

	30 June 2026	31 December 2025
	EGP	EGP
Customers – Contracting activity	**1,026,235,148**	854,536,234
Customers – Real estate investment activity	**24,216,206,189**	19,654,973,650
	25,242,441,337	20,509,509,884

25- CREDIT FACILITIES

	30 June 2026	31 December 2025
	EGP	EGP
Credit Facilities - Local Currency	**3,426,494,274**	2,366,980,910
Credit Facilities - Foreign Currency	**302,035,535**	294,473,491
	3,728,529,809	2,661,454,401

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

26- TRADE PAYABLE, CONTRACTORS, AND NOTES PAYABLE

	30 June 2026	31 December 2025
	EGP	EGP
Trade payable and contractors	**2,677,163,324**	2,489,937,541
Notes payable	**1,592,807,965**	1,610,851,324
	4,269,971,289	4,100,788,865

27- TAX AUTHORITY – CREDIT BALANCES

	30 June 2026	31 December 2025
	EGP	EGP
Tax Authority – Income tax	**301,918,557**	155,760,869
Tax Authority – Other taxes	**434,114,912**	387,050,551
	736,033,469	542,811,420

28- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 June 2026	31 December 2025
	EGP	EGP
Accrued expenses	**113,654,032**	87,757,170
Deposits from others	**1,087,833,152**	958,418,690
Social Insurance Authority	**89,813,104**	75,545,727
Contractors Social Insurance	**147,516,297**	126,400,298
Accrued maintenance expenses	**30,879,141**	15,928,939
Deferred revenue	**5,119,438**	7,451,692
Union of occupants -Maintenance deposit	**2,365,129,549**	1,874,569,097
The Egyptian Real Estate Finance Company	**89,848**	307,657
The Arabian Egyptian Real Estate Bank	**37,948,143**	50,756,999
Amlak Financing Company	**26,825,970**	36,513,992
Accrued interest	**5,103,606**	3,172,325
Other credit balances	**290,121,652**	626,447,248
	4,200,033,932	3,863,269,834

29- PROVISIONS

	1 January 2026	Charged during the period	Provisions no longer required	**30 June 2026**
	EGP	EGP	EGP	**EGP**
Provision for liabilities	15,926,101	-	(145,000)	**15,781,101**
Provision for claims	36,285,279	712,266	-	**36,997,545**
	52,211,380	712,266	(145,000)	**52,778,646**

30- INCOME TAXES

INCOME TAXE	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
	EGP	EGP
Current income tax	**242,283,808**	153,358,141
Returns on treasury bills taxes	**24,064,531**	3,284,010
Deferred income tax –revenue / Expense	**50,910,531**	(163,753)
Income tax expense	**317,258,870**	156,478,398

DEFERRED INCOME TAX	**30 June 2026**	31 December 2025
	EGP	EGP
Beginning balance - (Liability)	**(476,937,546)**	(306,594,871)
Deferred income tax for the period – (Liability)	**(50,910,531)**	(170,342,675)
Ending Balance – (Liability)	**(527,848,077)**	(476,937,546)

31- OPERATIONS REVENUE

	For the six months ended 30 June 2026 EGP	For the six months ended 30 June 2025 EGP
Contracting activity revenue	**1,792,673,454**	1,227,561,463
Real estate sales revenue	**1,874,441,990**	1,856,269,485
Investments properties rental revenue	**199,067,741**	174,563,985
Retail activity revenue	**5,523,862**	19,910,408
	3,871,707,047	3,278,305,341

32- OPERATIONS COST

	For the six months ended 30 June 2026 EGP	For the six months ended 30 June 2025 EGP
Contracting activity cost	**1,406,227,014**	973,509,568
Real estate sales cost	**762,207,637**	890,481,248
Investment properties rental cost	**46,532,439**	36,058,543
Retail activity cost	**5,200,244**	14,999,487
	2,220,167,334	1,915,048,846

33- LOSS ON SALE OF INVESTMENTS IN ASSOCIATES

	For the six months ended 30 June 2026 EGP	For the six months ended 30 June 2025 EGP
Loss on sale of investments in associates	-	(2,310,715)
	-	(2,310,715)

34- EARNINGS PER SHARE

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

	For the six months ended 30 June 2026 EGP	For the six months ended 30 June 2025 EGP
Net profit for the period attributable to the equity holders of the parent company	**514,909,343**	217,964,866
Weighted average number of outstanding shares during the period	**1,029,706,654**	1,043,975,271
Earnings per share	**0.500**	0.209

35- LEASE CONTRACTS

1- RIGHT-OF-USE ASSETS

	Buildings EGP	Vehicles EGP	Total EGP
Cost			
1 January 2026	97,638,186	6,207,586	103,845,772
Additions for the period	22,105,624	-	22,105,624
30 June 2026	119,743,810	6,207,586	125,951,396
Accumulated Amortization			
1 January 2026	(44,892,558)	(3,629,786)	(48,522,344)
Amortization for the period	(9,027,536)	(455,458)	(9,482,994)
30 June 2026	(53,920,094)	(4,085,244)	(58,005,338)
Net Book Value			
As of 30 June 2026,	**65,823,716**	**2,122,342**	**67,946,058**

35- LEASE CONTRACTS (CONT'D)

1-RIGHT-OF-USE ASSETS (CONT'D)

	Buildings EGP	Vehicles EGP	Total EGP
Cost			
1 January 2025	95,696,153	6,207,586	101,903,739
Additions for the year	1,942,033	-	1,942,033
31 December 2025	97,638,186	6,207,586	103,845,772
Accumulated Amortization			
1 January 2025	(31,788,761)	(2,718,868)	(34,507,629)
Amortization for the year	(13,103,797)	(910,918)	(14,014,715)
31 December 2025	(44,892,558)	(3,629,786)	(48,522,344)
Net Book Value			
As of 31 December 2025,	52,745,628	2,577,800	55,323,428

2- LEASE LIABILITIES

	Operating Lease Contracts EGP	Finance Lease Contracts EGP	**30 June 2026 Total EGP**
Lease liabilities balance	81,253,792	1,301,346,321	**1,382,600,113**
deduct:			
Current portion of lease liability	(23,701,778)	(244,062,424)	**(267,764,202)**
	57,552,014	1,057,283,897	**1,114,835,911**

	Operating Lease Contracts EGP	Finance Lease Contracts EGP	31 December 2025 Total EGP
Lease liabilities balance	68,028,569	1,256,161,015	1,324,189,584
deduct:			
Current portion of lease liability	(16,124,629)	(192,290,726)	(208,415,355)
	51,903,940	1,063,870,289	1,115,774,229

- The finance lease contracts are represented in the balances of Pioneers Properties for Urban Development Company – PRE Group with a value of EGP 65,463,491, Cairo for Housing and Real Estate Development Company with a value of EGP 595,167,127, and the United Company for Housing and Development with a value of EGP 366,793,677, and Mashareq For Real Estate Investment Company with a value of EGP 185,491,264 and El Saeed For Contracting And Real Estate Investment Company with a value of EGP 27,113,319 and Al Giza General For Contracting And Real Estate Investment Company with a value of EGP 61,317,443 resulting from contracts of sale and leaseback of assets that were originally owned by the companies and will regain its ownership at the end of the contract at a value of EGP 1 per contract.

36- TAX POSITION

Pioneers Properties for Urban Development Company (S.A.E.) and its subsidiaries are subject to income tax. Income tax is calculated for each company. The income tax balance shown in the consolidated statement of profit or loss represents the total income tax for the financial Period ended 30 June 2026

37- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Financial instruments of the company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade and notes receivable, due from related parties, and other receivables), the financial liabilities include (customers – credit balances, credit facilities, lease liabilities, trade payable, contractors, notes payable, loans, land creditors, due to related parties, tax liabilities, shareholders' credit balances, accrued expenses and other credit balances). Note (3) in the accompanying notes of the consolidated financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

Fair value of financial instruments

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

37-FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

Interest rate risk

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

Foreign Currency Risk

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

Credit risk

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

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

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of retained earnings, and company bank balances to match the maturity of the company liabilities when due.

Cash flows risk related to the interest rate

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

Capital Management

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

The company manages the capital structure and adjusts it in considerations to the changes in the business environment. There were no changes in the company goals, policies and operations for the six months ended 30 June 2026.

38-KEY SOURCES FOR UNCERTAIN ESTIMATES

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

Decline in trade and other receivables value

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

Income taxes

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

39- SIGNIFICANT EVENTS

- On Thursday, February 12, 2026, The Monetary Policy Committee of the Central Bank of Egypt decided at its meeting to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to 19% and 19.50% and 20%, respectively. It also decided to reduce the credit and discount rate by 100 basis points to 19.50%. This decision reflects the Committee's assessment of the latest inflation developments and expectations since its previous meeting.

- The region has witnessed escalating geopolitical tensions between the United States of America and Iran, and the resulting military and political developments may have implications for the global and regional economy. These developments could lead to potential disruptions in global supply chains, particularly with respect to increased shipping, insurance, and transportation costs, in addition to possible volatility in energy and commodity prices. These events may also exert pressure on foreign currency markets including potential volatility in the dollar exchange rate against other currencies, such as the Egyptian pound thereby affecting import costs and the prices of certain operational inputs. Company management is continuously monitoring these developments to assess any potential financial impact on the Company's operations and financial position, up to the date of the financial statements' approval.