# AL - Naeem Holding for investments

**(S.A.E – free zone)**

**Consolidated Financial Statements**

**For the year ended 31 December 2024**

**with Auditor's Report**

**AL - NAEEM Holding for Investments "S.A.E– free zone"**
**Consolidated Financial Statements for the year ended December 31, 2024**

---

| **Contents** | **Page** |
|---|---|
| Auditor's Report on Consolidated Financial Statements. | 1-2 |
| Consolidated Statement of Financial Position | 3 |
| Consolidated Income Statement | 4 |
| Consolidated Statement of Comprehensive Income | 5 |
| Consolidated Statement of Changes in Equity | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | 8-19 |
| Significant accounting policies applied | 20-35 |

bakertilly
MOHAMED HILAL & WAHID ABDEL GHAFFAR

C61, Plot# 11, 10th Sector,
Zahraa El Maadi, Cairo.

87 Ramsis Street, Cairo.
Egypt

T: +2 2310 10 31,32,33,34,35
T: +2 2574 48 10
T: +2 2577 07 85

info@bakertillyeg.com
**www.bakertillyeg.com**

*Translation of Audit report originally issued in Arabic*

# AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF NAEEM HOLDING COMPANY FOR INVESTMENTS (S,A,E – FREE ZONE)**

## Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NAEEM HOLDING COMPANY FOR INVESTMENTS (S,A,E – FREE ZONE),** represented in the consolidated balance sheet as of 31 December 2024, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

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

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

Translation of Auditor's report
originally issued in Arabic

*Opinion*

In our opinion, the consolidated financial statements referred to above, give a true and fair view, in all material respects, of the financial position **of NAEEM HOLDING COMPANY FOR INVESTMENTS (S,A,E – FREE ZONE),** as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

**Emphasis of matter**

**Without qualifying our opinion**

- Based on the minutes of the extraordinary general assembly of Bedaya Company For Real Estate Investments (subsidiary), as held on March 27, 2013, it was approved to freeze the company's activity via suspending that activity completely, as of March 31, 2013. Whereupon, the company's tax card was submitted to the taxation authorities (note no.29).
- According to the resolution issued by the board of directors of the Egyptian Financial Supervisory Authority, at the session held on July 23, 2011 Company for Real Estate Finance (subsidiary) was prevented from practicing the activity of real estate finance, pursuant to article (42) of the Real Estate Finance Law No. 148 of the year 2001, due to the company failure to complete the amount of its issued capital Note No. (29) (fully impaired).

**Cairo: 3 March 2025**

Amr Wahid

**Auditor**

**Amr Wahid Abdel Ghaffar**

**Baker Tilly Mohamed Hilal &Wahid Abdel Ghaffar.**
**Accountants and Consultants**

MOHAMED HILAL & WAHID ABDEL GHAFFAR
bakertilly
محمد هلال & وحيد عبد الغفار

Translation of Financial Statements
originally issued in Arabic

AL Naeem Holding for Investments (S.A.E– Free Zone)

Consolidated Statement of Financial Position as of December 31, 2024

(All amounts in US Dollar)

| | Note | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non - current assets** | | | |
| Fixed assets | (4) | 17 497 502 | 16 828 772 |
| Right of use assets | | 14 870 | 32 621 |
| Projects under construction | (5) | 43 337 | 2 879 797 |
| Investments at fair value through OCI | (6) | 78 930 662 | 89 888 719 |
| Long - term investments | (7) | 483 988 | 843 207 |
| Notes receivables | | 381 781 | 482 726 |
| Real Estate Investments | (9) | --- | 3 412 555 |
| Investments in associates | (8) | 3 073 974 | 3 270 995 |
| Deferred tax assets | | 17 424 | 24 389 |
| Goodwill | (11) | 54 890 059 | 54 890 059 |
| **Total non - current Assets** | | **155 333 597** | **172 553 840** |
| **Current assets** | | | |
| Cash & Cash Equivalents | (12) | 5 294 061 | 2 791 630 |
| Investments at fair value through profit or loss | (13) | 6 675 219 | 5 565 306 |
| Trade receivables | (14) | 3 920 574 | 6 420 701 |
| Work in progress | (15) | 7 833 011 | 12 966 846 |
| Debitors and other debit balances | (16) | 5 618 604 | 7 872 384 |
| Due from related parties | | 23 129 680 | 22 712 941 |
| Finished units | (17) | 3 486 257 | 2 524 240 |
| **Total current assets** | | **55 957 406** | **60 854 048** |
| **Total assets** | | **211 291 003** | **233 407 888** |
| **Owner's Equity** | | | |
| Issued and paid up capital | (18) | 245 290 246 | 245 290 246 |
| Treasury shares | | ( 55 164) | -- |
| Legal reserve | | 8 506 431 | 8 506 431 |
| General reserve | | 19 389 651 | 19 389 651 |
| General reserve - Treasury stock reserve | (19) | 5 824 305 | 5 824 305 |
| Reserve of Unrealized gain from available for sale investments | | 6 374 375 | 4 322 654 |
| Foreign Currency Translation Differences | | (58 670 155) | (45 641 723) |
| Revaluation surplus | | 4 877 136 | 5 138 335 |
| Retained losses | (20) | (77 239 479) | (67 485 848) |
| Net (losses) / Profits for The Period / Year | | 822 026 | ( 527 459) |
| **The owner's equity of the holding company** | | **155 119 372** | **174 816 592** |
| Non - controlling interest | | 38 473 989 | 35 899 474 |
| **Total The shareholders' equity and non - controlling interest** | | **193 593 361** | **210 716 066** |
| **Non - current liabilities** | | | |
| Long - Term liabilities | (21) | 944 877 | 1 630 328 |
| Deferred tax liabilities | | 130 204 | 147 222 |
| **Total non - current liabilities** | | **1 075 081** | **1 777 550** |
| **Current liabilities** | | | |
| Provisions | (22) | 26 279 | 26 279 |
| Bank facilities | (23) | 4 410 969 | 7 242 570 |
| receivables – credit balances | | 1 576 000 | 2 813 471 |
| Creditors and other credit balances | (24) | 10 609 313 | 10 831 952 |
| **Total current liabilities** | | **16 622 561** | **20 914 272** |
| **Total liabilities** | | **17 697 642** | **22 691 822** |
| **Total equity and liabilities** | | **211 291 003** | **233 407 888** |

**-The accompanying notes is an integral part of these consolidated financial statements.**

**-Auditor's report " Attached "**

| CFO | Managing Director | Chairman |
|---|---|---|
| Ahmed Mahmoud ElGammal | Youssef Medhat El Far | Hussein Shobokshy |
| احمد محمد | يوسف الفار | |

النعيم القابضة للاستثمارات
NAEEM HOLDING
(ش.م.م)

## Naeem Holding for investments (S.A.E– free zone)

**Consolidated Income Statement For the year ended 31 December 2024**

| (All amounts in US Dollar) | Note | For the year ended 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| **Revenues** | | | |
| Fees, commissions and investments managing revenues | | 3 229 621 | 3 886 473 |
| Sales and rent revenue of finished units | | 4 630 247 | 2 386 368 |
| Coupon revenue | | 335 294 | 342 733 |
| (Loss) from sale of Investments at Fair Value through profits or losses | | 5 476 | 2 104 |
| Unrealized profit / (Loss) from revaluation of investments at fair value through profit or loss | | ( 30 363) | 90 023 |
| profit / (Loss) from Sale of current assets held for sale | | 8 857 | --- |
| Credit interest | | 245 623 | 119 436 |
| Foreign currency exchange | | 2 221 297 | 1 595 407 |
| Company's share of profit/ (losses) in associated companies | | ( 197 022) | ( 299 676) |
| Unrealized gains from revaluating investments at fair value through profit or loss | | --- | 153 078 |
| Capital gain | | 48 764 | 64 724 |
| Other income | | 1 506 790 | 1 675 037 |
| **Total Revenues** | | **12 004 584** | **10 015 707** |
| **Deduct / Add** | | | |
| General and administrative expenses | | (4 147 457) | (4 851 070) |
| Impairment of the investment value at fair value through profit and loss | | ( 2 645) | ( 595 210) |
| Marketing expenses and management fees | | ( 174 188) | ( 81 291) |
| Finance lease expenses | | ( 205 789) | ( 230 332) |
| Debit interests | | (2 399 409) | (2 911 416) |
| Real estate depreciation | (9) | ( 622) | ( 1 877) |
| Right of use amortisation | | ( 5 535) | ( 8 178) |
| Fixed assets depreciation | (4) | ( 627 149) | ( 435 766) |
| Expected credit loss | | 47 434 | ( 51 265) |
| **Total expenses** | | **( 7 515 360)** | **( 9 166 405)** |
| **Net Profits for the year before taxes** | | **4 489 224** | **849 302** |
| **Deduct / Add** | | | |
| Income tax | | (1 068 690) | ( 501 914) |
| Deferred income taxes | | ( 23 993) | ( 4 531) |
| **Net Profits for the year after tax** | | **3 396 541** | **342 857** |
| **Represented in:** | | | |
| Shareholders' equity of the Holding Company | | 822 026 | ( 527 459) |
| Non- controlling interest | | 2 574 515 | 870 316 |
| | | **3 396 541** | **342 857** |

**-The accompanying notes is an integral part of these consolidated financial statements.**

| CFO | Managing Director | Chairman |
|---|---|---|
| Ahmed Mahmoud ElGammal | Youssef Medhat El Far | Hussein Shobokshy |

Translation of Financial Statements
originally issued in Arabic

**Naeem Holding for investments (S.A.E– free zone)**

**Consolidated Statement of Comprehensive Income For the year ended 31December 2024**

**(All amounts in US Dollar)**

| | For the year ended | |
|---|---|---|
| | **31/12/2024** | **31/12/2023** |
| **Net Profits for the year after tax** | **3 396 541** | **342 857** |
| Profit / (Loss) Revaluation of Investments at fair value through OCI | 2 051 721 | (1 988 432) |
| Revaluation surplus | -- | 5 138 335 |
| Consolidated translation (loss) / exchange | (13 028 432) | (5 778 472) |
| **Total comprehensive income** | **(7 580 170)** | **(2 285 712)** |

-The accompanying notes is an integral part of these consolidated financial statements.

| CFO | Managing Director | Chairman |
|---|---|---|
| Ahmed Mahmoud ElGammal | Youssef Medhat El Far | Hussein Shoboksby |

Translation of Financial Statements
originally issued in Arabic

Naeem Holding for investments (S.A.E– free zone)
Consolidated Statement of changes in equity For the year ended 31 December 2024

(All amounts in US Dollar)

| | Issued and paid up capital | Legal reserve | Genera. reserve | - General reserve Treasury stock reserve | Treasury shares | Reserve of Unrealized gain from available for sale investments | Revaluation surplus | Foreign Currency Translation Differences | Retained losses | Profit for the year | Total | Non - controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance as of 1 January 2023 | 245 290 246 | 8 506 431 | 19 389 651 | 5 824 305 | -- | 6 311 086 | -- | (39 863 251) | (56 488 271) | 597 223 | 189 567 420 | 35 029 158 | 224 5[illegible] |
| Transferred to accumulated losses | -- | -- | -- | -- | -- | -- | -- | -- | 597 223 | ( 597 223) | -- | -- | -- |
| Exeluation Adjustment and Investment In Subsidary | -- | -- | -- | -- | -- | -- | -- | -- | (11 594 800) | -- | (11 594 800) | -- | (11 59[illegible] |
| Revaluation of Investments at fair value through OCI | -- | -- | -- | -- | -- | (1 988 432) | -- | -- | -- | -- | (1 988 432) | -- | (1 98[illegible] |
| Revaluation surplus | | | | | | | 5 138 335 | -- | -- | -- | 5 138 335 | -- | 5 13[illegible] |
| Consolidated translation exchange | -- | -- | -- | -- | -- | -- | -- | (5 778 472) | -- | -- | (5 778 472) | -- | (5 77[illegible] |
| Net profit for the year | -- | -- | -- | -- | -- | -- | -- | -- | -- | ( 527 459) | ( 527 459) | 870 316 | 342 [illegible] |
| Balance as of 31 December 2023 | 245 290 246 | 8 506 431 | 19 389 651 | 5 824 305 | -- | 4 322 654 | 5 138 335 | (45 641 723) | (67 485 848) | ( 527 459) | 174 816 592 | 35 899 474 | 210 71[illegible] |
| Balance as of 1 January 2024 | 245 290 246 | 8 506 431 | 19 389 651 | 5 824 305 | -- | 4 322 654 | 5 138 335 | (45 641 723) | (67 485 848) | ( 527 459) | 174 816 592 | 35 899 474 | 210 71[illegible] |
| Transferred to Accumulated losses | -- | -- | -- | -- | -- | -- | -- | -- | ( 527 459) | 527 459 | -- | -- | -- |
| Effect of depreciation revaluation | -- | -- | -- | -- | -- | -- | ( 261 199) | -- | 261 199 | -- | -- | -- | -- |
| purchase of treasury shares | -- | -- | -- | -- | ( 55 164) | | -- | -- | -- | -- | ( 55 164) | -- | ( [illegible] |
| The effect of selling financial investments at fair value through ( | -- | -- | -- | -- | -- | -- | -- | -- | (9 487 371) | -- | (9 487 371) | -- | (9 48[illegible] |
| Revaluation of financial Investments at fair value through OCI | -- | -- | -- | -- | -- | 2 051 721 | -- | -- | -- | -- | 2 051 721 | -- | 2 05[illegible] |
| Consolidated translation exchange | -- | -- | -- | -- | -- | -- | -- | (13 028 432) | -- | -- | (13 028 432) | -- | (13 02[illegible] |
| Net profit for the Period | -- | -- | -- | -- | -- | -- | -- | -- | -- | 822 026 | 822 026 | 2 574 515 | 3 3[illegible] |
| Balance as of 31 December 2024 | 245 290 246 | 8 506 431 | 19 389 651 | 5 824 305 | ( 55 164) | 6 374 375 | 4 877 136 | (58 670 155) | (77 239 479) | 822 026 | 155 119 372 | 38 473 989 | 193 59[illegible] |

-The accompanying notes is an integral part of these consolidated financial statements.

CFO
Ahmed Mahmoud ElGammal

احمد

Managing Director
Youssef Medhat El Far

يوسف الفار

النعيم القابضة للإستثمارات (ش.م.م)
Chairman
Hussein Shoboksy
NAEEM HOLDING

**Naeem Holding for investments (S.A.E– free zone)**

**Consolidated Statement of cash flows For the year ended 31 December 2024**

**(All amounts in US Dollar)**

| | Note | For the year ended 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the year before taxes | | 4 489 224 | 849 302 |
| **Adjustments as Follow :** | | | |
| Right of use depreciation | | 5 535 | 8 178 |
| Fixed assets depreciation | (4) | 627 148 | 435 766 |
| Real estate depreciation | (9) | 622 | 1 877 |
| Capital gain | | ( 48 764) | ( 64 724) |
| Debit interest | | 2 399 409 | 2 911 416 |
| Credit interest | | ( 245 623) | ( 119 436) |
| Impairment losses on investments in subsidiaries | | 2 645 | 595 210 |
| Foreign currency exchange | | (2 221 297) | (1 595 407) |
| Investment (losses) in associatesd | | 197 022 | 299 676 |
| Unrealized profit / (losses) on revaluation of Investments at fair value through profit or loss | | 30 363 | ( 243 101) |
| Expected credit loss | | ( 47 434) | 51 265 |
| **Operting loss before change in working capital** | | **5 188 860** | **3 130 022** |
| **Change In :** | | | |
| Trade receivable | | 2 524 562 | (2 253 152) |
| Debitor and other debit balances | | 2 273 403 | 3 806 267 |
| Customers – credit balances | | (1 237 471) | 69 369 |
| Creditors and other credit balances | | ( 908 090) | (4 019 341) |
| Due from related parties | | ( 413 363) | ( 708 086) |
| Due to related parties | | 5 133 835 | (2 133 591) |
| Notes receivable | | 100 945 | 1 861 982 |
| Finished units | | ( 962 017) | 2 616 926 |
| Paid Income Tax | | ( 437 360) | ( 854 219) |
| **Net cash flows provided from operating activities** | | **11 263 294** | **1 516 177** |
| **Cash flows from investing activities** | | | |
| (Payments) to purchase fixed assets | | (1 319 660) | ( 224 214) |
| Proceeds from selling fixed assets | | 72 546 | 64 724 |
| Proceeds from saleReal Estate Investments | | 3 411 933 | -- |
| (Payments) for Projects under construction | | 2 836 460 | ( 225 111) |
| Change in Right of use assets | | 12 216 | 10 151 |
| Paid / Proceeds from selling investments at fair value through OCI | | 27 684 | 5 517 245 |
| Change in investments at fair value through profit or loss | | (1 140 276) | 359 131 |
| Change in Long-term investments | | 359 219 | ( 245 531) |
| Change in investments in associates | | 197 021 | 371 950 |
| **Net cash flows provided from investing activities** | | **4 457 143** | **5 628 345** |
| **Cash flows from financing activities** | | | |
| Paid / Proceeds from banks overdraft | | (2 831 601) | (2 232 201) |
| Paid Debit interest | | 2 574 515 | (2 911 416) |
| Adjustment on non controlling interest | | (2 399 409) | 870 316 |
| Proceeds from Credit interest | | 245 623 | 119 436 |
| Consolidated translation exchange | | (13 028 432) | (5 778 472) |
| **Net cash flows (used in) financing activities** | | **(15 439 304)** | **(9 932 337)** |
| Impact of change in exchange rates | | 2 221 297 | 1 595 407 |
| **Cash and cash equivalents during the year** | | **2 502 430** | **(1 192 408)** |
| **Cash and cash equivalents – beginning of the year** | | **2 791 630** | **3 984 038** |
| **Cash and cash equivalents - end of the year** | (12) | **5 294 060** | **2 791 630** |

**-The accompanying notes is an integral part of these consolidated financial statements.**

| CFO | Managing Director | Chairman |
|---|---|---|
| Ahmed Mahmoud ElGammal | Youssef Medhat El Far | Hussein Shobokshy |

النعيم القابضة للاستثمارات
NAEEM HOLDING
(ش.م.م)

**AL - Naeem Holding for Investments "S.A.E"**
**Notes to Consolidated Financial Statements**
**For the year ended December 31, 2024**
**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

## 1- BACKGROUND

**Naeem Holding Company for Investments "S.A.E - Free Zone"** was incorporated according to the provisions of law 8 of 1997 and its executive regulations and law 95 of 1992 and its special executive regulations related to the capital market, The Company was registered in the commercial registry under number 881-Ismailia on the14 May 2006, The Company's activities are as follows:

1. Participate, either fully or partially, in establishing companies.
2. Factoring.
3. Risk capital.
4. Finance lease.
5. Guarantee and covering public offering.
6. Margin trading and custodian function.

## 2- The Company has the following investments in subsidiaries as of December 31, 2024:

| Company | Activity | Share % |
|---|---|---|
| -NAEEM Brokerage Company. | Financial Securities Brokerage | 99.96% |
| -NAEEM Financial Investments Company. | Financial services | 99.99% |
| -NAEEM Mortgage for Real Estate. | Real estate financing | 98.4% |
| -NAEEM Capital Limited Company. | Financial Securities investments | 100% |
| -NAEEM for Real Estate Management Limited Company. | Real Estate Investment Management | 100% |
| -Smart for securities (Etihad Capital for Securities). | Financial Securities | 99.96% |
| -Naeem Masr Investment Fund Company. | Investment Fund | 100% |
| -NAEEM Real Estate Investment Fund company. | Investment Fund | 99% |
| -Mina Mac Fund Company. | Investment Fund | 99% |
| -NAEEM Real Estate Investment Fund (NAEEM for Investment Funds Company previously). | Investment Fund | 99% |
| -Gold Capital for trading Company. | Commodities Trading | 98.80% |
| -Recap for Financial investments (Recap holding previously) *. | Financial services | 48.21% |
| -NAEEM For Financial Consulting. | Financial services | 99.92% |
| -Arab Sweeteners Company. | Manufacturing | 99.98% |

**AL - Naeem Holding for Investments "S.A.E"**
**Notes to Consolidated Financial Statements**
**For the year ended December 31, 2024**
**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

* REACAP for Financial Investments owns the following ownerships in its Subsidiaries:

| Company | Activity | Share % |
|---|---|---|
| -SVREICO for Real Estate Investment Company | Real Estate Investments | 68.35% |
| -Naeem For Real Estate Investments | Real Estate Investments | 99.98% |
| -Bedaya For Real Estate Investments (Subsidiary of Naeem for Real Estate Investments) | Real Estate Investments | 99% |
| -Belady For Tourist Development and Hotels (Subsidiary of Naeem for Real Estate Investments) | Tourism Investments | 99% |
| -Smart Gardens for real estate investment | Real Estate Investments | 66% |
| -NAEEM for Consulting Services Company | Consulting services | 98% |

* On April 1, 2021 and in accordance with the agreement to sell the shares of Naeem Capital Investment Company "S.A.E" - a subsidiary owned 99.99% by of Naeem Holding for Investments, the entire company's one million shares were sold.

## 3- BASIS OF CONSOLIDATION

- The financial statements of the Holding Company and its subsidiaries are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.
- Similar accounts for assets, liabilities, revenues and expenses of Holding Company and its subsidiaries have been grouped, after excluding the following:

1. The equity of subsidiary is reduced against the cost of the investment cost of Holding Company in its subsidiary.
2. Intercompany accounts between Holding Company and subsidiaries.
   - Current accounts between group companies
   - Notes receivables / payables between group companies
3. Revenues, expenses and dividends paid between Holding Company and subsidiaries during the period.
4. Unrealized gains on the date of consolidated financial statements that resulted from transactions between Holding Company and subsidiaries which may appear in some assets at the date of consolidated financial statements,
5. Any differences between debit and credit balances through settlements, which arose as a result of operation between Holding Company and subsidiaries which recorded in the books of one of the companies and have not been recorded in the books of other Company.
   Show minority interest in a separate line item in the consolidated financial statements attributed to equity share in subsidiaries.
6. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition in separate item.

**Naeem Holding for investments (S.A.E– free zone)**
**Notes to consolidated financial statements for the year ended 31 December 2024**
**(In the notes all amounts are shown in US Dollar unless otherwise stated)**

(4) **Fixed assets**

| | *Buildings | Vehicles | Furniture and office utilities | Office equipment and tools | Total |
|---|---|---|---|---|---|
| **Cost as of 1/1/2023** | **11 296 412** | **732 316** | **5 200 761** | **1 791 778** | **19 021 267** |
| Additions during the year | 201 510 | -- | 10 558 | 12 146 | **224 214** |
| Disposals during the year | -- | ( 98 727) | -- | -- | **( 98 727)** |
| **Cost as of 31/12/2023** | **11 497 922** | **633 589** | **5 211 319** | **1 803 924** | **19 146 754** |
| Revaluation surplus | 5 138 335 | -- | -- | -- | **5 138 335** |
| **Total cost as of 31/12/2023** | **16 636 257** | **633 589** | **5 211 319** | **1 803 924** | **24 285 089** |
| Additions during the year | 1 136 806 | 125 885 | 2 127 | 54 842 | 1 319 660 |
| Disposals during the year | -- | ( 41 309) | -- | -- | ( 41 309) |
| **Cost as of 31/12/2024** | **17 773 063** | **718 165** | **5 213 446** | **1 858 766** | **25 563 440** |
| | | | | | |
| **Accumulated depreciation as of 1/1/2023** | **1 271 202** | **396 780** | **3 764 473** | **1 686 823** | **7 119 278** |
| Depreciation for the year | 254 946 | 50 374 | 96 265 | 34 181 | **435 766** |
| Depreciation of disposals for the year | -- | ( 98 727) | -- | -- | **( 98 727)** |
| **Accumulated depreciation as of 31/12/2023** | **1 526 148** | **348 427** | **3 860 738** | **1 721 004** | **7 456 317** |
| Depreciation for the year | 502 580 | 30 155 | 64 343 | 30 070 | **627 148** |
| Depreciation of disposals for the year | -- | ( 17 527) | -- | -- | **( 17 527)** |
| **Accumulated depreciation as of 31/12/2024** | **2 028 728** | **361 055** | **3 925 081** | **1 751 074** | **8 065 938** |
| **Net Book Value 31/12/2024** | **15 744 335** | **357 110** | **1 288 365** | **107 692** | **17 497 502** |
| **Net Book Value 31/12/2023** | **9 971 774** | **285 162** | **1 350 581** | **82 920** | **16 828 772** |

* Management has used the revaluation model in accordance with Egyptian Accounting Standard No. (10) Fixed Assets according to the fair value study from an independent financial advisor on March 31, 2023 .

**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

### 5. Projects Under Construction

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Projects Under Construction | 43 337 | 2 879 797 |
| | **43 337** | **2 879 797** |

### 6. Investments at Fair Value through OCI

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Quoted Shares in The Stock Market * | 45 265 708 | 56 011 304 |
| Unquoted Shares in The Stock Market | 26 044 836 | 26 257 296 |
| Nile Palm EL Naeem for Real Estate Development | 7 620 118 | 7 620 118 |
| | **78 930 662** | **89 888 719** |

*According to the studies prepared by professional financial consultants, it has been confirmed that the Egyptian Gulf Bank stocks have become in active due to low trading volumes, stock price fluctuations, and the stock price discrepancies between supply and demand.

*Quoted shares in the Egyptian stock market include 28 025 201 shares with fair value amounted to USD 33 357 397 from investment in Egyptian Gulf Bank Pledged as collateral for a letter of guarantee issued by the Arab African International Bank in favour of Naeem shares and bonds to guarantee brokerage activity and Etihad Capital Company to guarantee portfolio management activity.

### 7. Long - Term Investments

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Misr Company for Central Clearing and Depository * | 394 545 | 692 880 |
| Guarantee Settlement Fund** | 89 443 | 150 327 |
| | **483 988** | **843 207** |

*The change is due to decrease in the investment in Misr Company for central Clearing and Depository distrbutions of the capital of the company to its members every three years, and transfer ownerships of the equity between members according to par value , and redistribution when add new members.

** The determination of the contribution in settlement gurantee fund is based on average value trade by the company to the value trade of the market due to quarter before.

### 8. Investments in Associates

| | Ownership% | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| AL - Naeem Shares & Bonds | 1 | 176 942 | 177 142 |
| Etihad Capital | 30.2 | 1 406 210 | 1 603 031 |
| Smart Back | 35 | 1 490 822 | 1 490 822 |
| | | **3 073 974** | **3 270 995** |

**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

## 9. Real Estate Investments

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **Cost as of Beginning Year** | **3 727 324** | **3 727 324** |
| Disposals for the year | 3 727 324 | -- |
| **Cost as of Ending Year** | -- | 3 727 324 |
| Accumulated depreciation | (314 769) | (312 892) |
| Depreciation for the Year | (622) | (1 877) |
| Depreciation Disposals | 315 391 | -- |
| **Ending balance for the Year** | **--** | **3 412 555** |

According to the board of directors decision that had been held on 11 November 2015 which it was decided to cancel the finance lease contract with the International Company for Leasing which was contracted during 2011 related to the finance lease of building F4& B143,that resulted in acquisition of building B143 & F4 by Svreico For Real Estate Investment Company amounted to 2 946 959 EGP with the purpose of maintaining building B14 and building F4 to be offered for leasing according to one or more operating lease contract.

As a result, and according to prograph number (8) standard (34) of Egyptians accounting standards that related to investment properties, Svreico for Real Estate Investment Company recognized building F4 and B143 in the real estate investment.

Referring to the decision of the Minister of Investment No, 110 for the year 2015 to issue the accounting standards, which resulted in a change in Standard No, 34 of the Egyptian Accounting Standards for Real Estate Investment and the derecognition of the fair value method, Accordingly, they were reclassified in Accordance with transitional provisions from the fair value method to the cost method, it was taken into consideration that the useful life of the original 50 years.

## 10. Employees rewarding system

On March 30, 2020, the Extraordinary General Assembly unanimously approved the abolition of the bonus and incentive system for existing employees and managers of the company and the transfer of the balance of the remaining shares of the bonus and incentive Employees' rewarding system and managers of Al-Naeem Holding Company for Investments of 27 442 248 shares into treasury shares amounted 20 619 163 USD and the provisions of the treasury shares apply to them.

## 11. Goodwill

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **Goodwill arising from acquisition of:** | | |
| Naeem Brokerage in financial securities | 40 330 093 | 40 330 093 |
| REACAP for financial investments (Reacap holding previously) | 10 251 294 | 10 251 294 |
| Naeem for Financial Investments | 3 103 794 | 3 103 794 |
| Etihad Capital (Unifund Capital for financial investments company) | 473 327 | 473 327 |
| Smart for securities (Etihad Capital for Securities) | 731 551 | 731 551 |
| | **54 890 059** | **54 890 059** |

(In The Notes all Amounts are shown in US Dollar unless otherwise stated)

## 12. Cash and Cash Equivalent

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **US Dollars** | | |
| Cash on hand | 3 429 | 3 750 |
| Banks - Current accounts | 514 949 | 364 883 |
| Time deposit | 50 000 | 100 000 |
| | **568 378** | **468 633** |
| **Other Currencies** | | |
| Cash on hand | 17 404 | 24 284 |
| Banks - Current accounts | 4 121 662 | 1 801 040 |
| Time deposits | 587 307 | 499 458 |
| | **4 726 373** | **2 324 782** |
| **Deduct:** | | |
| Expected credit loss | (690) | (1 785) |
| | **5 294 061** | **2 791 630** |

## 13. Investments at Fair Value through Profit or Loss

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Quoted shares in the stock market | 646 005 | 579 345 |
| Unquoted shares in the stock market | 679 986 | 763 086 |
| Investment fund units | 5 349 228 | 4 222 875 |
| | **6 675 219** | **5 565 306** |

## 14. Trade Receivables

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Trade Receivables | 4 117 160 | 6 641 722 |
| **Deduct:** | | |
| Expected Credit Loss | (196 586) | (221 021) |
| | **3 920 574.** | **6 420 701** |

## 15. Work in Progress

| | 31/12/2024 | 31/12/2024 |
|---|---|---|
| Marsa Alam Land | 4 885 685 | 3 920 319 |
| First phase lands – smart village' buildings and constructions | 2 947 326 | 9 046 527 |
| | **7 833 011** | **12 966 846** |

(In The Notes all Amounts are shown in US Dollar unless otherwise stated)

## 16. Debtors and Other Debit Balances

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Prepaid expenses | 50 443 | 198 255 |
| Employees' loans and advances | 1 833 | 2 027 |
| Deposit with others | 214 415 | 251 158 |
| Tamweel For Mortgage Company * | 922 249 | 1 175 125 |
| Advances to suppliers | 226 707 | 287 520 |
| Accrued Revenue | -- | 221 034 |
| Purchasing and selling clearing | -- | 291 333 |
| Tax Authority | 57 244 | 108 709 |
| Notes receivables | 1 562 078 | 2 720 519 |
| Other debit balances | 2 588 794 | 2 641 486 |
| | **5 623 763** | **7 897 166** |
| **Deduct:** | | |
| Expected credit loss | (5 159) | (24 782) |
| | **5 618 604** | **7 872 384** |

* The company has made a sale and lease back contract for the first and third floor - building B–16 in Smart village that the company owns it with Tamweel for Mortgage.

## 17. Finished units

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| First phase Buildings – Smart village* | 3 486 257 | 2 524 240 |
| | **3 486 257** | **2 524 240** |

* This amount represents the covered costs related to the unsold portion of buildings no B109 & B16 at the first phase, as included in the balances of Sverico for Real Estate Investment Company.

## 18. Issued and paid-up capital

The Company's authorized capital amounts to USD 600 million and the initial issued and paid-up capital at the date of incorporation amounted to USD 120 million divided over 120 million shares each with a par value of USD 1.

On 18 July 2006, the board of directors approved an increase in the issued and paid-up capital from USD 120 million to USD 240 million and increase the shares from 120 million shares to 240 million shares each with a par value of USD 1 and the increase was fully subscribed in.

On 30 March 2008 the general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 3 shares with total amount of USD 80 million, On 16 July 2008 the capital increase was registered at Misr for Central Clearing, Depository and Registry Company, Accordingly, issued and paid-up capital amounted to USD 320 million divided over 320 million shares each with a par value of USD 1.

- On 11 November 2009 the board of directors decided to redeem 10 660 529 shares from treasury shares at their par value (Note 20), Accordingly the Company issued and paid-up capital amounted to USD 309 339 471.
- On 14 April 2011 extra ordinary general assembly meeting decided to redeem
- 5 017 471 shares of treasury shares with their par value (Note 20) accordingly issued and paid-up capital becomes USD 304 322 000.
- On 21 May 2012, according to the decree of the Extraordinary General Assemble Meeting, 10 432 529 shares of treasury shares have been redeemed with their par value (Note 20), accordingly issued and paid-up capital becomes USD 293 889 471.
- On 6 August 2013, according to the decree of the Extraordinary General Assemble Meeting, 10 000 000 shares of treasury shares have been redeemed with their par value (Note 20), accordingly issued and paid-up capital becomes USD 283 889 471.
- On 16 January 2014 the articles no,6 & 7 of the company's article of association has been changed and the changes were highlighted in the commercial register on that date.
- Pursuant to the decisions of the extraordinary general assembly held on 25 July 2016, which stipulated for reducing the issued and paid-up capital from USD 283 889 471 to USD 198 722 630 by way of reducing the nominal value per share from 1 USD to USD 0.70 while keeping the number of shares as it is, i.e., 283 889 471 shares. The aforesaid decisions further stipulated for transferring the reduced portion of capital, amounting to USD 85 166 841 to the company's reserves (general reserve), and for amending articles nos. (6 and 7) of the company's articles of association.
- On 22 June 2017 the ordinary general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 10 shares outstanding with total amount of USD 19 872 263. On 9 October 2017 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid-up capital amounted to USD 218 594 893 divided over 312 278 418 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 14 September 2017.
- On 15 April 2018 the ordinary general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 10 shares outstanding with total amount of USD 21 859 489. On 10 October 2018 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid-up capital amounted to USD 240 454 382 divided over 343 506 260 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 12 September 2018.
- On 28 March 2019 the ordinary general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 10 shares outstanding with total amount of USD 24 045 438. On 9 June 2019 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid-up capital amounted to USD 264 499 820 divided over 377 856 886 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 28 May 2019.
- On April 7, 2021, based on to the company's general assembly's decision, which included the approval to reduce the issued and paid-in capital from $264 499 820 to be the issued and paid-in capital $245 290 246 And that is by executing the treasury shares mentioned in the company's financial statements for the financial year ending on December 31, 2020, amounting to 27 442 248 shares with a face value for one share of 0.70 US dollars with a total value of 19 209 574 US dollars the articles no, 6 & 7 of the company's article of association has been adjusted and it was modified in the commercial register dated 13 July 2021.

## 19. General reserve -Treasury stock reserve

-According to the Company's board of directors meeting held on 25 August 2008, the Company decided to purchase 4.9% from Company's shares. The Company had purchased 11 115 493 shares during 2008 and 2009 with amount of USD 7 428 235.

-On 11 November 2009 the board of directors agreed to redeem 10 660 529 shares from treasury shares at par value, The Company completed the appropriate procedures to redeem these shares of an amount of 7 219 991 USD as at 30 March 2010 according to the decision of the extraordinary general assembly meeting held, The difference between the acquisition cost and the par value amounted to USD 3 440 538 is recognized in reserve available for distribution in equity at the balance sheet as of 31 December 2009.

-According to the decree of Company's Extraordinary General Assembly Meeting held on 14 April 2011, 5 017 471 treasury shares and their acquisition cost is amounted to 2 654 357 and their par value is amounted to USD 5 017 471 has been redeemed , and the difference between the share's par value and their acquisition cost has been charged to reserve available for distribution in the equity in the Consolidated balance sheet, as of 31 December 2011 with the addition to the amount of USD 2 363 114, so that, for the reserve available for distribution as of 31 December 2011 amounted to 5 803 652 USD.

-On 21 May 2012, according to the Extraordinary General Assembly Meeting decision, 10 432 529 shares from treasury shares have been redeemed at par value that had acquisition cost amount to USD 5 605 525 with par value amount to USD 10 432 529, The difference between the par value and acquisition cost amount to USD 4 827 004, so that the dividends available to distribution becomes USD 10 630 656 as of 31 December 2012.

-On 6 August 2013, according to the Extraordinary General Assembly Meeting decision, 10 000 000 shares from treasury shares have been redeemed at par value that had acquisition cost amount to USD 2 814 142 with par value amount to USD 10 000 000, The difference between the par value and acquisition cost amount to USD 6 671 109.

-On 13 November 2013, according to the Extraordinary General Assembly Meeting decision, 5 000 000 shares from treasury share have been purchased with the amount of USD 1 608 173 for the purpose of financing rewarding system.

-On 30 September 2020 Treasury stock reserve amounted to USD 7 233 894

(On 31 December 2019, USD 7 233 894).

-On April 7, 2021 according to the decision of the Extraordinary General Assembly of the company, a number of 27 442 248 shares were executed from treasury stock at their face value which is the cost of acquisition is 20 619 163 $and the nominal value of 19 209 574 $The difference between the face value and the cost of acquiring these shares was included in the treasury stock reserve with equity in the stand-alone statement of financial position on December 31, 2020 with 7 233 894$ bringing the total value of the treasury stock reserve 5 824 305 USD on December 31. 2023.

**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

## 20. Retained losses

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **Beginning Balance at The Year** | **(67 485 848)** | **(56 488 271)** |
| Transferred to Retained Earning | (527 459) | 597 223 |
| Effect of depreciation revaluation | 261 199 | |
| effect of selling financial investments at fair value through comprehensive income | (9 487 371) | (11 594 800) |
| **Ending Balance for The Year** | **(77 239 479)** | **(67 485 848)** |

## 21. Long -term liabilities

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Notes Payable | 224 076 | 511 755 |
| Lease Contract Liability | 720 801 | 1 118 573 |
| | **944 877** | **1 630 328** |

## 22. Provisions

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Provisions | 26 279 | 26 279 |
| | **26 279** | **26 279** |

## 23. Bank facilities

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| United Ahly Bank | 2 675 059 | 2 750 809 |
| Misr Bank | -- | 14 |
| Bank Saib | 177 026 | |
| Export Development Bank of Egypt* | -- | 9 |
| Alttijari Wafa Bank | 281 362 | 1 763 426 |
| Arab African International Bank ** | 1 277 522 | 2 728 312 |
| | **4 410 969** | **7 242 570** |

* The company obtained a bank facility amounted to EGP 35 million from export development bank of Egypt to finance margin- purchase operations

** The company obtained a secured credit from the Arab African International Bank –Egypt amounting to LE 200 million, ensuring securities and guaranteed by the shares of Recap for Financial Investments Company and Egyptian Gulf Bank, with the aim of financing a securities portfolio investment.

(In The Notes all Amounts are shown in US Dollar unless otherwise stated)

## 24. Credit and Other Creditor Balances

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Insurance for others | 189 451 | 446 640 |
| Accrued expenses | 164 530 | 383 250 |
| Central depository custody | 7 687 | 20 222 |
| Social insurance authority | 11 761 | 19 720 |
| Takful Contribution | 22 324 | 14 306 |
| Risk guarantee fund | 62 | 221 |
| Tax Authority | 1 027 667 | 729 127 |
| General authority for investment and free zones | 1 964 590 | 2 080 244 |
| Lease contract Liability | 114 508 | 316 068 |
| Nile Palm EL Naeem for Real Estate Development | 958 985 | 1 577 825 |
| Notes payable – short term | 124 590 | 261 308 |
| Purchasing and selling clearing | 507 853 | |
| Dividend creditors | 3 078 326 | 2 571 817 |
| Advanced Revenue | -- | 44 397 |
| Maintenance Creditors | 1 482 751 | 1 554 996 |
| Other credit balances | 954 228 | 811 811 |
| | **10 609 313** | **10 831 952** |

## 25. Financial Instruments and Risk Management

The Company's financial instruments are represented in financial assets and liabilities, the financial assets include cash on hand and at banks, account receivables, other debit balances and financial investments, the financial liabilities include bank overdraft, dividends payable and other credit balances.

The significant accounting policies applied for the recognizing of income and expenses are included in note (31) of the notes to the financial statements. a-The foreign currency risk other than US dollar

The foreign currency risk is the risk that the value of the financial assets and liabilities and their related cash inflows and outflows in foreign currencies other than the US Dollar will fluctuate due to changes in foreign currency exchange rates.

**a- Fair Value**

According to the followed bases in the evaluation of the financial assets and liabilities of the Company, the fair value of the financial instruments is not materially different from their fair values at the financial statements date.

**b- Credit Risk**

The company settles its banking liabilities periodically to avoid unexpected financial losses.

**c- Liquidity Risk**

The company is constantly examining financial situation of liquidity for all items of the statements as well as Taking all necessary precautionary measures to face any expected risks that may arise from the dealings of the company and lead to a problem in liquidity.

**d- Risks of Cash Flows related to Interest Rate**

Usually, future cash flows of financial instruments is prepared, in order to anticipate any changes that may occur in the future interest rate changes and this may lead to a change in the effective interest rate of the tool without any change in fair value.

## 26. Contingent Liabilities

The company warrants a letter of guarantee at the amount of AED 1 000 000 or the equivalent amount in US dollars, as issued by the Arab African International Bank to Naeem for Stocks and Bonds Company in favor of the stock exchanges in Dubai and Abu Dhabi, with the aim of guaranteeing the brokerage activity.

## 27. Goals and Methods of Capital Management

The Company aims to achieve the maximum return on its capital through capital management in accordance with its related investments activities through its operations department that has a sufficient experience to manage company's capital and to achieve the required return.

Capital finance of the group is made through shareholder's equity, and borrowings through financial institutions are very limited.

## 28. Tax Position of The Companies of Naeem Holding Group for Investments

- **Naeem Holding Company**

- **Income Tax:** The Company was established at the free zone in Ismailia, and was exempted from the income tax in accordance with the Investment Guarantees and Incentives Law No. 8 of the year 1997.

- **Salaries Tax:** Examination took place up to 31 December 2012, all taxes due were paid. The company pays all taxes obligation amounts on a regular basis. The Company's books are in inspection for the years from 2013 till 2016.

- **Stamp duty:** The company was exempted from stamp duty tax till 13 May 2011 and starting that date it is affected by the stamp tax. the company fulfills its tax obligations as per the due dates.

## 29. Going Concern

On 27 March 2013, according to the Extraordinary General Assembly Meeting decision of Bedoya for Real Estate Investment Company (Subsidiary), it was accepted to freeze the company's activities as of 31 March 2013, and the tax card has been retained by the company.

As per the decision from the board of directors of the Egyptian Financial Supervisory Authority (EFSA) session held on 23 July 2011, Naeem for Real Estate Financing (Subsidiary) has been prevented from performing its operations according to the article no, 42 of the real estate financing law no 148 of 2001 for not completing its issued capital.

## 30. SIGNIFICANT ACCOUNTING POLICIES

### 30-1 Basis of preparation

The consolidated financial statements have been prepared under the going concern assumption and on a historical cost basis, except for investment property and available for sale financial assets that have been measured at fair value.

### 30-2 Subsidiaries companies

Subsidiaries are the companies that under the control of the group, In Which the group has the ability to control their financial and operating policies to obtain benefits from its activities taking into consideration the current and probable voting rights at the date of preparation of consolidated financial statements, When measuring the extent of control, The financial statements of subsidiaries are included in the consolidated financial statements since the date of acquisition till the date losing control of Holding Company on subsidiaries.

### 30-3 Consolidation elimination transactions

When preparing consolidated financial statements all balances, transactions and unrealized gains and losses between group companies are eliminated.

### 30-4 Conformity with accounting standards

The financial statements of the Holding Company and its subsidiaries are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

### 30-5 Foreign currency translation

The Holding Company maintains its accounts in US Dollar as it operates in a free zone, Transactions denominated in foreign currencies are recorded at the prevailing exchange rate at the date of the transaction, Monetary assets and liabilities denominated in foreign currencies other than US Dollar are retranslated using the prevailing exchange rate currencies other than US Dollar at the balance sheet date, all differences are recognized in the consolidated statement of income.

For the subsidiaries that maintains its accounts with a different currencies other than used by the Holding Company (US Dollars), balances of assets and liabilities of the financial statements for these companies are translated using the exchange rates prevailing at the financial position date, equity translated on the basis of historical exchange rates, Revenues and expenses on the bases of average exchange rates during the year, Foreign exchange translation differences recorded in special reserve item "Consolidated Translation differences due to consolidation" in equity consolidated balance sheet.

### 30-6 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured,

Corresponding cost for this process and cost to complete, if available, are measured:

- Profit or loss resulted from sale of financial investments are recognized on transaction date based on the difference between the cost and selling price less selling commission and expenses,
- Dividends income is recognized when collected,
- Interest income is recognized on accrual basis,
- Brokerage commissions resulting from purchase and sale of securities for clients are recorded after implementation of buy or selling order and issuing client's invoice,
- Management fees are calculated on a monthly basis based on agreed upon contract of the total customer's investment portfolio and total market value shares of the client according to contract terms,
- Purchase with margin revenue is recognized on accrual basis and according to agreed upon interest rate,
- Custody revenues are recognized on accrual basis based on the agreed upon percentages with the customers,
- Performance revenue are calculated annually on the net profit of the investment portfolio of the client under the terms of the contract.
- **Operating Revenue from the Sale of Real Estates and Lands**

Revenue is achieved upon the delivery of units to the Company's customers and the transferring of all risks and economic benefits related to the unit.

Revenue is recognized when there is sufficient certainty that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

Revenue shall be measured at the fair value of the due or the received consideration. Any trade discounts, volume rebates, sales taxes or charges shall be deducted and revenue is measured net of these items.

- **Interest Revenue**

Interest revenue is recognized by using the effective yield method. Interest revenue is recorded in the Profit or Loss statement under the financing income.

**30-7 Property and plant**

Property and plant are stated at historical cost net of accumulated depreciation and accumulated impairment losses, Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met, Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied, All other repair and maintenance costs are recognized in consolidated statement of income 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 asset as follows:

**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

| | **Years** |
|---|---|
| Buildings | 20 |
| Furniture and office utilities | 10 – 16 |
| Office equipment and tools | 3 – 8 |
| Vehicles | 3 – 5 |

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 consolidated statement of income when the asset is derecognized.
The assets residual values, useful lives and methods of depreciation are reviewed at each financial year-end.
The Company assesses at each balance sheet 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 losses are recognized in the statement of income. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years, Such reversal is recognized in the consolidated statement of income.

The accounting policy has been changed for the subsequent measurement of fixed assets for the land and buildings item according to the revaluation model in accordance with paragraph No. (31) of Egyptian Accounting Standard No. (10) amended in 2023, provided that the item of fixed assets whose fair value can be measured in a reliable way is recorded, which is the phrase For the revaluation amount on the revaluation date of December 31, 2023, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.
The valuation was made using the market value method as determined by the Financial Supervision Authority's certified appraisers.
The company records the revaluation surplus in the statement of other comprehensive income, and the company conducts revaluation regularly when there is a difference in the book value that is of relative importance.
The cumulative effect of the revaluation surplus during the current period was recognized in this comprehensive income and the Company applied the revaluation model election for the first time on December 31, 2023.

**30-8 Investments**

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

Investments at fair value through profit or loss are financial assets classified 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 or loss are initially recognized at fair value inclusive direct attributable expenses.

Investments at fair value through profit or loss are carried in the consolidated balance sheet at fair value with gains or losses recognized in the consolidated statement of income.

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

**Available for sale investments**

Available for sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held to maturity investments or investments at fair value through profit or loss.

Available for sale investments are initially recognized at fair value inclusive directly attributable expenses.

After initial measurement, available for sale investments are measured at fair value with unrealized gains or losses recognized in the other comprehensive income until the investment is derecognized, at which time the cumulative gain or loss recorded in the other comprehensive is recognized in the consolidated statement of income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized in the statement of income,

If the fair value of an equity instrument cannot be reliably measured, the investment is carried at cost.

Equity investments: where there is evidence of impairment, the cumulative loss is removed from the other comprehensive income and recognized in the consolidated of income, Impairment losses on equity investments are not reversed through the statement of income; increases in the fair value after impairment are recognized directly in equity

**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 in the consolidated financial statements at cost inclusive acquisition cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the consolidated statement of income for each investment separately, Impairment loss shall not be reversed.

**30-26 Fair Value Measurement**

The fair value represents the price which would be received by the company in return for selling an asset or transferring a liability under an orderly transaction between market participants on the date of measurement.

Fair value measurement is based on the assumption that the asset sale or liability transfer transaction will take place in the principal market of the asset or liability or the most advantageous market for the asset or liability.

The fair value of the asset or liability is measured by means of the assumptions likely to be used by the market participants upon pricing the asset or liability, assuming that the market participants will work on achieving their economic interests.

Fair value measurement for the non-financial asset or liability takes into account the market participant's ability to generate economic benefits by making the most acceptable use of the asset or by selling the asset to another market partner capable of using the asset in its utmost capacity.

As for the current assets in an active market, the fair value is determined by referring to the declared market purchase prices.

Fair value of the interest-bearing items is estimated based on the discounted cash flows, by using the interest rates applicable to identical items having the same conditions and risk properties.

As for unlisted assets, their fair value is determined by referring to the market value of identical assets or based on the expected discounted cash flows.

The company uses valuation techniques appropriate for the surrounding circumstances, in respect of which adequate data is available for the purpose of fair value measurement. Consequently, the company maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

All assets and liabilities the fair value of which is measured or disclosed in the financial statements are classified into three main levels in terms of fair value measurement, as follows:

- First level: by using unadjusted quoted prices of identical assets or liabilities in active markets.
- Second level: by using inputs other than the quoted prices mentioned in the first level, which are observable for the asset or liability whether directly (i.e., prices) or indirectly (i.e., price-derived inputs).
- Third level: by using valuation techniques which include inputs for the asset or liability none based on observable market data.

As for the assets and liabilities frequently recognized in the financial statements, the company determines whether the three levels of fair value hierarchy were alternatively used or not, by way of revaluating the foregoing classification at the end of the reporting year.

For fair value disclosure purposes, the company has specified some categories for assets and liabilities based on their nature, properties and relevant risks, as well as their levels of classification in the fair value hierarchy indicated above.

**Initial recognition and subsequent measurement**

**Initial measurement**

The lessor shall use the interest rate implicit in the lease to measure the net investment in the lease. In the case of a sublease, if the interest rate implicit in the sublease cannot be readily determined, an intermediate lessor may use the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognized over the lease term.

The interest rate implicit in the lease is defined in such a way that the initial direct costs are included automatically in the net investment in the lease; there is no need to add them separately.

**Initial measurement of the lease payments included in the net investment in the lease:**

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

1. Fixed payments (including in-substance fixed payments less any lease incentives payable;
2. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
3. any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
4. the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and:
5. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

**Finance leases**

A lessor shall recognize lease payments from finance leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

**Initial measurement of the right-of-use asset**

**At the commencement date, a lessee shall measure the right-of-use asset at cost.**

The cost of the right-of-use asset shall comprise:

a) the amount of the initial measurement of the lease liability

b) any lease payments made at or before the commencement date, less any lease incentives received;

c) any initial direct costs incurred by the lessee; and

d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

**Subsequent measurement of the right-of-use asset**

**Cost model**

To apply a cost model, a lessee shall measure the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any re-measurement of the lease liability lessee shall apply the depreciation requirements in IAS 16 Property, Plant and equipment in depreciating the right-of-use asset,

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

**Initial measurement of the lease liability**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

**Subsequent measurement of the lease liability**

After the commencement date, a lessee shall measure the lease liability by:

1. increasing the carrying amount to reflect interest on the lease liability;
2. reducing the carrying amount to reflect the lease payments made; and
3. re-measuring the carrying amount to reflect any reassessment or lease modifications specified, or to reflect revised in-substance fixed lease payments

**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

## 31. important Events

- On 6 March 2024, the Central Bank of Egypt issued a decision to raise the rates of deposit and loan return for one night by 600 basis points to 27.25 per cent, 28.25 per cent, respectively. The credit and discount rate has also been raised by 600 points to 27.75%, allowing the use of a flexible exchange rate to be determined in accordance with market mechanisms. This led to an increase in the average official exchange rate of the United States dollar during the first week of the Central Bank decision, to 47.55 EGP/USD on 31 March 2024.
- **New Editions and Amendments to Egyptian Accounting Standards:**
  On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|---|---|---|---|
| Egyptian Accounting Standard No. (50) "Insurance Contracts". | 1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.<br><br>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".<br>Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).<br><br>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: | The management of the company will study the impact of the application of the standard over the next year from the start of the company's financial period of 1 January of each year. | Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024**, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact. |

**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|---|---|---|---|
| | - Egyptian Accounting Standard No. (10) "Fixed Assets ".<br>- Egyptian Accounting Standard No. (23) "Intangible Assets".<br>- Egyptian Accounting Standard No. (34) " Investment property ". | | |
| Egyptian Accounting Standard No. (34) amended 2023 "Investment property ". | 1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property.<br>2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows:<br>- Egyptian Accounting Standard No. (1) "Presentation of Financial Statements"<br>- Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors".<br>- Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"<br>- Egyptian Accounting Standard No. (24) "Income Taxes"<br>- Egyptian Accounting Standard No. (30) "Interim Financial Reporting "<br>- Egyptian Accounting Standard No. (31) "Impairment of Assets"<br>- Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations"<br>Egyptian Accounting Standard No. (49) "Leasing Contracts". | The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company. | The amendments of adding the option to use the fair value model are effective for financial periods starting **<u>on or after January 1, 2023,</u> retrospectively,** cumulative impact of the preliminary applying of the fair value model shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this model for the first time.** |
| Egyptian Accounting Standard No. (13) amended 2024 "Effects of | This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met | The company reflects the impact of the standard. | Amendments regarding the determination of spot exchange rate when it is difficult to |

| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|---|---|---|---|
| changes in foreign exchange rates" | for determining the spot exchange rate at the measurement date.<br><br>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability. | | exchange between two currencies is applicable to financial periods commencing on or after **January 1, 2024,** with early adaption allowed. If the entity made an early application, this has to be disclosed Entity shall not be modifying comparative information and instead should:<br>• When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application.<br>• When an entity uses presentation currency different than its functional |

**AL - Naeem Holding for Investments "S.A.E"**
**Significant Accounting Policies applied to Consolidated Financial Statements**
**For the year ended December 31, 2024**
**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|---|---|---|---|
| | | | currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application. |
| Accounting Interpretation No. (2) "Carbon Reduction Certificates" | Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon | The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company | **The application starts on or after the first of January 2025, early adaptation is allowed.** |

| New or reissued standards | Summary of the most significant amendments | Impact on the financial statements | Effective date |
|---|---|---|---|
| | Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM". | | |

On October 23, 2024, the Egyptian Council of Ministers issued a decision to add Egyptian Accounting Standard No. (51) "Financial Statements in the Economics of Hyperinflation", provided that this standard is applied to the independent and consolidated financial statements of any company or group whose currency of entry is in hyperinflationary economies, and this standard also applies to any group that has a foreign operation (including a branch, subsidiary, sister company, joint venture or other) in hyperinflation economics and requires This criterion is mainly the adjustment of financial statements prepared in the currency of an economy with hyperinflation.

| CFO | Managing Director | Chairman |
|---|---|---|
| Ahmed Mahmoud ElGammal | Youssef Medhat El Far | Hussein Ali Shobokshy |