AL - Naeem Holding for investments
(S.A.E – free zone)
Consolidated Financial Statements
For the period ended as of March 31 2025
Limited Review Report

AL - NAEEM Holding for Investments "S.A.E– free zone"
Consolidated Financial Statements for the period ended march 31, 2025

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bakertilly
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF THE BOARD OF DIRECTORS OF NAEEM HOLDING COMPANY (S.A.E – Free Zone)

Introduction

We have reviewed the accompanying consolidated financial position of **NAEEM HOLDING COMPANY (S.A.E – Free Zone)** as of 31 March 2025 and the related consolidated statements of profit or loss, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the three months ended on that date, and summary of the main accounting policies and other explanatory notes, Management is responsible for the preparation and presentation of these consolidated financial statements in accordance with the Egyptian accounting standards, our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the Egyptian Standard on review engagement no, (2410) "Review of interim financial information performed by the independent Auditor of the entity", A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures, A review is substantially less in scope than an audit conducted in accordance with Egyptian standards on auditing, Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Consequently; we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying interim consolidated financial statements are not prepared, in all material respects for the financial position of the company as of 31 March 2025, and its consolidated financial performance and cash flows for the three months ended in that date in accordance with Egyptian accounting standards.

Cairo: 14 May 2025

Auditor
Amr Wahid Abdel Ghaffar

Amr Wahid

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

Translation of Financial Statements
originally issued in Arabic

AL Naeem Holding for Investments (S.A.E– Free Zone)
Consolidated Statement of Financial Position March 31, 2025
(All amounts in US Dollar)

	Note	31/3/2025	31/12/2024
Assets			
Non - current assets			
Fixed assets	(4)	17 455 194	17 497 502
Right of use assets		13 701	14 870
Projects under construction	(5)	30 323	43 337
Investments at fair value through OCI	(6)	52 531 108	78 930 662
Long - term investments	(7)	483 374	483 988
Notes receivables		2 093 798	381 781
Investments in associates	(8)	3 485 512	3 547 301
Deferred tax assets		17 444	17 424
Goodwill	(11)	54 416 732	54 416 732
Total non - current Assets		**130 527 186**	**155 333 597**
Current assets			
Cash & Cash Equivalents	(12)	3 506 435	5 294 061
Investments at fair value through profit or loss	(13)	6 488 204	6 675 219
Trade receivables	(14)	4 691 318	3 920 574
Work in progress	(15)	9 993 813	7 833 011
Debitors and other debit balances	(16)	7 109 819	5 618 604
Due from related parties		23 388 241	23 129 680
Finished units	(17)	3 202 518	3 486 257
Total current assets		**58 380 348**	**55 957 406**
Total assets		**188 907 534**	**211 291 003**
Owner's Equity			
Issued and paid up capital	(18)	245 290 246	245 290 246
Treasury shares	(19)	(55 164)	(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		(18 203 281)	6 374 375
Foreign Currency Translation Differences		(57 144 885)	(58 670 155)
Revaluation surplus		4 812 907	4 877 136
Retained losses	(20)	(77 827 607)	(77 239 479)
Net (losses) / Profits for The Period / Year		(536 250)	822 026
The owner's equity of the holding company		**130 056 353**	**155 119 372**
Non - controlling interest		38 596 357	38 473 989
Total The shareholders' equity and non - controlling interest		**168 652 710**	**193 593 361**
Non - current liabilities			
Long - Term liabilities	(21)	820 069	944 877
Deferred tax liabilities		129 607	130 204
Total non - current liabilities		**949 676**	**1 075 081**
Current liabilities			
Provisions	(22)	26 279	26 279
Bank facilities	(23)	5 008 887	4 410 969
receivables – credit balances		1 617 362	1 576 000
Creditors and other credit balances	(24)	12 652 620	10 609 313
Total current liabilities		**19 305 148**	**16 622 561**
Total liabilities		**20 254 824**	**17 697 642**
Total equity and liabilities		**188 907 534**	**211 291 003**

-The accompanying notes is an integral part of these consolidated financial statements.
-Limited Review Report " Attached "

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

Translation of Financial Statements
originally issued in Arabic

Naeem Holding for investments (S.A.E– free zone)
Consolidated Income Statement For the period ended 31 March 2025

(All amounts in US Dollar)

	Note	For the period ended 31/3/2025	31/3/2024
Revenues			
Fees, commissions and investments managing revenues		646 869	1 222 088
Sales and rent revenue of finished units		239 245	1 166 901
Coupon revenue		3 364	964
sale of Investments at Fair Value through profits or losses		--	(165 055)
Unrealized profit / (Loss) from revaluation of investments at fair value through profit or loss		69 726	(3 633)
Credit interest		65 915	35 725
Foreign currency exchange		35 818	845 525
Company's share of profit/ (losses) in associated companies		(61 789)	15 882
Other income		346 704	328 435
Total Revenues		**1 345 852**	**3 446 832**
Deduct			
General and administrative expenses		(911 131)	(1 193 848)
Marketing expenses and management fees		(15 941)	(147 302)
Finance lease expenses		--	(53 339)
Debit interests		(563 634)	(715 726)
Real estate depreciation	(9)	--	(390)
Right of use amortisation		(1 248)	(1 734)
Fixed assets depreciation	(4)	(161 928)	(528 137)
Expected credit loss		(47 866)	(86 427)
Total expenses		**(1 701 748)**	**(2 726 903)**
Net Profits for the period before taxes		**(355 896)**	**719 929**
Deduct / Add			
Income tax		(58 966)	(225 255)
Deferred income taxes		980	(1 878)
Net(Loss)/ Profits for the period		**(413 882)**	**492 796**
Represented in:			
Shareholders' equity of the Holding Company		(536 250)	382 048
Non- controlling interest		122 368	110 748
		(413 882)	**492 796**

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

CFO
Ahmed Mahmoud
ElGammal

احمد محمود

Managing Director
Youssef Medhat El Far

يوسف الفار

Chairman
Hussein
Shobokshy

(ش.م.م)

Translation of Financial Statements
originally issued in Arabic

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

Consolidated Statement of Comprehensive Income For the period ended 31 March 2025
(All amounts in US Dollar)

	For the period ended	
	31/3/2025	**31/3/2024**
Net (Loss)/Profits for the period	**(413 882)**	**492 796**
Revaluation of Investments at fair value through OCI	(24 577 656)	937 241
Foreign Currency Translation Differences	1 525 270	(8 948 572)
Total comprehensive income	**(23 466 268)**	**(7 518 535)**

-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
احمد محمود	يوسف الفار	

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

Consolidated Statement of changes in equity For the period ended 31 March 2025

(All amounts in US Dollar)

	Issued and paid up capital	Legal reserve	General 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 / Losses for the period	Total	Non - controlling interest	Total
Balance as of 1 January 2024	245 290 246	8 506 431	19 389 651	5 824 305	--	4 322 654	(45 641 723)	5 138 335	(67 485 848)	(527 459)	174 816 592	35 029 158	209 845 750
Transferred to accumulated losses	--	--	--	--	--	--	--	--	(527 459)	527 459	--	--	--
Excluation Adjustment and Investment In Subsidary	--	--	--	--	--	--	--	--	--	--	--	--	--
Transferred to legal reserve	--	--	--	--	--	--	--	--	--	--	--	--	--
The effect of selling financial investments at fair value through OCI	--	--	--	--	--	--	--	--	1 036 828	--	1 036 828	--	1 036 828
Revaluation surplus	--	--	--	--	--	937 241	--	--	--	--	937 241	--	937 241
Revaluation of financial Investments at fair value through OCI	--	--	--	--	--	-	(8 948 572)	--	--	--	(8 948 572)	--	(8 948 572)
Change in minority rights	--	--	--	--	--	-	--	--	--	--	--	110 748	110 748
Net profit for the period	--	--	--	--	--	--	--	--	--	382 048	382 048	870 316	1 252 364
Balance as of 31 March 2024	245 290 246	8 506 431	19 389 651	5 824 305	--	5 259 895	(54 590 295)	5 138 335	(66 976 479)	382 048	168 224 137	36 010 222	204 234 359
Balance as of 1 January 2025	245 290 246	8 506 431	19 389 651	5 824 305	(55 164)	6 374 375	(58 670 155)	4 877 136	(77 239 479)	822 026	155 119 372	38 473 989	193 593 361
Transferred to Accumulated losses	--	--	--	--	--	--	--	--	822 026	(822 026)	--	--	--
Effect of depreciation revaluation	--	--	--	--	--	--	--	--	--	--	--	--	--
Revaluation surplus	--	--	--	--	--	--	--	(64 229)	64 229	--	--	--	--
purchase of treasury shares	--	--	--	--	--	--	--	--	(1 474 383)	--	(1 474 383)	--	(1 474 383)
The effect of selling financial investments at fair value through OCI	--	--	--	--	--	--	--	--	--	--	--	--	--
Revaluation of financial Investments at fair value through OCI	--	--	--	--	--	(24 577 656)	--	--	--	--	(24 577 656)	--	(24 577 656)
Consolidated translation exchange	--	--	--	--	--	--	1 525 270	--	--	--	1 525 270	--	1 525 270
Net losses for the Period	--	--	--	--	--	--	--	--	--	(536 250)	(536 250)	122 368	(413 882)
Balance as of 31 March 2025	245 290 246	8 506 431	19 389 651	5 824 305	(55 164)	(18 203 281)	(57 144 885)	4 812 907	(77 827 607)	(536 250)	130 056 353	38 596 357	168 652 710

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

CFO
Ahmed Mahmoud ElGammal

احمد محمود

Managing Director
Youssef Medhat El Far

يوسف الفار

Chairman
Hussein Shoboksh

Naeem Holding for investments (S.A.E– free zone)
Consolidated Statement of cash flows For the period ended 31 March 2025
(All amounts in US Dollar)

	Note	For The Period Ended 31/3/2025	31/3/2024
Cash flows from operating activities			
Profit for the period before taxes		(355 896)	719 929
Adjustments as Follow :			
Right of use depreciation		1 248	1 734
Fixed assets depreciation	(4)	161 928	528 137
Real estate depreciation	(9)	--	390
Debit interest		563 634	715 726
Credit interest		(65 915)	(35 725)
Foreign currency exchange		(35 818)	(845 525)
Investment (losses) in associatesd		61 789	(15 882)
Unrealized profit / (losses) on revaluation of Investments at fair value through profit or loss		(69 726)	3 633
Expected credit loss		47 866	86 427
Operting loss before change in working capital		**309 110**	**1 158 844**
Change In :			
Trade receivable		(818 610)	2 632 947
Debitor and other debit balances		(1 491 215)	(1 948 292)
Customers – credit balances		41 362	214 364
Creditors and other credit balances		1 918 499	244 419
Due from related parties		(258 561)	(218 677)
Work in progress		(2 160 802)	3 005 421
Notes receivable		(1 712 017)	(869 565)
Finished units		283 739	1 209 940
Net cash flows (used in) / provided from operating activities		**(3 888 495)**	**5 429 401**
Cash flows from investing activities			
(Payments) to purchase fixed assets		(119 620)	(188 104)
change in Projects under construction		13 015	(31 773)
Change in Right of use assets		(79)	10 870
Paid / Proceeds from selling investments at fair value through OCI		229 107	5 086 651
Change in investments at fair value through profit or loss		132 389	692 307
Change in Long-term investments		614	296 857
Change in investments in associates		61 789	(15 882)
Net cash flows provided from investing activities		**317 215**	**5 850 926**
Cash flows from financing activities			
Paid / Proceeds from banks overdraft		597 918	(1 560 417)
Paid Debit interest		(563 634)	(715 726)
Adjustment on non controlling interest		122 368	110 748
Proceeds from Credit interest		65 915	35 725
Consolidated translation exchange		1 525 270	(8 948 572)
Net cash flows provided from / (used in) financing activities		**1 747 837**	**(11 078 242)**
Impact of change in exchange rates		35 818	845 525
Cash and cash equivalents during the period		**(1 787 625)**	**1 047 610**
Cash and cash equivalents – beginning of the period		**5 294 060**	**2 791 630**
Cash and cash equivalents - end of the period	(12)	**3 506 435**	**3 839 240**

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

CFO
Ahmed Mahmoud ElGammal

Managing Director
Youssef Medhat El Far

Chairman
Hussein Shobokshy

(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 march 31, 2025:

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	47.61%
-NAEEM For Financial Consulting.	Financial services	99.92%
-Arab Sweeteners Company.	Manufacturing	99.98%

* 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.

(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 1/1/2024	**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**
Additions during the period	--	58 719	13 465	47 436	119 620
Cost as of 31/3/2025	**17 773 063**	**776 884**	**5 226 911**	**1 906 202**	**25 683 060**
Accumulated depreciation as of 1/1/2024	**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**
Depreciation for the period	128 358	8 371	12 299	12 900	**161 928**
Accumulated depreciation as of 31/3/2025	**2 157 086**	**369 426**	**3 937 380**	**1 763 974**	**8 227 866**
Net Book Value 31/3/2025	**15 615 977**	**407 458**	**1 289 531**	**142 228**	**17 455 194**
Net Book Value 31/12/2024	**15 744 335**	**357 110**	**1 288 365**	**107 692**	**17 497 502**

* 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

	31/3/2025	31/12/2024
Projects Under Construction	30 324	43 337
	30 324	**43 337**

6. Investments at Fair Value through OCI

	31/3/2025	31/12/2024
Quoted Shares in The Stock Market *	18 864 278	45 265 708
Unquoted Shares in The Stock Market	26 046 712	26 044 836
Nile Palm EL Naeem for Real Estate Development	7 620 118	7 620 118
	52 531 108	**78 930 662**

*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

	31/3/2025	31/12/2024
Misr Company for Central Clearing and Depository *	396 574	394 545
Guarantee Settlement Fund**	86 800	89 443
	483 374	**483 988**

*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%	31/3/2025	31/12/2024
AL - Naeem Shares & Bonds	1	176 887	176 942
Etihad Capital	30.2	1 817 803	1 879 537
Smart Back	35	1 490 822	1 490 822
		3 485 512	**3 547 301**

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

9. Real Estate Investments

	31/3/2025	31/12/2024
Beginning of the Period/ year Cost	-	**3 727 324**
Disposals for the period / year	-	(3 727 324)
Cost as of the period \ year	-	--
Accumulated depreciation	-	**(314 769)**
Depreciation for the period \ Year	-	(622)
Depreciation Disposals	-	315 391
Ending balance	-	--

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

	31/3/2025	31/12/2024
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
Smart for securities (Etihad Capital for Securities)	731 551	731 551
	54 416 732	**54 416 732**

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

12. Cash and Cash Equivalent

	31/3/2025	31/12/2024
US Dollars		
Cash on hand	4 553	3 429
Banks - Current accounts	556 134	514 949
Time deposit	50 069	50 000
	610 756	**568 378**
Other Currencies		
Cash on hand	30 361	17 404
Banks - Current accounts	2 278 963	4 121 662
Time deposits	590 325	587 307
	2 899 649	**4 726 373**
Deduct:		
Expected credit loss	(3 970)	(690)
	3 506 435	**5 294 061**

13. Investments at Fair Value through Profit or Loss

	31/3/2025	31/12/2024
Quoted shares in the stock market	469 173	646 005
Unquoted shares in the stock market	830 258	679 986
Investment fund units	5 188 773	5 349 228
	6 488 204	**6 675 219**

14. Trade Receivables

	31/3/2025	31/12/2024
Trade Receivables	**4 889 055**	4 117 160
Deduct:		
Expected Credit Loss	(197 737)	(196 586)
	4 691 318	**3 920 574**

15. Work in Progress

	31/3/2025	31/12/2024
Marsa Alam Land	6 104 208	4 885 685
First phase lands – smart village' buildings and constructions	3 889 604	2 947 326
	9 993 812	**7 833 011**

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

16. Debtors and Other Debit Balances

	31/3/2025	31/12/2024
Prepaid expenses	61 511	50 443
Employees' loans and advances	2 113	1 833
Deposit with others	276 494	214 415
Tamweel For Mortgage Company *	830 026	922 249
Advances to suppliers	912 085	226 707
Purchasing and selling clearing	143 165	--
Tax Authority	74 053	57 244
Notes receivables	2 212 009	1 562 078
Other debit balances	2 603 345	2 588 794
	7 114 801	**5 623 763**
Deduct:		
Expected credit loss	(4 982)	(1 159)
	7 109 819	**5 618 604**

* 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

	31/3/2025	31/12/2024
First phase Buildings – Smart village*	3 202 518	3 486 257
	3 202 518	**3 486 257**

* 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 19), 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 19), 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 19), 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

	31/3/2025	31/12/2024
Beginning Balance	**(77 239 479)**	**(67 485 848)**
Transferred to Retained Earning	822 026	(527 459)
Effect of depreciation revaluation	64 229	261 199
effect of selling financial investments at fair value through comprehensive income	(1 474 383)	(9 487 371)
Ending Balance	**(77 827 607)**	**(77 239 479)**

21. Long -term liabilities

	31/3/2025	31/12/2024
Notes Payable	156 319	224 076
Lease Contract Liability	663 750	720 801
	820 069	**944 877**

22. Provisions

	31/3/2025	31/12/2024
Provisions	26 279	26 279
	26 279	**26 279**

23. Bank facilities

	31/3/2025	31/12/2024
United bank	488 335	--
United Ahly Bank	2 985 370	2 675 059
Misr Bank	--	177 026
Alttijari Wafa Bank	316 929	281 362
Arab African International Bank **	1 218 253	1 277 522
	5 008 887	**4 410 969**

** 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

	31/3/2025	31/12/2024
Insurance for others	301 017	189 451
Accrued expenses	188 226	164 530
Central depository custody	8 518	7 687
Social insurance authority	16 169	11 761
Takful Contribution	3 486	22 324
Risk guarantee fund	119	62
Tax Authority	1 116 344	1 027 667
General authority for investment and free zones	--	1 964 590
Nile Palm EL Naeem for Real Estate Development	963 915	114 508
Notes payable – short term	997 854	958 985
Lease contract liability	61 930	124 590
Purchasing and selling clearing	--	507 853
Advanced Revenue	5 812 296	3 078 326
Maintenance Creditors	1 673 038	1 482 751
Other credit balances	1 509 708	954 228
	12 652 620	**10 609 313**

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 (30) 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.

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

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:

	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.

30-9 Non-Current assets held for sale

Non-Current assets held for sale is the non-current assets that is expected to recover its book value basically from sale agreement not from the use of those assets those assets are measured by the lower of the book value or the fair value after deducting the sales cost.

Non-Current assets held for sale in case of impairment, the carrying amount to be adjusted by the value of this impairment and are charged to the consolidated of income Impairment losses to be reversed in the period when occurred, and to the extent to the amount of book value that previously reduced unless the impairment loss was recognized in the previous years.

30-10 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, and a reliable estimate of the amount of the obligation can be made, 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, Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

30-11 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital, the reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

30-12 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 year 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 it carrying amount in the balance sheet (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 income for the year.

30-13 Expenses

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

30-14 Treasury shares

Treasury shares are recognized at cost and deducted from equity at the consolidated sheet, taking into consideration for the company not to hold these stocks less than three months but not to exceed one year holding year, The company is authorized to sell the stocks during the year in case that their fair value exceeds their cost after general authority for financial supervisory approval, The company's board of directors should disclose in the extraordinary general assembly meeting the reasons for the company holding these stocks for more than six months to agree on the action to be taken towards them.

30-15 Employees rewarding system

Securities held for employees rewarding system are measured by reference to the fair value (market price) at the date of establishing the system and allocation and are revaluated to the fair value (market price) at each reporting date, together with a corresponding revaluation differences in equity at the balance sheet.

30-16 Related party transactions

Related parties represent associate companies, major shareholders, 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 boards of directors.

30-17 Accounting estimates

The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years, Actual results could differ from these estimates.

30-18 Impairment

Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired, A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non-financial assets

The Company assesses at each consolidated balance sheet date whether there is an indication that an asset may be impaired, Where the carrying amount of an asset or cash-generating units (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment losses are recognized in the consolidated statement of income.

A previously recognized impairment loss is only reversed 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.

30-19 Statement of cash flows

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

30-20 Cash and cash equivalent

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months.

30-21 Projects under construction

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

30-22 Work in progress

Properties acquired, constructed or in the course of construction for future sale are classified as work in process at their cost.

Work in process is subsequently carried at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to complete development and selling activities.

30-23 Long term Investments

Long term investments are represented in the company's share in Misr for Central Clearing Depository Registry (MCDR), the long-term investments should be recorded at the acquisition cost less any permanent impairment in its value for each investment separately.

30-24 Finished Units

Revenue from finished units is recorded at fair value for the amount received or due by the net after deducting any commercial discounts, quantities, sales tax or any other fees.

30-25 Real estate investment

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or

for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. The investments property are measured after initial recognition at fair value and the gains or losses arising from change in fair value are recognized in the statement of income.

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.

30-27 Lease contract

This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

An entity shall determine the lease term as the non-cancellable period of a lease, together with both:

A. periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

B. periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lessor

Whether a lease is a finance lease or a finance lease depends on the substance of the transaction rather than the form of the contract. Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

1. the lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
2. the lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised;
3. the lease term is for the major part of the economic life of the underlying asset even if title is not transferred;
4. at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; and
5. the underlying asset is of such a specialized nature that only the lessee can use it without major modifications.

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.

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

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

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.

- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided on April 17, 2025, to reduce the overnight deposit and lending rates, and the rate of the central bank's main operation, by 225 basis points to 25%, 26%, and 25.50%, respectively. The credit and discount rates were also raised by 225 basis points to 25.50%.

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