

B O N Y A N
DEVELOPMENT AND TRADE

BONYAN FOR DEVELOPMENT AND TRADING (S.A.E.)

**AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024**

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Auditor's report

To the shareholders of Bonyan for Development and Trading Company (S.A.E.)

Report on the financial statements

We have audited the accompanying financial statements of Bonyan for Development and Trading (S.A.E.) (the "Company") which comprise the statement of financial position as of 31 December 2024 and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the financial statements

These financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing 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. Management 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 in light of the prevailing 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 judgement, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies and the accounting estimates made by management, as well as 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.



Auditor's report (continued)
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bonyan for Development and Trading (S.A.E.) as of 31 December 2024, and its financial performance and its cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Report on other legal and regulatory requirements

The Company maintains proper financial records, which includes all that is required by the law and the Company's statutes, and the accompanying financial statements are in agreement therewith.

The financial information included in the Board of Directors' report that is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with the Company's accounting records, within the limits that such information recorded therein.




Wael Sakr
R.A.A 26144
F.R.A. 381

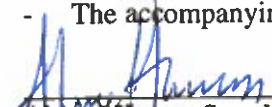
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Cairo

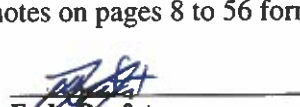
Statement of financial position - At 31 December 2024

(All amounts are shown in Egyptian pounds)

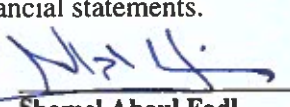
	Note	31 December 2024	31 December 2023
Non-current assets			
Fixed assets	5	50,023,690	44,820,381
Investment properties	6	12,731,820,807	9,422,874,129
Prepayments to purchase investment properties	7	215,360,208	71,786,736
Loan receivables on sale - non-current portion	9.a	264,084,920	291,441,283
Total non-current assets		13,261,289,625	9,830,922,529
Current assets			
Units available for sale	8	40,537,870	76,470,536
Loan receivables on sale - current portion	9.a	246,865,426	258,044,946
Trade receivables, other receivables and prepayments	9.b	148,457,247	81,574,977
Financial assets at fair value through profit or loss	10	33,375,161	-
Due from related parties	11.a	-	6,290,005
Investments in treasury bills	12	-	46,551,393
Cash and cash equivalents	13	151,228,513	87,211,135
Total current assets		620,464,217	556,142,992
Total assets		13,881,753,842	10,387,065,521
Equity			
Paid-up capital	14	1,654,000,000	1,238,000,000
Legal reserve	15	444,449,003	310,982,970
Retained earnings		7,921,643,827	5,385,789,210
Total equity		10,020,092,830	6,934,772,180
Non-current liabilities			
Loans - non-current portion	16	912,910,456	1,361,308,412
Trade and other payable – non-current portion	17	60,460,030	944,000
Deferred income tax liabilities	28.b	2,427,181,642	1,673,879,320
Total non-current liabilities		3,400,552,128	3,036,131,732
Current liabilities			
Provisions	18	1,139,247	1,139,247
Loans - current portion	16	153,948,985	169,463,224
Trade and other payable - current portion	17	145,543,191	92,205,316
Deposit related to maintenance fees and refundable insurance for others	19	154,492,459	108,069,534
Current income tax liabilities	28.a	5,985,002	45,284,288
Total current liabilities		461,108,884	416,161,609
Total liabilities		3,861,661,012	3,452,293,341
Total equity and liabilities		13,881,753,842	10,387,065,521

- The accompanying notes on pages 8 to 56 form an integral part of these financial statements.


Ahmed Hassan Sayed
Financial Director


Eady Raafat
CEO for financial affairs


Tarek Adel Rahman
CEO


Shamel Aboul Fadl
Executive Chairman &
managing director

11 March 2025

- Auditor's report attached.

Statement of profit or loss - For the financial year ended 31 December 2024

(All amounts are shown in Egyptian pounds)

	Note	31 December 2024	31 December 2023
Rental income	6.a	499,302,432	339,181,419
Revenue from units sold		235,972,919	478,240,792
Maintenance income	6.a	80,299,981	50,940,402
Interest income on financing for units sold		34,998,310	12,015,155
Other revenues	20	46,185,550	32,504,160
Total revenues		896,759,192	912,881,928
Operating costs related to rental and maintenance income	22	(138,753,010)	(104,755,468)
Cost of units sold	8	(35,932,666)	(102,246,931)
Total cost of revenues		(174,685,676)	(207,002,399)
Gross profit		722,073,516	705,879,529
Net gain from fair value adjustment on investment in properties	6.a	3,173,248,877	3,390,398,634
General and administrative expenses	23	(71,323,451)	(64,420,905)
Selling and marketing expenses	24	(35,733,877)	(40,081,031)
Net reversal of impairment of financial assets	25	3,228,859	4,642,135
Gain from Change in fair value of financial assets at fair value through Profit & Loss	10	7,302,641	-
Gain from sale of investments		-	23,779,666
Operating profits		3,798,796,565	4,020,198,028
Finance income	26	32,260,078	29,858,872
Finance costs	27	(400,939,263)	(270,030,059)
Profits for the year before income taxes		3,430,117,380	3,780,026,841
Current income tax expense	28.c	(7,494,408)	(58,391,531)
Deferred income tax expense	28.c	(753,302,322)	(772,798,041)
Net profit for the year		2,669,320,650	2,948,837,269
Basic and diluted earnings per share (EGP/share)	29	1.98	2.38

- The accompanying notes on pages 8 to 56 form an integral part of these financial statements.

Statement of comprehensive income - For the financial year ended 31 December 2024

(All amounts are shown in Egyptian pounds)

	31 December 2024	31 December 2023
Net profit for the year	2,669,320,650	2,948,837,269
Other comprehensive income	-	-
Total comprehensive income for the year	2,669,320,650	2,948,837,269

- The accompanying notes on pages 8 to 56 form an integral part of these financial statements.

Statement of changes in equity - For the financial year ended 31 December 2024

(All amounts are shown in Egyptian pounds)

	Note	Paid-up Capital	Legal Reserve	Retained Earnings	Total
Balance at 1 January 2023		1,238,000,000	163,541,107	2,584,393,804	3,985,934,911
Total comprehensive income for the year		-	-	2,948,837,269	2,948,837,269
Transferred to legal reserve		-	147,441,863	(147,441,863)	-
Balance at 31 December 2023		1,238,000,000	310,982,970	5,385,789,210	6,934,772,180
Balance at 1 January 2024		1,238,000,000	310,982,970	5,385,789,210	6,934,772,180
Capital increase	14	416,000,000	-	-	416,000,000
Total comprehensive income for the year		-	-	2,669,320,650	2,669,320,650
Transferred to legal reserve		-	133,466,033	(133,466,033)	-
Balance at 31 December 2024		1,654,000,000	444,449,003	7,921,643,827	10,020,092,830

- The accompanying notes on pages 8 to 56 form an integral part of these financial statements.

Statement of cash flows - For the financial year ended 31 December 2024

(All amounts are shown in Egyptian pounds)

	Note	31 December 2024	31 December 2023
Cash flows from operating activities			
Net profit for the year before tax		3,430,117,380	3,780,026,841
Adjustments for:			
Depreciation of fixed assets	21	4,838,787	3,562,496
Net gain from fair value adjustment on investment in properties	6.a	(3,173,248,877)	(3,390,398,634)
Interests on loans	27	400,939,263	268,977,949
Credit interest	26	(18,426,308)	(9,002,184)
Treasury bills interests	26	(8,061,434)	(1,950,396)
Gain from securities selling		-	(23,779,666)
Net reversal of impairment of financial assets	25	(4,142,678)	(5,083,857)
Gain from fair value Change of financial assets through profit or loss	10	(7,302,641)	-
Operating profits before change in working capital		624,713,492	622,352,549
Change in working capital			
Units available for sale		35,932,666	102,246,931
Loan receivables on sale		38,935,849	(220,889,829)
Trade receivables, other receivables and prepayments		(65,692,600)	(7,649,302)
Deposit related to maintenance fees		46,422,925	89,616,770
Trade and other payables		15,278,414	(38,017,147)
Due from related parties		7,112,778	(5,970,884)
Cash flows generated from operating activities		702,703,524	541,689,088
Income tax paid	28.a	(45,284,288)	-
Net cash flows generated from operating activities		657,419,236	541,689,088
Cash flows from investing activities			
Payments to purchase of fixed assets	5	(10,042,096)	(25,125,497)
Prepayments to purchase investment properties	7	(143,573,472)	(71,786,735)
Payments to purchase investment properties and project in progress	6	(53,226,310)	(75,256,982)
Refund of capitalized expenses to the investment properties	6.a	15,104,000	-
Payments for assets purchase payable		-	(420,769,745)
Payments for purchase of treasury bills	12	-	(44,821,860)
Payments for purchase of financial assets through P&L	10	(26,072,520)	-
Payments to acquire securities and treasury bills	12	(19,991,713)	(29,193,035)
Proceeds from selling securities and treasury bills	12	74,825,403	52,972,701
Credit interest collected	26	18,426,308	9,002,184
Net cash flows used in investing activities		(144,550,400)	(604,978,969)
Cash flows from financing activities			
Paid up capital	14	416,000,000	-
Proceeds from loans	30	-	420,769,745
Repayment of loans	30	(459,395,441)	(137,364,949)
Payment of loan interest	30	(405,456,017)	(259,378,234)
Net cash flows (used in)/ generated from financing activities		(448,851,458)	24,026,562
Net change in cash and cash equivalents		64,017,378	(39,263,319)
Cash and cash equivalents at the beginning of the year	13	87,211,135	126,474,454
Cash and cash equivalents at end of the year	13	151,228,513	87,211,135
Non-cash transactions:			
Transferred from projects in progress to investment properties	6.a	12,563,527	38,987,235
Outstanding checks related to real estate investment additions		97,575,490	-
Income tax settlement against withholding tax receivable	9.b	1,509,406	13,107,243

- The accompanying notes on pages 8 to 56 form an integral part of these financial statements.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

1. General information

Bonyan for Development and Trading (S.A.E.) was incorporated in accordance with the provisions of Law 159 of 1981 and its executive regulations. It was registered in the Commercial Register under No. 25359 on 21 September 2007, and the Company's term is 25 years.

The Company's head office is located in F-03 unit Palm Central Services building, Eastern Expansion, 6th of October City, Giza, Egypt.

The Company was established for the purpose of purchasing lands and properties for the purpose of investing and developing them through the establishment and construction of specialized commercial centres thereon and practising all complementary activities related to the activities and purposes of these centres, management of commercial centres, whether owned by the Company or third party, selling, leasing and granting rights of use for the commercial areas and units prepared for the practice of various activities in the commercial centres owned by the Company.

The main shareholder of Bonyan Company is Sky Realty Holding Limited with a shareholding of 99.99% incorporated in accordance with the laws of Dubai International Financial Centre (DIFC). The ultimate parent company and the ultimate controlling party is Compass Investment Holding Ltd with an effective share of 37.02%, also incorporated in accordance with the laws of Dubai International Financial Centre (DIFC).

The financial statements have been approved for issuance by the Board of Directors on 11 March 2025 taking into consideration that the General Assembly of Shareholders has the authority to amend the financial statements after being issued.

2. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are summarised below. They were applied consistently over the presented financial years unless otherwise stated.

2.1 Basis of preparation of the financial statements**A) Basis of preparation**

These financial statements have been prepared in accordance with Egyptian Accounting Standards (EAS) and the relevant laws, and on the basis of the historical cost convention, except for investment properties measured at fair value.

The Company presents its assets and liabilities in the statement of financial position based on the current / non-current classification. The asset is classified as current when it is:

- * Expected to be realised or intended to be sold or used in normal operating course of business;
- * Held primarily for trading.
- * Expected to be realised within twelve months after the reporting date; or
- * Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)
2.1 Basis of preparation of the financial statements (continued)
A) Basis of preparation (continued)

The liability is classified as current when it is:

- * Expected to be settled in the normal operating course of business.
- * Held primarily for trading.
- * Required to be settled within twelve months after the reporting date; or
- * There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The preparation of the financial statements in accordance with EASs requires the use of significant accounting estimates and assumptions. It also requires the Company's management to exercise its judgements in the process of applying the Company's accounting policies. Note (4) describes the significant accounting estimates and assumptions of these financial statements, as well as significant judgements used by the Company's management when applying the Company's accounting policies.

EASs require the reference to the International Financial Reporting Standard (IFRS) when there are no EASs, or legal requirements that explain the treatment of specific balances and transactions.

B) The new accounting standards and amendments

- A) On 3 March 2024, The Prime Minister issued Resolution No. 636 of 2024, amending some provisions of the Egyptian Accounting Standards, which include some new accounting standards and amendments to some existing standards. Accordingly, these amendments to accounting standards were published in the Official Gazette on 3 March 2024. The most significant amendments are summarized as follows, which will be implemented for financial years beginning on or after 1 January 2024.

Accounting standard	Amendment summary	Application date and impact
Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"	"Scope of the standard" The scope of the standard has been amended to include "determining the spot exchange rate when exchangeability between two currencies is lacking." "Measurement" - A currency that is difficult to exchange with another currency at the measurement date may later become exchangeable with that other currency, and the entity may conclude that the first subsequent exchange rate meets the conditions mentioned in paragraph 19A, and when the price does so, the entity may use this price as the estimated spot exchange rate. When there is difficulty in exchanging a currency for another currency on the measurement date, the entity	The company must apply these amendments from the beginning of annual reporting years beginning on or after 1 January 2024. Early application is permitted, and if the Company performed an early application, this shall be disclosed. The Company has assessed that there is no impact as

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

Accounting standard	Amendment summary	Application date and impact
	<p>must estimate the spot exchange rate on that date, and the estimated spot exchange rate must meet the estimated conditions on the measurement date.</p> <p>-When estimating the spot exchange rate as required under paragraph (19A), an entity shall use an observed exchange rate as the estimated spot exchange rate when that observed exchange rate meets the conditions provided in paragraph (19A).</p> <p>“Disclosures” Some new disclosures have been added to the spot exchange rate.</p>	<p>there is no lack of exchangeability in the Company’s activities related to foreign currencies.</p>
<p>Egyptian Accounting Standard No. (17) “The Separate financial statements</p>	<p>“Scope of the standard” The scope of the standard has been amended to include “the use of the equity method in accounting for investments in subsidiaries, associates and joint companies.”</p> <p>“Measurement” - when an entity prepares separate financial statements, it must account for investments in subsidiaries, in entities under common control, and in sister companies: 1- At cost 2- According to Egyptian Accounting Standard No. (47) Financial Instruments 3- Using the equity method as described in Egyptian Accounting Standard No. (18) Investments in Associated Companies.</p> <p>The entity must apply the same accounting treatment to each category of investments. If the entity classifies investments recorded at cost or uses ownership rights as assets held for the purpose of sale or distribution (or within a group of assets being disposed of and held for sale) in accordance with Egyptian Accounting Standard No. (32), non-current assets held for the purpose of sale and discontinued operations. The facility must account for that investment from the date of that classification in accordance with Egyptian Accounting Standard No. (32). As for investments that are accounted for in accordance with Egyptian Accounting Standard No. (47), their measurement will not change in such cases.</p> <p>“Disclosures” Some new disclosures have been added.</p>	<p>The entity must apply these amendments from the beginning of annual reporting years beginning on or after 1 January 2024. Early application is permitted, and if the entity performed an early application, this shall be disclosed.</p> <p>The Company has assessed that there is no impact as the Company has no investment in subsidiaries.</p>

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

Accounting standard	Amendment summary	Application date and impact
Egyptian Accounting Standard No. (34) "Investment in properties"	"Scope of the standard" The scope of the standard has been amended to include: "An entity must choose either the fair value model or the cost model as its accounting policy and must apply that policy to all of its investment in properties. "Measurement" - "Fair Value Model" After initial recognition, the entity must measure all its investment in properties at fair value - the gain or loss arising from the change in fair value must be included in the profit or loss for the year in which this change arises or through other comprehensive income for one time in the life of the asset. Or investment - in the event that the book value of investment in properties increases as a result of evaluating it at fair value, and the increase is recorded in other comprehensive income and collected within equity under the title of investment in properties evaluation surplus at fair value. However, the increase must be proven from profit and loss to the extent that it reflects a decrease. In evaluating the same investment, it was previously recognized in profit and loss. "Disclosures" Some new disclosures have been added.	The entity must apply these amendments from the beginning of annual reporting years beginning on or after 1 January 2024. Early application is permitted, and if the entity performed an early application, this shall be disclosed. The Company applied an early adoption for these amendments in the financial statements for year ended 31 December 2023.

- B) The Prime Minister issued Decision No. (3527) and (3528) of 2024 on 23 October 2024, adding a new standard in the Egyptian Accounting Standards EAS 51 "Hyperinflation". The new standard was published in the Official Gazette on 23 October 2024. The Egyptian economy is not yet considered to be a hyperinflationary economy.

2.2 Foreign currency translation
(a) Functional and presentation currency

The financial statements are measured and presented using the functional currency of the primary economic environment in which the Company operates "the functional currency". The financial statements are presented in Egyptian pounds (EGP), which is the Company's functional and presentation currency.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)
2.2 Foreign currency translation (continued)
(b) Transactions and balances

Transactions made in foreign currency during the year are initially recognised in the Company's functional currency on the basis of translation of foreign currency used in the transaction, using the spot prevailing exchange rate between the functional currency and the foreign currency at the date of the transaction, and the monetary items denominated in foreign currency are also translated using the closing rate at the end of each financial year. The Company recognises foreign currency exchange differences resulting from the settlement of such monetary items or from the translation of monetary items - using exchange rates differ from those used in its translation at the initial recognition at the same year or previous financial statements - in the profit or loss in the year in which these differences arise, except when currency differences resulting from the translation of non-monetary item are deferred in other comprehensive income, which constitutes an effective part of net investment hedges in a foreign operation or an effective part of cash flow risk hedges.

Translation differences on non-monetary financial assets and liabilities are recognised as part of the fair value profit or loss. Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised as profit or loss as part of fair value profit or loss. For available-for-sale financial assets, which do not represent monetary items (e.g. equity instruments), gains or losses recognised within other comprehensive income items include any elements of related foreign currency swaps.

2.3 Fixed assets

The Company applies the cost model at measurement of fixed assets. All fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The straight-line method is used to allocate the depreciation of fixed assets consistently over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life.

Below are the estimated useful lives of each type of the group of assets:

Furniture, fixtures, decorations, etc.	5 - 20 years
Vehicles	4 years
Communication devices	3 years
Machinery and equipment	3-10 years
Computers	3 years
Building	50 years
Others	3 years

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.3 Fixed assets (continued)**

The Company reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each fiscal year and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than it's carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the net book value of the item, and the gain or loss resulting from the disposal of fixed assets is included in the consolidated statement of profit or loss.

2.4 Investment properties

Investment properties, both freehold and leasehold, are held to earn rental income and/or for capital appreciation. The Company applies the fair value model. At initial recognition, investment properties are measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Freehold properties comprise land and buildings, which the company has ownership of the land and the building. The buildings are leased to tenants under an operating lease. Leasehold properties comprise buildings on leased land for which rental payments are made to the lessor. Leasehold properties that are leased to tenants under operating leases are accounted for as investment properties and measured using the fair value model. Properties held under an operating lease are initially measured at cost.

Gains and losses arising from changes in the fair value are included in profit or loss in the year in which they arise. Investment properties are measured at fair value at each reporting date. Tenant installations and lease commissions are initially recognised at cost. After initial recognition, the cost is amortised on a straight-line basis over the term of the lease. A gain or loss arising on the disposal of investment property is recognised in profit or loss upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. A gain or loss is measured as the difference between the net disposal proceeds and the carrying amount.

Subsequent additions that will result in future economic benefits and whose cost can be measured reliably are capitalised.

Investment properties are lands and buildings held to achieve returns from leases and/or appreciation of their value, that are not operated by the Company.

Investment properties are initially recognized at cost, including transaction costs, and are subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period. The fair value of investment properties is the price that would be received from selling the asset in an orderly transaction, without deducting any transaction costs. The best indication of the fair value is current prices in an active market for similar properties in the same location and condition.

The Company classifies cash flows used to purchase investment properties as part of investing activities and cash flows generated from rental activities as part of operating activities.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.4 Investment properties (continued)**

The Company transfers the property from investment properties to inventory when there is a change in use supported by the process of starting to develop the property for the purpose of selling it. When the company decides to exclude the investment properties without developing it, the entity continues to treat that investment as investment properties until it is excluded from the books and no longer processed as inventory.

2.5 Projects in progress

Projects in progress are carried at cost and recognised as investment properties upon meeting the conditions of recognising the fixed assets or the investment properties. When the value of projects in progress exceeds the expected recoverable amount, the projects in progress value is written down to the recoverable amount, and the differences are charged to the statement of profit or loss.

2.6 Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

2.7 Impairment of non-financial assets

Non-financial assets that have definite useful lives, and they are subject to depreciation or amortisation are tested for impairment whenever there are indicators or evidence that the asset may incur impairment losses.

The asset is tested for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount of the asset is the higher of its fair value less selling costs or value in use. For the purposes of impairment tests, assets are allocated to the smallest identifiable group of cash inflows that are largely independent from cash inflows from other assets or groups of assets (cash generating unit).

The Company recognises impairment loss in the statement of profit or loss at the amount by which the carrying amount of an asset exceeds its recoverable amount.

At the end of each financial year, the Company assesses whether there is an indication that the impairment loss of any asset other than goodwill, which is recognised in prior year, no longer exists or has decreased, then, the Company evaluates the recoverable amount of that asset.

Impairment losses recognised in prior year are reversed when there is an indication that such losses no longer exist or have decreased. Impairment losses, which should not exceed the carrying amount that would have been determined (net of depreciation) are reversed. Such reversal is recognised in the statement of profit or loss.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.8 Financial instruments****Key measurement terms**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value is the price in an active market. An active market is the market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Transaction costs

Transaction costs are incremental costs directly related to the acquisition, issuance or derecognition of a financial instrument. The incremental cost is the cost that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees who act as selling agents), consultants, brokers, traders, fees levied by regulatory authorities and stock exchanges, and transfer taxes and fees. Transaction costs do not include debt premiums, discounts, finance costs, internal administrative costs, or retention costs.

Amortised cost

Amortised cost is the amount at which the financial instrument was recognised upon initial recognition, less any payments, in addition to accrued interests, and for financial assets, less any provision for expected credit losses. Accrued interest include the amortisation of deferred transaction costs at initial recognition and any premium or discount till the maturity date using the effective interest rate method. Accrued interest income and accrued interest expenses, including accrued coupon, discount or amortised premium (including deferred charges upon issuance, if any), are not presented separately and are included in the carrying amounts of the related items in the statement of financial position.

Effective interest rate method

The effective interest rate method is a method of allocating interest income or interest expenses over the relevant year, to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate at which estimated future cash payments or proceeds are discounted (excluding future credit losses) through the estimated life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit distribution over the floating rate specified in the instrument, or other variables that are not reset to market rates.

Such premiums or discounts are amortised over the expected useful life of the financial instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Initial recognition

Financial instruments at FVTPL are initially recognised at fair value. All other financial instruments are initially recognised at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A profit or loss at initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by evaluation techniques whose inputs include only data from observable markets. After the initial recognition, an ECL provision is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.8 Financial instruments (continued)****Classification and subsequent measurement - measurement categories**

The Company classifies its financial assets and amortised cost. The classification and subsequent measurement of debt financial instrument depends on: (1) the Company's business model for managing the related assets portfolio and (2) the cash flow characteristics of the asset.

2.9 Financial assets**Impairment of financial assets - credit loss provision for ECL**

The Company assesses, on a forward-looking basis, the ECL associated with debt instruments carried at AC. The Company measures ECL and recognises net impairment losses on financial at each financial position date. The measurement of ECL reflects: (1) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (2) time value of money and (3) all reasonable and supportable information that is available without undue cost and effort at the end of each financial year about past events, current conditions and forecasts of future conditions.

Trade and other receivables, due from related parties, investments in treasury bills and cash and cash equivalents are presented in the statement of financial position less the provision of ECL.

The Company applies the simplified approach to impairment of trade receivables in accordance with EAS No. (47), which requires the recognition of lifetime expected credit losses upon initial recognition of receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the outstanding days.

Expected loss rates are based on proceeds from sales collected over the 36 months prior to 31 December 2024, and the corresponding historical losses incurred during this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debit balances. The Company has identified the GDP of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As for other financial assets, the Company applies a three-stage model for impairment, based on the changes in credit quality since initial recognition. A financial instrument that is not credit-impaired at initial recognition is classified in Stage (1). Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next twelve months or until contractual maturity, if shorter ("twelve months ECL"). If the Company identifies a significant increase in credit risk (SICR) since initial recognition, the asset is transferred to Stage (2). ECL are measured based on lifetime ECL, i.e. up until contractual maturity, taking into account expected prepayments, if any ("lifetime ECL"). Refer to note (3) for a description of how the Company determines the occurrence of a significant increase in credit risk. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage (3) and its ECL is measured as a lifetime ECL. The Company's definition of credit impaired assets and the definition of default are explained in note 3.

Note 3 provides information about the inputs, assumptions and estimation methods used in measuring ECL, including an explanation of how the Company incorporates forward-looking information into ECL models.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.9 Financial assets (continued)****Financial assets - write-off**

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - derecognition

The Company derecognises financial assets when (a) the assets are recovered or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (1) also transferring substantially all the risks and rewards of ownership of the assets or (2) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

2.10 Financial liabilities**Financial liabilities - measurement categories**

Financial liabilities are subsequently measured at amortised cost, except for (1) financial liabilities at FVTPL. This classification is applied to derivatives, financial liabilities held for trading (e.g. short-term positions in securities), contingent consideration recognised by the acquirer in a business combination and other financial liabilities designated as such at initial recognition, and (ii) financial guarantee contracts and borrowings commitments.

Financial liabilities - derecognition

Financial liabilities are derecognized when they are extinguished (i.e., when the liability specified in the contract is discharged, cancelled, or expired).

2.11 Offsetting financial asset and liability

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, while the Company has an intention to settle on a net basis or recognise the asset and settle the liability simultaneously. For the legal right of the Company for offsetting to be enforceable, such right must be upon the occurrence of a future event which represents the default of the counterparty and should reflect the Company's normal practices, financial requirements and other conditions related to the considerations of the risk and timing of the Company's cash flows.

2.12 Trade receivables

Trade receivables are amounts due from the Company's customers for goods sales or services rendered in the Company's ordinary course of business. Trade receivables are classified under current assets, if they are expected to be collected within 12 months from the date of the financial statements, or during the Company's normal operating cycle. Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate, less provisions for impairment.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.13 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks, other short-term financial investments with original maturities of not more than three months from the date of placement, less balances of bank overdrafts.

2.14 Units available for sale

Properties are classified as units available for sale when acquired with the intention to be sold in the near future or for development and resale. Units available for sale are measured at the lower of cost or net recoverable amount. The cost is determined based on the fair value of the buildings at the time of their conversion to units available for sale. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale.

The amount of any write-down of units available for sale resulting from the decrease in the net realisable value of the units available for sale from its carrying amount and all losses of other units available for sale shall be recognised as an expense during the year the write-down or loss occurs.

2.15 Capital and legal reserve

2.15.1 Shares are classified as equity as there is no obligation to transfer cash or other assets. The Company is not required to repay the amount invested by shareholders. Dividends are discretionary as they are paid to shareholders at the discretion of the Company and are not mandatory. Shareholders have a residual interest in the Company's assets after all liabilities have been settled.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.15.2 In accordance with the companies' law number 159 for year 1981, 5% of the net profit for the year is transferred to the legal reserve account. Based on a proposal by the board and the approval of the General Assembly of the company, this transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. This reserve is not available for distribution to shareholders.

2.16 Current and deferred income tax

The Company recognises the current and deferred income tax as revenue or expense and is included in the profit or loss for the year. Current and deferred income tax is recognised in other comprehensive income or directly in equity if it related to items recognised - in the same year or different years - in the statement of other comprehensive income or directly in equity.

The income tax for the year is calculated on the basis of the tax laws enacted at the date of statement of financial position. Management annually evaluates tax position through tax returns, taking into consideration the differences that may arise from some interpretations issued by administrative or regulatory authorities, and establishes the appropriate provision on the basis of amounts expected to be paid to the Tax Authority.

Deferred income tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.16 Current and deferred income tax (continued)**

Deferred income taxes are measured using tax rates and laws that have been enacted at the date of the financial statements, and which are expected to be applicable when the related deferred tax assets are used, or the deferred tax liabilities are settled.

Deferred tax liability is not recognised if it arises from the initial recognition of goodwill. Deferred tax is not recognised if it arises from initial recognition of assets and liabilities in a transaction - other than a business combination - that does not affect neither accounting nor taxable net profit (loss) at the date of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available with which the temporary differences from which those deferred tax assets arose can be utilised.

The Company offsets deferred tax assets and liabilities only when it has a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax assets and liabilities related to income tax levied by the same taxation authority on either the same taxable Company or different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis.

2.17 Borrowings

The Company recognises borrowing upon initial recognition through measuring it at fair value plus transaction cost directly attributable to obtaining the loan. The Company subsequently measures loans at amortised cost, any difference between the original value (less cost of obtaining the loan) and the value at the date of maturity is charged consistently in the statement of profit or loss over the year of the borrowing using the effective interest rate method.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the financial statements.

2.18 Borrowing cost

When obtaining borrowings in general or for the purpose of acquiring a qualifying asset to bear the borrowing cost, which is the asset that necessarily requires a substantial period of time to get ready for its intended use or sale, the Company capitalises borrowing costs directly attributable to the establishment or production of a qualifying asset as part of that asset's cost until the completion of all material activities required for the preparation of the qualified asset for its intended use or sale to a third party.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the borrowing cost, the Company determines the amount of borrowing cost which is capitalised on this asset, which is the actual borrowing cost incurred by the Company during the year because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Company recognises the other borrowing costs as expenses in the period in which the Company incurred such cost.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.19 Provisions**

Provisions are recognised when the Company has a present (legal or constructive) obligation resulting from past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the obligation can be reliably estimated. The Company recognises the necessary commitments required for restructuring and not related to the Company's effective activities within the costs of the provision for restructure.

Contingent liability is a present liability that arose due to past events and was not recognised because it was not expected to have an outflow of resources embodying economic benefits to the Company to settle this liability, or the amount could not be reliably measured. The Company does not recognise the contingent liability, instead, it is disclosed in the notes to the financial statements.

Where there is a number of similar liabilities, the likelihood that an outflow will be required in payment or settlement is determined by considering all items of the liability. The provision is recognised although the possibility of an outflow for any item may be small, it is expected that an outflow of resources will be required to settle all items of the liability.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the liability using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the carrying amount of the provision is recognised from a period to another to reflect passage of time as borrowing cost in the statement of profit and loss.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Company, the Company recognises the reimbursement when it is virtually certain that reimbursement will be received if the Company settles the liability. The reimbursement should be recognised as a separate asset in the statement of financial position. The amount recognised should not exceed the amount of the provision.

2.20 Leases

Payments related to short-term leases and low-value assets' leases on a straight-line basis are recognised as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. The company has a short term lease contract which was terminated during 2024.

2.21 Trade payables

Trade payables are recognised initially at the amount of goods and services received from others, whether they are invoiced or not. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflows expected by using interest rate of similar loans. Trade payables are then presented at amortised cost using the effective interest rate.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.22 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account the terms of payment specified in the contract and excluding taxes or discounts. Revenue is recognised to the extent that it is probable that the economic benefits will be generated to the Company and the revenue and costs can be measured reliably.

The Company recognises revenue from contracts with customers based on a five-step model as determined in EAS No. 48:

Step 1 - Determine the contract(s) with customers: A contract is an agreement concluded between two or more parties that establishes rights and covenants and establishes standards that shall be fulfilled for each contract.

Step 2 - Determine performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

Step 3 - Determine the transaction price: The transaction price is the consideration that the Company expects to be entitled to in exchange for transferring the authorised goods or services to the customer, excluding the amounts collected on behalf of others.

Step 4 - Allocation of transaction price to performance obligations in the contract: In the contract including more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount equal to the consideration to which the Company is expected to be entitled in exchange for fulfilling each performance obligation.

Step 5 - Revenue recognition when the Company fulfils a performance obligation.

The Company covers the performance obligation and recognises revenue over time, when one of the following conditions is met:

- (1) The Company's performance does not entail any assets for the Company with any alternative uses, and the Company has an enforceable right to receive payments for the performance achieved to date.
- (2) The Company's performance forms or improves the asset controlled by the customer when the asset is established or improved.
- (3) The customer simultaneously receives and consumes the benefits arising from the Company's performance on execution.

For performance obligations when none of the above conditions are met, revenue is recognised when the performance obligation is fulfilled at a certain point in time.

When the Company fulfils a performance obligation through the delivery of authorised goods or services, this results in a contract-based asset for the consideration achieved from the performance. When the value of the consideration received from the customer exceeds the value of the recognised revenue, an obligation arises in this contract.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.22 Revenue recognition (continued)**

Revenue includes sales of units, rental income, service charges and property management charges.

Sales of units: revenue is typically recognized when control of the units is transferred to the buyer, which usually occurs at the point of sale.

At the time of sale, the present value of the instalment payments is recognized as revenue. This involves discounting the future instalment payments to their present value using an appropriate discount rate. The difference between the total instalment payments and their present value is recognized as unearned interest income.

As instalment payments are received, the cash received is allocated between the principal repayment and interest income on financing for units sold. The interest income is recognized using the effective interest rate method. This method amortizes the unearned interest income over the instalment period, ensuring that the interest income recognized each period reflects a constant periodic rate of return on the remaining balance of the receivable.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. The company is acting as principal as the company has the ability to direct the rendered service to the customer, accordingly the gross revenue from the service of property management charges recognised in the statement of profit or loss.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers that are not for distinct services. This consideration might include discounts, trade allowances, rebates and amounts collected on behalf of third parties.

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet in accordance with their nature.

2.23 Earnings per share**Basic share:**

Basic earnings per share for the year is calculated by dividing:

- Net earnings for the year related to the holders of ordinary shares by the weighted average of number of shares during the year.
- By weighted average number of outstanding ordinary shares during the financial year, adjusted for bonus in the ordinary shares issued during the year, excluding treasury shares.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

2. Accounting policies (continued)**2.23 Earnings per share (continued)**Diluted share:

Diluted earnings per share is calculated by adjusting the weighted average of outstanding ordinary shares for the effects of all ordinary shares to take into account:

- The effect of income tax net of interests and other finance costs associated with potential diluted ordinary shares.
- Weighted average number of additional ordinary shares that would have remained outstanding by assuming the transfer of all potential diluted ordinary shares.

2.24 Dividends

Dividends are recognised as liabilities in the financial statements of the Company at the end of the financial year in which the dividends are approved by the Company's General Assembly of shareholders.

3. Financial risk management**3.1 Financial risk factors**

The Company is exposed to a variety of financial risks due to its regular activities. These risks include market risk (including foreign currency exchange risk, price risk and fair value and cash flow interest rate risks), credit risk and liquidity risk.

The Company's management aims to mitigate the potential adverse impacts of such risks on the Company's financial performance.

The Company does not use any derivative financial instruments to hedge specific risks.

A) Market risk**i) Foreign exchange risks**

Foreign currency exchange rate risk is the risk of fluctuations in the fair value of future cash flows of a financial instrument due to change in foreign currency exchange rates. The following table shows the net currencies position denominated in Egyptian Pounds at the date of the statement of financial position:

	31 December 2024			31 December 2023
	Assets	Liabilities	Net	Net
USD	48,567,586	(12,827,548)	35,740,038	431,539
EUR	83,182	-	83,182	27,504

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)**3.1 Financial risk factors (continued)**

The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Company while keeping all other variables constant, on the statement of profit or loss:

	31 December 2024	31 December 2023
USD 10% (2023:60%)	3,574,004	258,923
EUR 10% (2023:60%)	8,318	16,502

ii) Price risks

The Company does not have investments in equity instruments or debt instruments listed and traded in capital markets and is accordingly not subject to the risk of change in the fair value of the investments as a result of the changes in prices.

iii) Fair value and cash flow interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates.

The Company is exposed to interest rate risk on all interest-bearing assets and liabilities (bank deposits and bank loans).

The following table shows the assets and liabilities with variable interest:

	31 December 2024	31 December 2023
Current accounts with interest	30,116,356	68,708,770
Time deposits	44,931,450	-
Loans	(1,066,859,441)	(1,530,771,636)

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while keeping the other variables constant, and the sensitivity on the statement of profit or loss.

The sensitivity on the statement of profit or loss is the effect of the assumed changes in the interest rates on the Company's results based on financial assets and liabilities with variable interest rates held as of 31 December 2024 and 31 December 2023:

	Increase/ decrease %	Effect on profit or loss (EGP)
31 December 2024	2%±	19,836,233
31 December 2023	8%±	90,195,251

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)
3.1 Financial risk factors (continued)
B) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligation and will cause a financial loss for the other party by failing to discharge an obligation and principally arises from the Company's receivables from customers. The Company has no significant concentrations of credit risk as the Company has a diverse customer base. The revenue obtained from the major customer of the Company represents 15% (31 December 2023: 8%) of the total Company's rental income.

Credit risk arises from cash and cash equivalents held at banks, loan receivables on sale, trade and other receivables, including rental receivables from lessees. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties. Such risks are subject to a quarterly or more frequent review.

The Company has a credit department which has set out policies and procedures for managing exposure to credit. Some of the processes and policies include:

- an assessment of the credit worthiness of the lessee and its ability to pay is performed before credit is granted;
- where appropriate, guarantees and collateral is held against such receivables;
- after granting the credit, the credit department monthly assesses the age analysis and follows up on all outstanding payments;
- management of the credit department determines the appropriate provision, which receivables should be handed over for collection and which amounts should be written off. The board will approve the procedures and amounts.

The Company considers receivables as default if the amounts are outstanding for more than one year.

While cash and cash equivalents are also subject to the impairment requirements of EAS 47, the identified impairment loss was immaterial.

Deposits refundable to tenants might be withheld by the Company in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

Cash at banks and short-term deposits

	31 December 2024	31 December 2023
Cash at banks and short-term deposits	152,494,744	87,536,531
Cash on hand	89,310	116,326
Total cash and cash equivalents (gross carrying amount)	152,584,054	87,652,857

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)
3.1 Financial risk factors (continued)
B) Credit risk (continued)

The credit rating for the banks the Company is dealing with are as follows as per Standard & Poor's credit ratings:

Bank	Balance at 31 December 2024 (EGP)	Credit rating
Banque Misr	59,196,868	B
Commercial International Bank (CIB)	90,482,431	B
Arab African Bank	2,815,446	B

All banks are subject to the supervision of the Central Bank of Egypt. There were no changes in credit ratings for the above banks during the reporting period.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be identified by reference to available credit rating or historical information about failing to meet the agreed upon payment dates.

Loan receivables on sale, trade receivables and checks under collection

	31 December 2024	31 December 2023
Customers without credit rating (gross carrying amount):		
Group 1 *	592,842,375	568,423,719
Group 2 **	273,809,283	261,132,034
Group 3***	-	-
Total unimpaired amounts (Note 9/c)	866,651,658	829,555,753

* Group 1 – customers (less than 3 months).

** Group 2 – customers (more than 3 months) with no defaults in payment.

*** Group 3 – customers (more than 3 months) with some defaults in payment.

Treasury Bills

	31 December 2024	31 December 2023
Treasury bills (gross carrying amount)	-	46,551,393

Treasury bills have been issued by the Egyptian government with credit rating "B".

Measurement of ECL

ECL are a probability-weighted estimate of the present value of future cash deficit (i.e., using the weighted average of credit losses, with the relevant risk of default occurring in a particular time period as weights). The measurement of ECL is unbiased and is determined by evaluating a range of potential outcomes. The measurement of ECL is based on four components that a Company uses: Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD) and the discount rate.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)**3.1 Financial risk factors (continued)****C) Liquidity risk**

EAD is an estimate of the exposure to default at a date in the future, considering expected changes in exposure after the financial year, including the payments of principal and interest. PD is an estimate of the probability of default occurring over a given period of time. LGD is an estimate of the loss arising from default and is based on the difference between the contractual cash flows due and cash flows that the lender expects to receive, including from any guarantees. It is usually reported as a percentage of EAD. Expected losses are discounted to the present value at the end of the financial year. The discount rate represents or approximates to the effective interest rate of a financial instrument. ECL are designed based on the instrument's lifetime. Lifetime period equals the remaining contractual period until the maturity date of the debt instruments, adjusted for expected prepayments, if any. As for loans commitments and financial guarantee contracts, it is the contractual period during which the Company has a current contractual obligation to grant credits.

The Management prepares models for lifetime ECL, i.e. losses that result from all possible default events over the period remaining from the life of the financial instrument. ECL for a period of 12 months represent the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the financial year, or the remaining term of the lifetime of the financial instrument, if it is less than a year.

ECL estimated by the management for the purposes of these financial statements are estimates done on the basis of particular points in time, not estimates over the course of the cycle which are commonly used for legal purposes. Estimates are forward-looking information, i.e., ECL reflect the probable weighted development of key macroeconomic variables that have impact on credit risks.

Liquidity risks are the risks that the Company will encounter difficulties in meeting financial liabilities due to shortage of funds. The Company's exposure to liquidity risk results primarily from the lack of offset between the maturities of financial assets and liabilities.

Management makes cash flow projections on periodic basis, which are discussed during the Executive Committee's meeting of the parent company, and takes the necessary actions to negotiate with suppliers, follow-up the collection process from customers in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's Management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain its commitment to financial terms, guarantees and covenants at all times.

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)
3.1 Financial risk factors (continued)
C) Liquidity risk (continued)

The table below summarizes the maturities of the Company's undiscounted financial liabilities as at 31 December 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

	Less than six months	From six months to one year	From one year to two years	More than two years
31 December 2024				
Loans	230,389,598	221,832,919	428,374,712	1,113,062,940
Trade and other payable *	86,698,566	39,401,229	88,776,000	33,291,000
Deposit related to maintenance fees and refundable insurance for others	154,492,459	-	-	-
Total	471,580,623	261,234,148	517,150,712	1,146,353,940
31 December 2023				
Loans	196,977,697	288,621,354	728,398,576	1,489,909,845
Trade and other payable*	55,702,704	-	944,000	-
Deposit related to maintenance fees and refundable insurance for others	108,069,534	-	-	-
Total	360,749,935	288,621,354	729,342,576	1,489,909,845

* Trade and other payable exclude "deferred revenue", "employee Training fund" and "Value added tax".

To align with the current year presentation, the notes payable amounted to EGP 4,690,468 have been aggregated with the trade and other payable line in the schedule of 31 December 2023.

3.2 Capital risk management

The objective of Company's management when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the financial statements. The Company's management also aims to provide and maintain an optimal share capital structure to reduce the costs of capital.

The Company's management maintains an optimal capital structure by changing the amount of dividends paid to the shareholders, reducing the capital, issuing new shares for capital, or reducing the Company's due debts.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by the Company as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt. During the year ended 31 December 2024,

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)**3.2 Capital risk management (continued)**

Gearing ratio as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
Loans	1,066,859,441	1,530,771,636
Less: cash at banks and on hand	(151,228,513)	(87,211,135)
Net debt	915,630,928	1,443,560,501
Equity	10,020,092,830	6,934,772,180
Total capital	10,935,723,758	8,378,332,681
Gearing ratio	8.37%	17.23%

Loan covenants

The Company is subject to externally imposed covenants. Under the terms of the major banks' loans, which has a carrying amount of EGP 1,066,859,441 (31 December 2023: EGP 1,530,771,636), the Company is required to comply with the following material financial covenants. These covenants are:

First loan:

- The bank financing does not exceed total equity by 2.5 times according to the financial statements.
- The minimum debt service coverage ratio should be 1:1 of the operating income, as per the financial statements.

Second loan:

- The debt service coverage ratio (Net cash flows and EBITDA) for total financial payments related to purchased buildings remains above 1.5.
- The financial leverage ratio does not exceed 2.
- The EBITDA-to-Interest coverage ratio remains above 1.

The Company is complying with the debt covenants as of 31 December 2024 and 31 December 2023. There are no indications that the Company might have difficulties complying with the covenants when they will be tested as at the next reporting date.

3.3 Fair value estimation**A) Assets and liabilities carried at fair value**

To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its assets and liabilities measured at fair value into the three levels prescribed under EAS 45 "Fair value measurement". The following is an explanation of each level.

- (1) Level 1 is measurements at quoted (unadjusted) prices in active markets for identical assets or liabilities.
- (2) Measurements of level 2 are evaluation techniques with all observable material inputs to the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices);
- (3) Level 3 measurements are evaluations that are not based on observable market data (i.e. unobservable inputs).

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

3. Financial risk management (continued)**3.3 Fair value estimation (continued)**

The Company assesses the need for transfers between levels in the hierarchy, given the changes in economic conditions and considering whether a lack of observable information existed for factors relevant to the value of certain instruments. The Company's policy is to recognize transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

The Company does not have any financial assets or liabilities measured at fair value as of 31 December 2024 and 31 December 2023.

4. Significant accounting estimates and assumptions**4.1 Accounting estimates and assumptions**

Estimates and judgements are continually evaluated on the basis of the historical experience and some other factors, including expectations of future events that are reasonable under the circumstances:

Significant accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The results of the accounting estimates may not be equal to the actual results. The significant estimates and assumptions that cause a material adjustment to the carrying amounts of assets and liabilities during the next financial year are outlined below:

Valuation of fair value of investment in properties

The details of the assumptions and valuation of fair value of investment in properties are outlined in note 6.a.

4.2 Significant judgements in applying the accounting policies

Generally, applying the Company's accounting policies does not require the management to use the judgement (other than the accounting estimates and assumptions referred to in "Note 4.1"), that might have a significant impact on the amounts recognised in the financial statements.

BONYAN FOR DEVELOPMENT AND TRADING (S.A.E.)

BONYAN
DEVELOPMENT AND TRADE

Notes to the Financial statements For the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Fixed assets	Communication devices		Machinery & equipment	Vehicles	Computer	Furniture & fixtures		Building	Others	Total
	decoration	decoration				Decorations & others	Decorations & others			
1 January 2023										
Cost	2,349	298,089	1,040,851	1,802,648	30,713,378	-	1,000,052	-	34,857,367	
Accumulated depreciation	(2,349)	(298,089)	(973,641)	(1,275,488)	(8,050,368)	-	(1,000,052)	-	(11,599,987)	
Net carrying amount	-	-	67,210	527,160	22,663,010	-	-	-	23,257,380	
Financial year ended 31 December 2023										
Net carrying amount at the beginning of the year	-	-	67,210	527,160	22,663,010	-	-	-	23,257,380	
Additions	-	402,730	-	548,335	6,623,281	17,551,151	-	-	25,125,497	
Depreciation expenses (note 21)	-	(31,526)	(65,246)	(518,888)	(2,946,836)	-	-	-	(3,562,496)	
Net carrying amount at the end of the year	-	371,204	1,964	556,607	26,339,455	17,551,151	-	-	44,820,381	
31 December 2023										
Cost	2,349	700,819	1,040,851	2,350,983	37,336,659	17,551,151	1,000,052	-	59,982,864	
Accumulated depreciation	(2,349)	(329,615)	(1,038,887)	(1,794,376)	(10,997,204)	-	(1,000,052)	-	(15,162,483)	
Net carrying amount	-	371,204	1,964	556,607	26,339,455	17,551,151	-	-	44,820,381	
Financial year ended 31 December 2024										
Net carrying amount at the beginning of the year	-	371,204	1,964	556,607	26,339,455	17,551,151	-	-	44,820,381	
Additions	-	297,693	-	79,305	9,665,098	-	-	-	10,042,096	
Depreciation expenses (note 21)	-	(73,511)	(1,964)	(302,941)	(4,109,348)	(351,023)	-	-	(4,838,787)	
Net carrying amount at the end of the year	-	595,386	-	332,971	31,895,205	17,200,128	-	-	50,023,690	
31 December 2024										
Cost	2,349	998,512	1,040,851	2,430,288	47,001,757	17,551,151	1,000,052	-	70,024,960	
Accumulated depreciation	(2,349)	(403,126)	(1,040,851)	(2,097,317)	(15,106,552)	(351,023)	(1,000,052)	-	(20,001,270)	
Net carrying amount	-	595,386	-	332,971	31,895,205	17,200,128	-	-	50,023,690	

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Fixed assets (continued)

Depreciation expense is allocated in the statement of profit or loss to the general and admirative expenses. The amount charged to profit or loss for the financial year ended 31 December 2024 amounted to EGP 4,838,787 (31 December 2023: 3,562,496). (Note 21)

The gross carrying value of fully depreciated assets which are still in use is EGP 6,098,006 (31 December 2023: EGP 5,451,572).

6. Investment properties

	31 December 2024	31 December 2023
Units available for rent (note 6.a)	12,722,191,639	9,409,756,435
Projects in progress (note 6.b)	9,629,168	13,117,694
Balance at the end of the year	<u>12,731,820,807</u>	<u>9,422,874,129</u>

6.a Units available for rent

The Company's investment in properties are as follows:

- A) "Walk of Cairo (WOC)": The WOC Mall is a shopping mall in Sheikh Zayed, Giza Governorate, Egypt with an area indoor approximately 59,000 square meters consisting of variety of stores, restaurants, cafes and entertainment activities. The Company designated a specific area with an area of 39,172 SQM representing phase one and part of phase two for rent and as an investment to make use in the expected increase in real estate prices. The remaining part of phase two and phase three was designated for sale and included into units available for sale (note 8) as management determined that these units were acquired with a view to subsequent disposal in the near future after completion of certain development of this property.
- B) "Six administrative buildings": These are six administrative buildings located in East Cairo. The Company has designated these buildings for rent and as an investment to make use in the expected increase in real estate prices.
- C) "Administrative unit in Park Street": The administrative unit No.1604 in the 6th floor of the building no.1 in Park street project with total space of 1,370 SQM. Company has designated this building for rent and as an investment to make use in the expected increase in real estate prices.

The Company is leasing out the above properties to the customers under operating leases. The lease term is from 4 to 8 years. The lease payments are a combination of fixed and variable payments, which are collected in advance.

Balance at 1 January 2023	5,925,535,598
Transferred from projects in progress (note 6.b)	38,987,235
Additions	54,834,968
Differences resulting from revaluating investment properties at fair value	3,390,398,634
Balance at 31 December 2023 and 1 January 2024	<u>9,409,756,435</u>
Transferred from projects in progress (note 6.b)	12,563,526
Additions*	141,726,801
Refund of previous capitalised license fees	(15,104,000)
Differences resulting from revaluating investment properties at fair value	3,173,248,877
Balance at 31 December 2024	<u>12,722,191,639</u>

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

6. Investment properties (continued)
6.a Units available for rent (continued)

Additions during the year relate to "Administrative unit in Park Street": The administrative unit No.1604 in the 6th floor of the building no.1 in Park street project with total space of 1,370 SQM. Company has designated this building for rent and as an investment to make use in the expected increase in real estate prices.

Amounts recognized in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to investment in properties:

	31 December 2024	31 December 2023
Rental income from investment property	499,302,432	339,181,419
Direct operating revenues arising from investment property that generated rental income during the year (Maintenance income)	80,299,981	50,940,402
Direct operating revenues arising from investment property that generated rental income during the year (Other revenue)	46,185,550	32,504,160
Direct operating costs arising from investment property that generated rental income during the year	(138,753,010)	(104,755,468)
Net gain from fair value adjustment on investment in properties	<u>3,173,248,877</u>	<u>3,390,398,634</u>
Total amounts recognized in profit or loss	<u>3,660,283,830</u>	<u>3,708,269,147</u>

Significant estimates on valuation of investment in properties

The Company's investment in properties is measured at fair value. The fair value of investment properties is determined by using valuation techniques.

The Company's investment properties were valued as of 31 December 2024 and 31 December 2023 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. This valuer is approved by the Financial Regulatory Authority (FRA) in Egypt.

For all investment properties, their current use equates to the highest and best use. The Company's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team and the independent valuers at least once every quarter, in line with the Company's quarterly reporting dates.

At each financial reporting period the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior period valuation report; and
- holds discussions with the independent valuer.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

6. Investment properties (continued)
6.a Units available for rent (continued)

Changes in Level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

The fair value hierarchy for investment in properties is level 3 for 31 December 2024, (31 December 2023: level 2). The transfers between fair value levels during the year ended 31 December 2024 has been triggered mainly by the absence of some observable material inputs.

Valuation techniques

Investment in properties represent three projects - Walk of Cairo (WOC) Mall, six administrative buildings located in East Cairo and administrative unit in Park Street Project.

The WOC Mall is a shopping mall in Sheikh Zayed, Giza Governorate, Egypt with an area indoor approximately 59,000 square meters consisting of variety of stores, restaurants, cafes and entertainment areas. The valuation of the above investment in properties was based on the Market Approach using Comparable Transactions Method, which involves the use of recent comparable transactions as a basis for the valuation and taking into consideration the comparable properties in close proximity. These values are adjusted for differences in key attributes such as location, area, design quality, ownership deed and its strength, and the roads and accessibility. The most significant input into this valuation approach is price per square meter of the comparable market transactions.

31 December 2024

Country	Segment	Area	Valuation (EGP)	Valuation technique	Estimate	Impact lower (EGP)	Impact higher (EGP)
Giza, Egypt	Mall	39,172 SQM	4,500,970,984	Sales comparison	Sales price per square metre +/- 10%	450,097,098	450,097,098
Cairo, Egypt	Administrative offices	53,000 SQM	8,070,520,655	Sales comparison	Sales price per square metre +/- 10%	807,052,066	807,052,066
Giza, Egypt	Administrative offices	1,370 SQM	150,700,000	Sales comparison	Sales price per square metre +/- 10%	15,070,000	15,070,000
Total			12,722,191,639				

31 December 2023

Location	Class	Area	Valuation (EGP)	Valuation technique	Estimate	Impact lower (EGP)	Impact higher (EGP)
Giza, Egypt	Mall	39,172 SQM	2,962,008,331	Sales comparison	Sales price per square metre +/- 10%	296,200,833	296,200,833
Cairo, Egypt	Administrative offices	53,000 SQM	6,447,748,104	Sales comparison	Sales price per square metre +/- 10%	644,774,810	644,774,810
Total			9,409,756,435				

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

6. Investment properties (continued)**6.a Units available for rent (continued)**

The Company took into account information from a variety of sources such as current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences.

The following note shows the balances and movement of investment properties in the event that the Company does not apply the re-evaluation model.

Investment properties (cost)

	31 December 2024	31 December 2023
Balance at 1 January	2,043,836,814	1,997,902,186
Transferred from projects in progress	12,563,526	38,987,235
Additions	141,726,800	54,834,968
Refund of capitalised license fees	(15,104,000)	-
Depreciation expense	(41,697,269)	(47,887,575)
Balance at the end of the year	2,141,325,871	2,043,836,814

Minimum lease payments receivables on lease of investments in properties are as follows:

	31 December 2024	31 December 2023
Within 1 year	381,738,143	402,737,466
Between 1 and 2 years	321,274,680	381,738,143
Between 2 and 3 years	232,577,047	321,274,680
Between 3 and 4 years	191,868,002	232,577,047
Between 4 and 5 years	134,202,450	191,868,002
More than 5 years	539,028,839	291,493,147
	1,800,689,161	1,821,688,485

6.b Projects in progress

	31 December 2024	31 December 2023
<u>Nature of transaction</u>		
Contractors	7,822,439	8,184,929
Prepayments*	1,806,729	4,932,765
Total	9,629,168	13,117,694

* The balance of projects in progress is represented in improvements and finishing for the units of Walk of Cairo Mall (WOC).

The movement on projects in progress account is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	13,117,694	31,682,915
Additions	9,075,000	20,422,014
Transferred to investment properties (note 6.a)	(12,563,526)	(38,987,235)
Balance at the end of the year	9,629,168	13,117,694

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

7. Prepayments to purchase investment properties

	31 December 2024	31 December 2023
Prepayments to purchase investment properties	215,360,208	71,786,736
Total prepayments to purchase investment properties	215,360,208	71,786,736

This amount represents cash prepayments made to the developer in accordance with the initial sale contract of plot No. (86-87-88-89) City Centre - New Cairo, with an area of 160,190.32 square meters, after the development implements a commercial project in accordance with the designs agreed upon between the two parties. The commercial project will be delivered in 2025 in accordance with the contract. The transfer of control over project occurs at a point in time when it is completed.

8. Units available for sale

The Company's management designated a specific area at the South end of the Walk of Cairo project for sale. The number of units as of 31 December 2024 which are available for sale are 10 units (31 December 2023: 16 units). The costs of the units are the purchase price, and the cost of significant development incurred.

	31 December 2024	31 December 2023
Balance as of 1 January	76,470,536	178,717,467
Cost of sold units	(35,932,666)	(102,246,931)
Balance as at the end of the year	40,537,870	76,470,536

9. Receivables

9.a Loan receivables on sale

The financing for units sold relates to units sold to customers in the Walk of Cairo mall relating to phase 3 and part of phase 2. The following sets out the terms and conditions:

Repayment period: From three to five years

Interest rates: 17% to 23%

Collateral: The properties are pledged as collateral against the loan.

Prior to the granting of loans to customers, management performs creditworthy checks to establish eligibility. The Company's customers are mainly parties with lower credit risk like banks and multinational companies. There have been no customers in default.

	31 December 2024	31 December 2023
Loan receivables on sale – non-current (gross)*	587,708,948	546,036,217
Loan receivables on sale – current (gross)	246,865,426	258,044,946
Total	834,574,374	804,081,163
(Less):		
Interest due in the future	(323,092,938)	(253,663,878)
Gross carrying amount of loan receivables on sale	511,481,436	550,417,285
Provision for ECL (Note 9.c)	(531,090)	(931,056)
Net carrying amount of loan receivables on sale	510,950,346	549,486,229

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

9. Receivables (continued)

The loan receivables on sale are allocated as follows:

	31 December 2024	31 December 2023
Current portion of loan receivable on sale	246,865,426	258,044,946
Non-current portion of loan receivable on sale	264,084,920	291,441,283
Total loan receivables on sale	510,950,346	549,486,229

The table below sets out the repayment profile of the amounts:

	31 December 2024	31 December 2023
Between 1 and 2 years	206,338,322	163,606,897
Between 2 and 3 years	374,491,650	289,695,754
More than 3 years	6,878,976	92,733,566
	587,708,948	546,036,217

9.b Trade receivables, other receivables and prepayments

	31 December 2024	31 December 2023
Trade receivables – Lease	14,460,341	25,474,590
Less: provision for ECL (Note 9.c)	(1,214,722)	(5,015,657)
	13,245,619	20,458,933
Accrued rental income*	81,348,284	28,556,309
Other debit balances	3,066,963	715,941
Restricted cash	2,211,112	-
Deposits with others	2,099,474	2,339,481
Letter of guarantee	1,225,520	1,225,520
Notes receivable	420,910	576,991
Checks under collection	-	1,050,893
Total financial assets	90,372,263	34,465,135
Less: Provision for ECL (Note 9.c)	(673,470)	(505,255)
Net carrying amount of financial assets after ECL	102,944,412	54,418,813
Prepayment related to VAT	27,842,492	27,156,164
Prepaid expenses	17,670,343	-
	45,512,835	27,156,164
Total trade receivables, other receivables and prepayments	148,457,247	81,574,977

* The amount includes balances due from United Hospitality Company amounting to EGP 1,249,462 on December 31, 2024 (nil: December 31, 2023). (Note 10.b).

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

9. Receivables (continued)

* The movement of tax authority - withholding tax is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	-	3,781,937
Formed during the year	1,509,406	9,325,406
Utilised during the year to settle current income tax liabilities (note 28.a) *	(1,509,406)	(13,107,343)
	<u>-</u>	<u>-</u>

9.c Credit loss provision for customers

The impairment balances for loan receivable on sales, trade receivables and other receivables are as follows:

	31 December 2024	31 December 2023
Loans receivable on sales (Note 9.a)	531,090	931,056
Trade receivables (Note 9.b)	1,214,722	5,015,657
Other receivables (Accrued rental income) (Note 9.c)	673,470	505,255
	<u>2,419,282</u>	<u>6,451,968</u>

The movement in the provision on loan receivable on sales, trade receivables and other receivables is as follows:

	Loans receivable on sales	Trade receivables	Other receivables (accrued rental income)	Total
Balance as at 1 January 2023	224,329	11,752,599	505,255	12,482,183
Provisions formed during the year (Note 25)	706,727	-	-	706,727
Provisions no longer required (Note 25)	-	(6,736,942)	-	(6,736,942)
Balance as at 31 December 2023	931,056	5,015,657	505,255	6,451,968
Provisions formed during the year (Note 25)	-	-	168,215	168,215
Provisions used during the year	-	(933,644)	-	(933,644)
Provisions no longer required (Note 25)	(399,966)	(2,867,291)	-	(3,267,257)
Balance as at 31 December 2024	531,090	1,214,722	673,470	2,419,282

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

9. Receivables (continued)

9.c Credit loss provision for customers (continued)

Credit loss provision for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days an asset is past due, while being adjusted.

	31 December 2024			
	Loss rate (approximate)	Gross carrying amount	ECL	Net carrying amount
Financing for units sold				
Not due including the interest not due	0.08%	508,611,981	414,498	508,197,483
1-30 days past due	4.06%	2,869,455	116,592	2,752,863
31-60 days past due	5.42%	-	-	-
91-120 days past due	100%	-	-	-
Trade receivables – Lease				
Past due for a period from 0 days to 30 days	1.00%	5,125,668	51,255	5,074,413
Past due for a period from 31 days to 60 days	2.70%	1,464,622	39,593	1,425,029
Past due for a period from 61 days to 90 days	5.48%	2,702,145	148,145	2,554,000
Past due for a period from 91 days to 120 days	9.07%	1,147,034	104,061	1,042,973
Past due for more than 121 days	21.68%	4,020,872	871,668	3,149,204
Accrued rental income				
Past due for a period from 0 days to 30 days	0.83%	81,348,284	673,470	80,674,814
Total		607,290,061	2,419,282	604,870,779

The loss rate has been decreased during the year ended 31 December 2024, due to the collection of the long outstanding balances during the year which decreased the LGD percentage then the loss rates and ECL and the improvement of the macro-economic factor used in calculate the ECL percentages.

Below is the allocation of balances	Gross carrying amount	ECL	Net carrying amount
Loan receivables on sales	511,481,436	(531,090)	510,950,346
Trade receivables-lease	14,460,341	(1,214,722)	13,245,619
Accrued rental income	81,348,284	(673,470)	80,674,814
Total	607,290,061	(2,419,282)	604,870,779

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

9. Receivables (continued)**9.c Credit loss provision for customers (continued)**

	Loss rate (approximate)	31 December 2023		Net carrying amount
		Gross carrying amount	ECL	
Financing for units sold				
Not due	0.17%	550,417,285	931,256	549,486,029
Trade receivables – Lease				
Past due for a period from 0 days to 30 days	6.58%	1,825,157	120,143	1,705,014
Past due for a period from 31 days to 60 days	12.08%	1,282,241	154,872	1,127,369
Past due for a period from 61 days to 90 days	17.63%	6,770,012	1,193,882	5,576,130
Past due for a period from 91 days to 120 days	23.16%	14,413,879	3,148,418	11,265,461
Past due for more than 121 days	33.65%	1,183,301	398,142	785,159
Accrued rental income				
Past due for a period from 0 days to 30 days	1,76%	28,556,309	505,255	28,051,054
Total		604,448,184	6,451,968	597,996,216

10. Financial assets at fair value through Profit & Loss

	31 December 2024	31 December 2023
Balance at the beginning of the year	-	-
Additions during the year*	26,072,520	-
Gain of fair valuation during the year	7,302,641	-
	33,375,161	-

* Additions during the year are represented in the purchase of 41,683 shares with total value of EGP 26,072,520 in "Osool Fund" which invests in assets and managed by CIB bank.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

11. Related parties' transactions

The Company entered into several transactions with companies and entities that fall under the definition of related parties, as stated in EAS No. (15) "Disclosure of related parties". Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The related parties comprise the Group's board of directors, their entities, companies under common control, and their partners and employees of senior management. The tables below show the nature and values of transactions with related parties during the year, and the balances due at the date of the financial statements.

11.a Due from related parties

	Nature of relationship	31 December 2024	31 December 2023
Sky Realty Holding Limited	Parent company	-	6,650,000
United Hospitality Company	Under common control	-	466,867
International Hospitality Company	Under common control	-	147,153
		-	7,264,020
Provisions for credit losses of related parties*		-	(974,015)
Total		-	6,290,005

* The movement in impairment of due from related parties is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	974,015	974,015
Used during the year	151,242	-
No longer required during the year (note 25)	(822,773)	-
	-	974,015

11.b Nature and amounts of significant transactions with related parties during the year are as follows:

	Fiscal year ending December	
	2024	2023
Financial advisory fees (note 21) *	13,096,388	16,325,999

* This is as part of the agreement between the Company and its ultimate parent where the Company pays an annual amount to Compass Capital for Financial Consulting (entity under common control) for its financial advisory services to the Company.

* * Accrued expenses in Creditors and other credit balances include balances due to Compass Capital amounting to EGP 1,361,421 as of 31 December 2024 (31 December 2023: EGP 4,219,421).(note 17)

* * Outstanding balances from related parties are unsecured and repayable on demand. No interest is usually charged on these balances.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

11. Related parties' transactions (continued)

- * * Rental income accrued in trade receivables, other receivables and advance payments includes balances due from United Hospitality Company amounting to EGP 1,249,462 as of December 31, 2024 (Nil as of December 31, 2023) (Note 9).

11.c Key management personnel

During the year ended 31 December 2024 the general assembly meeting of the shareholders approved to compensate some board members with a monthly salary, and the charged board of Directors' compensation to the profit or loss during 2024 amounted to EGP 2,300,00 (2023: Nil).

For the year ended 31 December 2023 the board of Directors' compensation was paid by the parent, which made no recharge to the entity. The board of Directors are directors of the parent and a number of fellow subsidiaries, and it is not possible to make a reasonable apportionment of their compensation in respect of each of the subsidiaries. The total compensation of the board of Directors was included in the aggregate of key management personnel compensation disclosed in the consolidated financial statements of the parent.

12. Investments in treasury bills

	31 December 2024	31 December 2023
Treasury bills - CI Capital	-	26,339,475
Treasury bills - Banque Misr	-	20,432,781
	-	46,772,256
Provisions for credit losses	-	(220,863)
Total	-	46,551,393

The investment in treasury bills is with a maturity date of one year with an average interest rate of 25.9%.

The movement of the provision for investments in treasury bills is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	220,863	-
Provisions formed during the year (note 25)	-	220,863
Provisions no longer required (note 25)	(220,863)	-
	-	220,863

The assumptions used in the ECL for treasury bills are mainly the GDP and the credit rating of the issuer of the treasury bill.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

12. Investments in treasury bills (continued)

The value of treasury bills before and after discount and issuance is as follows:

	31 December 2024	31 December 2023
Egyptian treasury bills - short term	-	56,873,494
Issuance discount	-	(11,628,140)
Tax deducted (20%)	-	(423,494)
	-	44,821,860
Balance of interest formed on treasury bills	-	1,950,396
Provisions for credit losses (note 25)	-	(220,863)
Total	-	46,551,393

For the purpose of the statement of cash flow, the interest on treasury bills is presented after deduction of related tax amounted to EGP 8,061,434 for 2024.

Treasury bills movement during the year as below:

	31 December 2024	31 December 2023
Balance at the beginning of the year	46,551,393	-
Additions	19,991,713	45,245,354
Collection of accrued treasury bills	(74,825,403)	-
Accrued taxes (20%)	(2,015,359)	(423,494)
Interest formed on treasury bills during the year (note 26)	10,076,793	1,950,396
Provisions during the year (note 25)	220,863	(220,863)
Total	-	46,551,393

* All treasury bills are in stage 1. There are no instruments in stage 2 or 3. Disclosures on credit quality are set out in note 3.1.2.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

13. Cash and cash equivalents

	31 December 2024	31 December 2023
Current accounts – EGP	76,841,756	18,369,618
Time deposits *	44,931,450	-
Current accounts - with interest	30,116,356	68,708,770
Current accounts – USD	522,001	430,640
Current accounts – Euro	83,181	27,503
Cash on hand	89,310	116,326
Gross carrying amount	152,584,054	87,652,857
Provisions for credit losses of cash and cash equivalents	(1,355,541)	(441,722)
Cash at banks and on hand	151,228,513	87,211,135

* The effective interest rate on short-term bank deposits was 3.5% annually, these deposits are due contractually on a term of 30 days.

The movement of provisions of cash in banks and on hand is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	441,722	-
Provisions formed during the year (note 25)	913,819	441,722
	1,355,541	441,722

The balances are all in stage 1 and no balances are currently in stage 2 or 3. Refer to note 3.1.2 for the credit quality disclosures.

14. Capital

	31 December 2024	31 December 2023
Authorised Capital (6,000,000,000 shares with a nominal value of EGP 1 per share (2023: 200,000,000 shares with a nominal value of EGP 10 per share)	6,000,000,000	2,000,000,000
Issued Capital (1,654,000,000 shares with a nominal value of EGP 1 per share (2023: 123,800,000 shares with a nominal value of EGP 10 per share)	1,654,000,000	1,238,000,000
Paid-up Capital (1,654,000,000 shares with a nominal value of EGP 1 per share (2023: 123,800,000 shares with a nominal value of EGP 10 per share)	1,654,000,000	1,238,000,000

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

14. Capital (continued)

On 2 July 2024, the extra general assembly meeting of the company decided to increase the authorised capital to be EGP 6,000,000,000, and approved the split of the share through decreasing the par value of the share to be EGP 1 instead of EGP 10. Accordingly the authorised capital became 6,000,000,000 shares instead of 200,000,000 shares, and the issued and paid up shares have been increased to be 1,238,000,000 shares instead of 123,800,000 shares. The increase in the authorised capital and the share split was registered in the Commercial Register on 16 July 2024.

On 11 September 2024 the Company's Board of Directors approved to increase the Company's issued capital by an amount of EGP 416 million (416 million shares), for the total issued capital to be EGP 1,654,000,000, and 100% of the value of such increase was paid in cash and subscribed by all shareholders. This increase was registered in the Commercial Register on 23 September 2024, the total paid-up capital amounted to EGP 1,654,000,000.

15. Legal reserve

In accordance with the Companies Law No.159 of 1981 and the Company's articles of association, 5% of the net profit for the year is transferred to the legal reserve account. Based on a proposal by the board and the approval of the General Assembly of the company, this transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. The legal reserve is not available for distribution to the shareholders.

16. Loans

Loan	Interest rate	Current Portion	Non-current portion	Accrued interest*	Total 31 December 2024	Current portion	Non-current portion	Accrued interest*	Total 31 December 2023
First loan	1.5% + Corridor	42,593,273	176,563,414	6,630,798	225,787,485	79,771,987	520,236,452	11,147,553	611,155,992
Second loan	2% + Corridor	104,724,914	736,347,042	-	841,071,956	78,543,684	841,071,960	-	919,615,644
Total loans		147,318,187	912,910,456	6,630,798	1,066,859,441	158,315,671	1,361,308,412	11,147,553	1,530,771,636

* Accrued interest is part of the current portion of the loans.

First loan

During 2021, the company has entered in a sale lease back agreement with BM Financial Leasing Company, Banque Misr. to sell and lease back the entire land and buildings of exhibitions No. (3), (4), (6), (7), (9), (11), (12), (13), (14), (15), (16), (17), (24), (34), (36) located in Sodic village at Km 38 Cairo-Alexandria Desert Road in the seventeenth district in the areas P1, P2, P3 in the northern sector and which is designated for trade fairs in Sheikh Zayed City.

The assets were sold with total amount of EGP 700 million allocated as follows:

- Banque Misr share from financing and risk sharing: EGP 650,000,000.
- BM share for financial leasing and risk sharing: EGP 50,000,000.

The company will repay the principals in addition to the interest which is 1.5% over the corridor rate to be paid on quarterly instalments starting from May 2021, additionally the last instalment will be paid in August 2028.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

16. Loans (continued)

This agreement was considered as a finance agreement instead of a selling agreement as it was not qualified as a sale transaction in accordance with EAS 48. Therefore, the assets were not derecognised from the statement of financial position, and the received amount has been recognised as loan.

During October 2024, the Company has partially settled part of its debt related to Banque Misr and BM Lease for an amount of EGP 313 million.

Second loan

During 2022, based on the long-term finance contract between Banque Misr and Bonyan for Development and Trading on 23 January 2022, Banque Misr granted Bonyan for Development and Trading a long-term credit limit by an amount of EGP 982 million, in order to finance part of the purchase cost of six administrative buildings. Under this contract, the finance is disbursed in instalments as follows:

Instalment	Amount	Date
First instalment	105,192,436	23 January 2022
Second instalment	455,833,887	21 October 2022
Third instalment	420,769,745	21 July 2023

The loan is to be paid on quarterly instalments starting in March 2022, provided that the last instalment shall be paid in September 2028 at the end of the loan.

Collaterals

Collaterals for loans consist of mortgaging some of the Company's buildings (investments in properties) to banks. The necessary measures are being taken for the mortgage. The fair value of these buildings is EGP 12,571,491,639 (31 December 2023: EGP 9,409,756,435).

	31 December 2024	31 December 2023
The liabilities related to the loans are as follows:		
During one year	452,452,642	485,599,051
Short-term future finance expenses	(298,503,657)	(316,135,827)
Recognised as a current liability	153,948,985	169,463,224
More than one year	1,541,207,438	2,218,308,421
future finance expenses	(628,296,982)	(857,000,009)
Recognised as a non-current liability	912,910,456	1,361,308,412

The amounts recognized in profit or loss related to loans are as follows:

	31 December 2024	31 December 2023
Interest expenses	400,939,263	268,977,949
Total (note 27)	400,939,263	268,977,949

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

17. Trade and other payable

	31 December 2024	31 December 2023
Notes payables	101,729,274	3,746,468
Deferred revenue *	49,374,775	30,002,116
Accrued expenses **	14,627,938	21,477,583
Service providers	8,119,016	5,841,945
Due to tax authorities	7,783,387	5,684,749
Employee training fund	6,517,770	5,517,770
Retention	5,241,015	5,497,445
Trade payables	4,027,373	3,632,697
Contractors	3,646,626	2,913,125
Deposits from others	2,513,711	2,334,409
Consultants	1,943,188	3,121,852
Other	479,148	3,424,157
Total trade and other payable	206,003,221	93,149,316
Deduct:		
Notes payable- Non-current portion	(60,460,030)	(944,000)
Current portion of trade and other payable	145,543,191	92,205,316

* This amount represents the amounts received from the customers in respect of the rent of units. These payments will be recognised as rental income over the year from 1 to 5 months.

** The amount includes balances due to Compass Capital amounting to EGP 1,361,421 as of 31 December 2024 (31 December 2023: EGP 4,219,421) (note 10.b).

The amount of notes payable is as follows:

	31 December 2024	31 December 2023
Total notes payables	170,608,783	3,746,468
Deduct: Future accrued interest	(68,879,509)	-
	101,729,274	3,746,468
Distributed as follows:		
Notes payable- Current portion	41,269,244	2,802,468
Notes payable- Non-current portion	60,460,030	944,000
	101,729,274	3,746,468

18. Provisions

	31 December 2024	31 December 2023
Stamp tax provisions	936,802	936,802
Salaries tax provisions	202,445	202,445
Total	1,139,247	1,139,247

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

19. Deposit related to maintenance fees

	31 December 2024	31 December 2023
Deposit related to maintenance fees	154,492,459	108,069,534

The amount of deposits related to maintenance expenses and refundable insurances to third parties represents deposits related to maintenance expenses in the amount of 95,136,030 Egyptian pounds (December 31, 2023: 59,384,369 Egyptian pounds) and refundable insurances from third parties in the amount of 59,356,429 Egyptian pounds (December 31, 2023: 48,685,165 Egyptian pounds).

This amount represents amounts paid by buyers and tenants which are deposited in banks. The annual interest return from these amounts are used to fund the maintenance expenses of the sold and leased units. The amounts are repayable on demand as the entity may decide to dispose of the property in which case such amounts will be repaid. Interest earned to fund such expenses was EGP 12,884,908 (31 December 2023: EGP 9,002,814).

20. Other revenues

	31 December 2024	31 December 2023
Utilities and finishing	32,147,994	19,435,374
Chilled water income	6,902,410	4,060,753
Other revenues	4,385,513	4,970,708
Marketing revenue	2,749,633	4,037,325
	<u>46,185,550</u>	<u>32,504,160</u>

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

21. Expenses by nature

	31 December 2024	31 December 2023
Operating costs related to rental and maintenance income (Note 22)	138,753,010	104,755,468
General and administrative expenses (Note 23)	71,323,451	64,420,905
Selling and marketing expenses (Note 24)	35,733,877	40,081,031
	245,810,338	209,257,404
Wages and salaries	49,855,015	40,208,140
Building management	44,074,391	36,963,971
Electricity, water and gas expenses	23,690,176	21,020,517
Maintenance and repair expenses	18,037,935	9,685,911
Commissions	13,971,541	13,803,718
Financial advisory fees (Note 11.b)	13,141,768	16,325,999
Professional fees	12,260,214	6,107,198
License fees	10,381,812	2,840,551
Real estate tax	9,162,495	12,620,765
Marketing expenses	8,209,922	12,559,560
Cleaning expenses	7,329,241	6,119,244
Tax inspection differences	6,885,938	-
Security expenses	5,984,510	4,616,081
Depreciation of fixed assets (note 5)	4,838,787	3,562,496
Other expenses	3,473,651	10,748,308
Bank expenses	3,459,851	2,168,421
Insurance expenses	2,583,413	1,754,593
Takaful contribution	2,340,805	2,416,301
Key management compensation	2,300,000	-
Transportation expenses	1,635,771	1,520,994
Employee training fund	1,000,000	2,817,000
Agriculture expense	601,144	662,135
Low value rent	409,512	609,194
Government entities expenses	182,446	126,307
Total	245,810,338	209,257,404

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

22. Cost of revenues

	31 December 2024	31 December 2023
Building management	44,074,391	36,963,971
Wages and salaries	25,378,176	15,648,542
Electricity, water and gas expenses	23,622,760	20,993,733
Maintenance and repair expenses	17,889,054	9,642,953
Cleaning expenses	7,301,115	6,081,919
Security expenses	5,984,510	4,616,081
Other expenses	2,280,292	6,055,792
Transportation expenses	1,239,756	1,249,791
Agriculture expense	601,144	662,135
Total (Note 21)	138,753,010	104,755,468

23. General and administrative expenses

	31 December 2024	31 December 2023
Wages and salaries	15,327,120	11,442,555
Financial advisory fees	13,096,388	16,325,999
Real estate tax	9,162,495	12,620,765
Professional fees	7,902,899	5,506,488
Tax inspection differences	6,885,938	-
Depreciation of fixed assets (note 5)	4,838,787	3,562,496
Bank expenses	3,459,851	2,168,421
Insurance expenses	2,583,413	1,754,593
Takaful contribution	2,340,805	2,416,301
key management compensation	2,300,000	-
Other expenses	1,193,359	4,692,516
Employee training fund	1,000,000	2,817,000
Low value rent	409,512	609,194
Transportation expenses	396,015	271,203
Government entities expenses	182,446	126,307
Maintenance and repair expenses	148,881	42,958
Electricity, water and gas expenses	67,416	26,784
Cleaning expenses	28,126	37,325
Total (Note 20)	71,323,451	64,420,905

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

24. Selling and marketing expenses

	31 December 2024	31 December 2023
Wages and salaries	9,149,719	13,117,043
Commissions	13,971,541	13,803,718
Marketing expenses	8,209,923	12,559,560
Professional fees	4,357,314	600,710
Financial advisory fees	45,380	-
Total (Note 20)	<u>35,733,877</u>	<u>40,081,031</u>

25. Net impairment of financial assets

	31 December 2024	31 December 2023
Reversal /(Formed) of credit losses in loans receivable on sales (note 9.c)	399,966	(706,727)
Reversal of credit losses in trade receivables (note 9.c)	2,867,291	6,516,702
Formed provisions of credit losses in other receivables (note 9.c)	(168,215)	(505,255)
Reversal credit losses in related parties (note 11.a)	822,773	-
Reversal/(Formed) credit losses in treasury bills (note 12)	220,863	(220,863)
(Formed) credit losses in cash at banks and on hand (note 13)	(913,819)	(441,722)
Total	<u>3,228,859</u>	<u>4,642,135</u>

26. Finance income

	31 December 2024	31 December 2023
Credit interest	18,426,308	9,002,184
Treasury bills interests (note 12)	10,076,793	1,950,396
Gains on foreign currency valuation differences	3,756,977	18,906,292
Total	<u>32,260,078</u>	<u>29,858,872</u>

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

27. Finance costs

	31 December 2024	31 December 2023
Interest expense*	400,939,263	270,030,059
Total	400,939,263	270,030,059

	31 December 2024	31 December 2023
Total interests on loans (note 16)	400,939,263	268,977,949
Letter of guaranteed expenses	-	1,052,110
	400,939,263	270,030,059

28. Income tax**28.a) Current income tax liabilities**

	31 December 2024	31 December 2023
Balance at the beginning of the year	45,284,288	-
Tax paid during the year	(45,284,288)	-
Income tax settlement for the previous fiscal year	(12,657,245)	-
Income tax for the year (note 28.c)	20,151,653	56,013,564
Tax expense on gain from selling securities (note 28.c)	-	2,377,967
Income tax settlement against withholding tax receivable (note 9.b)	(1,509,406)	(13,107,243)
Balance	5,985,002	45,284,288

28.b) Deferred income tax liabilities

Deferred income tax is represented in the tax liabilities arising from temporary differences between the tax basis of assets and their carrying amount in the financial statements.

	Fixed assets	Differences resulting from investment properties evaluation	Differences resulting from application of straight-line method in revenue	Total
Balance as of 1 January 2023	-	901,081,279	-	901,081,279
Deferred income tax charged to the statement of profit or loss	2,501,081	770,296,960	-	772,798,041
Balance as of 31 December 2023	2,501,081	1,671,378,239	-	1,673,879,320
Balance as of 1 January 2024	2,501,081	1,671,378,239	-	1,673,879,320
Deferred income tax charged to the statement of profit or loss	(130,384)	728,812,804	24,619,902	753,302,322
Balance as of 31 December 2024	2,370,697	2,400,191,043	24,619,902	2,427,181,642

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

28. Income tax (continued)
28.b) Deferred income tax liabilities (continued)
Un-recognized deferred tax assets

The following deferred tax assets are not recognized due to the uncertainty of being useful in tax in the future:

	31 December 2024	31 December 2023
Tax impact on impairment of trade and other receivables	544,338	2,644,335
Tax impact on provisions	256,331	256,331
Total	800,669	2,900,666

28.c) Income tax expense

	31 December 2024	31 December 2023
Current income tax expense (note 28.a)	20,151,653	56,013,564
Income tax settlement for the previous fiscal year	(12,657,245)	-
Deferred tax arising from temporary differences (note 28.b)	753,302,322	772,798,041
	760,796,730	828,811,605
Tax expense on gain from selling securities (note 28.a)	-	2,377,967
Total current income tax expense	760,796,730	831,189,572
Net profit for the year before tax	3,430,117,380	3,780,026,841
Tax using prevailing tax rate (22.5%)	771,776,411	850,506,039
Tax impact of expenses not recognised for tax purposes	6,392,838	1,970,125
Tax impact for non-taxable income	(4,715,274)	(3,023,646)
Income tax settlement for the previous fiscal year	(12,657,245)	-
The tax impact of revenues subject to a different tax rate	-	(5,350,425)
The tax impact of carried forward tax losses to be carried forward	-	(15,290,488)
	760,796,730	828,811,605
The tax impact of profits resulting from the gain on sale of securities	-	2,377,967
Total	760,796,730	831,189,572
Effective tax rate	22.18%	21.99%

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

29. Basic and diluted earnings per share

Basic earnings per share for the year is calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year.

	31 December 2024	31 December 2023
Net profit for the year	2,669,320,650	2,948,837,269
Weighted average number of ordinary shares	<u>1,350,320,000</u>	<u>1,238,000,000</u>
Earnings per share	<u>1.98</u>	<u>2.38</u>

The weighted average number of ordinary shares for the year ended 31 December is calculated as follows:

	31 December 2024	Weighted Factor	Weighted average for the shares for 31 December 2024	31 December 2023	Weighted Factor	Weighted average for the shares for 31 December 2023
Number of shares at the beginning of the year	1,238,000,000	1	1,238,000,000	1,238,000,000	1	1,238,000,000
Outstanding shares on 23 September 2024	416,000,000	0.27	112,320,000	-	-	-
	<u>1,654,000,000</u>	-	<u>1,350,320,000</u>	<u>1,238,000,000</u>	-	<u>1,238,000,000</u>

On 2 July 2024, the extra general assembly meeting of the company decided to increase the authorised capital to be EGP 6,000,000,000, and approved the split of the share through decreasing the par value of the share to be EGP 1 instead of EGP 10. Accordingly the authorised capital became 6,000,000,000 shares instead of 200,000,000 shares, and the issued and paid up shares have been increased to be 1,238,000,000 shares instead of 123,800,000 shares. The increase in the authorised capital and the share split was registered in the Commercial Register on 16 July 2024. Based on this fact the weighted average of the shares for the comparative year has been amended retrospectively.

On 11 September 2024 the Company's Board of Directors approved to increase the Company's issued capital by an amount of EGP 416 million (416 million shares), for the total issued capital to be EGP 1,654,000,000, and 100% of the value of such increase was paid in cash and subscribed by all shareholders. This increase was registered in the Commercial Register on 23 September 2024, the total paid-up capital amounted to EGP 1,654,000,000.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares by the effects of all potential ordinary shares causing this dilution. The Company does not have potential diluted shares as of 31 December 2024 and 31 December 2023, therefore, diluted earnings per share equal to basic earnings per share.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

30. Tax position

Due to the nature of the procedures of estimating tax liabilities in Arab Republic of Egypt, the final outcome of the estimation by the Tax Authority might not be realistic. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority for the Company's due taxes. The Company's management creates a provision for contingent liabilities based on the development of negotiations with the Tax Authority and based on the opinion of the Company's tax consultant. The Company's tax position until 31 December 2024 is summarised below:

30.1 Corporate tax

Tax returns were prepared and submitted on time until 2024 according to the provisions of Law No. 91 of 2005, as amended and its executive regulations, and it was handed over to the competent department on legal times.

Years from 2008 to 2024

- The Company was inspected for the years from 2008 to 2016 and the tax differences were settled and paid.
- The Company was inspected for the years from 2017 and 2018, on a deemed base and the inspection was appealed, and a decision of re-inspection was issued.
- The Company is currently being inspected for the years from 2017 to 2021.
- Inspection was not made for 2022 and 2024.
- The Company shall pay all tax liabilities to date.

30.2 Wages and salaries tax

- The Company settles the wages and salaries tax and tax forms on the legal deadlines.

Years from 2008 to 2024

- The Company was inspected for the years from 2008 to 2016, and the tax differences were settled and paid.
- The Company has been inspected for the years from 2017 to 2022, Tax differences amounted to 1,937,928 are under settlement with the tax authority.
- Inspection was not made for 2023 and 2024

30.3 Stamp taxYears since inception until 31 December 2024:

- The Company calculates the stamp tax on advertisements in accordance with Law no. 111 of 1981 and its legal amendments 143 of 2006. The Company was inspected for the years since inception until 31 December 2020, and tax differences were settled and paid.
- Inspection was not carried out for the years from 2021 to 2022.

30.4 Sales Tax - Value Added Tax

- The Company was registered for sales tax at 14 December 2009.
- The Company regularly submits the sales tax return to the competent department in the legal dates.

Years from 2008- 2024:

- Inspection was made from the date of registration until 31 December 2021. The Company was notified by Form 15 and the tax differences and additional tax were fully paid.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

30. Tax position (continued)
30.5 Withholding tax

- The Company is committed to deducting withholding taxes in accordance with the provisions of Law No. 159 of 2005 as amended and its executive regulations. The Company was inspected since inception until 31 December 2017, and the amount was fully paid.

Years from 2008- 2024:

- The Company was inspected for the years since inception date to 31 December 2017 and the tax differences were settled and paid.
- The years from 2018 to 2020 are under inspection.
- The years from 2021 to 2022 were inspected.

31. Reconciliation of liabilities arising from financing activities

The following is an analysis of the liabilities arising from financing activities and the movement of liabilities arising from financing activities for each of the presented years. The following liabilities items are those presented as financing activities in the statement of cash flows:

	Loans	Capital	Total
Balance at 31 December 2022 and 1 January 2023	1,237,767,125	1,238,000,000	2,475,767,125
Cash flows			
Loans withdrawals	420,769,745	-	420,769,745
Loan principals repayment	(137,364,949)	-	(137,364,949)
Interest repayments	(259,378,234)	-	(259,378,234)
Other movements			
Finance costs (note 27)	268,977,949	-	268,977,949
Balance at 31 December 2023	<u>1,530,771,636</u>	<u>1,238,000,000</u>	<u>2,768,771,636</u>
Balance at 31 December 2023 and 1 January 2024	1,530,771,636	1,238,000,000	2,768,771,636
Cash flows			
Loans withdrawals			
Loan principals repayment	(459,395,441)	-	(459,395,441)
Interest repayments	(405,456,017)	-	(405,456,017)
Capital increase (note 14)	-	416,000,000	416,000,000
Other movements			
Finance costs (note 27)	400,939,263	-	400,939,263
Balance at 31 December 2024	<u>1,066,859,441</u>	<u>1,654,000,000</u>	<u>2,720,859,441</u>

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

32. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The company's CODM is the board of directors of the company who is in charge of operations and assessing the financial performance and position of the company and making strategic decisions. The company management has determined the operating segments based on the information frequently reviewed by the board of directors for the purpose of assessing the financial performance and position of the company and making strategic decisions.

The board of directors reviews the operating results of the operating segments as regards the nature of operation of the segment. Since the Company's activities are organized into one sector (operation) entirely related to the sale and lease of investment properties, the enterprise-level information required under EAS No. 41 "Operating Segments" is already included in the financial statements, so no other disclosure information is required.

The board of directors assesses the performance of the operating segments based on the total revenues, the operating profit, total non-current assets and current assets, the total liabilities and equity of segment. This measurement basis excludes discontinued operations, interest income and expenditure.

The Company is domiciled in Egypt, as all the amount of its revenue are generated from customers in Egypt. Total revenue for the financial year ended 31 December 2024 amounted to EGP 896,759,192 (31 December 2023: EGP 912,881,928).

The revenue generated from the major customer of the Company represents 15% (2023: 8%) of the total Company's revenue.

All its non-current assets are in Egypt which are amounting to as of 31 December 2024 EGP 12,997,204,705 (31 December 2023: 9,539,481,696).

33. Contingent liabilities and capital commitments

The Company has no significant contingent liabilities or capital commitments as of 31 December 2024 and 31 December 2023.

Notes to the Financial statements for the financial year ended 31 December 2024

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

34. Significant events

- A) In February 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise key interest rates by 200 basis points.
- B) On 6 March 2024, the Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the overnight lending rate and the main operation rate of the Central Bank of Egypt by 600 basis points to reach 27.25%, 28.25% and 27.75% respectively. The credit and discount rates were also raised by 600 basis points to reach 27.75%. The Central Bank decided to continue its efforts to move towards a flexible framework for targeting inflation, by continuing to target inflation as a nominal anchor of monetary policy while allowing the exchange rate to be determined according to market mechanisms so that the exchange rate reflects the value of the Egyptian pound against other foreign currencies by the forces of supply and demand, which led to a depreciation of the Egyptian pound. The potential impact of the depreciation of the Egyptian pound on the company's performance remains uncertain as of the date of this report, however, management continues to closely monitor the situation.
- C) During 2024, the Company has partially settled part of its debt related to Banque Misr and BM Lease for an amount of EGP 313 million. This brings the Company's total outstanding debt to EGP 1,066 million as of 31 December 2024. Reducing the Company's debt and financing costs which has been reflected positively on the Company's financial statements.
- D) During 2024 the Board of Directors of the Company decided to start the communication process with the Financial Regulatory Authority to start the submission process of listing the Company in the Egyptian stock exchange.