

**AL - Naeem Holding for investments**  
**(S.A.E – free zone)**  
**Consolidated Financial Statements**  
**For the year ended 31 December 2025**  
**Auditor's report**

**AL - NAEEM Holding for Investments “S.A.E– free zone”**  
**Consolidated Financial Statements for the year ended 31 December 2025**

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## AUDITOR'S REPORT

*Translation of Audit report  
originally issued in Arabic*

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

#### **Report on the consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **NAEEM HOLDING COMPANY FOR INVESTMENTS (S,A,E – FREE ZONE)**, represented in the consolidated balance sheet as of 31 December 2025, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

ADVISORY • ASSURANCE • TAX

Mohamed Hilal & Wahid Abdel Ghaffar trading as Baker Tilly Hilal & Abdel Ghaffar is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

**Opinion**

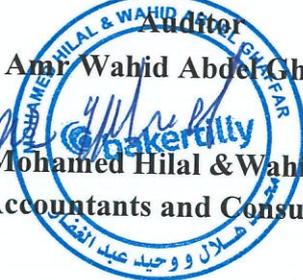
In our opinion, the consolidated financial statements referred to above, give a true and fair view, in all material respects, of the financial position of **NAEEM HOLDING COMPANY FOR INVESTMENTS (S,A,E – FREE ZONE)**, as of 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

**Emphasis of matter**

**Without qualifying our opinion**

- Based on the minutes of the extraordinary general assembly of Bedaya Company For Real Estate Investments (subsidiary), as held on March 27, 2013, it was approved to freeze the company's activity via suspending that activity completely, as of March 31, 2013. Whereupon, the company's tax card was submitted to the taxation authorities (note no.28).
- According to the resolution issued by the board of directors of the Egyptian Financial Supervisory Authority, at the session held on July 23, 2011 Company for Real Estate Finance (subsidiary) was prevented from practicing the activity of real estate finance, pursuant to article (42) of the Real Estate Finance Law No. 148 of the year 2001, due to the company failure to complete the amount of its issued capital Note No. (28) (fully impaired).

**Cairo: 24 February 2026**

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


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

Translation of Financial Statements  
originally issued in Arabic

	Note	31/12/2025	31/12/2024
<b>Assets</b>			
<b>Non - current assets</b>			
Fixed assets	(4)	17 009 272	11 491 502
Right of use assets		340 132	14 870
Projects under construction	(5)	315 430	43 337
Investments at fair value through OCI	(6)	76 546 339	78 930 662
Long - term investments	(7)	651 924	483 988
Notes receivables		234 118	381 781
Investments in associates	(8)	1 535 965	3 073 974
Deferred tax assets		17 391	17 424
Goodwill	(10)	33 072 829	54 890 059
<b>Total non - current Assets</b>		<b>129 723 400</b>	<b>155 333 597</b>
<b>Current assets</b>			
Cash & Cash Equivalents	(11)	2 840 891	5 294 061
Investments at fair value through profit or loss	(12)	7 277 910	6 675 219
Trade receivables	(13)	6 047 527	3 920 574
Work in progress	(14)	7 180 890	7 833 011
Debitors and other debit balances	(15)	6 101 647	5 618 604
Due from related parties		8 589 554	23 129 680
Finished units	(16)	2 473 871	3 486 257
<b>Total current assets</b>		<b>40 512 290</b>	<b>55 957 406</b>
<b>Total assets</b>		<b>170 235 690</b>	<b>211 291 003</b>
<b>Owner's Equity</b>			
Issued and paid up capital	(17)	245 290 246	245 290 246
Treasury shares	(19)	( 176 250)	( 55 164)
Legal reserve		8 506 431	8 506 431
General reserve		19 389 651	19 389 651
General reserve - Treasury stock reserve	(18)	5 824 305	5 824 305
Reserve of Unrealized gain from available for sale investments		21 507 341	6 374 375
Foreign Currency Translation Differences		(69 426 556)	(58 670 155)
Revaluation surplus		4 616 650	4 877 136
Retained losses		(81 160 643)	(77 239 479)
Net (losses) / Profits for Year		(45 601 674)	822 026
<b>The owner's equity of the holding company</b>		<b>108 769 501</b>	<b>155 119 372</b>
Non - controlling interest		39 217 644	38 473 989
<b>Total The shareholders' equity and non - controlling interest</b>		<b>147 987 145</b>	<b>193 593 361</b>
<b>Non - current liabilities</b>			
Long - Term liabilities	(20)	684 744	944 877
Deferred tax liabilities		143 306	130 204
<b>Total non - current liabilities</b>		<b>828 050</b>	<b>1 075 081</b>
<b>Current liabilities</b>			
Provisions	(21)	205 956	26 279
Bank facilities	(22)	5 840 936	4 410 969
Receivables – credit balances		2 873 413	1 576 000
Creditors and other credit balances	(23)	12 500 190	10 609 313
<b>Total current liabilities</b>		<b>21 420 495</b>	<b>16 622 561</b>
<b>Total liabilities</b>		<b>22 248 545</b>	<b>17 697 642</b>
<b>Total equity and liabilities</b>		<b>170 235 690</b>	<b>211 291 003</b>

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

-Auditor's report " Attached "

CFO  
Ahmed Mahmoud ElGammal

Managing Director  
Youssef Medhat El Far

Chairman  
Hussein Shobkolby

أحمد محمود

-3 -

يوسف ممدوح



Translation of Financial Statements  
originally issued in Arabic

Nacem Holding for investments (S.A.E free zone)

Consolidated Income Statement For the year ended 31 December 2025

(All amounts in US Dollar)

	Note	For the year ended	
		31/12/2025	31/12/2024
<b>Revenues</b>			
Fees, commissions and investments managing revenues		4 090 313	3 229 621
Sales and rent revenue of finished units		2 743 654	4 630 247
Coupon revenue		687 327	335 294
(Loss) from sale of Investments at Fair Value through profits or losses		( 2 584)	5 476
Unrealized profit / (Loss) from revaluation of investments at fair value through profit or loss		89 502	( 30 363)
profit / (Loss) from Sale of current assets held for sale		52 568	8 857
Credit interest		203 271	245 623
Foreign currency exchange		( 84 224)	2 221 297
Company's share of profit/ (losses) in associated companies		--	( 197 022)
Capital gain		--	48 764
Other income		1 545 725	1 506 790
<b>Total Revenues</b>		<b>9 325 552</b>	<b>12 004 584</b>
<b>Deduct / Add</b>			
General and administrative expenses		(5 354 093)	(4 147 457)
Impairment of the investment value at fair value through profit and loss		--	( 2 645)
Impairment of Goodwill		(43 763 280)	--
Marketing expenses and management fees		( 79 678)	( 174 188)
Finance lease expenses		--	( 205 789)
Debit interests		(3 000 146)	(2 399 409)
Real estate depreciation	(9)	--	( 622)
Right of use amortisation		( 208 699)	( 5 535)
Fixed assets depreciation	(4)	( 692 299)	( 627 149)
Expected credit loss		38 500	47 434
<b>Total expenses</b>		<b>( 53 059 695)</b>	<b>( 7 515 360)</b>
<b>Net (losses) / Profits for Year before taxes</b>		<b>( 43 734 143)</b>	<b>4 489 224</b>
<b>Deduct</b>			
Income tax		( 604 879)	(1 068 690)
Deferred income taxes		( 8 224)	( 23 993)
<b>Net (losses) / Profits for Year</b>		<b>( 44 347 246)</b>	<b>3 396 541</b>
<b>Represented in:</b>			
Shareholders' equity of the Holding Company		(45 601 674)	822 026
Non- controlling interest		1 254 428	2 574 515
		<b>( 44 347 246)</b>	<b>3 396 541</b>

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

CFO  
Ahmed Mahmoud  
ElGammal

Managing Director  
Youssef Medhat El Far

Chairman  
Hussein  
Shobokshy

أحمد محمود

يوسف مدحت



Translation of Financial Statements  
originally issued in Arabic

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

Consolidated Statement of Comprehensive Income For the year ended 31 December 2025

(All amounts in US Dollar)

	For the year ended	
	31/12/2025	31/12/2024
Net (losses) / Profits for Year	(44 347 246)	3 396 541
Profit / (Loss) Revaluation of Investments at fair value through OCI	15 132 966	2 051 721
Revaluation surplus	(260 486)	--
Consolidated translation (loss) / exchange	(10 756 401)	(13 028 432)
<b>Total comprehensive income</b>	<b>(40 231 167)</b>	<b>(7 580 170)</b>

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

CFO

Ahmed Mahmoud ElGammal

Managing Director

Youssef Medhat El Far

Chairman

Hussein Shobokshy



Niceen Holding for Investments (S.A.E.-free zone)  
 Consolidated Statement of changes in equity for the year ended 31 December 2025

(All amounts in US Dollar)

	Issued and paid up capital	Legal reserve	General reserve	- General reserve Treasury stock reserve	Treasury shares	Reserve of Unrealized gain from available for sale investments	Revaluation surplus	Foreign Currency Translation Differences	Retained losses	Profit for the year	Total	Total	
Balance as of 1 January 2024	245,290,246	8,506,431	19,389,651	5,824,305	--	4,322,654	5,138,325	(45,641,723)	(67,485,448)	(527,459)	174,816,582	35,899,474	210,716,056
Transferred to Accumulated losses	--	--	--	--	--	--	--	--	(527,459)	527,459	--	--	--
Effect of depreciation revaluation	--	--	--	--	--	--	(264,199)	--	261,199	--	--	--	--
purchase of treasury shares	--	--	--	--	(51,164)	--	--	--	--	--	(55,164)	--	(55,164)
The effect of selling financial investments at fair value through OCI	--	--	--	--	--	--	--	--	(9,487,371)	--	(9,487,371)	--	(9,487,371)
Revaluation of financial investments at fair value through OCI	--	--	--	--	--	2,051,721	--	--	2,051,721	--	2,051,721	--	2,051,721
Consolidated translation exchange	--	--	--	--	--	--	--	(13,028,432)	--	--	(13,028,432)	--	(13,028,432)
Net profit for the Period	--	--	--	--	--	--	--	--	822,026	822,026	822,026	2,574,515	3,396,541
Balance as of 31 December 2024	245,290,246	8,506,431	19,389,651	5,824,305	(55,164)	6,374,375	4,877,136	(58,670,155)	(77,239,479)	822,026	155,119,372	38,423,989	193,543,361
Balance as of 1 January 2025	245,290,246	8,506,431	19,389,651	5,824,305	(55,164)	6,374,375	4,877,136	(58,670,155)	(77,239,479)	822,026	155,119,372	38,423,989	193,543,361
Transferred to Accumulated losses	--	--	--	--	--	--	--	--	822,026	(822,026)	--	--	--
Effect of depreciation revaluation	--	--	--	--	--	--	(260,486)	--	260,486	--	--	--	--
Adjustments on retained losses	--	--	--	--	--	--	--	--	3,366,832	--	3,366,832	(530,773)	2,836,059
purchase of treasury shares	--	--	--	--	(12,886)	--	--	--	--	--	(12,886)	--	(12,886)
The effect of selling financial investments at fair value through OCI	--	--	--	--	--	--	--	--	(8,370,508)	--	(8,370,508)	--	(8,370,508)
Revaluation of financial investments at fair value through OCI	--	--	--	--	--	15,132,966	--	--	15,132,966	--	15,132,966	--	15,132,966
Consolidated translation exchange	--	--	--	--	--	--	--	(10,756,401)	--	--	(10,756,401)	--	(10,756,401)
Net losses for the Period	--	--	--	--	--	--	--	--	(45,601,674)	(45,601,674)	(45,601,674)	1,254,428	(44,347,246)
Balance as of 31 December 2025	245,290,246	8,506,431	19,389,651	5,824,305	(176,250)	21,507,341	4,616,650	(69,426,556)	(81,160,443)	(45,601,674)	108,769,698	39,257,644	147,987,342

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

CFO  
 Ahmed Mahmoud ElGammal

أحمد محمود

Managing Director  
 Youssef Medhat El Far

يوسف ممدوح

Chairman  
 Horvitz Shohabehy



Nacem Holding for investments (S.A.E- free zone)

Consolidated Statement of cash flows For the year ended 31 December 2025

(All amounts in US Dollar)

	Note	For the year ended	
		31/12/2025	31/12/2024
<b>Cash flows from operating activities</b>			
Net (losses) / Profits for Year before taxes		(43 734 143)	4 489 224
<b>Adjustments as Follow :</b>			
Right of use depreciation		208 699	5 535
Fixed assets depreciation	(4)	692 299	627 148
Adjustments on retained losses		3 366 832	--
Real estate depreciation	(9)	--	622
Capital gain		--	( 48 764)
impairment in goodwill		43 763 280	--
Debit interest		3 000 146	2 399 409
Credit interest		( 203 271)	( 245 623)
Impairment losses on investments in subsidiaries		--	2 645
Foreign currency exchange		84 224	(2 221 297)
Investment (losses) in associates		--	197 022
Unrealized profit / (losses) on revaluation of Investments at fair value through profit or loss		( 89 502)	30 363
Expected credit loss		( 38 500)	( 47 434)
<b>Operating loss before change in working capital</b>		<b>7 050 064</b>	<b>5 188 850</b>
<b>Change In :</b>			
Trade receivable		(2 129 847)	2 524 562
Debtor and other debit balances		( 489 184)	2 273 403
Customers - credit balances		1 297 413	(1 237 471)
Creditors and other credit balances		1 630 744	( 908 090)
Due from related parties		14 540 126	( 413 363)
Due to related parties		652 121	5 133 835
Notes receivable		147 663	100 945
Finished units		1 012 386	( 962 017)
Paid Income Tax		(1 008 367)	( 437 360)
<b>Net cash flows provided from operating activities</b>		<b>22 703 119</b>	<b>11 263 294</b>
<b>Cash flows from investing activities</b>			
(Payments) to purchase fixed assets		( 161 305)	(1 319 660)
Proceeds from selling fixed assets		--	72 546
Proceeds from sale/Real Estate Investments		--	3 411 933
(Payments) for Projects under construction		( 329 392)	2 836 460
Change in Goodwill		-15908960	--
Change in Right of use assets		( 533 961)	12 216
Paid / Proceeds from selling investments at fair value through OCI		2 384 323	27 684
Change in investments at fair value through profit or loss		( 513 189)	(1 140 276)
Change in Long-term investments		( 167 936)	359 219
Change in investments in associates		1 538 009	197 021
<b>Net cash flows provided from investing activities</b>		<b>(13 692 411)</b>	<b>4 457 143</b>
<b>Cash flows from financing activities</b>			
Paid / Proceeds from banks overdraft		1 429 967	(2 831 601)
Paid Debit interest		743 655	2 574 515
Adjustment on non controlling interest		(3 000 146)	(2 399 409)
Proceeds from Credit interest		203 271	245 623
Consolidated translation exchange		(10 756 401)	(13 028 432)
<b>Net cash flows (used in) financing activities</b>		<b>(11 379 654)</b>	<b>(15 439 304)</b>
Impact of change in exchange rates		( 84 224)	2 221 297
<b>Cash and cash equivalents during the year</b>		<b>(2 453 170)</b>	<b>2 502 431</b>
<b>Cash and cash equivalents - beginning of the year</b>		<b>5 294 061</b>	<b>2 791 630</b>
<b>Cash and cash equivalents - end of the year</b>	(12)	<b>2 840 891</b>	<b>5 294 061</b>

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

CFO

Ahmed Mahmoud  
ElGammal

أحمد محمود

Managing Director

Youssef Medhat El Far

يوسف ممدوح

Chairman

Hussein Shobohany



**AL - Naeem Holding for Investments "S.A.E"**  
**Notes to Consolidated Financial Statements**  
**For the year ended 31 December 2025**  
**(In The Notes all Amounts are shown in US Dollar unless otherwise stated)**

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**1- BACKGROUND**

**Naeem Holding Company for Investments "S.A.E - Free Zone"** was incorporated according to the provisions of law 8 of 1997 and its executive regulations and law 95 of 1992 and its special executive regulations related to the capital market, The Company was registered in the commercial registry under number 881-Ismailia on the 14 May 2006, The Company's activities are as follows:

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

**2- The Company has the following investments in subsidiaries as of December 31, 2025:**

<b>Company</b>	<b>Activity</b>	<b>Share %</b>
-NAEEM Brokerage Company.	Financial Securities Brokerage	99.96%
-NAEEM Financial Investments Company.	Financial services	99.99%
-NAEEM Mortgage for Real Estate.	Real estate financing	98.4%
-NAEEM Capital Limited Company.	Financial Securities investments	100%
-NAEEM for Real Estate Management Limited Company.	Real Estate Investment Management	100%
-Smart for securities (Etihad Capital for Securities).	Financial Securities	99.96%
-Naeem Masr Investment Fund Company.	Investment Fund	100%
-NAEEM Real Estate Investment Fund company.	Investment Fund	99%
-Mina Mac Fund Company.	Investment Fund	99%
-NAEEM Real Estate Investment Fund (NAEEM for Investment Funds Company previously).	Investment Fund	99%
-Gold Capital for trading Company.	Commodities Trading	98.80%
-Recap for Financial investments (Recap holding previously) *.	Financial services	47.61%
-NAEEM For Financial Consulting.	Financial services	99.92%
-Arab Sweeteners Company.	Manufacturing	99.98%
Etihad Capital ***	financial service	91.83%
AL - Naeem Shares & Bonds	financial service	92.08%

**AL - Naeem Holding for Investments "S.A.E"**

**Notes to Consolidated Financial Statements**

**For the year ended 31 December 2025**

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

\* AL - Naeem Holding for Investments (Recap) previously for Financial Investments owns the following ownerships in its Subsidiaries:

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

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

\*\* The company was excluded from the consolidation scope for the period ended June 30, 2025, following Al Naim Real Estate Investments Company's disposal of 85% of its equity interest in the company, resulting in remaining ownership of 14%, pursuant to the agreements executed on April 1, 2025.

**3- BASIS OF CONSOLIDATION**

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

**Naem Holding for investments (S.A.E- free zone)**  
**Notes to consolidated financial statements for the year ended 31 December 2025**  
**(In the notes all amounts are shown in US Dollar unless otherwise stated)**

**Translation of Financial Statements  
originally issued in Arabic**

(4) Fixed assets	*Buildings	Vehicles	Furniture and office utilities	Office equipment and tools	Total
<b>Cost as of 1/1/2024</b>	<b>16 636 257</b>	<b>633 589</b>	<b>5 211 319</b>	<b>1 803 924</b>	<b>24 285 089</b>
Additions during the year	1 136 806	125 885	2 127	54 842	1 319 660
Disposals during the year	--	(41 309)	--	--	(41 309)
<b>Cost as of 31/12/2024</b>	<b>17 773 063</b>	<b>718 165</b>	<b>5 213 446</b>	<b>1 858 766</b>	<b>25 563 440</b>
Impact of the acquisition of Etihad Capital	--	33 925	--	113 594	147 519
Transferred from Right-of-Use Assets	--	26 426	--	--	26 426
Additions during the year	31 693	62 290	17 316	74 394	185 693
<b>Cost as of 31/12/2025</b>	<b>17 804 756</b>	<b>840 806</b>	<b>5 230 762</b>	<b>2 046 754</b>	<b>25 923 078</b>
<b>Accumulated depreciation as of 1/1/2024</b>	<b>1 526 148</b>	<b>348 427</b>	<b>3 860 738</b>	<b>1 721 004</b>	<b>7 456 317</b>
Depreciation for the year	502 580	30 155	64 343	30 070	627 148
Depreciation of disposals for the year	--	(17 527)	--	--	(17 527)
<b>Accumulated depreciation as of 31/12/2024</b>	<b>2 028 728</b>	<b>361 055</b>	<b>3 925 081</b>	<b>1 751 074</b>	<b>8 065 938</b>
Impact of the acquisition of Etihad Capital	--	29 685	--	111 350	141 035
Accumulated Depreciation transferred from Right-of-Use Assets	--	14 534	--	--	14 534
Disposals during the year	540 382	43 884	45 949	62 084	692 299
<b>Accumulated depreciation as of 31/12/2025</b>	<b>2 569 110</b>	<b>449 158</b>	<b>3 971 030</b>	<b>1 924 508</b>	<b>8 913 806</b>
<b>Net Book Value 31/12/2025</b>	<b>15 235 646</b>	<b>391 648</b>	<b>1 259 732</b>	<b>122 246</b>	<b>17 009 272</b>
<b>Net Book Value 31/12/2024</b>	<b>15 744 335</b>	<b>357 110</b>	<b>1 288 365</b>	<b>107 692</b>	<b>17 497 502</b>

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

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**5. Projects Under Construction**

	1/1/2025	Additions during the year	Disposals during the year	31/12/2025
Projects Under Construction	43 337	329 392	(57 299)	315 430
	<u>43 337</u>	<u>329 392</u>	<u>(57 299)</u>	<u>315 430</u>

**6. Investments at Fair Value through OCI**

	31/12/2025	31/12/2024
Quoted Shares in The Stock Market	18 289 704	45 265 708
Unquoted Shares in The Stock Market	58 256 635	14 870 527
Nile Palm EL Naeem for Real Estate Development *	--	7 620 118
Uni fund for financial investments	--	11 174 309
	<u>76 546 339</u>	<u>78 930 662</u>

\* During the financial year ended 31 December 2025, the Company fully impaired its investments in Nile Palm Al-Naeem for Real Estate Development and Uni Fund International for Financial Investments and was recognized within the fair value revaluation reserve of investments through other comprehensive income The total amounting to 18 794 427 USD.

**7. Long-Term Investments**

	31/12/2025	31/12/2024
Misr Company for Central Clearing and Depository *	564 371	394 545
Guarantee Settlement Fund**	87 553	89 443
	<u>651 924</u>	<u>483 988</u>

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

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

**8. Investments in Associates**

	Ownership%	31/12/2025	31/12/2024
AL - Naeem Shares & Bonds	1	--	176 942
Etihad Capital	30.2	--	1 406 210
Smart Back	35	1 535 965	1 490 822
		<u>1 535 965</u>	<u>3 073 974</u>

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**9. Real Estate Investments**

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

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

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

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

**10. Goodwill**

	31/12/2025	31/12/2024
<b>Goodwill arises from acquisition of:</b>		
Naeem Brokerage in financial securities	40 330 093	40 330 093
Naeem development holding (REACAP for financial investments previously)	10 251 294	10 251 294
Naeem for Financial Investments	3 103 794	3 103 794
Etihad Capital	22 419 377	473 327
Smart for securities (Etihad Capital for Securities)	731 551	731 551
	<b>76 836 109</b>	<b>54 890 059</b>
Deduct: impairment in goodwill	(43 763 280)	--
	<b>33 072 829</b>	<b>54 890 059</b>

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(\*) and the impairment in goodwill balance is represented in:

	31/12/2025	31/12/2024
Naeem Brokerage in financial securities	(40 330 093)	--
Naeem development holding (REACAP for financial investments previously)	(1 818 483)	--
Naeem for Financial Investments	(883 153)	--
Smart for securities (Etihad Capital for Securities)	(731 551)	--
	<u>(43 763 280)</u>	<u>--</u>

**11. Cash and Cash Equivalent**

	31/12/2025	31/12/2024
<b>US Dollars</b>		
Cash on hand	3 149	3 429
Banks - Current accounts	699 440	514 949
Time deposit	49 990	50 000
	<u>752 579</u>	<u>568 378</u>
<b>Other Currencies</b>		
Cash on hand	24 347	17 404
Banks - Current accounts	1 550 139	4 121 662
Time deposits	513 939	587 307
	<u>2 088 425</u>	<u>4 726 373</u>
<b>Deduct:</b>		
Expected credit loss	(113)	(690)
	<u>2 840 891</u>	<u>5 294 061</u>

**12. Investments at Fair Value through Profit or Loss**

	31/12/2025	31/12/2024
Quoted shares in the stock market	495 536	646 005
Unquoted shares in the stock market	363 982	679 986
Investment fund units (Treasury shares)	6 418 392	5 349 228
	<u>7 277 910</u>	<u>6 675 219</u>

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**13. Trade Receivables**

	31/12/2025	31/12/2024
Trade Receivables	6 247 007	4 117 160
<b>Deduct:</b>		
Expected Credit Loss	(199 480)	(196 586)
	<u><b>6 047 527</b></u>	<u><b>3 920 574</b></u>

**14. Work in Progress**

	31/12/2025	31/12/2024
Marsa Alam Land	--	4 885 685
First phase lands – smart village – buildings and constructions	7 180 890	2 947 326
	<u><b>7 180 890</b></u>	<u><b>7 833 011</b></u>

**15. Debtors and Other Debit Balances**

	31/12/2025	31/12/2024
Prepaid expenses	172 406	50 443
Employees' loans and advances	2 375	1 833
Deposit with others	321 448	214 415
Tamweel For Mortgage Company *	553 357	922 249
Advances to suppliers	498 481	226 707
Accrued Revenue	141 256	--
Purchasing and selling clearing	1 584 304	--
Tax Authority	44 111	57 244
Notes receivables	2 265 304	1 562 078
Other debit balances	529 905	2 488 794
	<u><b>6 112 947</b></u>	<u><b>5 623 763</b></u>
<b>Deduct:</b>		
Expected credit loss	(11 300)	(5 159)
	<u><b>6 101 647</b></u>	<u><b>5 618 604</b></u>

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

**16. Finished units**

	31/12/2025	31/12/2024
First phase Buildings – Smart village*	2 473 871	3 486 257
	<u><b>2 473 871</b></u>	<u><b>3 486 257</b></u>

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

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**17. Issued and paid-up capital**

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

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

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

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

**AL - Naeem Holding for Investments "S.A.E"**

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24 045 438. On 9 June 2019 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid-up capital amounted to USD 264 499 820 divided over 377 856 886 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 28 May 2019.

- On April 7, 2021, based on to the company's general assembly's decision, which included the approval to reduce the issued and paid-in capital from \$264 499 820 to be the issued and paid-in capital \$245 290 246 And that is by executing the treasury shares mentioned in the company's financial statements for the financial year ending on December 31, 2020, amounting to 27 442 248 shares with a face value for one share of 0.70 US dollars with a total value of 19 209 574 US dollars the articles no, 6 & 7 of the company's article of association has been adjusted and it was modified in the commercial register dated 13 July 2021.

**18. General reserve -Treasury stock reserve**

- According to the Company's board of directors meeting held on 25 August 2008, the Company decided to purchase 4.9% from Company's shares. The Company had purchased 11 115 493 shares during 2008 and 2009 with amount of USD 7 428 235.
- On 11 November 2009 the board of directors agreed to redeem 10 660 529 shares from treasury shares at par value, The Company completed the appropriate procedures to redeem these shares of an amount of 7 219 991 USD as at 30 March 2010 according to the decision of the extraordinary general assembly meeting held, The difference between the acquisition cost and the par value amounted to USD 3 440 538 is recognized in reserve available for distribution in equity at the balance sheet as of 31 December 2009.
- According to the decree of Company's Extraordinary General Assembly Meeting held on 14 April 2011, 5 017 471 treasury shares and their acquisition cost is amounted to 2 654 357 and their par value is amounted to USD 5 017 471 has been redeemed , and the difference between the share's par value and their acquisition cost has been charged to reserve available for distribution in the equity in the Consolidated balance sheet, as of 31 December 2011 with the addition to the amount of USD 2 363 114, so that, for the reserve available for distribution as of 31 December 2011 amounted to 5 803 652 USD.
- On 21 May 2012, according to the Extraordinary General Assembly Meeting decision, 10 432 529 shares from treasury shares have been redeemed at par value that had acquisition cost amount to USD 5 605 525 with par value amount to USD 10 432 529, The difference between the par value and acquisition cost amount to USD 4 827 004, so that the dividends available to distribution becomes USD 10 630 656 as of 31 December 2012.
- On 6 August 2013, according to the Extraordinary General Assembly Meeting decision, 10 000 000 shares from treasury shares have been redeemed at par value that had acquisition cost amount to USD 2 814 142 with par value amount to USD 10 000 000, The difference between the par value and acquisition cost amount to USD 6 671 109.

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- On 13 November 2013, according to the Extraordinary General Assembly Meeting decision, 5 000 000 shares from treasury share have been purchased with the amount of USD 1 608 173 for the purpose of financing rewarding system.
- On 30 September 2020 Treasury stock reserve amounted to USD 7 233 894
- (On 31 December 2019, USD 7 233 894).
- On April 7, 2021 according to the decision of the Extraordinary General Assembly of the company, a number of 27 442 248 shares were executed from treasury stock at their face value which is the cost of acquisition is 20 619 163 \$ and the nominal value of 19 209 574 \$ The difference between the face value and the cost of acquiring these shares was included in the treasury stock reserve with equity in the stand-alone statement of financial position on December 31, 2020 with 7 233 894 USD bringing the total value of the treasury stock reserve 5 824 305 USD on June 30 2025.

**19. Treasury stock**

- As of December 31, 2025, the value of treasury shares amounted to 176 250 USD representing a total of 1 350 000 shares, of which 410 000 shares are allocated for the employee and management incentive plan, in accordance with the approval of the Extraordinary General Assembly held on August 25, 2025. The Company obtained the approval of the Financial Regulatory Authority to implement the incentive plan on November 9, 2025.

**20. Long -term liabilities**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Notes Payable	66 331	224 076
Lease Contract Liability	618 413	720 801
	<b>684 744</b>	<b>944 877</b>

**21. Provisions**

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>Beginning balance</b>	<b>26 279</b>	<b>26 279</b>
Adjustments	187 851	--
Component during the year	(8 174)	--
<b>Ending balance</b>	<b>205 956</b>	<b>26 279</b>

**22. Bank facilities**

	<b>31/12/2025</b>	<b>31/12/2024</b>
United Ahly Bank	2 621 644	2 675 059
Saib Bank	650 168	177 026
Alttijari Wafa Bank	1 466 502	281 362
Arab African International Bank **	568 444	1 277 522
NBK	530 361	--
Emirates NBD	3 817	--
	<b>5 840 936</b>	<b>4 410 969</b>

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

**23. Credit and Other Creditor Balances**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Insurance for others	342 683	189 451
Accrued expenses	838 319	164 530
Central depository custody	16 310	7 687
Social insurance authority	20 884	11 761
Customer Advanced Payments	173 042	--
Takaful Contribution	16 463	22 324
Risk guarantee fund	304	62
Tax Authority	824 388	1 027 667
General authority for investment and free zones	--	1 964 590
Nile Palm EL Naeem for Real Estate Development	1 022 542	114 508
Notes payable – short term	137 516	958 985
Lease contract liability	223 043	124 590
Purchasing and selling clearing	--	507 853
Advanced Revenue	5 598 745	3 078 326
Maintenance Creditors	1 595 791	1 482 751
Other credit balances	1 690 160	954 228
	<b><u>12 500 190</u></b>	<b><u>10 609 313</u></b>

**24. Financial Instruments and Risk Management**

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

The significant accounting policies applied for the recognizing of income and expenses are included in note (30) of the notes to the financial statements. a-The foreign currency risk other than US dollar.

**a-The foreign currency**

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

**b- Fair Value**

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

**c- Credit Risk**

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

**d- Liquidity Risk**

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

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

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

**25. Contingent Liabilities**

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

**26. Goals and Methods of Capital Management**

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

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

**27. Tax Position of The Companies of Naeem Holding Group for Investments**

• **Naeem Holding Company**

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

- **Tax Salaries:**

- from 2012 till 2019

- the company has been inspected and the taxes has been paid and the company pays its obligations according to its legal due dates.

The years from 2020 to 2023

the company has not been inspected and No tax forms were received.

The company is committed to implementing the provisions of Law No. 91 of 2005 and its amendments, and the company has made payments under the tax account.

- **Stamp duty:** The company was exempted from stamp duty tax till 13 May 2011 and starting from 14 May 2011 it is affected by the stamp tax. the company fulfills its tax obligations as per the due dates.

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**28. Going Concern**

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

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

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**29. SIGNIFICANT ACCOUNTING POLICIES**

**29-1**

The consolidated financial statements have been prepared under the going concern assumption and on a historical cost basis, except for balance sheet items that have been measured at fair value.

**29-2 Subsidiaries companies**

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

**29-3 Consolidation elimination transactions**

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

**29-4 Conformity with accounting standards**

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

**29-5 Foreign currency translation**

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

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

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**29-6 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, Corresponding cost for this process and cost to complete, if available, are measured:

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

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

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

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

- **Interest Revenue**

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

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**29-7 Property and plant**

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

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

	<b>Years</b>
Buildings	20
Furniture and office utilities	10 – 16
Office equipment and tools	3 – 8
Vehicles	3 – 5

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

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

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

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

The accounting policy has been changed for the subsequent measurement of fixed assets for the land and buildings item according to the revaluation model in accordance with paragraph No. (31) of Egyptian Accounting Standard No. (10) amended in 2023, provided that the item of fixed assets whose fair value can be measured in a reliable way is recorded, which is the phrase For the revaluation amount on the revaluation date of December 31, 2023, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

The valuation was made using the market value method as determined by the Financial Supervision Authority's certified appraisers.

The company records the revaluation surplus in the statement of other comprehensive income, and the company conducts revaluation regularly when there is a difference in the book value that is of relative importance.

The cumulative effect of the revaluation surplus during the current period was recognized in this comprehensive income and the Company applied the revaluation model election for the first time on December 31, 2023.

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**29-8 Investments**

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

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

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

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

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

**Available for sale investments**

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

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

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

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

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

**Investments in associates**

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

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

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**29-9 Non-Current assets held for sale**

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

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

**29-10 Provisions**

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

**29-11 Legal reserve**

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

**29-12 Income taxes**

Income tax is calculated in accordance with the Egyptian tax law.

**Current income tax**

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

**Deferred income tax**

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and it carrying amount in the balance sheet (accounting base) using the applicable tax rate.

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

Current and deferred tax shall be recognized as income or an expense and included in the statement of income for the year.

**29-13 Expenses**

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

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**29-14 Treasury shares**

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

**29-15 Employees rewarding system**

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

**29-16 Related party transactions**

Related parties represent associate companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties, pricing policies and terms of these transactions are approved by the boards of directors.

**29-17 Accounting estimates**

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

**29-18 Impairment**

**Impairment of financial assets**

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

**Impairment of non-financial assets**

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

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

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**29-19 Statement of cash flows**

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

**29-20 Cash and cash equivalent**

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

**29-21 Projects under construction**

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

**29-22 Work in progress**

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

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

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

**29-23 Long term Investments**

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

**29-24 Finished Units**

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

**29-25 Real estate investment**

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

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

**29-26 Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

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

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

**29-27 Lease contract**

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

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

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

- A. periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- B. periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

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**The lessor**

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

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

**Initial recognition and subsequent measurement**

**Initial measurement**

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

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

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

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

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

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

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**Finance leases**

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

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

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

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

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

- a) the amount of the initial measurement of the lease liability
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the lessee; and
- d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

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

**Cost model**

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

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any re-measurement of the lease liability lessee shall apply the depreciation requirements in IAS 16 Property, Plant and equipment in depreciating the right-of-use asset, If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

**Initial measurement of the lease liability**

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

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

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**Subsequent measurement of the lease liability**

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

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

**30. important Events**

- On February 1, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates, and the rate of the central bank's main operation, by 200 basis points to 21.25%, 22.25%, and 21.75%, respectively. The credit and discount rates were also raised by 200 basis points to 21.75%.
  - On March 6, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates, and the rate of the central bank's main operation, by 600 basis points to 27.25%, 28.25%, and 27.75%, respectively. The credit and discount rates were also raised by 600 basis points to 27.75%.
  - On March 6, 2024, the Central Bank of Egypt (CBE) issued a decision to liberalize the exchange rate of foreign currencies against the Egyptian pound, which resulted in a significant increase in the exchange rate of foreign currencies against the local currency (the Egyptian pound). On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to reduce the overnight deposit and lending rates and the rate of the Central Bank's main operation by 225 basis points to 25%, 26%, and 25.50%, respectively. The credit and discount rates were also reduced by 225 basis points to 25.50%.
  - On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to reduce the overnight deposit and lending rates and the rate of the Central Bank's main operation by 100 basis points to 24%, 25%, and 24.50%, respectively. The credit and discount rates were also reduced by 100 basis points to 24.50%.
  - On August 28, 2025, the Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to reduce the overnight deposit and lending rates and the rate of the Central Bank's main operation by 200 basis points to 22%, 23%, and 22.50%, respectively. The credit and discount rates were also reduced by 200 basis points to 24.50%.
- On October 2, 2025, the Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to reduce the overnight deposit and lending rates and the rate of the Central Bank's main operation by 100 basis points to 21%, 22%, and 21.50%, respectively. The credit and discount rates were also reduced by 100 basis points to 21.50%.

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**31. Subsequent Events**

On 12 February 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit rate, the overnight lending rate, and the Central Bank's main operation rate by 100 basis points to 19%, 20%, and 19.50%, respectively. In addition, the credit and discount rate was reduced by 100 basis points to 19.50%.

**CFO**

**Ahmed Mahmoud ElGammal**

**Managing Director**

**Youssef Medhat El Far**

**Chairman**

**Hussein Ali Shobokshy**

