

**GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
TOGETHER WITH AUDIT REPORT**

GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)

Consolidated Financial Statements For the year ended 31 December 2024 Contents

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AUDITOR'S REPORT

TO THE SHARE HOLDERS OF GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.) Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)** represented in the consolidated financial position as of 31 December 2024, and the related consolidated statements of profit or loss, 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 Consolidated Financial Statements

These consolidated 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, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks 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.

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 **GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)** as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian accounting standards.

Cairo on: 27 March 2025



Mohamed Ahmed Abu EL Kassim

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United For Auditing and Tax

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024

	Note	31 December 2024 EGP	31 December 2023 EGP
ASSETS			
Non-current assets			
Fixed assets	(4)	1,781,321,771	1,497,734,529
Projects under construction	(5)	105,022,075	246,267,484
Right-of-use assets	(29-1)	102,595,414	70,925,092
Investments in associates	(6)	249,256,980	202,770,102
Governmental bonds		2,643,282	2,643,282
Intangible assets	(7)	49,077	125,207
Goodwill	(8)	1,040,056,540	1,040,056,540
Total non-current assets		3,280,945,139	3,060,522,236
Current assets			
Cash on hand and at banks	(9)	1,054,516,162	1,349,167,350
Investments at fair value through profit or loss	(10)	9,116,791	12,950,273
Non-current assets held for sale	(30)	35,155,767	35,155,767
Investments in treasury bills	(31)	13,708,545	125,723,657
Trade and notes receivable	(11)	9,175,868,032	4,422,114,027
Housing and development projects		222,997,204	347,390,573
Inventories	(13)	4,756,635,905	2,435,030,418
Tax authority - debit balances	(14)	412,441,110	210,514,776
Prepayments and other debit balances	(15)	1,241,540,646	1,027,293,079
Total current assets		16,921,980,162	9,965,339,920
TOTAL ASSETS		20,202,925,301	13,025,862,156
EQUITY AND LIABILITIES			
EQUITY			
Issued And Paid-up Capital	(16)	2,004,129,804	2,004,129,804
Treasury Stock	(16)	(116,483,266)	-
General reserve	(16)	-	29,678,496
Legal reserve		389,437	371,012
Splitting process adjustments	(16)	-	(88,916,974)
Retained earnings (Accumulated losses)		236,073,379	(316,784,897)
Profit for the year		1,144,807,723	1,000,296,518
Total equity attributable to the equity holders of the parent company		3,268,917,077	2,628,773,959
Non-controlling interests	(17)	1,424,819,313	1,158,866,260
TOTAL EQUITY		4,693,736,390	3,787,640,219
LIABILITIES			
Non-current liabilities			
Non-current portion of long-term loans	(18)	119,733,739	129,487,366
Non-current portion of lease liabilities	(29-2)	552,544,951	595,427,876
Deferred tax liabilities	(25)	50,157,554	131,293,860
Total non-current liabilities		722,436,244	856,209,102
Current liabilities			
Due to related parties	(12)	454,141,737	412,248,845
Current portion of long-term loans	(18)	35,748,406	8,032,773
Shareholders' credit balances	(19)	2,684,947	4,125,900
Credit facilities	(20)	10,871,741,357	5,149,622,431
Trade payable, contractors and notes payable	(21)	1,285,399,407	978,367,825
Tax authority - credit balances	(22)	620,524,569	456,440,692
Accrued expenses and other credit balances	(23)	1,222,123,692	1,126,297,713
Provisions	(24)	23,041,176	9,062,938
Current portion of lease liabilities	(29-2)	215,624,426	197,336,109
Dividends payable		55,722,950	40,477,609
Total current liabilities		14,786,752,667	8,382,012,835
TOTAL LIABILITIES		15,509,188,911	9,238,221,937
TOTAL LIABILITIES AND EQUITY		20,202,925,301	13,025,862,156

Group Chief Financial Officer

Ahmed Hamdy Helmy

Chief Executive Officer

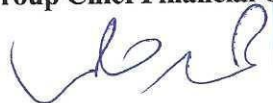
Yasser Mohamed Zaki

- The accompanying notes from (1) to (35) are an integral part of these consolidated financial statements.
- Audit Report "attached".

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 EGP	31 December 2023 EGP
Operations revenue	(26)	19,054,732,863	12,246,467,846
Operations cost	(27)	(13,922,928,269)	(8,934,403,490)
GROSS PROFIT		5,131,804,594	3,312,064,356
General and administrative expenses		(573,637,002)	(333,372,762)
Selling, distribution, and marketing expenses		(392,187,534)	(229,271,081)
Profit share from investments in associates	(6)	20,137,451	5,797,190
Investments at fair value through profit or loss valuation difference	(10)	1,275,049	421,592
Gain (Loss) from sale of investments at fair value through profit or loss	(10)	1,483,255	(569,950)
Expected credit loss in the trade and notes receivable balance	(11)	(78,710,690)	(58,957,283)
Reverse for the decline in inventories value	(13)	12,557,724	-
Reverse of the expected credit loss in the other debit balances	(15)	1,950,053	48,353,651
Provisions Charged	(24)	(19,080,641)	(3,954,178)
Coupons		179,784	121,021
Return on investments in treasury bills		8,327,723	9,153,154
Gain on sale of investments in associates and subsidiaries		69,520,491	29,469,684
Other operating income		119,418,969	31,873,593
OPERATING PROFIT		4,303,039,226	2,811,128,987
Finance expense		(2,378,432,251)	(934,690,274)
Finance income		72,708,154	48,713,174
Foreign exchange differences		43,242,366	(9,745,747)
Gain on sale of fixed assets	(4)	75,579,905	5,665,812
PROFIT BEFORE INCOME TAXES		2,116,137,400	1,921,071,952
Income taxes	(25)	(495,459,654)	(462,985,211)
PROFIT FOR THE YEAR		1,620,677,746	1,458,086,741
Attributable to:			
Equity holders of the parent company		1,144,807,723	1,000,296,518
Non-controlling interest	(17)	475,870,023	457,790,223
PROFIT FOR THE YEAR		1,620,677,746	1,458,086,741
EARNINGS PER SHARE FOR THE HOLDING COMPANY	(28)	1.09	0.95

Group Chief Financial Officer



Ahmed Hamdy Helmy

Chief Executive Officer



Yasser Mohamed Zaki

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024	31 December 2023
		EGP	EGP
Profit for the year		1,620,677,746	1,458,086,741
Items related to comprehensive income			
Foreign exchange differences of monetary items at the flotation date		-	(30,262,545)
Deduct:			
Transferred to retained earnings (Accumulated losses) during the same year		-	30,262,545
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,620,677,746</u>	<u>1,458,086,741</u>
Attributable to:			
Equity holders of the parent company		1,144,807,723	1,000,296,518
Non-controlling interests	(17)	<u>475,870,023</u>	<u>457,790,223</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,620,677,746</u>	<u>1,458,086,741</u>

- The accompanying notes from (1) to (35) are an integral part of these consolidated financial statements.

Gadwa For Industrial Development Company (S.A.E)

Translation Of Financial Statements
Originally Issued in Arabic

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Issued And Paid-up Capital	General reserve	Legal reserve	Treasury Stock	Splitting process adjustments	Retained earnings (Accumulated losses)	Profit for the year	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2024	2,004,129,804	29,678,496	371,012	-	(88,916,974)	(316,784,897)	1,000,296,518	2,628,773,959	1,158,866,260	3,787,640,219
Transferred to (accumulated losses) **	-	(29,678,496)	18,425	-	88,916,974	941,039,615	(1,000,296,518)	-	-	-
Adjustments on (accumulated losses) *	-	-	-	-	-	(179,544,646)	-	(179,544,646)	(103,724,083)	(283,268,729)
Adjustments arising from capital increase of subsidiaries	-	-	-	-	-	-	-	-	15,996,891	15,996,891
Adjustments arising from changes in subsidiaries' ownership percentage	-	-	-	-	-	(37,842,530)	-	(37,842,530)	(43,572,271)	(81,414,801)
Adjustments arising from subsidiaries' treasury stocks purchase	-	-	-	-	-	(10,112,458)	-	(10,112,458)	(10,441,190)	(20,553,648)
Treasury Stocks Purchase Holding Company	-	-	-	(116,483,266)	-	-	-	(116,483,266)	-	(116,483,266)
Dividends distribution	-	-	-	-	-	(160,681,705)	-	(160,681,705)	(68,176,317)	(228,858,022)
Profit for the year	-	-	-	-	-	-	1,144,807,723	1,144,807,723	475,870,023	1,620,677,746
Balance as of 31 December 2024	2,004,129,804	-	389,437	(116,483,266)	-	236,073,379	1,144,807,723	3,268,917,077	1,424,819,313	4,693,736,390
Balance as of 1 January 2023	2,004,129,804	29,678,496	-	-	(88,916,974)	(382,602,756)	186,349,749	1,748,638,319	652,187,898	2,400,826,217
Transferred to (accumulated loss)	-	-	371,012	-	-	185,978,737	(186,349,749)	-	-	-
Non-controlling interest share in capital increase of subsidiary	-	-	-	-	-	(2,675)	-	(2,675)	118,542,525	118,539,850
Adjustments arising from changes in subsidiaries' ownership percentages	-	-	-	-	-	19,830,317	-	19,830,317	(13,060,615)	6,769,702
Adjustments arising from subsidiaries' treasury stocks purchase	-	-	-	-	-	(36,772,422)	-	(36,772,422)	(15,492,743)	(52,265,165)
Dividends distribution	-	-	-	-	-	(81,692,129)	-	(81,692,129)	(32,362,452)	(114,054,581)
Foreign exchange differences of monetary items at the flotation date	-	-	-	-	-	(21,523,969)	-	(21,523,969)	(8,738,576)	(30,262,545)
Profit for the year	-	-	-	-	-	-	1,000,296,518	1,000,296,518	457,790,223	1,458,086,741
Balance as of 31 December 2023	2,004,129,804	29,678,496	371,012	-	(88,916,974)	(316,784,897)	1,000,296,518	2,628,773,959	1,158,866,260	3,787,640,219

* Adjustments to retained earnings represent the differences resulting from evaluation foreign currency balances (beginning balances) using the observed exchange rate in accordance with the Prime Minister's Resolution No. 636 for the year 2024 amending some provisions of the of the Egyptian Accounting Standards - Egyptian Accounting Standard No. (13) "The Effects Of Changes In Foreign Exchange Rates" amounting to EGP (311,362,996) (Note 35-1). In addition to the other adjustments to the retained earnings of associates companies amounting to EGP 26,293,424 (Note 6) and subsidiaries amounting to EGP 1,800,843.

**On 15 April 2024, the Extraordinary General Assembly agreed to transfer the amount of EGP 29,678,494 included in the general reserve and the splitting process result amounted to EGP 88,916, 974 to the retained earnings.

- The accompanying notes from (1) to (35) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 EGP	31 December 2023 EGP
Cash flows from operating activities			
Profit for the year before income taxes and non-controlling interests		2,116,137,400	1,921,071,952
Depreciation of fixed assets	(4)	113,522,810	85,729,615
Amortization of intangible assets	(7)	76,130	178,407
Amortization of right-of-use assets	(29-1)	11,509,675	9,121,369
Gain on sale of fixed assets	(4)	(75,579,905)	(5,665,812)
Expected credit loss in the trade and notes receivable balance	(11)	78,710,690	58,957,283
Reverse for the decline in inventories value	(13)	(12,557,724)	-
Reverse of the expected credit loss in the other debit balances	(15)	(1,950,053)	(48,353,651)
Provisions	(24)	19,080,641	3,954,178
Investments at fair value through profit or loss valuation differences	(10)	(1,275,049)	(421,592)
Gain from sale of investments at fair value through profit or loss	(10)	(1,483,255)	569,950
Coupons		(179,784)	(121,021)
Return on investments in treasury bills		(8,327,723)	(9,153,154)
Profit share from investments in associates	(6)	(20,137,451)	(5,797,190)
Gain from sale of investments in associates	(6)	(69,520,491)	(29,469,684)
Finance expense		2,378,432,251	934,690,274
Finance income		(72,708,154)	(48,713,174)
Operating profit before changes in working capital		4,453,750,008	2,866,577,750
Changes in investments at fair value through profit or loss	(10)	6,591,786	7,250,071
Changes in non-current assets held for sale		-	5,160,000
Changes in trade and notes receivable*		(4,778,870,240)	(2,641,321,587)
Changes in housing and development projects		124,393,369	(8,151,557)
Changes in inventories		(2,309,047,763)	(604,096,961)
Changes in debit balances – Tax authority		(201,926,334)	(35,397,291)
Changes in prepayments and other debit balances*		(210,259,362)	(319,214,855)
Changes in due to related parties*		455,569	(1,835,256)
Changes in trade payable, contractors and notes payable *		(26,921,928)	(204,370,078)
Changes in credit balances – Tax authority		(295,813,998)	(156,100,086)
Changes in accrued expenses and other credit balances*		58,056,025	536,080,701
Provisions used	(24)	(5,102,403)	(8,973,878)
Net cash flows (used in) operating activities		(3,184,695,271)	(564,393,027)
Cash flows from investing activities			
Payments to acquire fixed assets	(4)	(270,749,739)	(106,516,708)
Proceeds from sale of fixed assets	(4)	127,686,004	33,282,607
Payments in projects under construction	(5)	(37,221,003)	(119,885,346)
Proceeds from sale of investment in associates		-	45,673,458
Payment to acquire treasury bills		(3,051,250)	(166,672,154)
Proceeds from sale of treasury bills	(31)	122,833,578	50,101,651
Coupons received		179,784	121,021
Finance income received		72,708,154	48,713,174
Net cash (paid to) received from increase investments in subsidiaries		(11,894,310)	44,232,375
Net cash flows provided from (used in) investing activities		491,218	(170,949,922)
Cash flows from financing activities			
Proceeds from credit facilities*		5,620,926,573	2,436,777,148
Proceeds from lease companies		-	306,073,769
Payments in lease liabilities		(68,038,457)	(84,471,785)
Proceeds from (Payments in) long term loans		17,962,006	(203,599,909)
Changes in shareholders' – credit balances		(1,440,953)	1,850,900
Non-controlling interests in capital increase of subsidiaries	(17)	15,996,891	118,539,850
Payments to purchase treasury stocks - subsidiaries		(20,553,648)	(52,265,165)
Payments to purchase treasury stocks – Holding Company		(116,483,266)	-
Dividends paid		(213,612,682)	(94,696,245)
Finance expense paid		(2,378,432,251)	(934,690,274)
Net cash flows provided from financing activities		2,856,324,213	1,493,518,289
Net change in cash and cash equivalent during the year		(327,879,840)	758,175,340
Foreign exchange difference related to cash and cash equivalent*		33,228,652	(23,690,047)
Cash and cash equivalent – beginning of the year	(9)	1,349,167,350	614,682,057
Cash and cash equivalent – end of the year	(9)	1,054,516,162	1,349,167,350

* The impact of non-cash transactions resulting from the application of Standard No. (13) amended 2024 (Note 35-1) has been excluded.

- The accompanying notes from (1) to (35) are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**1 BACKGROUND**

Gadwa For Industrial Development Company (S.A.E.) was established in accordance with law number (159) year 1981 as a result of the splitting of Aspire Capital Holding Company for Financial Investments (S.A.E) (previously - Pioneers Holding Company for Financial Investments) without violating Article (27) of the Capital Market Law Number (95) of 1992 and Article (121) and Article (122) of the Executive Regulations of Law number (95) of year 1992.

The main purpose of the Company is to invest in, share and contribute, directly and indirectly in all fields of industrial investments, and the Company is allowed to have an interest or engage by any means with companies and others that practice similar businesses to its own or that may assist it in achieving its purpose in Egypt or abroad, also the Company may merge with such previous entities, purchase, or acquire in accordance with the law and its executive regulations.

The Company was registered in the Commercial Register under No. 171850 - Cairo on 5 September 2021.

The Company was registered in the Egyptian Exchange on 10 October 2021.

The Company's duration is 25 years starting from 5 September 2021.

The consolidated financial statements for the year ended 31 December 2024 were authorized for issuance in accordance with the board of directors' resolution on 27 March 2025.

Ownership percentage of the company in the following subsidiaries:

Company Name	Activity	Country	Ownership Percentage
Universal For Papers and Packing Materials Company (Unipack)	Manufacturing packing materials and papers (S.A.E)	Egypt	73.87%
Varsal For Urban Planning Company	Contracting and real estate investment (S.A.E)	Egypt	73.87%
Electro Cables Egypt Company	Manufacturing electrical wires and cables (S.A.E)	Egypt	71.96%
Giza Power For Manufacturing Company	Manufacturing electrical wires and cables (S.A.E)	Egypt	71.96%
Al Giza Egyptian For Distribution Company	Contracting (S.A.E)	Egypt	71.96%
G.P.I For Projects Company	Contracting (S.A.E)	Egypt	71.96%
O.M.S Cables Manufacturing Company *	Manufacturing electrical wires and cables (S.A.E)	Egypt	32.38%
G.P.I Meters Company	Manufacturing, installing, and assembling electricity, water and gas meters (S.A.E)	Egypt	60.01%
Arabian Company for Dairy Products (Arab Dairy) *	Manufacturing dairy products (S.A.E)	Egypt	49.20%
Arab Developed Company for Trade and Imports (ACTY) *	Trading (S.A.E)	Egypt	39.36%
Panda for Trading and Distribution Company *	Food & beverage (S.A.E)	Egypt	24.60%
PHC Food Company	Food & beverage (S.A.E)	Egypt	99.66%
Integrated Egyptian Company For Food Industries	Food & beverage (S.A.E)	Egypt	74.75%
El Noor Pharmaceutical Company	Pharmaceuticals (S.A.E)	Egypt	64.98%
Green Drugstore Medical Company	Pharmaceuticals (S.A.E)	Egypt	55.23%
Orange For Pharmacies Management Company	Pharmaceuticals (S.A.E)	Egypt	65.02%
Semow For Consulting Company	Financial advisors (S.A.E)	Egypt	100%
El Hessn For Consulting Company	Financial advisors (S.A.E)	Egypt	99.65%
P.F.A For Consulting Company	Financial advisors (S.A.E)	Egypt	99.99%

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

2 BASIS OF CONSOLIDATION

- The following steps are followed when preparing the consolidated financial statements:
 - a- Eliminate the carrying amount of the parent's investment in each subsidiary and the Parent Company portion of equity of each subsidiary.
 - b- Identify non-controlling interests in the profit (loss) of the consolidated subsidiaries for the reporting year.
 - c- Identify non-controlling interests in net assets of consolidated subsidiaries and are presented separately from the Parent Company's ownership interests in them.

They consist of:

- (1) The amount of those non-controlling interests at the date of the original consolidation.
- (2) The non-controlling interests' share of changes in equity since the date of the consolidation.

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

2 BASIS OF CONSOLIDATION (CONT'D)

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

3 SIGNIFICANT ACCOUNTING POLICIES**3-1 Basis of preparation**

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

3-2 Statement of compliance

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

3-3 Changes in accounting policies

Accounting policies applied this year is the same as in the previous years Except for Egyptian Accounting Standard No. (13) "Effects of Changes in Foreign Currency Exchange Rates" (Note 35-1).

On 3 March 2024, Prime Minister's Resolution No. (636) for the year 2024 was issued amending some provisions of Egyptian accounting standards Note (35).

On 22 October 2024, the Prime Minister issued decree No. (3527) for the year 2024 to amend now Egyptian Accounting Standard No. (51) Financial statements in the economics of hyperinflation. The standard is subject to a decision by His Excellency the prime minister in accordance with Paragraph No. 6, specifying the beginning of the period or periods in which this standard will be applied.

3-4 Lease Contracts

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3-4 Lease Contracts (Cont'd)**

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

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

3-5 Foreign currency translation

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

3-6 Fixed assets

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

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

Item	Years
Telecommunications equipment	8
Computers	3-8
Furniture	4-16.7
Electrical equipment	5-8
Tools and equipment	5-8
Decorations	5-10
Vehicles	4-5
Buildings	10-40
Machinery and Equipment	4-20

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

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

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

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profits or losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3-7 Intangible assets**

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

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

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

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

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

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

3-8 Goodwill

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

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

3-9 Investments**Investments in associates**

Investments in associates are investments in entities which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture, significant influence is presumed to exist when the company holds, directly or indirectly through subsidiaries 20 percent and less than 50 percent of the voting power of the investee, unless it can be clearly demonstrated that this is not the case.

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

Investments in Government bonds

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

Investments at fair value through profit or loss

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3-10 Trade and notes receivable**

Trade and notes receivable are stated at original invoice amount net of any impairment losses.

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

3-11 Projects under construction

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

3-12 Non-current assets held for sale

Non-current assets are classified as assets for the purpose of selling, if it is expected that their book value will be recovered mainly from a sale transaction and not from continuing to use it, and this includes assets acquired in exchange for debt settlement and fixed assets that the establishment ceases to use for the purpose of selling it, and subsidiaries and sister companies acquired by the establishment for the purpose of selling it.

The asset (or the group being disposed of) shall be available for immediate sale in the condition it is in without any conditions other than the traditional and usual sale conditions for those assets. A non-current asset (or a group being disposed of) that is classified as assets non-current held for sale is measured on the basis of the book value at the date of classification or the fair value less selling costs, whichever is less.

If the sale is expected to take more than one year, the entity shall measure the selling costs at their present value, and for any increase in the present value of the selling costs arising from the passage of time, it shall be recorded in profit or loss as a financing cost.

3-13 Inventory

The inventories elements are valued as follows:

- **Raw materials and packing:** at the lower of cost (using the moving average method) or net realizable value.
- **Work in process:** at the lower of the cost of production of the latest completed phase (based on the costing sheets) or net realizable value.
- **Finished goods:** at the lower of the cost of production (based on the costing sheets) or net realizable value. Cost includes direct material, direct labour, and allocated share of manufacturing overhead and excluding borrowing cost.

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

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

3-14 Borrowings

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3-15 Cost of borrowings**

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

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

3-16 Provisions

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

3-17 Related party transactions

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

3-18 Taxes**Income taxes**

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

Current income tax

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

Deferred income tax

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

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

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

3-19 Revenue recognition

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

- Revenue from contracts with customers

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

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

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

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

3 Significant Accounting Policies (Cont'd)

3-19 Revenue recognition (Cont'd)

- Revenue from contracts with customers (Cont'd)

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

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

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

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

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

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

- Selling goods

Revenue from selling goods is recognized when the company transfer all risks and returns to the buyer which usually happens when the goods are received and invoices are issued in case the Company is selling these goods locally, or when goods leave the factory in case exporting.

- Contracting revenue

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

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

- **Long-term contracts:** The percentage of completion is determined according to limitation of the executed works method. The contract costs incurred to meet this revenue are recognized.
- **Short-term contracts:** Short-term contract revenue is recognized in accordance with accounting for the work performed method and the actual costs incurred to meet the revenue.

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

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

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

- Units' sales

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

- Sale on instalments

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3-19 Revenue recognition (Cont'd)****- Dividends revenue**

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

- Interest income

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

3-20 Expenses

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

3-21 Accruals and other credit balances

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

3-22 Impairment**Impairment of financial assets**

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

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, had no impairment loss been recognized for the asset in prior years, Such reversal is recognized in the statement of profit or loss.

3-23 Financial Instruments**A. Initial Recognition**

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

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

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

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

B. Classification and measurement of financial assets and liabilities

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3-23 Financial Instruments (Cont'd)****B. Classification and measurement of financial assets and liabilities (Cont'd)**

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

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

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

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

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

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

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

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

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

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

- Financial liabilities at fair value through profits or losses, where that kind of liabilities and related derivatives representing these liabilities, subsequently, at fair value.
- Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.
- Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:
 - A- Impairment loss in accordance with Egyptian accounting standard.
 - B- Or, the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:
 - A- Impairment loss in accordance with Egyptian accounting standard.
 - B- Or, the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).
- Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3-23 Financial instruments (Cont'd)****B. Classification and measurement of financial assets and liabilities (Cont'd)**

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

- A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes- as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.
- B- There were other financial liabilities, or financial assets, managed and performance valued based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for this group on this base to the top management of the institution (also as defined in the Egyptian Accounting Standard number (15)"Disclosing the Related Party", example, the institution board of directors and the managing president.

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

C. Impairment of financial assets value

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

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

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

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

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

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

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

D. Disposing of the financial asset from the books

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

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

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

3-24 Significant accounting estimates

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3-25 Legal reserve

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

3-26 Statement of cash flows

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

3-27 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 after deducted banks credit balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

4- FIXED ASSETS

	Land	Tele-communications equipment	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2024	477,873,951	1,237,233	21,774,951	26,525,395	2,901,771	62,699,566	81,475,958	69,212,285	315,078,805	1,066,067,034	2,124,846,949
Additions for the year	114,420,000	410,603	16,772,591	7,333,946	526,670	4,549,386	51,300	21,092,243	19,310,555	86,282,445	270,749,739
Transferred from project under construction (Note 5)	47,268,540	-	25,764	1,833,663	-	1,534,557	2,712,936	2,863,066	62,337,601	59,890,285	178,466,412
Disposals for the year	(47,268,540)	-	(9,234)	-	-	-	-	(3,423,978)	-	(5,634,161)	(56,335,913)
31 December 2024	592,293,951	1,647,836	38,564,072	35,693,004	3,428,441	68,783,509	84,240,194	89,743,616	396,726,961	1,206,605,603	2,517,727,187
Accumulated depreciation											
1 January 2024	-	(288,486)	(13,668,037)	(13,900,059)	(853,547)	(38,606,618)	(58,315,088)	(38,787,968)	(80,831,707)	(381,860,910)	(627,112,420)
Depreciation for the year	-	(198,535)	(7,358,737)	(2,379,060)	(496,643)	(5,958,580)	(9,916,377)	(11,846,143)	(10,025,381)	(65,343,354)	(113,522,810)
Depreciation of disposals	-	-	9,234	-	-	-	-	2,340,481	1,726,078	154,021	4,229,814
31 December 2024	-	(487,021)	(21,017,540)	(16,279,119)	(1,350,190)	(44,565,198)	(68,231,465)	(48,293,630)	(89,131,010)	(447,050,243)	(736,405,416)
Net book value											
As of 31 December 2024	592,293,951	1,160,815	17,546,532	19,413,885	2,078,251	24,218,311	16,008,729	41,449,986	307,595,951	759,555,360	1,781,321,771

- An amount of EGP 195,810,048 was included in fixed assets items, resulting from the reallocation of goodwill resulted from the business combination process, and the amortization of that allocated goodwill was allocated to operations cost (Note 8). The balance of the remaining allocated goodwill after amortization on 31 December 2024 amounted to EGP 152,196,288 (as of 31 December 2023, amounted to: EGP 163,099,728).

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

	EGP	31 December 2024 EGP
Proceeds from sale of fixed assets		127,686,004
Cost of disposed asset	(56,335,913)	
Accumulated depreciation of disposed asset	4,229,814	
Net book value of disposed asset		(52,106,099)
Gain on sale of fixed assets		75,579,905

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

4- FIXED ASSETS (CONT'D)

	Land	Tele-communications equipment	Computers	Furniture	Electrical equipment	Tools and equipment	Decorations	Vehicles	Buildings	Machinery and equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost											
1 January 2023	469,645,551	915,103	17,125,363	22,541,211	2,574,721	56,463,612	79,713,633	54,915,416	282,104,884	901,684,492	1,887,683,986
Additions for the year	-	325,713	5,269,984	3,235,110	336,230	5,995,245	303,286	10,384,609	13,610,640	67,055,891	106,516,708
Transferred from project under construction (Note 5)	-	-	218,704	794,316	-	264,708	1,674,725	5,562,146	19,689,726	127,767,480	155,971,805
Transferred from non-current assets held for sale (Note 30)	8,228,400	-	-	-	-	-	-	-	-	-	8,228,400
Disposals	-	(3,583)	(839,100)	(45,242)	(9,180)	(23,999)	(215,686)	(1,649,886)	(326,445)	(30,440,829)	(33,553,950)
31 December 2023	<u>477,873,951</u>	<u>1,237,233</u>	<u>21,774,951</u>	<u>26,525,395</u>	<u>2,901,771</u>	<u>62,699,566</u>	<u>81,475,958</u>	<u>69,212,285</u>	<u>315,078,805</u>	<u>1,066,067,034</u>	<u>2,124,846,949</u>
Accumulated depreciation											
1 January 2023	-	(166,872)	(12,110,978)	(12,287,652)	(427,196)	(34,161,930)	(48,681,222)	(30,837,592)	(73,381,755)	(335,264,763)	(547,319,960)
Depreciation for the year	-	(121,831)	(2,339,862)	(1,636,689)	(427,306)	(4,468,671)	(9,779,063)	(8,986,294)	(7,564,022)	(50,405,877)	(85,729,615)
Depreciation of disposals	-	217	782,803	24,282	955	23,983	145,197	1,035,918	114,070	3,809,730	5,937,155
31 December 2023	<u>-</u>	<u>(288,486)</u>	<u>(13,668,037)</u>	<u>(13,900,059)</u>	<u>(853,547)</u>	<u>(38,606,618)</u>	<u>(58,315,088)</u>	<u>(38,787,968)</u>	<u>(80,831,707)</u>	<u>(381,860,910)</u>	<u>(627,112,420)</u>
Net book value											
As of 31 December 2023	<u>477,873,951</u>	<u>948,747</u>	<u>8,106,914</u>	<u>12,625,336</u>	<u>2,048,224</u>	<u>24,092,948</u>	<u>23,160,870</u>	<u>30,424,317</u>	<u>234,247,098</u>	<u>684,206,124</u>	<u>1,497,734,529</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**5- PROJECTS UNDER CONSTRUCTION**

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	246,267,484	282,353,943
Additions	37,221,003	119,885,346
Transferred to fixed assets (Note 4)	(178,466,412)	(155,971,805)
Ending Balance	105,022,075	246,267,484

6- INVESTMENTS IN ASSOCIATES

	Percentage	31 December 2024	Percentage	31 December 2023
	%	EGP	%	EGP
Aman Construction Company (L.L.C)	19.93	1,412,112	19.93	1,597,570
Al Giza General For Contracting And Real Estate Investment Company (S.A.E)	4.31	27,550,424	4.31	25,653,804
United Company For Housing And Development (S.A.E)	4.67	85,190,989	4.67	80,226,326
El Safwa For Consulting And Development Company (S.A.E)	2.52	63,121,584	2.47	67,263,905
Cairo For Housing And Real Estate Development Company (S.A.E)	1.42	62,074,336	1.42	18,636,057
El Saeed For Contracting And Real Estate Investment Company (S.A.E)	0.79	9,907,535	0.78	9,392,440
		249,256,980		202,770,102

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

The company's share in the assets, liabilities and equity of associate companies is represented as follows:

Values are in (KEGP)	Non-current	Current	Current	Non-current	Capital and
	assets	assets	liabilities	liabilities	shareholders'
					equity
Aman Construction Company	15	84,090	82,673	-	1,432
Al Giza General For Contracting And Real Estate Investment Company	12,802	86,972	67,863	3,530	28,381
United Company For Housing And Development	4,222	85,404	34,035	18,484	37,107
El Safwa For Consulting And Development Company	34,601	3,599	4,758	111	33,331
Cairo For Housing And Real Estate Development Company	106,906	10,519	18,723	24,484	74,218
El Saeed For Contracting And Real Estate Investment Company	1,956	27,954	19,752	66	10,092

The company's profit share from investments in associates during the year is represented as follows:

	31 December 2024	31 December 2023
	EGP	EGP
Aman Construction Company	220,197	2,865,834
Al Giza General For Contracting And Real Estate Investment Company	3,037,358	1,634,953
United Company For Housing And Development	6,085,382	4,036,220
El Safwa For Consulting And Development Company	(4,142,321)	(5,866,159)
Cairo For Housing And Real Estate Development Company	14,195,122	2,308,694
El Saeed For Contracting And Real Estate Investment Company	741,713	817,648
	20,137,451	5,797,190

- The adjustments to the accumulated losses included the group's share in the adjustments to the retained earnings of associate companies, amounting to EGP 26,293,424.

7- INTANGIBLE ASSETS

	31 December 2024	31 December 2023
	Software	Software
Cost	EGP	EGP
Beginning balance	3,189,285	3,189,285
Ending balance	3,189,285	3,189,285
Accumulated Amortization		
Beginning balance	(3,064,078)	(2,885,671)
Amortization for the year	(76,130)	(178,407)
Ending balance	(3,140,208)	(3,064,078)
Net Book Value at the end of the year	49,077	125,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**8- GOODWILL**

	31 December 2024	31 December 2023
	EGP	EGP
Universal For Papers and Packing Materials Company (UNIPACK)	186,239,555	186,239,555
Electro Cable Egypt Company	354,457,677	354,457,677
Arabian Company For Dairy Products (Arab Dairy)	554,875,284	554,875,284
	1,095,572,516	1,095,572,516
The impairment in goodwill balance	(55,515,976)	(55,515,976)
	1,040,056,540	1,040,056,540

- Goodwill balances represent the difference between the book value and the group companies' share in the fair value of the investment. The company has reallocated part of the goodwill with an amount of EGP 195,810,048 on the item of fixed assets (Note 4). And during 2022 the Company conducted a fair value test of investments to determine the extent to which there is an indicator of impairment in those companies, and accordingly the Company formed an impairment of EGP 55,515,976 from the value of goodwill.

- During 2024, the Company conducted a fair value test of investments to determine the extent to which there is an indicator of impairment in those companies, and it did not find any indication of impairment.

9- CASH ON HAND AND AT BANKS

	31 December 2024	31 December 2023
	EGP	EGP
A- Local currency		
Cash on hand	23,620,561	18,580,166
Current accounts	424,950,886	943,501,951
Term deposits (less than three months)	433,074,823	317,370,246
	881,646,270	1,279,452,363
B- Foreign currency		
Cash on hand	25,773,343	13,209,488
Current accounts	147,096,549	56,505,499
	172,869,892	69,714,987
	1,054,516,162	1,349,167,350

10- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024	31 December 2023
	EGP	EGP
Quoted investments	903,472	6,015,155
Investment fund certificates	8,213,319	6,934,992
Non-quoted investments	-	126
	9,116,791	12,950,273

- The changes in investments at fair value through profit or loss is presented as following:

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	12,950,273	20,348,702
Investments at fair value through profit or loss valuation differences	1,275,049	421,592
Gain (Loss) from sale of investments at fair value through profit or loss	1,483,255	(569,950)
Ending balance	(9,116,791)	(12,950,273)
Changes in investments at fair value through profit or loss	6,591,786	7,250,071

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**11- TRADE AND NOTES RECEIVABLE**

	31 December 2024	31 December 2023
	EGP	EGP
Trade receivable	8,932,908,859	4,121,508,794
Notes receivable	435,355,556	414,290,926
	9,368,264,415	4,535,799,720
Expected credit loss in trade and notes receivable	(192,396,383)	(113,685,693)
	9,175,868,032	4,422,114,027

The change in expected credit loss in trade and notes receivable is as following:

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	113,685,693	54,728,410
Charged during the year	78,710,690	58,957,283
Ending balance	192,396,383	113,685,693

12- DUE TO RELATED PARTIES

	31 December 2024	31 December 2023
	EGP	EGP
Cairo For Housing And Real Estate Development Co. Associate	22,225	22,225
Flourish For Investment Company Related Party	5,750,000	5,750,000
Mashareq For Real Estate Investment Company Related Party	-	62,714,334
Pioneers Properties For Urban Development Company Related Party	448,369,512	343,762,286
	454,141,737	412,248,845

13- INVENTORIES

	31 December 2024	31 December 2023
	EGP	EGP
Raw materials	1,752,895,967	846,853,339
Finished goods	1,971,206,878	556,506,911
Work in process	514,958,339	329,698,709
Spare parts and supplies	105,692,770	86,449,447
Letters of credit	405,729,338	625,522,930
Others	6,388,473	2,792,666
	4,756,871,765	2,447,824,002
Decline in inventories value	(235,860)	(12,793,584)
	4,756,635,905	2,435,030,418

The change in decline in inventories value is as following:

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	12,793,584	12,793,584
Reverse during the year	(12,557,724)	-
Ending balance	235,860	12,793,584

14- TAX AUTHORITY – DEBIT BALANCES

	31 December 2024	31 December 2023
	EGP	EGP
Withholding tax	238,911,117	116,856,540
Refundable sales tax	113,407,124	80,059,538
Value added tax	60,092,035	-
Sundry	30,834	13,598,698
	412,441,110	210,514,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**15- PREPAYMENTS AND OTHER DEBIT BALANCES**

	31 December 2024	31 December 2023
	EGP	EGP
Prepaid expenses	41,421,354	46,469,152
Exporting support fund	229,952,686	158,140,292
Advance payments to suppliers and contractors	169,474,077	275,853,569
Sundry contractors	236,385	122,045,398
Employees' custodies and petty cash	10,498,040	10,039,736
Deposits with others	288,445,195	120,732,974
Letters of guarantee and credit cover	27,937,133	164,296,503
Accrued revenue	1,121,866	83,203
Other debit balances	720,043,587	379,171,982
	1,489,130,323	1,276,832,809
Expected credit loss in other debit balances	(247,589,677)	(249,539,730)
	1,241,540,646	1,027,293,079

The change in expected credit loss in the other debit balances is as following:

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	249,539,730	297,893,381
Reverse during the year	(1,950,053)	(48,353,651)
Ending balance	247,589,677	249,539,730

16- ISSUED AND PAID-UP CAPITAL

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

Net shareholders' equity of Gadwa for Industrial Development (S.A.E) amounted to EGP 2,033,808,300, divided as follows:

Issued and paid-up capital of EGP 2,004,129,804, divided on 1054805160 shares with a face value of EGP 1.9 per share, and a general reserve amounted to EGP 29,678,496, with authorized capital of EGP 10 billion.

The Commercial Register was issued on 5 September 2021.

During the year, the Company purchased treasury stocks in accordance with the Board of Directors resolution on 15 April 2024, and the number of treasury stocks purchased until 31 December 2024, equal 21761063 shares, with a value of EGP 116,483,266.

The capital structure is presented as follows:

	Percentage %	Number of shares	Value EGP
Walid Mohamed Zaki	20.82	219579730	417,201,487
Abdelkader Elmohedeb And Sons Company	14.38	151658750	288,151,625
Taha Ibrahim Mostafa Mohamed Eltelbani	10.08	106344921	202,055,350
Hossam Mohamed Zaki Ibrahim	7.82	82485236	156,721,948
Hesham Ali Shoukry Hafez	7.08	74643766	141,823,155
EGYCAP Investments Ltd.	6.73	70935897	134,778,204
Remouz Development Company	6.23	65710451	124,849,857
Other shareholders	26.86	283446409	538,548,178
Total	100	1054805160	2,004,129,804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**17- NON-CONTROLLING INTEREST**

	31 December 2024	31 December 2023
	EGP	EGP
Beginning balance	1,158,866,260	652,187,898
Adjustments on retained earnings	(103,724,083)	-
Adjustments arising from capital increase of subsidiaries	15,996,891	118,542,525
Adjustments arising from changes in subsidiaries' ownership percentage	(43,572,271)	(13,060,615)
Adjustments arising from subsidiaries' treasury stocks purchase	(10,441,190)	(15,492,743)
Dividends distributed of subsidiaries	(68,176,317)	(32,362,452)
Foreign exchange loss of monetary items at the flotation date	-	(8,738,576)
Non-controlling interest in consolidated statement of profit or loss	475,870,023	457,790,223
Ending balance	<u>1,424,819,313</u>	<u>1,158,866,260</u>

18- LONG TERM LOANS

	31 December 2024	31 December 2023
	EGP	EGP
Loans balance	155,482,145	137,520,139
Deduct:		
Current portion	(35,748,406)	(8,032,773)
Non-current portion	<u>119,733,739</u>	<u>129,487,366</u>

- Loans granted by the bank with an interest of 1% - 3% above the CORRIDOR rate guaranteed by financial papers held by banks.

19- SHAREHOLDERS' CREDIT BALANCES

	31 December 2024	31 December 2023
	EGP	EGP
Shareholders – (Parent company)	169,917	1,610,870
Shareholders – (Subsidiary companies)	2,515,030	2,515,030
	<u>2,684,947</u>	<u>4,125,900</u>

20- CREDIT FACILITIES

	31 December 2024	31 December 2023
	EGP	EGP
Credit facilities – Local currency	10,705,566,720	4,960,116,418
Credit facilities – Foreign currency	166,174,637	189,506,013
	<u>10,871,741,357</u>	<u>5,149,622,431</u>

- Credit facilities granted by banks with an interest rate of 1% above the CORRIDOR rate and between 2.5% – 4% above the LIBOR rate guaranteed by notes receivable, sales orders and supplying contracts.

21- TRADE PAYABLE, CONTRACTORS, AND NOTES PAYABLE

	31 December 2024	31 December 2023
	EGP	EGP
Trade payable and contractors	1,102,750,593	801,633,006
Notes payable	182,648,814	176,734,819
	<u>1,285,399,407</u>	<u>978,367,825</u>

22- TAX AUTHORITY – CREDIT BALANCES

	31 December 2024	31 December 2023
	EGP	EGP
Tax Authority – Income tax	553,896,320	376,734,600
Tax Authority – Other taxes	66,628,249	79,706,092
	<u>620,524,569</u>	<u>456,440,692</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**23- ACCRUED EXPENSES AND OTHER CREDIT BALANCES**

	31 December 2024	31 December 2023
	EGP	EGP
Accrued expenses	115,471,220	57,088,376
Deposits from others	168,226,321	84,327,015
Advances from customers	443,906,945	666,339,197
Social Insurance Authority	6,515,892	5,795,171
Union of occupants	5,244,000	5,244,000
Accrued construction cost	6,207,926	6,207,926
Other credit balances	464,712,910	298,608,738
	<u>1,210,285,214</u>	<u>1,123,610,423</u>
Accrued interest	11,838,478	2,687,290
	<u>1,222,123,692</u>	<u>1,126,297,713</u>

24- PROVISIONS

	1 January 2024	Used during the year	Charged during the year	31 December 2024
	EGP	EGP	EGP	EGP
Provision for liabilities	9,062,938	(5,102,403)	19,080,641	23,041,176
	<u>9,062,938</u>	<u>(5,102,403)</u>	<u>19,080,641</u>	<u>23,041,176</u>

25- INCOME TAXES**INCOME TAX EXPENSE**

	31 December 2024	31 December 2023
	EGP	EGP
Current income tax	494,110,780	379,862,528
Return on treasury bills tax	1,303,688	-
Deferred income tax – Liability	45,186	83,122,683
	<u>495,459,654</u>	<u>462,985,211</u>

DEFERRED INCOME TAX

	31 December 2023	31 December 2023
	EGP	EGP
Beginning balance – liability	131,293,860	48,171,177
Deferred income tax – expense	45,186	83,122,683
Adjustments of Applying amended Standard (13) included in (Note 35-1)	(81,181,492)	-
Ending balance – liability	<u>50,157,554</u>	<u>131,293,860</u>

26- OPERATIONS REVENUE

	31 December 2024	31 December 2023
	EGP	EGP
Electrical cables revenue	12,693,006,909	7,970,944,010
Dairy products revenue	3,082,831,214	2,182,120,068
Packing and packaging revenue	1,416,876,027	846,126,209
Retail revenue	753,817,224	528,522,565
Medical services revenue	3,893,076	2,527,028
Real estate & contracting revenue	1,104,308,413	716,227,966
	<u>19,054,732,863</u>	<u>12,246,467,846</u>

27- OPERATIONS COST

	31 December 2024	31 December 2023
	EGP	EGP
Electrical cables cost	9,001,164,816	5,588,396,772
Dairy products cost	2,384,351,630	1,686,730,145
Packing and packaging cost	1,153,786,038	700,051,354
Retail cost	498,366,373	398,891,744
Medical services cost	1,429,898	864,499
Real estate & contracting cost	883,829,514	559,468,976
	<u>13,922,928,269</u>	<u>8,934,403,490</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**28- EARNING PER SHARE**

Earnings per share is calculated by dividing the equity holders of the parent company share in profit for the year by weighted average number of outstanding shares, as follows:

	31 December 2024	31 December 2023
	EGP	EGP
Profit for the year attributable to equity holders of the parent company	1,144,807,723	1,000,296,518
Weighted average number of outstanding shares during the year	1045988416	1054805160
Earnings per share for the year	<u>1.09</u>	<u>0.95</u>

29- LEASE CONTRACTS**1- RIGHT-OF-USE ASSETS**

	Buildings	Land	Vehicles	Total
	EGP	EGP	EGP	EGP
Cost				
1 January 2024	56,400,940	35,797,690	5,387,691	97,586,321
Additions during the year	11,655,924	-	32,790,000	44,445,924
31 December 2024	<u>68,056,864</u>	<u>35,797,690</u>	<u>38,177,691</u>	<u>142,032,245</u>
Accumulated Amortization				
1 January 2024	(18,447,015)	(5,187,703)	(4,292,438)	(27,927,156)
Amortization for the year	(7,184,184)	(1,523,306)	(2,802,185)	(11,509,675)
31 December 2024	<u>(25,631,199)</u>	<u>(6,711,009)</u>	<u>(7,094,623)</u>	<u>(39,436,831)</u>
Net Book Value				
As of 31 December 2024	<u>42,425,665</u>	<u>29,086,681</u>	<u>31,083,068</u>	<u>102,595,414</u>

	Buildings	Land	Vehicles	Total
	EGP	EGP	EGP	EGP
Cost				
1 January 2023	52,629,023	35,797,690	5,387,691	93,814,404
Additions for the year	3,771,917	-	-	3,771,917
31 December 2023	<u>56,400,940</u>	<u>35,797,690</u>	<u>5,387,691</u>	<u>97,586,321</u>
Accumulated Amortization				
1 January 2023	(10,401,324)	(3,664,397)	(3,474,139)	(17,539,860)
Amortization for the year	(6,779,764)	(1,523,306)	(818,299)	(9,121,369)
31 December 2023	<u>(17,181,088)</u>	<u>(5,187,703)</u>	<u>(4,292,438)</u>	<u>(26,661,229)</u>
Net Book Value				
As of 31 December 2023	<u>39,219,852</u>	<u>30,609,987</u>	<u>1,095,253</u>	<u>70,925,092</u>

2- LEASE LIABILITIES

	Operating Lease	Financial Lease	31 December 2024
	Contracts	Contracts	EGP
	EGP	EGP	EGP
Lease liabilities balance	77,415,023	690,754,354	768,169,377
deduct:			
Current portion	(19,683,350)	(195,941,076)	(215,624,426)
Non-current portion	<u>57,731,673</u>	<u>494,813,278</u>	<u>552,544,951</u>
Lease liabilities balance	66,306,165	726,457,820	792,763,985
deduct:			
Current portion	(8,012,314)	(189,323,795)	(197,336,109)
Non-current portion	<u>58,293,851</u>	<u>537,134,025</u>	<u>595,427,876</u>

- Financial lease liabilities represent lease liability balances of Electro Cables Egypt Company (S.A.E.) amounted to EGP 506,603,127 and the Arabian Company For Dairy Products (Arab Dairy) (S.A.E) amounted to EGP 184,151,227, which resulted from the sale and leaseback contracts of assets that were originally owned by the companies and will regain its ownership at the end of the contracts by the amount of EGP 1 each.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**30- NON-CURRENT ASSETS HELD FOR SALE**

Non-traded assets for sale are the value of assets (Land, real estate and spare parts) worth EGP 48,544,167, registered at net sales value which includes EGP 46,845,700, value of assets received from a customer (Land and real estate) in repayment of part of the debt owed to him by which an authorized resident was assessed and whose ownership is being transferred to the Company which the Company's management wants to dispose of within one year and was settled and listed as assets for sale in accordance with paragraph 6 of Egyptian Accounting Standard (32) during the fourth quarter of 2022. The marketing process was initiated at the suitable price in accordance with the Company's plan to sell it.

During 2023, some of those assets were sold at a value of EGP 5,160,000, and the company reallocated part of those assets with an amount of EGP 8,228,400 to fixed assets items (Land) (Note 4), which makes the balance at the end of the year EGP 35,155,767, and the rest of the assets are being marketed during the current period.

31- INVESTMENTS IN TREASURY BILLS

	31 December 2024	31 December 2023
	EGP	EGP
Par value	137,474,999	188,375,000
Deferred returns	(733,806)	(10,626,834)
Taxes on return on treasury bills	(199,070)	(1,922,858)
Sales during the year	(122,833,578)	(50,101,651)
Present value	<u>13,708,545</u>	<u>125,723,657</u>

32- TAX POSITION

Gadwa For Industrial Development Company (S.A.E) and its subsidiaries are subject to income tax. Income tax is calculated for each company. The income tax balance shown in the consolidated statement of profit or loss represents the total income tax for the year ended 31 December 2024.

33- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Financial instruments of the Company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade and notes receivable, due from related parties, and other debit balances), the financial liabilities include (customers – credit balances, credit facilities, trade payable, contractors, notes payable, loans, land creditors, due to related parties, tax liabilities, shareholders' credit balances, accrued expenses and other credit balances).

Note (3) in the accompanying notes of the consolidated financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

Fair value of financial instruments

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

Interest rate risk

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

Foreign Currency Risk

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

Credit risk

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

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

Liquidity risk

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

Cash flows risk related to the interest rate

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

Capital Management

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

The Company manages the capital structure and adjust it in considerations to the changes in the business environment. There were no changes in the Company goals, policies and operations for the year ended 31 December 2024 and the year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

34- KEY SOURCES FOR UNCERTAIN ESTIMATES

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

Decline in trade and other receivables value

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

Income taxes

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

35- SIGNIFICANT EVENTS

A. As of 3 March 2024, according to the Prime Minister's Resolution No. (636) for the year 2024, adjustments have been made on the following Egyptian Accounting Standards:

- Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"
- Egyptian Accounting Standard No. (17) "Separate Financial Statements"
- Egyptian Accounting Standard No. (34) "Investment Properties"

1- **The Group applied the adjustments mentioned in the Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" on the financial statements which resulted in the following:**

	31 December 2024
Item	EGP
Cash on hand and at banks	33,228,652
Trade and notes receivable	65,598,393
Other debit balances	2,038,152
Trade payable, contractors and notes payable	(322,224,272)
Accrued expenses and other credit balances	(37,769,954)
Due to related parties	(41,437,323)
Credit facilities	(101,192,353)
Deferred income tax - asset	90,395,709
Foreign exchange differences (adjustments on retained earnings)	<u>(311,362,996)</u>
Attributable to:	
Equity holders of the parent company	(209,065,055)
Non-controlling interest	<u>(102,297,941)</u>
Foreign exchange differences (adjustments on retained earnings)	<u>(311,362,996)</u>

B. As of 6 March 2024, the Central Bank of Egypt decreed to allow determining the exchange rate for the Egyptian Pound according to the market conditions and also decreed to increase the interest rate by 600 points which translates to roughly a 6% increase which totals to %27.25.

C. Foreign Exchange Differences

As of 23 May 2024, the Prime Minister issued decree no. 1711 for the year 2023 to amend some terms of the Egyptian Accounting Standards - annex (C) of the Egyptian Accounting Standard No. (13) amended in 2015 "The effects of changes in foreign exchange rates" and this for developing a special (optional) Accounting Standards that could be used for dealing with the impact of floatation of foreign exchange rate on the financial statements which deals with Egyptian Pound as a currency. At the end, this special (optional) Accounting Standard is not considered as an adjustment to the amended Accounting Standards which are currently in force after the time frame of the in force of this annex.

The first treatment: Assets financed by foreign currency liabilities:

The company that has purchased fixed assets and/or investment properties and/or exploration and evaluation assets and/or intangible assets (other than goodwill) and/or right of use assts financed by foreign currency liabilities during the period, can recognize the debit foreign currency differences resulted from re-translating the related liability balance on the floatation date of the exchange rate using the exchange rate on that date for the period of applying this special accounting treatment, in the assets cost. In addition to the foreign currency difference resulted from translating existing balances of monetary items on 6 March 2024 or at the date of Financial Statements for the period of applying this special accounting treatment if it previously used the exchange rate used on that date. The Company can apply this treatment to each asset separately.

When adjusting the assets by applying paragraph No. (6) from this annex, the substitute cost cannot exceed the replacement cost of the asset. The substitute cost is measured according to the requirements of the amended Egyptian Accounting Standard No. (31) "Impairment of assets".

35- SIGNIFICANT EVENTS (CONT'D)**The second treatment: Foreign currency differences:**

As an exception of paragraph No. (28) of the amended Egyptian Accounting Standard No. (13) "The effects of changes in foreign exchange rates" related to the recognition of foreign currency differences, the Company whose net profit or loss has been affected by foreign currency differences resulted from the change in exchange rate can recognize the debit and credit foreign currency differences resulted from translating existing balances of monetary items on 6 March 2024 or at the date of Financial Statements for the period of applying this special accounting treatment in other comprehensive income statement using the closing rate on that date while deducting any foreign currency differences that have been recognized as a part of the assets cost according to the first treatment mentioned in this annex, considering that these differences essentially resulted from the floatation of the exchange rates.

Foreign currency differences resulted from translating balances of monetary items which were presented in other comprehensive income statement is included in retained earnings or accumulated loss in the same accounting period to apply the related accounting treatment mentioned in this annex.

The group did not apply any of these treatments.

- D.** As of 22 October 2024, the Prime Minister issued decree No. (3527) for the year 2024 to amend now Egyptian Accounting Standard No. (51) Financial statements in the economics of hyperinflation. The standard is subject to a decision by His Excellency the prime minister in accordance with Paragraph No. 6, specifying the beginning of the period or periods in which this standard will be applied.