

**EMAAR MISR FOR DEVELOPMENT
COMPANY (S.A.E.)
INTERIM CONDENSED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS
ENDED 30 JUNE 2023**

Emaar Misr for Development Company (S.A.E.)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE BOARD OF DIRECTORS OF EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)
ON THE REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Emaar Misr For Development Company –S.A.E.- (“the Company”)** as at 30 June 2023 as well as the related interim condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month and six-month periods then ended, and a summary of significant accounting policies and other explanatory notes. The management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with Egyptian Accounting Standard No. (30), “Interim Financial Statements”. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity,” A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures, A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not in accordance with Egyptian Accounting Standard No. (30), “Interim Financial Statements”.

Auditor



Sherif Fathy El-Kilany

Fellow of the Egyptian Society of Accountants and Auditors
Fellow of the Egyptian Society of Tax
Register of Accountants and Auditors No. (5285)
Egyptian Financial Supervisory Authority No. (83)



Cairo: 14 August 2023

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 EGP	31 December 2022 EGP
ASSETS			
Non-current assets			
Fixed assets	3	3,995,496,722	3,266,399,314
Fixed assets under construction	4	3,513,662,140	3,441,493,105
Investment properties	5	2,863,359,385	2,508,307,089
Right of use asset	6	34,855,414	38,285,813
Total non-current assets		10,407,373,661	9,254,485,321
Current assets			
Development properties	7	35,049,716,122	32,500,524,193
Financial assets at amortized cost		5,048,245,024	7,574,807,437
Accounts and notes receivables	8	6,642,116,665	6,108,956,843
Due from related parties	9a	205,732,351	210,447,811
Prepayments, other receivables and other debit balances	10	13,089,970,030	11,362,724,749
Cash on hand and at banks		9,430,065,291	7,366,446,350
Total current assets		69,465,845,483	65,123,907,383
TOTAL ASSETS		79,873,219,144	74,378,392,704
EQUITY AND LIABILITIES			
Equity			
Share capital	15	4,529,338,000	4,529,338,000
Share premium		1,350,286,168	1,350,286,168
Legal reserve		1,139,041,957	810,876,125
Retained earnings		25,372,278,301	22,211,492,122
TOTAL EQUITY		32,390,944,426	28,901,992,415
LIABILITIES			
Non-current liabilities			
Long term Lease liability	6	37,270,071	40,298,748
Provision for employees' end-of-service benefits		53,668,562	43,586,617
Deferred tax liabilities		683,181,776	333,638,157
Credit facilities – non-current portion	13	843,040,019	1,079,728,807
Long-term liabilities	14	3,240,978,084	2,946,850,507
Total non-current liabilities		4,858,138,512	4,444,102,836
Current liabilities			
Provisions	11	76,696,788	72,211,548
Credit facilities – current portion	13	846,162,339	1,755,607,202
Trade payables, accrued expenses and other credit balances	12	14,830,379,678	13,141,366,472
Due to related parties	9a	301,211,030	227,827,160
Income tax payable		532,700,395	1,378,994,368
Advances from customers		24,901,967,703	23,342,748,844
Retentions payable		1,119,406,507	1,082,555,789
Current portion of long-term liabilities	14	15,611,766	30,986,070
Total current liabilities		42,624,136,206	41,032,297,453
TOTAL LIABILITIES		47,482,274,718	45,476,400,289
TOTAL LIABILITIES AND EQUITY		79,873,219,144	74,378,392,704

Chairman

Board Director

The accompanying notes 1 to 25 form an integral part of these interim condensed financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS

For the three-month and six-month periods ended 30 June 2023

	Note	<i>Three-Month Period Ended</i>		<i>For the Six-Month Period Ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
		<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Revenue	16	3,828,974,221	4,454,489,313	5,692,399,124	7,025,982,748
Cost of revenue	17	(2,327,018,990)	(2,539,438,229)	(3,383,739,137)	(3,837,117,186)
GROSS PROFIT		1,501,955,231	1,915,051,084	2,308,659,987	3,188,865,562
Selling and marketing expenses	18	(99,112,045)	(112,970,854)	(151,180,626)	(189,959,063)
General and administrative expenses	19	(267,871,650)	(349,843,187)	(472,996,722)	(517,210,033)
Finance income	25	353,920,999	393,859,943	2,687,492,738	1,166,075,219
Finance cost		(25,574,431)	(21,067,920)	(53,403,327)	(22,550,044)
Other income, net	20	143,364,145	100,204,184	234,957,541	193,687,098
Expected credit losses		(29,616,802)	-	(101,970,801)	(21,569,162)
Provisions	11	(4,635,471)	(2,000,000)	(11,570,856)	(4,133,903)
Provisions no longer required	11	241,673	1,286,555	1,891,673	2,622,208
PROFIT FOR THE PERIOD BEFORE INCOME TAX		1,572,671,649	1,924,519,805	4,441,879,607	3,795,827,882
Income tax	21	(310,159,457)	(426,041,461)	(952,927,596)	(715,741,512)
PROFIT FOR THE PERIOD		1,262,512,192	1,498,478,344	3,488,952,011	3,080,086,370
Earnings per share – basic and diluted		0.26	0.31	0.74	0.63

The accompanying notes 1 to 25 form an integral part of these interim condensed financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2023

	<i>Three-Month Period Ended</i>		<i>Six-Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
PROFIT FOR THE PERIOD	1,262,512,192	1,498,478,344	3,488,952,011	3,080,086,370
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	1,262,512,192	1,498,478,344	3,488,952,011	3,080,086,370

The accompanying notes 1 to 25 form an integral part of these interim condensed financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2023

	<i>Share capital EGP</i>	<i>Share premium EGP</i>	<i>Legal reserve EGP</i>	<i>Retained Earnings EGP</i>	<i>Total EGP</i>
Balance at 1 January 2022	4,529,338,000	1,350,286,168	604,900,120	15,854,151,487	22,338,675,775
Total comprehensive income	-	-	-	3,080,086,370	3,080,086,370
Transfer to legal reserve	-	-	205,976,005	(205,976,005)	-
Balance at 30 June 2022	<u>4,529,338,000</u>	<u>1,350,286,168</u>	<u>810,876,125</u>	<u>18,728,261,852</u>	<u>25,418,762,145</u>
Balance at 1 January 2023	4,529,338,000	1,350,286,168	810,876,125	22,211,492,122	28,901,992,415
Total comprehensive income	-	-	-	3,488,952,011	3,488,952,011
Transfer to legal reserve	-	-	328,165,832	(328,165,832)	-
Balance at 30 June 2023	<u>4,529,338,000</u>	<u>1,350,286,168</u>	<u>1,139,041,957</u>	<u>25,372,278,301</u>	<u>32,390,944,426</u>

The accompanying notes 1 to 25 form an integral part of these interim condensed financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the six-month period ended 30 June 2023

	Note	Six-Month Period Ended 30 June	
		2023 EGP	2022 EGP
Operating activities			
Profit for the period before income tax		4,441,879,607	3,795,827,882
Depreciation expenses of fixed assets	3	135,882,841	131,589,091
Depreciation expenses of investment properties		43,803,511	15,412,564
Depreciation expenses of right-of-use assets	7	3,430,399	3,430,399
Provision for employees' end-of-service benefits		12,411,078	10,907,822
Provisions charged during the period	12	11,570,856	4,133,903
Provision no longer required	12	(1,891,673)	(2,622,208)
Reversal of impairment of development properties		-	(1,189,821)
Expected credit losses		101,970,801	21,569,162
Loss on disposal of fixed assets		-	933
Finance costs		53,403,327	22,550,044
Finance income		(2,687,492,738)	(1,166,075,219)
		2,114,968,009	2,835,534,552
Changes in accounts and notes receivables		(536,828,845)	(1,633,716,168)
Changes in due from related parties		4,715,460	-
Changes in prepayments, other receivables and other debit balances		(1,888,414,836)	(1,138,998,563)
Changes in development properties		(2,190,057,748)	(934,743,376)
Changes in advances from customers		1,559,218,859	699,420,699
Changes in trade payables, accrued expenses and other credit balances		1,652,849,772	352,139,442
Changes in due to related parties		40,626,133	25,871,168
Changes in retentions payable		32,606,163	137,998,012
Provisions used	12	(5,193,943)	(18,864,262)
Employees' end-of-service benefits paid		(2,329,135)	(2,404,380)
Income tax paid		(1,449,677,950)	(1,118,958,779)
Net cash (used in) operating activities		(667,518,061)	(796,721,655)
Investing activities			
Finance income received		758,610,223	484,131,581
Purchase of fixed assets	3	(76,612,464)	(38,204,430)
Payments in fixed assets under construction		(860,536,820)	(200,648,093)
Purchase of investment properties		(398,855,807)	-
Purchase of financial assets at amortized cost		(5,095,942,446)	(4,530,524,779)
Proceeds from matured financial assets at amortized cost		8,012,535,220	6,126,975,000
Net cash from investing activities		2,339,197,906	1,841,729,279
Financing activities			
Payments of credit facilities		(1,576,746,833)	-
Proceeds from credit facilities		430,613,185	3,048,192,563
Payments of long-term liabilities		(17,812,721)	(2,298,504,454)
Payments of lease liability	7	(4,774,054)	(4,434,045)
Finance cost paid		(113,247,436)	(745)
Net cash (used in) / from financing activities		(1,281,967,859)	745,253,319
Net increase in cash and cash equivalents		389,711,986	1,790,260,943
Net foreign exchange differences		1,673,906,955	699,527,069
Cash and cash equivalent at the beginning of the period		7,314,571,350	3,737,330,195
Cash and cash equivalent at the end of the period		9,378,190,291	6,227,118,207

The accompanying notes 1 to 25 form an integral part of these interim condensed financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the six-month period ended 30 June 2023

For the purpose of statement of cash flow cash and cash equivalents represents the following:

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Bank balances and cash	9,430,065,291	7,366,446,350
Restricted cash/time deposit for letters of guarantee and credit*	(50,000,000)	(50,000,000)
Time deposits (maturity over 3 months)	(1,875,000)	(1,875,000)
Cash and cash equivalent	<u>9,378,190,291</u>	<u>7,314,571,350</u>

*Cash at banks as at 30 June 2023 include an amount of EGP 50,000,000 in form of two renewable time deposits as a margin of a letter of guarantee and a letter of credit issued by the company and credit card (Note 23).

Major non-cash transactions:

Change in long-term liabilities amounting to EGP 296,565,994 deducted from changes in development properties (30 June 2022: EGP 408,234,624).

The accompanying notes 1 to 25 form an integral part of these interim condensed financial statements.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2023

1 BACKGROUND

Emaar Misr for Development Company (S.A.E.) (“the Company”) is a joint stock company established in Egypt under the Investment Guarantees and Incentives Law No. 8 of 1997. The Company was registered in the commercial register on 16 March 2005 under No. 12841.

The listing of Emaar Misr for Development Company (S.A.E.) on the Egyptian stock exchange was approved in 4 March 2015 according to resolution of listing committee of Egyptian stock exchange.

The purpose of the Company is:

- Planning and construction of urban districts and providing them with utilities and services,
- Designing, constructing, managing, operating and maintenance of power plants with their different sources and distribution networks.
- Constructing, operating, managing and maintenance of water desalination and refining plants together with their distribution networks,
- Constructing, operating, managing and maintenance of sewage systems,
- Projects development, investment and real estate development,
- Owning, constructing, managing and touristic marketing for hotels, motels, lodges and tourism villages and its related supplementary activities in servicing, entertainment, sporting, commercial, and cultural,
- Establishing and operating yachts marina, golf courses and diving centres and its related supplementary activities,
- Finance leasing,
- Sale and distribution of electricity.

The Company is currently engaged in planning and construction of urban districts and providing them with utilities, services and projects development, investment and real estate development.

The Company’s ultimate parent is Emaar Properties PJSC.

These interim condensed financial statements for the three-month and six-month periods ended 30 June 2023 were authorized for issuance in accordance with the resolution of the directors on 14 August 2023.

2.1 BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements are prepared in accordance with Egyptian Accounting Standard (“EAS 30 Interim Financial Statements”).

The interim condensed financial statements don’t include all data and disclosures required in the annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2022. In addition, results for the interim period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The interim condensed financial statements have been prepared under the going concern assumption on a historical cost basis.

The accounting policies adopted in preparation of the interim condensed financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2022.

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these interim condensed financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

2.4 CHANGES IN EGYPTIAN ACCOUNTING STANDARDS

The Prime Minister's Decree No. 883 of 2023 was issued on March 6, 2023 to amend the Egyptian accounting standards, and accordingly, the appendix to the Egyptian accounting standards issued by the Minister of Investment Decree No. 110 of 2015 replaced by the amendments to the Egyptian accounting standards "Preliminary Annex Amendments 2023".

It also replaces the following standards: Nos. (10) fixed assets, (23) intangible assets, (34) investment properties, (35) agriculture, and (36) exploration for and evaluation of mineral resources, from the aforementioned Egyptian accounting standards, with the standards attached to the Prime Minister's decision and the preliminary annex to the 2023 amendments.

Set out below are the major changes in Egyptian Accounting Standards "Changes 2023".

Amended Egyptian accounting standard 10: Fixed assets

Egyptian accounting standard 10 has been amended and reissued in 2023, and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information. The amendments allow using the revaluation model for the subsequent measurement of fixed assets. The gains and losses resulting from the revaluation of fixed assets are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account. There is no significant impact on the company's interim condensed financial statements, as the Company did not change its accounting policy and did not apply the alternative accounting treatment.

Amended Egyptian accounting standard 23: Intangible assets

Egyptian accounting standard 23 has been amended and reissued in 2023, and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information. The amendments allow using the revaluation model for the subsequent measurement of intangible assets. The gains and losses resulting from the revaluation of intangible assets are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account. There is no significant impact on the company's interim condensed financial statements.

Amended Egyptian accounting standard 34: Investment properties

Egyptian accounting standard 34 has been amended and reissued in 2023, and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information. The amendments allow entities to using the fair value model option for subsequent measurement of their real estate investments, with REITs required only to use the fair value model for subsequent measurement of all their real estate assets.

The increase in fair value is recognized for the subsequent measurement of real estate investment within items within other comprehensive income, rather than profits or losses, and accumulated within equity in the account of "surplus valuation of real estate investment at fair value". There is no significant impact on the company's interim condensed financial statements, as the Company did not change its accounting policy and did not apply the alternative accounting treatment.

Amended Egyptian accounting standard 35: Agriculture

Egyptian accounting standard 35 has been amended and reissued in 2023, and is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating comparative figures. Fruit plants were excluded from EAS 35: Agriculture to be under the scope of EAS 10: Fixed Assets. There is no significant impact on the company's interim condensed financial statements.

Amended Egyptian accounting standard 36: Exploration for and evaluation of mineral resources

Egyptian accounting standard 36 has been amended and reissued in 2023, is effective for the financial periods beginning on or after 1 January 2023. Retrospective application is required with restating the comparative information. The amendments allow using the revaluation model for the subsequent measurement of its mineral resources. The gains and losses resulting from the revaluation of mineral resources are recognized within other comprehensive income and accumulated as equity in the "revaluation surplus" account. There is no significant impact on the company's interim condensed financial statements.

2.5 STANDARDS ISSUED AND NOT YET EFFECTIVE

Set out below are standards and interpretations that have been issued, but remain not effective, as at the date of issuance of these financial statements. The Company intends to apply these standards, if applicable, when they become effective.

Egyptian accounting standard 50: Insurance contracts

Egyptian accounting standard 50 "Insurance Contracts" which replaced the Egyptian Accounting Standard 37 "Insurance Contracts". EAS 50 was issued in 2023, and effective beginning on or after July 1, 2024 in Egypt. Early application of the standard is allowed.

This standard defines the proof principles of insurance contracts falling within the scope of this standard, and determines their measurement, presentation and disclosure. The objective of the standard is to ensure that the entity provides appropriate information that truthfully reflects those contracts. This information provides the users of the financial statements with basis for assessing the impact of such insurance contracts on the entity's financial position, financial performance and cash flows. There is no significant impact on the company's interim condensed financial statements.

3 FIXED ASSETS

The additions of fixed assets during the period amounted to EGP 76,612,464 (30 June 2022: EGP 38,204,430), transfers from fixed assets under construction to fixed assets during the period amounted to EGP 788,367,785 (30 June 2022: none), no disposals of fixed assets during the period (30 June 2022: EGP 11,200), and depreciation expenses charged during the period amounted to EGP 135,882,841 (30 June 2022: EGP 131,589,091).

4 FIXED ASSETS UNDER CONSTRUCTION

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Marassi project (buildings, furniture and fixtures)	3,380,245,126	3,139,966,561
Uptown Cairo project (buildings, furniture and fixtures)	75,020,631	58,842,545
Mivida project (buildings, furniture and fixtures)	58,396,383	242,683,999
	<u>3,513,662,140</u>	<u>3,441,493,105</u>

5 INVESTMENT PROPERTIES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Land	118,051,049	101,500,911
Building	2,361,256,348	1,651,839,025
Investment Properties Under Construction	384,051,988	754,967,153
Net carrying amount	<u>2,863,359,385</u>	<u>2,508,307,089</u>

The fair value of investment properties at 31 December 2022 is EGP 3,069,349,563, no fair value assessment was made for 30 June 2023. The valuation of the company's investment properties are performed by Arab Group for Appraisals & Consultancy (independent valuer) once every year.

Emaar Misr for Development Company (S.A.E.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2023

6 RIGHT OF USE AND LEASE LIABILITIES

The company has lease contracts for office buildings used in its operations, the lease period of which is from 2 to 5 years.

The book value of the ROU assets and lease contract liabilities and movement during the period is as follows:

RIGHT OF USE ASSETS

	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost		
Beginning balance	53,637,052	53,637,052
Additions during the period	-	-
Ending balance	53,637,052	53,637,052
Accumulated depreciation		
Beginning balance	(15,351,239)	(8,490,440)
Depreciation charged for the period (note 18)	(3,430,399)	(3,430,399)
Ending balance	(18,781,638)	(11,920,839)
Net book value	34,855,414	41,716,213

LEASE LIABILITIES

	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>
Cost		
Beginning balance	44,401,632	47,658,497
Finance expenses	2,724,078	2,941,856
Payments	(4,774,054)	(4,434,045)
Ending balance	42,351,656	46,166,308
	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Current portion (note 12)	5,081,585	4,102,883
Non-current portion	37,270,071	40,298,748
	42,351,656	44,401,631

7 DEVELOPMENT PROPERTIES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Mivida project	2,165,262,259	1,725,014,651
Marassi project	12,618,381,286	11,457,046,028
Uptown Cairo project	9,534,102,760	9,871,919,360
Cairo Gate project	3,024,216,072	2,471,517,204
Belle Vie project	7,707,753,745	6,975,026,950
	35,049,716,122	32,500,524,193

The Company has completed the registration of Marassi project land and is in process of completing the required legal procedures related to official registration of the other remaining land owned as of 30 June 2023.

Emaar Misr for Development Company (S.A.E.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2023

8 ACCOUNTS AND NOTES RECEIVABLES

	<i>30 June 2023</i> <i>EGP</i>	<i>31 December 2022</i> <i>EGP</i>
Amounts receivable within 12 months	2,661,184,829	2,390,183,753
Amounts receivable after 12 months	5,631,321,549	5,353,524,360
	8,292,506,378	7,743,708,113
Unamortised discount	(1,627,438,575)	(1,593,321,297)
Amounts receivable, net	6,665,067,803	6,150,386,816
Accounts receivables, hotels	32,488,906	10,341,048
	6,697,556,709	6,160,727,864
Less: Expected credit losses	(55,440,044)	(51,771,021)
	6,642,116,665	6,108,956,843

9 RELATED PARTY DISCLOSURES

For the purpose of these interim condensed financial statements, parties are related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related party transactions

During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

<i>Company</i>	<i>Nature</i>	<i>Payments on behalf</i>	<i>IT software</i>	<i>30 June 2023</i>		
				<i>Management fees & other expenses</i>	<i>Consultancy fees</i>	<i>Collections on behalf</i>
		<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Turner Construction International Egypt	Joint venture of the ultimate parent	-	-	-	42,797,270	-
Emaar Properties – PJSC	Ultimate parent	1,246,295	36,694,743	8,522,101	-	-
Emaar Hospitality	Subsidiary of the ultimate parent	-	-	199,334	-	-
Emaar Hospitality and Hotels	Subsidiary of the ultimate parent	5,656,445	-	4,030,820	-	-
Eagle Hills Misr for Management and Investment of Projects S.A.E.	Associate	8,556,220	-	-	-	13,264,180

<i>Company</i>	<i>Nature</i>	<i>Payments on behalf</i>	<i>IT software</i>	<i>30 June 2022</i>	
				<i>Management fees & other expenses</i>	<i>Consultancy fees</i>
		<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Turner Construction International Egypt	Joint venture of the ultimate parent	-	-	-	21,880,472
Emaar Properties – PJSC	Ultimate parent	1,376,766	32,642,070	5,254,437	-
Emaar Hospitality	Subsidiary of the ultimate parent	889,854	-	-	-
Emaar Hospitality and Hotels	Subsidiary of the ultimate parent	12,655,668	-	2,464,000	-

Emaar Misr for Development Company (S.A.E.)

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As at 30 June 2023

9 RELATED PARTY DISCLOSURES (cont.)

The related parties' transactions described above resulted in the following balances:

a) Related party balances

	<i>30 June 2023</i>			
	<i>Due from related parties EGP</i>	<i>Due to related parties EGP</i>	<i>Trade payables and accruals EGP</i>	<i>Advance from customers EGP</i>
Ultimate parent*	-	247,356,532	-	-
Subsidiaries of the ultimate parent	2,818	53,854,498	-	-
Joint venture of the ultimate parent	-	-	70,798,259	-
Associate	205,729,533	-	-	-
Board members and key management personnel	-	-	-	2,653,588
	<u>205,732,351</u>	<u>301,211,030</u>	<u>70,798,259</u>	<u>2,653,588</u>

	<i>31 December 2022</i>			
	<i>Due from related parties EGP</i>	<i>Due to related parties EGP</i>	<i>Trade payables and accruals EGP</i>	<i>Advance from customers EGP</i>
Ultimate parent*	-	173,509,524	-	-
Subsidiaries of the ultimate parent	10,318	54,317,636	-	-
Joint venture of the ultimate parent	-	-	63,328,748	-
Associate	210,437,493	-	-	-
Board members and key management personnel	-	-	-	1,677,958
	<u>210,447,811</u>	<u>227,827,160</u>	<u>63,328,748</u>	<u>1,677,958</u>

*Due to ultimate parent represent a current account, callable by the ultimate parent, non-interest bearing, which resulted mainly from the financing and support received from the ultimate parent and other operating activities.

b) Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>30 June 2023 EGP</i>	<i>30 June 2022 EGP</i>
Short-term benefits	18,354,108	16,089,822
End-of-service benefits	1,968,777	1,654,346
	<u>20,322,885</u>	<u>17,744,168</u>

Emaar Misr for Development Company (S.A.E.)

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As at 30 June 2023

10 PREPAYMENTS, OTHER RECEIVABLES AND OTHER DEBIT BALANCES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Prepayments	59,495,648	26,165,982
Advances to contractors and suppliers*	3,424,555,693	2,696,066,563
Advances to employees	9,891,765	14,033,873
Accrued interest income	118,797,617	55,929,840
Tax authority - value added tax	-	571,677
Customers maintenance – Current accounts	420,866,767	334,291,728
Customers maintenance – Time deposits & treasury bills	6,823,791,722	5,997,368,063
Due from customers – facility and customer charges	580,545,200	654,219,708
Payments to tax authority – treasury bills	61,637,194	61,637,194
Deferred sales commissions	1,288,623,678	1,317,599,520
Other receivables	485,029,062	289,803,140
	13,273,234,346	11,447,687,288
Less: Expected credit losses	(183,264,316)	(84,962,539)
	13,089,970,030	11,362,724,749

*Advances to contractors and suppliers includes an amount of EGP 114 million paid against work to be done by a contractor (joint venture) of which the parent company's general assembly meeting for this contractor decided operation discontinuity. The joint venture continues to perform and execute the work until the date of issuing these interim condensed financial statements, and the company has irrevocable letters of guarantee fully covering these balances.

11 PROVISIONS

	<i>Balance as of 1 January 2023</i>	<i>Charged during the period</i>	<i>No longer required during the period</i>	<i>Used during the period</i>	<i>Balance as of 30 June 2023</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for legal claims	14,895,449	6,661,273	(1,891,673)	(9,383)	19,655,666
Provision for other claims	57,316,099	4,909,583	-	(5,184,560)	57,041,122
	72,211,548	11,570,856	(1,891,673)	(5,193,943)	76,696,788
	<i>Balance as of 1 January 2022</i>	<i>Charged during the period</i>	<i>No longer required during the period</i>	<i>Used during the period</i>	<i>Balance as of 30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Provision for legal claims	6,153,554	4,133,903	(2,622,208)	(579,078)	7,086,171
Provision for other claims	23,048,449	-	-	(18,285,184)	4,763,265
	29,202,003	4,133,903	(2,622,208)	(18,864,262)	11,849,436

- No other material contingent liabilities other than what was provided for in the provisions above or what was disclosed in note 23 contingent liabilities.

12 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Projects contracts cost accruals	4,970,727,916	4,280,120,002
Trade payables (suppliers, contractors and consultants)	1,421,784,961	1,246,707,286
Taxes payables (other than income tax)	83,165,689	67,702,317
Accrued expenses	773,805,749	793,702,986
Deferred revenue	139,906,087	173,323,766
Social insurance authority	7,265,264	7,748,675
Other payables	7,455,470	19,905,471
Lease liability – short term (note 6)	5,081,585	4,102,883
Due to customers – facility management	1,135,661,739	889,895,059
Customers maintenance payable	6,285,525,218	5,658,158,027
	<u>14,830,379,678</u>	<u>13,141,366,472</u>

13 CREDIT FACILITIES

- The Company has been granted a credit facility from an Egyptian commercial bank with the limit of EGP 2,800,000,000 and an average annual interest rate of 11.7%. The Bank reserves the right to demand repayment in the event of default. The is a discounting facility supported by post-dated checks for customer units that have been delivered and have settled at least 30% of the unit's value. As of 30 June 2023, the balance of the credit facility is EGP 1,441,976,561 (31 December 2022: EGP 1,792,119,533).
- The Company was granted a credit facility from an Egyptian commercial bank with the limit of the EGP 2,000,000,000 with an average annual interest rate of 17.05% against treasury bills where the Bank keeps the right to call for repayment in case of a breach of contract terms. The facility is fully settled as of 30 June 2023 (31 December 2022: EGP 1,043,216,476).
- The Company was granted a credit facility from an Egyptian commercial bank with the limit of the EGP 750,000,000 with an average annual interest rate of 18.75% against treasury bills where the Bank keeps the right to call for repayment in case of a breach of contract terms. The facility outstanding reads of 30 June 2023 EGP 247,225,797 (31 December 2022: Nil).

14 LONG TERM LIABILITIES

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Long term liabilities		
Cairo Gate project*	16,907,176	34,714,733
Belle Vie Project**	5,653,654,359	5,386,262,853
Discount long term liabilities (interest not due)	(2,413,971,685)	(2,443,141,009)
Net long-term liabilities	<u>3,256,589,850</u>	<u>2,977,836,577</u>

Net long-term liabilities are classified as follows:

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Current portion	15,611,766	30,986,070
Non-current portion	3,240,978,084	2,946,850,507
	<u>3,256,589,850</u>	<u>2,977,836,577</u>

* The amount represents post-dated checks instalments to New Urban Communities Authority to extend additional plot area by 5.5 feddans for Cairo Gate project.

** The amount represents post-dated checks instalments to New Urban Communities Authority for the plot of land bought for Belle Vie project in Sheikh Zayed City.

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15 SHARE CAPITAL

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Authorised capital (shares of EGP 1 each)	10,000,000,000	10,000,000,000
Issued and fully paid-up	4,529,338,000	4,529,338,000
Number of shares	4,529,338,000	4,529,338,000

16 REVENUE

	<i>Three Month Period Ended</i>		<i>Six Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Marassi Project*	2,341,074,672	2,029,632,123	3,066,431,341	2,563,622,068
Uptown Cairo Project*	1,208,235,380	64,076,541	2,059,049,352	188,483,727
Mivida Project*	147,643,797	2,280,129,524	420,207,679	4,183,689,756
Revenue of Hospitality	132,020,372	80,651,125	146,710,752	90,187,197
	3,828,974,221	4,454,489,313	5,692,399,124	7,025,982,748

*Revenue from property sales represents sales value of units handed over during the period discounted at the effective interest rate, the Company introduces several payment scenarios, ranging from “till delivery instalment schedule” to “till extended instalments schedule up to 8 years”, the unit price vary based on the selected instalment schedule by the customer.

17 COST OF REVENUE

	<i>Three Month Period Ended</i>		<i>Six-Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Marassi Project	1,408,233,226	1,274,445,250	1,792,385,600	1,572,380,349
Uptown Cairo Project	798,800,653	41,672,874	1,339,064,354	118,722,087
Mivida Project	14,497,893	1,154,577,695	116,934,771	2,039,684,459
Cost of Hospitality	105,487,218	68,742,410	135,354,412	106,330,291
	2,327,018,990	2,539,438,229	3,383,739,137	3,837,117,186

18 SELLING AND MARKETING EXPENSES

	<i>Three Month Period Ended</i>		<i>Six-Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Advertisements	775,795	3,494,933	2,156,467	6,523,936
Depreciation expenses of fixed assets	5,416,720	5,004,432	10,737,214	9,866,715
Depreciation of right-of-use (note 6)	1,715,200	1,715,199	3,430,399	3,430,399
Marketing production and materials	2,171,405	3,911,930	7,354,841	8,327,377
Events and exhibitions	5,597,080	8,108,177	8,784,764	10,156,515
Sales commission	77,632,488	76,505,096	110,415,023	132,707,725
Other marketing expenses	5,803,357	14,231,087	8,301,918	18,946,396
	99,112,045	112,970,854	151,180,626	189,959,063

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2023

19 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three Month Period Ended</i>		<i>Six-Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation expenses of fixed assets	61,576,889	56,465,080	119,561,347	113,237,526
Depreciation expenses of investment property	23,719,880	7,690,193	43,803,511	15,412,564
Salaries and benefits	41,947,539	31,491,723	87,043,739	63,855,995
Professional fees	6,544,964	6,062,671	14,974,576	13,087,089
IT expenses	28,341,184	10,449,315	42,552,894	27,052,132
Travel and entertainment	2,447,732	3,850,018	6,322,122	7,100,223
Communication	328,166	1,907,339	1,497,935	3,457,271
Facility management expenses	24,707,380	22,315,846	48,587,259	48,065,105
Other bank charges	3,314,424	2,577,191	7,151,616	4,709,638
Contribution for health insurance	10,951,157	10,812,419	16,807,110	19,493,669
Employee training fund	21,370,857	-	34,337,069	-
Donations	35,798,470	185,685,030	36,908,352	185,794,710
Other expenses	6,823,008	10,536,362	13,449,192	15,944,111
	267,871,650	349,843,187	472,996,722	517,210,033

20 OTHER INCOME, NET

	<i>Three Month Period Ended</i>		<i>Six-Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Customers service charges	13,992,096	3,966,580	25,609,702	9,895,572
Penalties and administrative fees	112,987,567	85,349,500	174,621,822	162,722,032
Operating lease income	10,154,129	2,363,329	16,413,362	8,083,357
(Loss) from sale of fixed assets	-	-	-	(933)
Other operating income	6,230,353	8,524,775	18,312,655	12,987,070
	143,364,145	100,204,184	234,957,541	193,687,098

21 INCOME TAX

	<i>Three Month Period Ended</i>		<i>Six-Month Period Ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Statement of Profit or Loss				
Current income tax	(412,252,213)	(440,497,488)	(603,383,977)	(709,991,180)
Deferred income tax	102,092,756	14,456,027	(349,543,619)	(5,750,332)
	(310,159,457)	(426,041,461)	(952,927,596)	(715,741,512)

Deferred income tax

	<i>Statement of Financial Position</i>		<i>Statement of Profit or Loss</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>	<i>30 June 2023</i>	<i>30 June 2022</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Depreciation of fixed assets	(26,138,852)	(59,352,093)	33,213,240	(15,546,278)
Deferred Sales commission	(82,839,615)	(107,682,995)	24,843,380	29,859,238
Unrealized foreign exchange gains	(948,818,588)	(500,674,772)	(448,143,816)	-
Provisions and accruals	374,615,279	334,071,703	40,543,577	(20,063,292)
Net deferred income tax assets	(683,181,776)	(333,638,157)	(349,543,619)	(5,750,332)

22 COMMITMENTS

At 30 June 2023, the Company had commitments in respect of its assets under construction and development properties not provided for in the interim condensed financial statements amounted to EGP 3,852,802,099 (31 December 2022: EGP 7,569,193,546).

Operating lease commitments - as lessor

The Company has entered into leases on its investment properties. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>EGP</i>	<i>EGP</i>
Within one year	128,873,324	108,501,836
After one year but not more than five years	568,263,072	473,115,726
More than five years	8,310,586,138	7,381,448,816
	<u>9,007,722,534</u>	<u>7,963,066,378</u>

23 CONTINGENT LIABILITIES

- A letter of guarantee was issued in favor of the "Shore Protection Authority" in 2017, and it is renewed annually. The margin for the letter of guarantee amounts to EGP 50 million, and it is fully covered by a time deposit of the same amount.

24 POST DATED CHECKS (OFF BALANCE SHEET)

The Company maintains post-dated checks amounted to EGP 29,030,163,867 (31 December 2022: EGP 30,208,899,075) which represent post-dated checks of undelivered units and not included in statement of financial position. These checks represent future instalments according to payment schedule of each customer according to Company's policies.

25 MAJOR EVENTS

The Central Bank of Egypt decided to raise the overnight deposit rate the overnight lending rate and the rate this is expected to affect the Bank's pricing policies for current and future products. Besides raising the interest rate, the Central Bank of Egypt has also decided to liberalize the foreign exchange rate to give banks operating in Egypt the flexibility to determine the buy and sell price of foreign currencies.

The exchange rates of the Egyptian pound against the dollar and some other currencies also devaluated, which resulted in gains of unrealized foreign currency differences amounted to EGP 0.3 million and EGP 1.99 billion for the three-month and six-month periods ended 30 June 2023, respectively (EGP 137 million and EGP 671.5 million for the three-month and six-month periods ended 30 June 2022, respectively) included in finance income.