Mostafa Shawki

forvis mazars

PALM HILLS DEVELOPMENTS COMPANY

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

On 31 March 2026

Together with Limited Review Report

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Translation of review
report Originally issued in Arabic.

LIMITED REVIEW REPORT
ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Chairman and Members of the Board of Directors

Palm Hills Development

INTRODUCTION

We have reviewed the accompanying interim consolidated statement of financial position of Palm Hills Development "PHD" (S.A.E) as of 31 March 2026 as well as the related interim consolidated statements of profit or loss and comprehensive income and the interim consolidated statements of changes in equity and cash flows for the three - month period ending on that date and a summary of significant accounting policies and other explanatory notes, Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards Issued by Ministerial Resolution No. (110) for the year 2015 and its amendments, our responsibility is limited to expressing a conclusion on the periodic financial statements in accordance with our limited examination of them.

SCOPE OF REVIEW

We conducted our limited review in accordance with the Egyptian Standard on Review Engagements (ESRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A limited 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 limited 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 limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements It does not express fairly and clearly in all its important aspects the consolidated financial position of Palm Hills Development An Egyptian Joint Stock Company on March 31, 2026, and its financial performance and consolidated cash flows for the three months ending on that date in accordance with the Egyptian Accounting Standards issued by Ministerial Resolution No. (110) for the year 2015 and its amendments.

EXPLANATORY PARAGRAPHS:

- Without qualifying our opinion, some lands have been recorded in the books of the company and its subsidiaries under preliminary contracts or letters of allocation received from the New Urban Communities Authority (in the Sixth of October City, New Cairo City and from the competent agencies entrusted with concluding primary contracts and issuing letters of allocation), where The transfer and registration of ownership depends on the fulfillment of the financial criteria and the constructional executive conditions and the completion of those projects, taking into account that only the construction costs are established in the joint projects without the cost of the lands on which those projects are built.

- In addition to what was mentioned in the previous paragraph, the company has recorded the revenues generated from the units under construction or under delivery of the contracted units in application of the accounting policy for the recognition of revenues according to the extent of fulfillment of contract obligations at the contract unit level, where the progress in fulfilling contract obligations is determined and measured using The output method is by counting the completed performance up to the date of preparing the financial statements based on the opinion of the engineering management of the company for the contracted units at the level of each stage (Notes No. 29, 30, 64, 65).

- In addition to what was mentioned in the previous two paragraphs, the consolidated financial statements of Palm Hills Development Company have been prepared As of March 31, 2026, based on the internal financial statements of the subsidiaries at the date the accompanying consolidated financial statements were prepared.

Cairo: 20, May,2026

Auditor

Khaled Rabat

Khaled Said El-Rabat

Financial Supervision Authority Registration No. (6258)

R.A.A (8173)

Forvis Mazars Mostafa Shawki

Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E`

CONSOLIDATED FINANCIAL POSITION

As of 31 March 2026

Assets	Note no.	31 Mar 2026 EGP	31 Dec 2025 EGP
Non-current assets			
Investments in associates	(35 ،b11،d8)	3 838 697 211	3 611 619 739
Subordinated loan- associates	(36)	34 333 473	--
Investment property	(37 ،11)	1 020 474 869	1 032 530 185
Fixed assets (net)	(38 ،13)	4 529 193 596	4 521 970 936
Projects under construction	(39 ،12)	199 402 883	182 616 883
Advance payments for investments acquisition		26 864 852	26 864 852
Deferred tax asset		101 538 888	101 538 888
Right of use assets	(40 ،a28)	176 631 325	102 532 491
Notes receivable - long term	(41 ،16)	51 821 999 636	54 801 316 199
Notes receivable - long term for undelivered units	(42 ،16)	1 365 932 476	1 518 490 219
Other long-term assets		--	682 882
Total non-current assets		63 115 069 209	65 900 163 274
Current assets			
Works in Progress	(43 ،14)	21 337 803 436	17 570 908 880
Accounts receivable	(44)	30 481 010 262	28 118 116 247
Debtors and other debit balances	(45)	13 969 625 898	12 921 978 854
Suppliers advance payments		10 269 246 011	9 056 244 671
Due from related parties	(73 ،46 ،27)	341 675 917	335 661 244
Financial investments at amortized cost	(47 ،5/33)	11 369 182 823	9 581 528 351
Investments at fair value through profit and loss	(5/33)	182 032 512	152 706 778
Notes receivable - short term	(41 ،16)	16 923 419 501	18 137 718 924
Notes receivable - short term for undelivered units	(42 ،16)	864 821 710	935 259 476
Cash and cash equivalents	(48 ،32)	9 125 128 163	9 419 526 159
Total Current Assets		114 863 946 233	106 229 649 584
Total Assets		177 979 015 442	172 129 812 858
Shareholders' equity And Liabilities			
Shareholders' equity			
Share capital	(60)	5 719 828 346	5 719 828 346
Legal reserve	(61)	1 121 678 212	1 018 864 008
Treasury shares	(62)	(168 974 419)	(101 092 107)
Other comprehensive income		305 974 544	(71 616 353)
Business Consolidation Settlements (Acquisition)		(126 406 098)	(126 406 098)
Retained earning		10 898 389 364	6 775 184 312
Net profit for the period/year		1 205 253 089	4 216 657 655
Net controlling equities		18 955 743 038	17 431 419 763
Non-controlling equities		1 432 670 535	1 334 332 140
Total shareholders' equity		20 388 413 573	18 765 751 903
Liabilities			
Non-current liabilities			
Loans long-term	(51)	10 198 959 572	10 543 120 329
Notes payable - long term	(b 52)	4 752 461 459	4 505 024 909
Land purchase liabilities – Long Term	(b 56 ،20)	47 134 742	--
Other long-term liabilities – Residents' Association	(63)	30 842 958 515	29 122 769 947
Lease contract liabilities - long term	(b55)	104 462 501	60 703 816
Deferred tax liabilities		41 710 061	41 607 006
Joint shares arrangement - long term	(58)	3 509 735 099	3 991 865 312
Total non-current liabilities		49 497 421 949	48 265 091 319
Current liabilities			
Banks - credit balances	(49)	1 205 910 651	938 770 898
Credit facilities	(50)	11 938 707 216	11 337 531 976
Current portion of Short-term loans	(51)	686 930 276	1 250 040 023
Notes payable - short term	(a 52)	3 418 469 310	4 875 673 642
Advances from customers	(53)	72 867 831 592	69 354 084 075
Deferred revenue		345 848 528	731 229 939
liabilities for checks for undelivered units	(54)	2 230 754 186	2 453 749 695
Lease contract liabilities - short term	(a55)	63 945 856	41 916 627
Current portion of land purchase liabilities	(a56 ،20)	29 612 533	12 225
Due to related parties	(73 ،57 ،27)	29 919 710	29 919 710
Joint shares arrangement - short term	(58)	2 765 679 779	2 981 872 912
Creditors & other credit balances	(59)	4 650 067 405	5 121 712 447
Suppliers And contractors		5 340 090 248	3 807 042 889
Investments purchase liabilities		20 717 553	20 717 553
Provisions	(19)	179 540 158	178 137 292
Income tax payable	(a 23)	2 319 154 919	1 976 557 733
Total current liabilities		108 093 179 920	105 098 969 636
Total liabilities		157 590 601 869	153 364 060 955
Total equity and liabilities		1 77 979 015 442	172 129 812 858

- Limited report attached.
- The accompanying notes are integral part of the financial statements.

Chairman	Chief Financial Officer
Yasseen Mansour	Ali Thabet
Yasseen Mansour	

Translation of Income Statements

Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E

CONSOLIDATED STATEMENT OF INCOME (PROFIT OR LOSS)
For The Three Months Ended In 31 March 2026

	Note No.	31 March 2025	31 March 2024
		EGP	EGP
Revenues	(64 ‹29)	9 346 133 744	8 392 552 837
Deduct: -			
Cost of revenues	(65 ‹30)	6 005 182 791	4 618 528 598
Cash discount		30 977 593	22 786 404
Gross profit		3 309 973 360	3 751 237 835
Deduct: -			
General administrative, selling and marketing expenses	(66)	1 394 445 914	1 081 476 863
Depreciation and amortization		120 135 353	77 415 956
Finance costs & interests	(67 ‹25)	588 266 676	622 932 022
Expected credit losses	(68)	8 149 340	7 641 289
Total general, administrative, marketing and financing expenses, depreciation		2 110 997 283	1 789 466 130
Add			
Amortization of discount on notes receivables		231 130 035	180 023 216
Gains on investments in fair value through profit or loss	(69 ‹5/33)	7 312 562	11 308 775
Credit interest and investment gain at amortized cost	(5/33)	219 747 804	124 858 512
Total other revenues		458 190 401	316 190 503
Net profit for the period before income tax & non-controlling equities		1 657 166 478	2 277 962 208
Deduct: -			
Current income tax	(a70 ‹a23)	432 895 994	623 973 562
Deferred tax	(b70 ‹b 23)	268 495	95 102
Net profit for the period before non-controlling equities		1 224 001 989	1 653 893 544
Deduct: -			
Non-controlling equities share- subsidiaries		18 748 900	114 233 309
Net profit for the period after income tax & non-controlling equities		1 205 253 089	1 539 660 235
Earnings per share for consolidated profits	(71 ‹26)	,42	,54

- The accompanying notes are integral part of the financial statements.

Chairman	Chief Financial Officer
Yasseen Mansour	Ali Thabet
Yaseen Mansour	

Translation of Comprehensive Income Statements

Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Three Months Ended In 31 March 2026

	31 March 2026	31 March 2025
	EGP	
Net profit for the period	1 224 001 989	1 653 893 544
Other comprehensive income		
Forreign currency translation differences arising from Translation of foreign entities	471 988 778	--
Total comprehensive income for the period , net of tax	1 695 990 767	1 653 893 544
Attributable to: -		
Equity holders of the parent	1 582 844 111	1 539 660 235
Non-controlling equities	113 146 656	114 233 309
	1 695 990 767	1 653 893 544

- The accompanying notes are integral part of the financial statements

Chairman

Yaseen Mansour

Yasseen Mansour

Chief Financial Officer

Ali Thabet

Translation of Cash Flow Statements
Originally Issued in Arabic

PALM HILLS DEVELOPMENTS COMPANY S.A.E
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Ended In 31 March 2026

	Note No.	31 March 2026 EGP	31 March 2025 EGP
Net profit for the Period before income tax & non-controlling equites		1 657 166 478	2 277 962 208
Adjustments to reconcile net profit to net cash from operating activities			
Depreciation & amortization		132 407 603	83 760 240
Financing costs and interest, and land installments	(67 ،25)	588 266 676	622 932 022
Expected credit losses		8 149 340	7 641 289
Gain on disposal of fixed assets	(38)	(1 000)	(267)
Gain (loss) on investments in Associates	(35)	(88 077 472)	8 281 201
Amortization of current value deduction for notes receivables		(231 130 035)	(180 023 216)
Gain on investment at fair value through profit or loss	(69)	(7 312 562)	(11 308 775)
Credit interest		(219 747 804)	(124 858 512)
Gain from selling investment in associates		--	(560 793 231)
Operating profits before changes in working capital		1 839 721 224	2 123 592 959
Cash flow from operation activities			
Change in work in process	(43 ،14)	(3 670 921 016)	(718 068 505)
Change in notes receivables	(41 ،16)	4 424 746 021	(9 668 118 206)
Change in notes receivable for un delivered units		222 995 509	2 357 381 618
Change in accounts receivables	(44)	(2 363 015 196)	(4 428 565 392)
Change in suppliers – advanced payments		(1 213 001 340)	(1 603 871 591)
Change in Debtors and other debit balances		(1 054 700 077)	(2 494 962 793)
Change in due from related parties	(73 ،46 ،27)	(6 581 611)	8 751 402
Change in accounts receivables – advance payments	(53)	3 513 747 517	7 411 586 476
Liabilities of checks from customer		(222 995 509)	(2 357 381 618)
Change in deferred revenue		(385 381 411)	--
Paid from provision	(19)	1 402 866	--
Change in notes payable	(52)	(1 303 969 642)	1 031 124 154
Change in suppliers & contractors		1 533 047 357	1 055 255 491
Income taxes paid	(70، 23)	(90 298 808)	135 676 541
Change in creditors & other credit balances	(59)	(471 645 042)	680 547 938
Change in long term liabilities – Residents' Association	(63)	1 720 188 568	3 511 707 045
Change in Partners share in joint arrangements	(58)	(698 323 346)	3 976 541 667
Change in lease contract		(8 310 920)	(8 048 344)
Net cash provided by operating activities		1 766 705 144	1 013 148 841
Cash flows from investing activities			
(Payments) for purchase of fixed assets	(38)	(146 813 436)	(132 818 675)
Proceeds from sale of fixed assets	(38)	1000	3 638 921
(Payments) For Investments Property		--	(2 914 433)
(payment for) Proceeds from investment through profit or loss		(29 325 734)	28 742 555
(payment) in investment at amortised cost	(47 ،5/33)	(1 787 654 472)	(781 269 599)
(Payments) for investments in associates	(35)	(139 000 000)	(63 952 525)
(Payments) for projects under construction	(39 ،12)	(16 786 000)	(29 799 363)
Proceeds from other assets		682 882	--
Collected Gains on investments in fair value through profit or loss	(69)	7 312 562	11 308 775
Collected credit interest		219 747 804	124 858 512
Subordinated loan	(36)	(34 333 473)	--
Net cash (used in) investing activities		(1 926 168 867)	(842 205 832)
Cash flows from financing activities			
proceeds for (payment) From Banks - credit balances	(49)	267 139 753	(15 105 518)
Proceeds from Banks – overdraft	(50)	601 175 240	809 728 795
Paid dividends		(15 976 274)	(15 883 331)
Non-controlling interests		79 589 495	(6 298 077)
Proceeds From loans	(51)	361 521 108	324 161 844
Payments for loans	(52)	(1 268 791 611)	(96 576 721)
Deferred tax		(165 440)	1 244 118
Finance costs & interests paid	(67،25)	(494 064 816)	(809 135 537)
Payments for treasury share		(67 882 312)	--
Net cash (used in) provided by financing activities		(537 454 857)	192 135 573
Net (decrease) increase in cash and cash equivalents during the Period		(696 918 580)	363 078 583
Retained earnings adjustments		25 337 875	2 179 673
Cash and cash equivalents at beginning of the Period		9 419 526 159	6 372 384 745
Net difference of translation of foreign entities		377 590 897	--
Expected credit loss		(408 188)	--
Cash and cash equivalents as of 31 March 2026	(48 ،32)	9 125 128 163	6 737 643 001

- **The accompanying notes are an integral part of these financial statements and are to be read therewith**

Chief Financial Officer	Chairman
Ali Thabet	Yasseen Mansour

PALM HILLS DEVELOPMENTS COMPANY S.A. E
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three Months Ended In 31 March 2026

	Share Capital	Legal reserve	Combinatic business adjustments	Retained earning	Treasury shares	Other comprehensive income	Net profit for the period	Total before non-controlling equites	Total non-controlling equities	Total after non-controlling equites
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2025	5 759 828 346	938 329 820	--	4 083 004 797	(113 486 786)	--	3 254 945 444	13 922 621 621	702 060 505	14 624 682 126
Transferred to retained earnings	--	--	--	3 254 945 444	--	--	(3 254 945 444)	--	--	--
Transferred to legal reserve	--	162 747 272	--	(162 747 272)	--	--	--	--	--	--
Adjustments on non – controlling interest	--	--	--	--	--	--	--	--	(6 298 077)	(6 298 077)
Adjustment on retained earnings	--	--	--	2 179 673	--	--	--	2 179 673	--	2 179 673
Dividends Paid*	--	--	--	(15 883 330)	--	--	--	(15 883 330)	--	(15 883 330)
Net profit for the three months ended on 31 March 2025	--	--	--	--	--	--	1 539 660 235	1 539 660 235	114 233 309	1 653 893 544
Balance on 31 mar 2025	5 759 828 346	1 101 077 092	--	7 161 499 312	(113 486 786)	--	1 539 660 235	15 448 578 199	809 995 737	16 258 573 936
Balance as of 1 April 2025	5 759 828 346	1 101 077 092	--	7 161 499 312	(113 486 786)	--	1 539 660 235	15 448 578 199	809 995 737	16 258 573 936
Transferred to retained earnings	--	--	--	--	--	--	--	--	--	--
Capital reduction – Cancellation of treasury shares	(40 000 000)	--	--	(73 486 786)	113 486 786	--	--	--	--	--
Transferred to legal reserve	--	(82 213 084)	--	82 213 084	--	--	--	--	--	--
Foreign entities translation	--	--	--	--	--	(71 616 353)	--	(71 616 353)	(17 904 088)	(89 520 441)
Adjustments on non – controlling interest	--	--	--	--	--	--	--	--	449 319 349	449 319 349
Treasury shares (62)	--	--	--	--	(101 092 107)	--	--	(101 092 107)	--	(101 092 107)
Adjust on retained earnings	--	--	--	104 415 490	--	--	--	104 415 490	--	104 415 490
Business combination settlements (acquisitions)	--	--	(126 406 098)	--	--	--	--	(126 406 098)	--	(126 406 098)
Dividends Paid*	--	--	--	(499,456,788)	--	--	--	(499 456 788)	--	(499 456 788)
Net profit for the Nine months ended on 31 DEC 2025	--	--	--	--	--	--	2 676 997 420	2 676 997 420	92 921 142	2 769 918 562
Balance as of 31 dec 2025	5 719 828 346	1 018 864 008	(126 406 098)	6 775 184 312	(101 092 107)	(71 616 353)	4 216 657 655	17 431 419 763	1 334 332 140	18 765 751 903
Balance as of 1 January 2026	5 719 828 346	1 018 864 008	(126 406 098)	6 775 184 312	(101 092 107)	(71 616 353)	4 216 657 655	17 431 419 763	1 334 332 140	18 765 751 903
Transferred to retained earnings	--	--	--	4 216 657 655	--	--	(4 216 657 655)	--	--	--
Transfer to legal reserve	--	102 814 204	--	(102 814 204)	--	--	--	--	--	--
Foreign entities translation	--	--	--	--	--	377 590 897	--	377,590,897	94 397 756	471 988 653
Adjustments on non – controlling interest	--	--	--	--	--	--	--	--	(14 808 261)	(14 808 261)
Treasury shares (62)	--	--	--	--	(67 882 312)	--	--	(67 882 312)	--	(67 882 312)
Adjust on retained earnings	--	--	--	25 337 875	--	--	--	25 337 875	--	25 337 875
Dividends Paid*	--	--	--	(15 976 274)	--	--	--	(15 976 274)	--	(15 976 274)
Net profit for the three months ended on 31 March 2026	--	--	--	--	--	--	1 205 253 089	1 205 253 089	18 748 900	1 244 001 989
Balance as of 31 March 2026	5 719 828 346	1 121 678 212	(126 406 098)	10 898 389 364	(168 974 419)	305 974 544	1 205 253 089	18 955 743 038	1 432 670 535	20 388 413 573

* In accordance with the resolutions of the ordinary general Assembly.

The accompanying notes are an integral part of these financial statements and are to be read therewith.

Chief Financial Officer

Ali Thabet

Chairman

Yasseen Mansour

Yasseen Mansour

Palm Hills Developments Company
(S.A.E)
Notes to the Consolidated
Financial Statements as Of March, 31,2026

1. BACKGROUND

Palm Hills for Developments Company (S.A.E) was established according to the Investment Guarantee and Incentives Law No. (8) of 1997 which was replaced by the Investment Guarantee and Incentives Law No. (72) of 2017 and the Companies Law No. 159 of 1981 that was modified according to Law No. (4) of 2018 and their executive regulations, taking into consideration the Capital Market Law No. 95 of 1992 and its executive regulations.

2. COMPANY'S PURPOSE

The company's purpose is to invest in real estate in the New Cities and New Urban Communities including building, constructing, owning and managing residential compounds, resorts, villas and touristic villages, selling and the resale of Associated services and facilities, leasing and the construction of integrated projects along with managing the entertainment activities Associated with the companies in activities. All such activities are subject to the approval of appropriate authorities.

3. THE COMPANY'S LOCATION

The company's headquarters is located in the Smart Village, 6th of October City, Giza Governorate, Arab Republic of Egypt.

4. COMMERCIAL REGISTER

The company is registered in the Commercial Register under No. 6801 dated 10 January 2005.

Company Duration :25 years starting from the date of registration in the Commercial Register and ending on January 9, 2030.

5. Financial Year

The fiscal year begins on the first of March of each year and ends on February 28 of each year. The extraordinary general assembly held on September 19, 2007, decided to amend the company's bylaws so that the fiscal year begins on the first of January and ends on December 31 of each year.

6. AUTHORIZATION OF THE FINANCIAL STATEMENTS

The company's Consolidated financial statements for Three Months on Mar 31, 2026 were authorized for issue by the board of directors on 20 May 2026.

7. STOCK EXCHANGE LISTING

The company was listed in the unofficial schedule no. (2) of the Cairo and Alexandria Stock Exchange on 27 Dec 2006 and then listed in the official schedule no. (1) of the Cairo and Alexandria Stock Exchange in April 2008. The company has regularized its status in accordance with the decision of the Board of Directors of the Financial Regulatory Authority No. 11 of 2014 in its session held on January 22, 2014 regarding the rules for listing and delisting securities on the Egyptian Stock Exchange, taking into account all subsequent amendments to these rules.

8. EXISTING PROJECTS

The company has several major activities for the development of new urban communities and tourist compounds through:

a) Building and constructing residential compounds

The objective of the company is to contribute in building integrated residential units, providing Associates services, and entertainment complexes, while the Company possesses a large land bank which includes land with a total area of 1,435 acres approx. located at 6th October City, land with a total area of 456.84 acres approx. located at New Cairo City, land measuring a total area of 750 acres approx. which is located at Sidi Abdel Rahman, El Alamin, Marsa Matrouh Governorate, land with a total area of 22.68 acres approx. located at Hurghada.

b) Joint Arrangement

The company and its subsidiaries have begun to adopt adopted a new strategy as from the fiscal year ended 31 Dec. 2015 for real estate development activities, through signing project contract as joint projects with some other parties, the contract provides that each contracting party to obtain a share of the contractual values of contracted units to implement or the net operating profits, while the company retains control over the financing, marketing and technical management of these units as follows:

-Palm Hills Developments

Palm Hills Developments Company (real-estate developer) has contracted with one of the owners (owner) of the plot of land with an area of 135 acres in Alexandria-Abis-Moharram Bek-Cairo Alexandria Desert Road- to develop this area, and under this contract, both of the owner and the real estate developer shall receive a share of the total project revenues paid out of the project income receipts, the developing company has started marketing and project development work as of June 2019.

Palm Hills real estate developer has contracted with Al Shorouk touristic development company (Egyptian joint stock company) S.A.E to develop an integrated tourist housing project in El Ein El Sokhna – laguna Bay project, under this contract, both of the owner and the real estate developer shall receive a share of the total project revenues paid out in accordance with the approved relevant schedule, the developing company has started the project development work as of June 2020.

Palm Hills Developments Company and Palm for Urban Development Company (real-estate developer) has contracted with The Urban Communities Authority (owner) for the development of integrated residential project (Badya) on an area of 3000 acres in West Cairo on the basis of a revenue sharing system in that the company (real-estate developer) gets 74% for management, marketing and development of the project while the Authority (owner) receives 26% of revenues are paid in accordance with approved annual payment schedule in addition to an in kind shares of project units -for land and supply of external facilities for the project, the real-estate developers started developing, marketing and selling the project units as from May 2018.

-Palm for Investment and Real Estate Development

Palm for Investment & Real Estate Development Company (real-estate developer) has contracted with The New Urban Communities Authority (owner) to develop land with a total area of 501,20 acres in New Cairo on the basis of revenue sharing system for the construction of an integrated urban project - Palm New Cairo- under this contract, both the Authority (owner) and the Company (real-estate developer) receives a share of total contractual values of the project units that paid out through the project income receipt and accordance with the approved annual payment schedule company started developing, marketing and selling the project units as of November 2016.

-Palm Real Estate Development

Palm Real Estate Development Company (real-estate developer) has contracted with Nasr City for Housing & Development Company (owner) to develop a land with a total area of 103.25 acres in New Cairo for the construction of an integrated urban project -Capital Gardens Project- under this contract the (owner) and the (real-estate developer) receives a share of total contractual values of the project units paid out through the project income receipts and in accordance with approved annual payment schedule. the company started developing, marketing and selling the project units as of November 2016.

- Palm Hills Development of Tourism and Real Estate

Palm Hills Development of Tourism and Real Estate Company (real-estate developer) has contracted with Batterjee Development of Tourism and Real Estate Company (owner) to develop land with a total area of 134.64 acres located in 85KM of Alexandria-Matroh Road - El Fouka village - for the construction of a full-service tourist resort, under this contract the (owner) and the (real-estate developer) receives a share of total project revenues that paid through the proceeds of the project the company started the development and marketing of the project as of Sep 2017.

- Palm for Urban Development

Palm for Urban Development - the real estate developer, contracted with one of the owners of a 32-acre plot of land in the new city of Alamein to establish a touristic residential project under the partnership system, according to which the company collects 70% of the project's revenue in return for marketing, management and development of the project, while the other party collects the 30% of the project's revenue in exchange for land and external facilities, and the company has started marketing the project as of March 2021.

c) Botanica Project

The company acquired an area of 1702.79 acres east of the Cairo-Alexandria Desert Road, kilo 49, in Botanica farms (formerly the European countryside) - under a preliminary sale contract - with a related party to exploit it in accordance with what is specified in the company's articles of association (to reclaim and cultivate desert lands using Modern irrigation methods) according to what is mentioned in the Commercial Register under No. 33 (b) dated June 3, 2011, The cost of the project has been transferred to an item of work under implementation during the year 2021 in light of the Prime Minister's Decision No. (2422) dated October 12, 2019 regarding the procedures for converting lands in the new Sphinx City from an agricultural space to an urban residential space - affiliated with the New Urban Communities Authority, as well as the decision of the New Urban Communities Authority. Urban Communities No. (103) dated February 26, 2017, dealing with in-kind payment, and an area of approximately 1,283 acres was assigned and settled in favor of the New Urban Communities Authority.

d) Investments in Associates and subsidiaries

1- Direct investments in Associates and subsidiaries as following: -

	Percentage share %
Palm Hills Middle East Company for Real Estate Investment S.A. E	%99.99
Gawda for Trade Services S.A. E	%99,996
New Cairo for Real Estate Developments S.A. E	%99,985
Khedma for managing tourist resorts and real estate	%99,998
Rakeen Egypt for Real Estate Investment S.A. E	%99.945
Palm Sports for clubs	%99.991
Palm for Real Estate Development S.A. E	%99.994
Palm for Investment & Real Estate Development S.A. E	%99.4
Palm Hills Development of Tourism and Real Estate S.A. E	%99.4
Palm Hills for Tourism Investment S.A. E	%79.8
Palm Hills Resorts S.A. E	%99.4
Palm for Urban Development S.A. E	%99.999
Palm for Construction, real state development. S.A.E	%99.4
Palm Hills Properties S.A.E	%99.2
Palm for Club Management S.A.E	%99.2
Palm Alexandria for Real Estate S.A.E	%60
United Engineering for Construction S.A.E	%99.25
Palm Hills for Hotels S.A.E	%98
East New Cairo for Real Estate Development S.A.E	%88,950
Macor for Hotels	%69,453
Al Naeem for Hotels and Touristic Villages S.A.E	%100
Royal Gardens for Real Estate Investment Company S.A.E	%51
Nile Palm Al-Naeem for Real Estate Development S.A.E	%51
Saudi Urban Development Company S.A.E	%51
Coldwell Banker Palm Hills for Real Estate S.A.E	%49
Palm October for Hotels S.A.E	%0,244
EFS Palm Facilities Management S.A.E	%49
Inspired Education– Egypt S.A.E	%1
Palm hills For Education	%99.987
Palm Holding Company for Financial Investments	%99
Palm hills for restaurants	%99
Palm for Mortgage	%9
Palmet for Hotels and resorts	%0.0005
6th of October for hotels and tourist villages	%20.02
Middle east for real state and touristic investment	%2.525
Taleem For Management Services	%32.614
Palm hills Development Holding limited	%80

2- Indirect investments in Associates and subsidiaries as following: -

	Percentage share %
Palm North Coast Hotels S.A.E	99.4%
Middle East Company for Real Estate and Touristic Investment S.A.E	97.425%
Palm Gamsha Hotels S.A.E	98%
Badya International university for higher education	40%
Inspired For Education – Egypt S.A.E	48%
Kenzy for restaurants	60%
International for lease (incolease)	32.9867%
Palm for mortgage	90%
Palm October for hotels	99.751%
Asten College for Education	74.737%
Palmet for Hotels and resorts	99.99%

	Percentage share %
East new cairo for real estate development	11%
Rakeen Egypt For real estate Development	0.027%
Palm hills middle east for real estate investment	0.007%
Gawda for trade services	0.002%
Palm hills properties	0.600%
Palm for real estate development	0.004%
Palm for urban development	0.0004%
PHD properties	100%
Palm hills north Jubail holding limited	100%
PHD north Jubail property development	100%

e) Direct investments in Associates and subsidiaries

Palm Hills Middle East Company for Real Estate Investment S.A.E. and Its Subsidiary

The company's subsidiary is registered in Egypt under commercial registration number 25016. Both companies are registered under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981.

Palm Hills Middle East Company for Real Estate Investment S.A.E. is engaged in real estate investment in new cities and urban communities, and the construction, ownership and management of residential compounds, resorts, and villas. The company and its subsidiary are also involved in the sale and lease and other related services for managing integrated projects and entertainment activities.

The company is registered in Egypt under commercial registration number 21091 on 8 Feb. 2006.

The issued and paid-up capital is 150 million Egyptian pounds, and the company contribution is 99.99% of the issued capital.

The company started its activity by acquiring a number of plots of land in the north cost with a total area of 574,32 acres in the area of Sidi Abdelrahman.

- **Gawda for Trade Services S.A.E**

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and Law No. 95 of 1992 and their executive regulations.

The company's purpose is to divide and market lands in new urban communities, real estate investment in general, and provide all kinds of advice except for legal advice.

The company was registered in the Commercial Register under No. 10242 on August 27, 2003.

The paid-up capital is 25,000,000 Egyptian pounds, and the company's shareholding is 99.996% of the issued capital.

The company started its activity by acquiring an area of 40 acres in the 6th of October City, with the aim of establishing a residential, touristic complex, and all works in the project are being completed.

- **New Cairo for Real Estate Developments S.A.E**

An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997 regarding the Investment Guarantees and Incentives Law, which was replaced by Law No. 72 of 2017 and Law No. 159 of 1981 and their executive regulations.

The purpose of the company is to establish hotels, hotel apartments, tourist villages and related service activities, including family and administrative construction activities.

The company was registered in the Commercial Register under No. 12613 on September 1, 2005.

The company's paid-up capital is 100,000,000 Egyptian pounds, and the company's shareholding is 99.985% of the issued capital.

The company started its activities by acquiring 25,036 feddans in the Southern Investors Area in New Cairo City to carry out its activities, and all works related to the project are being completed.

- **Khedma for the management of tourist resorts and real estate S.A.E**

An Egyptian joint stock company is subject to the provisions of Law No. 159 of 1981 and Law No. 95 of 1992 and their two implementing regulations. The purpose of the company is to supervise the implementation of projects and project management. The company was registered in the Commercial Registry with No. 136337 on September 18, 2019.

The paid-up capital amounts to 5 000 000 Egyptian pounds, and the company's shareholding is 99.998% of the issued capital.

- **Rakeen Egypt for Real Estate Investment S.A.E**

Rakeen Egypt for Real Estate Investment S.A.E is registered in Egypt under commercial registration number 34611 on 4 September 2007 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 6th of October City. The company is engaged in leasing, construction and operation of hotels, motels, resorts and residential compounds, construction, generation of electricity, desalination of water, land acquisition, diving and constructing villas, residential units and offices malls and the marketing thereof.

- **The Paid-in capital is 55 000 000 Egyptian pounds, and the company contribution is 99,9454% of the issued capital**
- **The company started its activity through the development of the Palm Parks project on the area of 113 acres in the city of 6th Oct in addition to an area of 116 acres on the North Coast (The Hecienda white project) (2).**

- **Palm Sports Clubs Company S.A.E**

Palm Sports Clubs Company "an Egyptian joint stock company" was established in accordance with the provisions of Law No. 72 of 2017 and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its implementing regulations. The company was registered in Commercial Register No. 8348 on December 5, 2019, and the issued capital amounts to 22 000 000 Egyptian pounds, and the company's contribution is 99.99% of the capital.

The main activity of the company is in the services of the sports field and includes management, marketing, operation, management of sports games, establishment of private clubs, academies, health clubs and fitness centers.

The company started practicing its main and usual activity through the conclusion of a contract to manage the Palm Hills Club - Palm Hills Resort in 6th of October City - owned by Palm Hills Development Company as of 1st January 2020.

- **Palm for Real Estate Development S.A.E**

Palm Real Estate Development Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. (95) of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the commercial registry No. 83974 on September 14, 2015, and the issued and paid-up capital amounted to 10,250,000 Egyptian pounds, and the company's shareholding rate reached 99.994% of the capital.

The main activity of the company is represented in real estate investment, buying, dividing and selling lands, building real estate on them of all kinds, establishing, managing, owning, selling and renting apartments and commercial malls, establishing and operating fixed hotels, reclamation, cultivation and preparation of lands.

The company (as a first party) began practicing its main and usual activity in the field of real estate development through a partnership contract with a company working in the same field, according to which the company (as a first party) obtains 64% of the contractual value of the contracted units for its implementation in exchange for marketing expenses. And the construction costs of the contracted units, while the company (the second party) gets 36% of the contractual value of the contracted units in return for the cost of the land and the implementation of external facilities. The company has begun marketing the first phase of the agreement on an area of approximately 103 acres - in New Cairo, Capital Project Gardens.

- **Palm for Investment &Real Estate Development S.A.E**

Palm Investment and Real Estate Development Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 85861 on the first of September 2015, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 99.4% of the capital.

The main activity of the company is to carry out investment and real estate marketing, to establish, manage, own, sell and rent apartments and commercial malls, to establish and operate fixed hotels and sports clubs, management and tourism marketing, and to establish and operate centers for the preparation and training of human resources.

The company (as a first party) began practicing its main and usual activity in the field of real estate development through a partnership contract with one of the parties entrusted with land allocation, according to which the company obtains approximately 72% of the contractual values of the contracted units, while the second party collects a percentage Approximately 28% of the contracted units for the cost of the land and the implementation of external facilities, on an area of 501.20 acres in New Cairo.

- **Palm Hills Development of Tourism and Real Estate S.A.E**

Palm Hills for Tourism and Real Estate Development "Egyptian Joint Stock Company" was established in accordance with the provisions of Law No. 159 of 1981 issuing the Law of Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.
The company was registered in the Commercial Register No. 92998 on April 26, 2016. The issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding amounted to 99.4% of the capital.

The main activity of the company is represented in real estate investment, buying, dividing and selling lands, building real estate on them of all kinds, establishing, managing, owning, selling and renting apartments and commercial malls, establishing and operating fixed hotels, reclamation, cultivation and preparation of lands.
The company (as a second party) has begun to practice its main and usual activity in the field of real estate development through a partnership contract with a company working in the same field, according to which the company (as a second party) gets 80% of the contractual value of the contracted units for its implementation in exchange for marketing expenses. And the construction costs of the contracted units, while the company (the first party) gets 20% of the contract value of the contracted units in exchange for the cost of the project land, which has an area of approximately 134.58 acres, kilo 85 Alexandria Road - Hacienda West project.

- **Palm Hills for Tourism Investment S.A.E**

  Palm Hills Tourism Investment Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

  The company was registered in the commercial register No. 9 3156 on the first of May 3, 2016, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding percentage reached 79.8% of the capital.

  The main activity of the company is to carry out investment and real estate marketing, to establish, manage, own, sell and rent apartments and commercial malls, to establish and operate fixed hotels and sports clubs, management and tourism marketing, and to establish and operate centers for the preparation and training of human resources.

  ***The company has begun to carry out its main activities by investing in the capital of Disney Investment Company.**

- **Palm Hills Resorts S.A.E**

  Palm Hills Real Estate Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

  The company was registered in Commercial Registry No. 9 3163 on May 3, 2016, and the issued and paid-up capital amounted to 250,000 Egyptian pounds, and the company's shareholding amounted to 99.4% of the capital.

  The main activity of the company is to carry out real estate investment and marketing, establish, manage, own, sell and rent apartments and commercial malls, establish and operate fixed hotels, motels, apartments, hotel suites and tourist villages at a level of not less than three stars, tourism management and marketing, and establish and operate sports clubs.

  The company has begun to carry out its main and usual activities by investing in the capital of companies operating in the fields of education and restaurants.

- **Palm for Urban Development S.A.E**

  Palm Urban Development Company was established as an "Egyptian joint stock company" in accordance with the provisions of Law No. 159 of 1981 and taking into account the provisions of Law No. 95 of 1992 and its executive regulations.

  The company was registered in the Commercial Register No. 99183 on November 21, 2016, and the issued and paid-up capital amounted to 250 250 000 Egyptian pounds, and the shareholding percentage in the company reached 99.999% of the capital.

  The main activity of the company is to carry out real estate investment and development, planning and establishing urban areas.

Palm Hills Development Company and Palm Urban Development Company (a subsidiary) contracted with the New Urban Communities Authority as real estate developers to develop an integrated urban project with a participation system - (Badya) project on an area of 3000 acres in West Cairo on the basis of a revenue sharing system, so that companies - the real estate developer 74% in return for the work of managing, marketing and developing the project, while the authority gets 26% of the revenues, paid in light of the approved schedules for paying the annual payments, in addition to an in-kind share of the project units in exchange for the land and the supply of external facilities for the project. The real estate developers have begun marketing work And project development as of May 2018.

- **<u>Palm Construction and Real Estate Development S.A.E</u>**

Palm Construction and Real Estate Development Company was established as an "Egyptian joint stock company" in accordance with the provisions of Law No. 159 of 1981 and considering the provisions of Law No. 95 of 1992 and its executive regulations. The company was registered in the commercial registry No. 85861 on September 1, 2015, and the issued and paid-in capital is 250,000 Egyptian pounds, and the company's contribution is 99.40% of the capital.

The main activity of the company is the planning and construction of urban areas and equipping them with facilities and services.

The company has started as a first party in carrying out its main activity in the field of real estate development through a partnership contract with one of the parties at percentage 70% from contractual values of the contracted units, while the other party collects a percentage 30% from contacted values of the contacted units, for the cost of the land and the implementation of external facilities, on the area 501,20 acres in New Cairo City.

- **<u>Palm Hills Properties S.A.E</u>**

Palm Hills Real Estate Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 88228 on November 26, 2015, and the issued and paid-up capital amounted to 250 000 Egyptian pounds, and the company's shareholding percentage reached 99.2% of the capital.

The main activity of the company is to carry out real estate investment and marketing, establish, manage, own, sell and rent apartments and commercial malls, establish and operate fixed hotels, motels, apartments, hotel suites and tourist villages at a level of no less than three stars, tourism management and marketing, and establish and operate sports clubs.

- **<u>Palm for Club Management S.A.E</u>**

Palm Hills Clubs Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and

Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 101134 on January 17, 2017, and the issued and paid-up capital amounted to 250 000 Egyptian pounds, and the company's shareholding percentage reached 99.2% of the capital.

The main activity of the company is to carry out real estate investment and marketing, establish, manage, own, sell and rent apartments and commercial malls, establish and operate fixed hotels, motels, apartments, hotel suites and tourist villages at a level of no less than three stars, tourism management and marketing, and establish and operate sports clubs.

- **Palm Alexandria for Real Estate Investment S.A.E**

Palm Alexandria Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 101133 on January 17, 2017, and the issued and paid-up capital amounted to 250 000 Egyptian pounds, and the company's shareholding percentage reached 60% of the capital.

The main activity of the company is investment, real estate development, planning and constructing urban areas and equipping them with all facilities.

*** The company started practicing the main and usual activity by acquiring a plot of land with an area of 13,800 square meters in the eastern expansions of the 6th of October City.**

- **United Engineering for Construction S.A.E**

United Engineering and Contracting Company was established as an "Egyptian Joint Stock Company" in accordance with the provisions of Law No. 159 of 1981 issuing the Law of Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its executive regulations and considering the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company was registered in the Commercial Register No. 56910 on February 29, 2012. The issued and paid-up capital amounted to 20 000 000 Egyptian pounds, and the company's shareholding percentage reached 99.25% of the capital.

The main activity of the company is to carry out construction and building works, finishing works, decorations and general supplies, and to carry out construction and building activities related to residential, commercial and hotel projects, beach resorts, recreational areas and projects, to carry out infrastructure works and facilities for projects, as well as engineering consultancy.

- **Palm Hills Hotels S.A.E**

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, facilities, tourist villages, motels and hotel apartments in addition to the timeshare system.

  The company was registered in the commercial register under No. 45441 on April 27, 2011, and the paid-up capital is 62 500 Egyptian pounds. The contribution of Palm Hills Development Company to the capital of Palm Hills Hotels Company is 98% of the issued capital.

  *** The company did not start practicing its main activity until the date of issuing the financial statements.**

- **East New Cairo for Real Estate Development S.A.E**

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations.

  The purpose of the company is real estate investment, construction and urban development.

  The company was registered in the Commercial Register under No. 59772 on November 13, 2009.

  The paid-up capital amounts to 38 125 000 Egyptian pounds, and the direct contribution percentage is 88.95% of the issued capital, in addition to the indirect contribution rate amounting to 11 %, through the contribution of Palm Hills Development Company by 99.4% in the capital of the Palm hills resort , which owns 11%. From the issued capital of East New Cairo Real Estate Development Company.

  The company started its activity by acquiring three plots of land with an area of 171.22 acres in New Cairo to establish integrated tourist housing complexes.

- **Macor for Securities Investment Company S.A.E**

  An Egyptian joint stock company established on September 8, 2000 in accordance with the provisions of Law No. 95 of 1992 and its executive regulations, for the purpose of participating in the establishment of companies that issue securities, contributing to them, or increasing their capital.

  The issued and paid-up capital amounts to 95,402,000 Egyptian pounds. The company's shareholding is 69.453% of the issued capital. Its main activity is the ownership and operation of several fixed-floating hotels.

- **Al Naeem for Hotels and Touristic Villages S.A.E**

  An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997, the Investment Guarantees and Incentives Law, which was replaced by Law No. 72 of 2017 and Law No. 159 of 1981 and their executive regulations.

The company's purpose is to establish and operate a five-star hotel in Hamata, as well as to establish an integrated development project and operate a five-star hotel in the second region of the Ain Sokhna tourist sector.

The company was registered in the Commercial Register under No. 32915 on September 8, 2005.

The paid-up capital is 103 250 000 Egyptian pounds, and the company's contribution to the issued capital is 100%.

The company started its activity by acquiring an area of 1297.86 acres in Ain Sokhna, as well as a right of use to an area of 2.447 acres in the same area, for the purpose of establishing a tourist residential complex in addition to a five-star hotel. The company's management decided not to complete the project and decided to return the lands to the Tourism Development Authority.

- Palm Hills for Education S.A.E.

  Palm Hills for Education was established in accordance with the provisions of Law No. 159 of 1981 on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies and its executive regulations, while taking into account the provisions of Law No. 95 of 1992 on Capital Markets and its executive regulations.

  The company was registered in the Commercial Register under No. (103987) on February 28, 2017. The issued and paid-up capital amounts to EGP 14,900,000, with a contribution percentage of 99.987% in the capital.

- Royal Gardens for Real Estate Investment S.A.E.

  An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997 regarding the Investment Guarantees and Incentives Law and Law No. 159 of 1981 and their executive regulations.

  The company's purpose is to invest in real estate in new cities and urban communities, and to establish residential compounds, villas and tourist villages, including integrated contracting works for the company's projects and others.

  The company was registered in the Commercial Register under No. 21574 on December 7, 2006.The issued and paid-up capital is 15 000 000 and the company contribution is 51% of the issued capital.

  The company started its activity by acquiring 294 000 inside the space designated for the sixth of October Company (kaza) project.

- Nile Palm Al-Naeem for Real Estate Development S.A.E

  An Egyptian joint stock company subject to the provisions of Law No. 8 of 1997 Investment Guarantees and Incentives Law, which was replaced by Law No. 72 of 2017 Investment and Law No. 159 of 1981 and their executive regulations.

  The purpose of the company is to invest in real estate in new cities and urban communities, and complementary activities related to the company's activity.

  The company was registered in the Commercial Register under No. 27613 on October 4, 2007.

The paid-up capital is 99 186 000 Egyptian pounds, and the company's shareholding is 51% of the issued capital.

The company started practicing its activities by acquiring an area of approximately 3.2029 acres in Mostafa Kamel district - Alexandria Governorate to carry out its activities and in light of re-studying the extent of economic feasibility towards developing and developing that area, the company decided not to complete the studies related to the project, and the plot of land referred to was sold pursuant to a preliminary sale contract on September 1, 2015.

- **Saudi Urban Development Company S.A.E**

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 issuing the Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its implementing regulations.

The company's purpose is to establish a distinguished residential project complete with buildings, facilities and services, called the Oasis of Palaces, as well as family and commercial construction activities and commercial services.

The company was registered in the Commercial Register under No. 1971 on November 26, 1998.

The paid-up capital is 10 000 000 Egyptian pounds, and the company's shareholding is 51% of the issued capital.

The company started its activity by acquiring 56,77 acres (Faddan) at 6th of October in addition to 39,533 acres (Faddan) at New Cairo.

- **Coldwell Banker Palm Hills for Real Estate S.A.E**

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981, taking into account the provisions of Law No. 95 of 1992 issuing the Capital Law and its executive regulations.

The company is engaged in marketing, buying and selling real estate investment, real estate brokerage, and advertising.

The company was registered in the Commercial Register under No. 15970 on August 17, 2005. The company's paid-up capital is 500,000 Egyptian pounds, and the company's shareholding is 49% of the issued capital.

*** The company did not start practicing its main activity until the date of issuing the financial statements.**

- **Palm October for Hotels S.A.E**

An Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, facilities, tourist villages and hotel apartments in addition to the timeshare system.

The company was registered in the Commercial Register No. 38357 on April 22, 2011, and the issued and paid-up capital amounted to 100,250,000 Egyptian pounds. The direct shareholding in Palm October Hotels Company is 0.2443%, and the Palm Hills Development Company also owns an indirect shareholding of 97.75% through its contribution of 98% in the capital of Palm Hills Hotels Company, whose contribution in the capital of October Hotels Company amounts to 99.75% of the issued capital.

*** The company did not start practicing its main activity until the date of issuing the financial statements.**

- **EFS Palm Facilities Management S.A.E**

  An Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations. The company's purpose is to manage tourist facilities, commercial centers, project management, supplies and contracting, building maintenance and general trade. The company was registered in Commercial Registry No. 12862 on December 10, 2018 and the issued and paid-up capital amounted to 2 000 000 Egyptian pounds, and the company's shareholding is 49% of the issued capital.

- **Inspired Education Company - Egypt**

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and Investment Law No. 72 of 2017 and their executive regulations. The company's primary purpose is to establish, manage or operate schools, without prejudice to the applicable laws and regulations and on the condition of obtaining the necessary licenses. The company was registered in Commercial Registry No. 162856 on 4 February. March 2021 The issued capital is 3 million Egyptian pounds, while the paid-up capital amounts to 750 thousand Egyptian pounds, at 25% and the direct contribution percentage in Inspired Education - Egypt is 1% in addition to an indirect percentage of 48% by contributing 99.4% to the capital of Palm Tourist Resorts Company. Which contributes 48% to the capital of Inspired Education Egypt.

- **Palm Holding Company for Financial Investments**

  An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to participate in the establishment of companies that issue securities or to increase their capital, taking into account the provisions of the Capital Law.

  The issued and fully paid-up capital amounts to 5 million Egyptian pounds, and Palm Hills Development Company's contribution to the capital is 99%.

- **Palm Hills Development Holding Limited Company**

  A private limited company by shares under registration number 26579. The company is a special purpose vehicle whose objective is to hold ownership of assets, shares, and other related interests in its name. The company is not permitted to open branches. It is permitted to establish subsidiaries, either wholly or partially owned, outside Abu Dhabi Global Market.

  The issued and fully paid-up share capital amounts to USD 50 million only. Palm Hills Development contributes 80% of the share capital.

1- Indirect investments in Associates and subsidiaries

	Percentage share %
Middle East Company for Real Estate and Touristic Investment S.A.E	97.425%
Palm North Coast Hotels S.A.E	%99,4
Palm Gamsha Hotels S.A.E	%98
East New Cairo for Real Estate Development S.A.E	%11
Asten College for Education S.A.E	%74.737
International Badya University for Education	%40
Inspired For Education – Egypt S.A.E	%48
Palm for mortgage	%90
Palm October for hotels	%99.751
Kenzy for Restaurants	%60
Palmet for Hotels and resorts	%99.999
International for lease (incolease)	%32.9867
Rakeen Egypt for real estate investment	%0.027
Palm hills middle east for real estate investment	%0.007
Gawda for trade services	%0.002
Palm hills properties	%0.600
Palm for real state development	%0.004
Palm for urban development	%0.0004
Phd properties	%100
Palm Hills North Jubail holding limited	%100
Phd North Jubail property Development	%100

- Palm North Coast Hotels S.A.E

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, establishments, tourist villages, motels and hotel apartments, in addition to the timeshare system, import and export, and commercial agencies.

The company was registered in the Commercial Register No. 48189 on September 26, 2011, and the paid-up capital is 62,500 Egyptian pounds. The contribution of Palm Hills Hotels Company to the capital of Palm North Coast Hotels Company amounts to 99.4% of the issued capital of Palm North Coast Hotels Company, through the contribution of Palm Hills Hotels Company. Palm Hills Development in Palm Hills Hotels Company holds 98% of the issued capital.

* The company did not start practicing its main activity until the date of preparing the lists.

- Palm Gamsha Hotels S.A.E

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 and its executive regulations. The purpose of the company is to establish, manage, own and operate fixed hotels, establishments, tourist villages, motels and hotel apartments at a level of not less than three stars in addition to the timeshare system.

The company was registered in the Commercial Register No. 46193 on September 3, 2011, and the paid-up capital is 62,500 Egyptian pounds. The contribution of Palm Hills Hotels Company to the capital of Palm Gamsha Hotels Company amounts to 98% of the issued capital of Palm Gamsha Hotels Company, through the contribution of Palm Hills Development Company. In the capital of Palm Hills Hotels Company by 98%.

* The company did not start practicing its main activity until the date of preparing the lists.

- Middle East Company for Real Estate and Touristic Investment S.A.E

Middle East Company for Real Estate and Touristic Investment S.A.E is registered in Egypt under commercial registration number 25016 under the provisions of the Investment Guarantees and Incentives Law No. 8 of 1997 and the Companies' Law No. 159 of 1981.

The company's purpose is to invest in real state in cities new urban community's hotel apartment and tourist villages.

The company was registered in the Commercial Register under number 25016 on September 4, 2007.

The paid-up capital 20,000,000 and the Palm Hills middle east real estate investment company's contribution to the company is 97.425% of the issued capital. The Palm Hills Development company's contribution to the capital of Palm Hills Middle estate real estate investment 99.9%.

The company started its activity by acquiring an area of 58,24 acres in the district of Sidi Abdel Rahman – El Alamein Center – Matrouh Governorate.

- Badya International university for Higher Education S.A.E

An Egyptian joint stock company subject to the provisions of Law No. 159 of 1981 concerning joint stock companies and partnerships limited by shares. The company's purpose is to establish universities, set up and manage centers for the preparation, development, and training of human resources, and provide consultancy services in the field of education. The company was registered in the Commercial Register under No. 161102 on February 1, 2021. The issued capital amounts to EGP 1 840 billion, of which EGP 1 707 500 000 has been paid by the shareholders. Palm Hills Education holds a 40% stake in the company's capital.

The Extraordinary General Assembly, in its meeting held on May 20, 2024, resolved to change the company's name to Badya International University for Education (S.A.E.).

- Inspired Education Company – Egypt

An Egyptian joint stock company subject to the provisions of Law No. 72 of 2017. The purpose of the company is to establish, manage or operate schools without prejudice to the provisions of the laws and regulations in force. The company was registered in the Commercial Register under No. 162856 on March 4, 2021.

The issued capital amounted to 3 million Egyptian pounds, and the shareholders paid 25% of the capital, so that the paid-up capital became 750 thousand Egyptian pounds. The percentage of the company in the capital reached 48% through an investment of 48%, which is the percentage of the contribution of Palm Hills Development Company in its capital. 99.40%.

- **Management of service activities**

The company purchased the Palm Hills Club in the Sixth of October City, which is dedicated to the entire resort Palm Hills, which was acquired through a sale contract dated October 1, 2007 from one of its subsidiary's companies, and the club's activities began as of the 2010 fiscal year.

- **International Company for Financial Leasing (Incolease)**

A joint stock Egyptian company subject to the provisions of Investment Law No. (72) of 2017. The company's purpose is to operate in the field of financial leasing and related services in accordance with the provisions of Law No. (176) of 2018.

The issued and fully paid-up capital amounts to EGP 200 million. Palm Holding for Financial Investments holds a 32.9867% stake in the company.

9. STATEMENT OF COMPLIANCE

The group companies During the year ending on Mars 31, 2026, committed themselves to applying the new Egyptian accounting standards issued by Ministerial Resolution No. 110 of 2015 and its amendments, and to follow the same accounting policies previously applied when preparing the latest Periodic financial statements on Mars 31, 2025 which have not changed Any amendments or any update.

10. SIGNIFICANT ACCOUNTING POLICIES APPLIED

a) Basic of consolidated financial statements preparation

The Company's management is responsible for the preparation of the financial statements. The consolidated financial statements are prepared in accordance with Egyptian Accounting Standards issued by ministerial resolution NO. 110 of 2015 and its amendments the relevant Egyptian accounting stand were applied when preparing the financial statement on Mars 31 2026, with the exception of the unrelated Egyptian accounting stand.

b) Basic of consolidation

The consolidated F.S include a total grouping of subsidiaries which are all companies in which Palm Hills Development Company has the ability to control the F.S and operating polices in general or owns more than half of the voting rights, and the potential voting rights that can be exercised or transferred are taken in to account when determining Palm Hills Development Company didn't control another company or not, and the consolidated F.S of Palm Hills Development Company "Egyptian joint stock company" include the F.S of the subsidiaries mentioned in note no. (8d) except for the following companies.

The consolidated financial statements of Palm Hills Developments Company include its subsidiaries with the exception of the following:

	Percentage share %	Nature
Coldwell Banker Palm Hills for Real Estate	49%	Associates
EFS Palm Facilities Services	49%	Associates
Inspired for Education	49%	Associates
Badya international university For Higher Education	40%	Associates

- In preparing consolidated financial statements, the Company combines the financial statements of the parent company and its subsidiaries line-by-line by adding together like items of assets, liabilities, equity, income and expenses the following steps are then taken:

1- Consolidated financial statements shall be prepared using uniform accounting policies with necessary adjustments to unify those polices when preparing the consolidated F.S.

2- Excluding the investments of the parent company in its share of the total equity of the investee company and treating the difference between its intimal cost of acquisition pr investment and parent company's share in the total equity of the investee company as positive good will that is treated as stated in note no. (10C) as negative good will they are included directly in the groups consolidated I.S state.

3- Excluding amounts paid to increase or supplement the capital of subsidiaries.

4- Compiling items, balance, and totals for all elements of the financial position, income statement, cash flows and changes in equity, taking in to account the dated pf controlling or acquiring subsidiaries and making the necessary adjustments to the elements of cost of activity, working progress and projects under implementation, which resulted from the application of the purchase method for accounting on good will arising from the acquisition.

5- Excluding all balances and the effect or other transaction between all companies within the group have been excluded.

6- Excluding profits or losses resulting from transactions or exchanges between group companies unless the effects of those transactions and exchanges are excluded or transferred to a third party.

7- the non-controlling rights in the subsidiaries (according to the percentage of the contribution of the other shareholders in the capital and equity, as well as the profits and losses in the subsidiaries).

8- Changes in the parent company's ownership percentages in the subsidiary that do not result in the parent company losing control of the subsidiary are equity-related transactions.

9- The financial statements of the investee company are not grouped into the group's consolidated financial statements if the investing company loses control and influence over the investee company, as of the date of losing control.

c) Business combination

The business combination is accounted for by applying the acquisition method, identifiable acquired assets are initially recognized separately from goodwill, as well as incurred liabilities and any non-controlling rights in the acquiring entity. The indirect costs related to the acquisition are treated as an expense in the Years in which those costs are incurred and the services are received, excluding the costs of issuing equity or debt instruments directly related to the acquisition process. (Egyptian Accounting Standard 29 on Business Combinations and Egyptian Accounting Standard No. 42 amended in 2019 on Consolidated Financial Statements).

d) Intangible assets

1- Goodwill

Goodwill arises in the group's consolidated financial statements when the cost of investing in the investee company exceeds the investing company's share in the net fair value of the assets and liabilities of the investee company.

2- Other intangible assets

Intangible assets are non-monetary assets which are without physical substantive. Intangible assets arsis from contractual or other legal rights and from which future economic benefits (inflows of cash or other assets) are expected to flow and can be measured reliably. Intangible assets are initially measured at cost and to be re-measured at each financial year-end at cost of acquisition less accumulated amortization and accumulated impairment losses, which represents the fair value of those assets at that date.

e) Use of estimates and judgments

The preparation of financial statements in accordance with Egyptian accounting standards requires that it be relied on the best assumptions and estimates made by the management and what it deems appropriate to develop and apply accounting policies to reflect the substance and economic content of the transactions that are made and related to the company's basic activity (revenues from current activity, estimated cost until completion of the project, impairment of assets, usufruct, real estate investments, deferred taxes, fair value of financial instruments), and accordingly, those estimates and assumptions made in the light of the best data and information available to management may directly affect the values of revenues and costs associated with those estimates and the values of related assets and liabilities in the event The difference in the estimates made on the date of preparing the statements from the actual reality in the following period, without prejudice to the extent to which the financial statements express the reality of the company's financial position and its cash flows for the current period.

f) Changes in accounting policies

It is represented by the change in the principles, foundations, rules and practices that the establishment applies when preparing financial statements, by shifting from one acceptable accounting policy to another acceptable accounting policy, and within the framework of Egyptian accounting standards, where the voluntary application of the new policy has a positive impact on the extent to which the results of the application of that policy are exp ressed. The policy affects the essence of the company's transactions and operations and the resulting effects on the reality of the financial position and the results of the company's business. The effects of that change in policies are proven retroactively, and those effects are proven by retained earnings within equity (if any).

g) Recording Transactions in the Books

• Functional and Presentation Currency Transactions are recorded in the books using the currency of the economic environment in which the entity primarily operates, which is the Egyptian Pound (EGP). Transactions denominated in foreign currencies are initially recognized by translating the foreign currency amount using the exchange rate prevailing between the functional currency and the foreign currency at the date of the transaction.

• Transactions and Balances

- **Monetary items denominated in foreign currencies (if any) at the date of preparing the financial statements are translated using the closing rate — the prevailing exchange rate in the free foreign exchange market at the end of the financial year. The resulting remeasurement differences are recognized in the income statement (profit or loss).**
- **Non monetary items denominated in foreign currencies (if any) that are measured at historical cost are translated using the exchange rates prevailing at the date of the transaction.**
- **Non-monetary items denominated in foreign currencies (if any) that are measured at fair value are translated using the exchange rates prevailing at the date when the fair value was determined.**

• Translation of Subsidiaries' Financial Statements Financial statements of subsidiaries that are prepared in a foreign currency are translated into the parent company's functional currency (EGP) as follows: a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the financial statements. b. Income and expense items for each statement of profit or loss are translated at the exchange rates at the dates of the transactions, or at average exchange rates when this is more practical. c. All resulting exchange differences are recognized as a separate component of equity under "Foreign Currency Translation Differences.

11. INVESTMENTS

a) Investments in subsidiaries

Subsidiaries are all companies that the company controls through its participation in the investee and has the ability to influence those investments through its power over them are included within the investments in subsidiaries.

Investments in subsidiaries are stated at cost method. According to this method, investments recorded at cost- cost of acquisition- at the purchase order date less permanent impairment losses, if any, as a charge to the income statement (profit or losses) for each investment's subsidiaries are all company controls through its.

b) Investments in Associates

Subsidiaries are all companies over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in Associates are stated at equity method, under the equity method the investments in Associates are initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the Associates after the date of acquisition.

Distributions received from Associates reduce the carrying amounts of the investments. As an exception, investments in Associates are initially recognized at cost based on preparing the consolidated financial statements available for public use.

c) **Investments properties**

Investment property is property (land or a building or both) held to earn rentals or for capital appreciation or both, rather than for use in the ordinary course of business. Investment property includes lands held for sale on long term. Investment property does not include property acquired exclusively with a view to subsequent disposal in the near future or for development and resale. Investment property Investment property is initially measured at cost, including transaction costs, subsequent to initial recognition Investment property is measured at cost less accumulated depreciation and any impairment in value. Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

12. PROJECTS UNDER CONSTRUCTION

Include the direct and indirect cost of land allocated to the Company for engaging in its main activity which had been allocated to build golf courses and hotels in Palm Hills Residential Compound in 6th of October City, as well infrastructure and construction costs of such projects. Projects under construction also include acquisition of commercial shops from an Associates company.

13. FIXED ASSETS

Fixed assets are stated at historical cost –cost of acquisition-and to be depreciated by straight line method over the estimated useful life of the asset starting from the date of using the asset. Cost of acquisition does not include subsequent expenditure relating to routine maintenance or to ensure that a fixed asset maintains it original assessed standard of performance and useful life and should be charged to the income statement. Carrying amount of fixed assets after initial measurement is stated at historical cost less accumulated depreciation and cumulative impairment loses (if any). The estimated useful lives are as follows:

Asset	Rate
Buildings	5%
Machinery and equipment	
Tools &Equipment	25%
Furniture & Fixtures	25%
Measuring equipment	25%
Office furniture and fixtures:	
Computer hardware and software	33.33 %
office equipment	25%
Furniture and fixtures	25%
Scaffolding and turnbuckles	25%
Transportation and transportation	25%

The carrying amount of a fixed asset should be derecognized on disposal or when no future economic benefits are expected to be earned from its disposal. The gain or loss on the disposal of an asset is the difference between the proceeds and the carrying amount and should be in profit and loss.

Impairment Fixed assets are excluding upon disposal or when no future economic benefits are expected to be obtained from their use or sale in the future any gains or losses arising on disposal of the asset are recognized in the income statement (profit & losses) in the Year in which of the asset it disposal.

The residual value, the useful life and the depreciation method of an asset should be reviewed at least at each financial year-end.

An asset is impaired when it carrying amount exceeds its recoverable amount, At the end of each reporting Year, an entity is required to assess whether there is any indication that an asset may be impaired and therefore the asset should be written down to its recoverable amount and the impairment loss shall be recognized in the income statement.

An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, and it is limited so that the asset's carrying amount (as a result of the impairment loss reversal), its recoverable amount or The book value that would have been determined (net of depreciation) unless the loss resulting from the impairment of the value of the asset is recognized in previous years, and the response is recorded in any loss resulting from the impairment of the value of an asset in the income statement (profits and losses)

14. WORK IN PROCESS

Work in process includes direct and indirect cost of land allocated to the Company for it to carry out its main activity whether the Company started the marketing activates for such lands or not, as well as construction and infrastructure costs and other indirect construction costs, that are related to contracted units, in which the required criteria of percentage of completion to be achieved has is not met yet to be recognized in income statement recognizing revenues in light of the application of Egyptian accounting standard no. (48) by measuring the progress in meeting performance obligations to be included in the income statement (profit & losses).

15. COMPLETED UNITS READY FOR SALE

Completed units ready for sale represent those units the Company started to build before or in conjunction with their marketing strategy and in accordance with the Master Plan. where the finished units prepared for sale (apartments, cabins, and chalets) are recorded at cost Where all costs associated with those units of land costs, construction costs and indirect costs are charged to a work in progress item until the completion of all work at that stage, where the square meter share of the total costs is determined and therefore the cost of the units is determined according to their area.Including the unit cost in an item of complete units, provided that the unit cost is included in the income statement (profits and losses) against the contractual value at a point in time, with the actual delivery of those units, which represents the point of transfer of control to the customer, provided that those units are re-measured at cost or net recoverable value, whichever is lower. This policy applies to units, whether they are residential units - apartments - or commercial or administrative units.

16. NOTES RECEIVABLE

Notes receivable represent the checks which have certain maturity dates which the Company received as bank guarantees for the contractual values of the contracted units. Notes receivable are initially recognized at fair value at the date of contract and subsequently measured at amortized cost based on discounted future cash flow using the effective interest method.

17. TREASURY STOCKS

These are the shares of the company acquired in accordance with the decisions of the board of directors approved in this regard, and they are proven at the cost of the acquisition deducted from the equity and prove profits or losses of sale within equity.

the acquisition of the company's shares contained in Law 159 of 1981 and its amendments, as well as in accordance with the rules of listing and writing off securities in the Stock Exchange and the instructions of the Financial Supervisory Authority where treasury shares are recorded in the financial statements at the cost of acquisition (acquisition), it is presented as a deduction from equity, provided that the change in value (positive or negative) that results from its disposal within equity is recognized in the financial statements.

18. IMPAIRMENT IN ASSETS

18/1 Financial Assets

The company applies a three-stage approach to measure the expected credit losses from financial assets recorded at amortized cost and debt instruments at fair value through other comprehensive income. The assets move between the following three stages based on the change in the credit quality of the financial asset since its initial recognition.

Stage one: 12-month expected credit loss

The first stage includes financial assets on initial recognition that do not have a significant increase in credit risk since initial recognition or that have relatively low credit risk. For these assets, 12-month expected credit losses are recognized

12-month expected credit losses are the expected credit losses that may result from a default event within 12 months after the date of the financial statements.

Stage 2: Lifetime ECL - with no credit impairment

The second stage includes financial assets that have had a significant increase in credit risk since initial recognition, but there is no objective evidence of impairment. Expected credit losses are recognized over the life of those assets, life expected credit losses are the expected credit losses resulting from all possible failures over the expected life of the financial instrument.

At the end of each reporting Year, the Company assesses whether there has been a significant increase in the credit risk of financial assets since the first recognition. The Company uses both quantitative and qualitative information to determine whether there has been a significant increase in credit risk based on the characteristics of the financial asset. Quantitative information can be a downgrade of a credit rating without an investment grade. Qualitative information is obtained by monitoring current or expected adverse changes in business, financial or economic conditions that are expected to cause a material (negative) change in the debtor's ability to meet its obligations to the company.

In addition, the Company uses its own internal credit rating indicators to apply quantitative factors in assessing whether there has been a significant increase in credit risk. The company considers that the credit risk has increased significantly if the internal credit rating deteriorates significantly at the end of each financial Year compared to the original internal rating, if a significant increase in material risk is identified, this leads to the transfer of all instruments in the range held with that party from the first to the second stage.

Stage Three: Lifetime Expected Credit Loss - Credit Impairment

The third stage includes financial assets for which there is objective evidence of impairment at the date of the financial statements. For these assets, life-long expected credit losses are recognized.

The company identifies financial assets for which there is objective evidence of impairment under Egyptian Accounting Standard No. (47) by applying the definition of default used for credit risk management purposes. The company defines default as: any counterparty who is unable to meet its obligations (regardless of the amount involved or the number of days due).

When applying this definition, the following information may serve as evidence that a financial asset is credit-impaired:

• a breach of contract such as default or late payment.

• it is probable that the customer will enter bankruptcy or other financial restructuring; or

• The client faces great financial difficulty due to the disappearance of an active market.

The company reviews all of its financial assets, except for the financial assets that are measured at fair value through profit or loss, to assess the extent of impairment in their value, as shown below. Financial assets are classified at the date of the financial statements into three stages

- The first stage: financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for them for a Year of 12 months.

- The second stage: the financial assets that have witnessed a significant increase in credit risk since the initial recognition or the date under implementation, and the expected credit loss is calculated for them over the life of the asset.

- The third stage: the financial assets that have experienced impairment in their value, which requires calculating the expected credit loss over the life of the asset on the basis of the difference between the book value of the instrument and the present value of the expected future cash flows.

Credit losses and impairment losses relating to financial instruments are measured as follows:

- The financial instrument is classified as low risk upon initial recognition in the first stage and the credit risk is continuously monitored by the company's credit risk department.
- If it is determined that there has been a significant increase in the credit risk since the initial recognition, the financial instrument is transferred to the second stage, where it is not yet considered impaired at this stage.
- If there are indications of impairment in the value of the financial instrument, it is transferred to the third stage
- The financial assets created or acquired by the company are classified and include a higher rate of credit risk than the company's rates for low-risk financial assets at the initial recognition of the second stage directly, and therefore the expected credit losses are measured on the basis of the expected credit losses over the life of the asset.

18/2 Impairment of non-financial assets

Impairment of assets is the amount by which the carrying amount of the asset or cash-generating unit exceeds its recoverable amount, which represents the fair value of the asset less costs to sell or its value in use (the present value of future cash flows expected to occur from the asset), whichever is greater, where the impairment in the value of the asset is charged On the income statement (profits and losses), and in the event that there are indications of an increase in the value of the asset, the loss resulting from the impairment of the value of the asset is reversed in the income statement (profits and losses) provided that it does not exceed the book value of the asset before reducing the value of impairment.

19. PROVISION

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation; and the amount can be estimated reliably. Provision is charged to income statement. The provisions balances are reviewed on a going basis at the reporting date to disclose the best estimate on the current year and reflect the present value of expenditures required to settle the obligation where the time value of money is material.

20. LAND CONTRACTED LIABILITY

Land contracted liability represents the obligations which incurred for purchase lands at certain amount and on certain maturity dates. Land purchase liability is recognized initially at fair value. Land purchase liability is subsequently stated at amortized cost using the effective interest method.

21. COMPLETION OF INFRASTRUCTURE LIABILITIES

Completion of infrastructure liabilities presents the difference between the estimated cost and actual cost of the infrastructure of the contracted units and to be deducted from earned revenue from plot of land of the contacted units.

22. CAPITALIZATION OF BORROWING COST

The capitalization of borrowing costs is the value of the expenses, costs and financing burdens resulting from obtaining loans or bank facilities, whether to finance the acquisition, creation or production of an asset eligible for capitalization, which could have been avoided if those assets were not acquired, and such capitalization begins at the start of spending on the asset The qualifying asset and the actual incurring of borrowing costs, in addition to continuing to carry out the work related to that asset, and the continuation of capitalization is discontinued when the qualifying asset is completed, whether for use or sale. Income (profits and losses) when realized in addition to the interest for the Years in which the effective construction of the asset is disrupted.

23. INCOME TAX

Taxation is provided in accordance with the Income Tax Law No. 91 of 2005.

(A) Current income tax

Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the taxation authorities.

(B) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

24. SHARE PREMIUM

Share premium is the amount received by a company over and above the face value of its shares. After deducting the issuance expenses attributable to the issuance, a part of share premium is credited to the legal reserve with limits of half of the Company's issued share capital, while the remaining balance of share premium is credited to special reserve, general assembly is responsible for determining the uses of such reserve, and it cannot be used for dividends.

25. BORROWING COSTS

The amount and value of the borrowing is initially recognized in the values received, and the amounts due within a year are classified within the current obligations, unless the company has the right to postpone the payment of the loan balance for a Year of more than one year after the date of the financial statements, then the loan balance is presented within the long-term liabilities.

The borrowing and loan costs are measured after the initial recognition of the loans on the basis of amortized cost using the effective interest rate method. The gains and losses for eliminating liabilities are included in the income statement (profits and losses) in addition to the depreciation process using the effective interest rate method.

26. EARNINGS PER SHARE

Basic EPS is calculated by dividing profit or loss from continuing operations and net profit or loss (after deducting employee share and board of director's remuneration – if any) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial Year weighted by the time factor.

27. RELATED PARTY TRANSACTIONS

Related party transactions present the direct and indirect relationship between the Company and its Associates, subsidiaries, or an interest in a joint venture, also the relationship between the Company and key management personnel or employees who exercise direct or indirect strong influence on the Company's decision making. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

28. LEASING CONTRACTS

(A) Asset Lease Contracts

The "right of use" asset and the lease liability are recognized at the start date of the contract, where the "right of use" is measured at cost at the start date of the lease, and the cost of the "right of use" asset includes the initial measurement amount of the lease commitment and any lease payments made on or before the start date the lease contract and any direct costs and any costs incurred in dismantling and removing the underlying asset. The lease obligations are measured at the present value of the lease payments unpaid on that date using the interest rate implicit in the lease. The lease payments are the payments following the right to use the asset, whether payments Fixed or variable payments (LIBOR) or amounts expected to be repaid under guarantees, the exercise price of the purchase option, and penalty payments for terminating the lease.

Subsequent measurement

- **Subsequently the right of use asset is depreciated from the commencement date to the end of the underlying asset useful life in accordance with Egyptian accounting standard No. (10) if ownership of the underlying asset is expected to be transfer to the lessee at the end of the lease. Otherwise earlier of the asset useful life and lease term. any impairment loss in the value of right of use asset will be calculated.**
- **After the lease date, the lease obligations are measured to reflect changes in lease payments as follows: -**
  - **A. The carrying amount is increased to reflect the interest on the lease commitment.**
  - **B. The carrying amount is reducing to reflect the rental payments.**
  - **C. Remeasure the carrying amount to reflect any revaluation or lease modifications.**
  - **D. If there is a change in future lease payments as a result of a change in the interest rate used to determine the lease payments, the lease liability is re-measured to reflect the revised lease payments.**

(B) Contracts of sale with leaseback

In the case of sale with leaseback, the asset transfer process is evaluated if it is a sale (the buyer obtains control of the asset, directs its use and obtains the remaining benefits from it) or is not a sale, as follows:

Transferring the asset represents a sale

The asset is recognized as a usufruct in accordance with the requirements of the Egyptian Accounting Standard No. (49) on lease contracts in exchange for proving the lease contract obligations at the present value of the lease payments as commitments as stated in the policy of lease contracts listed in item (a) above, where the contract is classified in this case as a lease contract.

<u>Transferring an asset is not a sale</u>

The transferred asset is recognized in the company's books within the assets in exchange for a financial obligation equal to the transfer proceeds in the contract, and this obligation is accounted for in accordance with the Egyptian Accounting Standard No. (47), where the contract in this case is classified as a financing contract with the guarantee of the asset.

(C) <u>Exemptions from recognition</u>

The company may choose not to apply the Egyptian Accounting Standard No. (49) on lease contracts for short-term leases and low-value lease contracts.

29. <u>REVENUE FROM CUSTOMER CONTRACTS</u>

- **The company has applied the Egyptian Accounting Standard No. (48) for revenue from customer contracts, where the company recognizes the revenue generated from contracts with customers in light of the terms of the Egyptian Accounting Standard No. (48) by defining and applying the following procedures:**
  - **Determine the contract.**
  - **Determine performance obligations.**
  - **Determining the transaction price.**
  - **Distributing the transaction price to the performance obligations in the event that the client contract includes more than one performance obligation.**
- **Revenue generated from customer contracts is recognized as follows:**
  - **<u>Over time</u>**

    Revenue from customer contracts is recognized over time (fulfillment of performance obligations over a period of time representing the time in which performance obligations are fulfilled) if one of the following criteria is met:

    A- The customer receives the benefits resulting from the performance of the facility and consumes them at the time the company implements the implementation.

    Or b- As a result of the performance obligations, the company creates or improves an asset.

    Or c- The company's performance does not result in the creation of an asset that has no alternative use, and the company has an enforceable right to collect payment for performance completed to date.
  - **<u>At a point in time</u>**

    Revenue from customer contracts is recognized at a point in time if the performance obligations are not fulfilled over a period of time, as the company fulfills the performance obligation at a point in time, which is the point at which the customer obtains control of the asset - directing the use of the asset - and obtaining Approximately all residual benefits, in which case the company must recognize revenue because it has fulfilled its performance obligations.

<u>There is an important financing component:</u>

- **The contractual value of the promised amount is adjusted to reflect the effects of the time value of money if the contract includes a significant financing component.**

30. MATCHING OF REVENUES AND COSTS

The accounting treatment of signed contracts of villas and townhouses is based on the recognized revenue of the elements of the contract as follows:

a) Villas and townhouses

When The accounting treatment is done to record the concluded and approved contracts (for villas and townhouses) based on realizing the revenues from each contract as a single unit that includes all the components of the contract. (Development of land, construction works, other additional works), on the basis of time for the contracted units in the light of the progress in fulfilling the obligations, as the final output (revenues and costs) has been done in a reliable manner according to the measurement method - outputs - adopted to measure the extent of the obligation in fulfilling performance obligations and using reasonable rates of progress, as follows:

-Real estate development revenue

Real estate development revenues are achieved for the contracted units under the conclusion of contracts with customers and the receipt of the consideration and in accordance with the credit policy established and applied by the company and the inclusion of such revenues in the income statement (profits and losses) for each unit separately (phase) versus the costs of implementing those units in light of the progress in fulfilling obligations At the level of the contract unit for each contracted unit on the date of preparing the financial statements, and the progress in the performance of obligations is determined and measured - using the output method at the contract unit level for the contracted units to the total estimated costs of work until the completion of the implementation of those units for each (unit) staged unit in order to measure and determine the extent of progress in the commitment in fulfilling performance obligations in contracts.

-Real estate development activity costs:

Activity costs are the direct and indirect value and cost of each of the lands contracted to implement units, in addition to construction costs, utilities and other indirect costs associated with construction work until the completion of the contracted unit's implementation, provided that the total contract cost represented in the lands contracted to implement is included. Units on the income statement (profits and losses) in addition to the construction costs and other costs until the completion of the implementation of those units in the light of the inventory of the completed performance contracted at the level of the contract unit, for each (unit) stage separately, in order to measure and determine the extent of progress in the commitment to fulfill the performance obligations in contracts.

b) Completed units ready for sale

The accounting treatment is done to record the concluded and approved contracts (apartments, cabins, and chalets) based on realizing the revenues from each contract as a single unit that includes all the components of the contract. (Development of land, construction works, other additional works) for a point in time that represents the point of transfer of control to the customer.

-Real estate development revenue:

Real estate development revenues are achieved for the contracted units under the conclusion of contracts with customers and the receipt of the consideration and in accordance with the credit policy established and applied by the company and the inclusion of those revenues in the income statement (profits and losses) for each unit separately (phase) against the costs of implementing those units in light of the actual delivery of those units For each contracted unit until the date of preparing the financial statements.

-Real estate development activity costs:

Activity costs are the direct and indirect value and cost of each of the lands contracted to implement units, in addition to construction costs, utilities and other indirect costs associated with construction work until the completion of the contracted unit's implementation, provided that the total contract cost represented in the lands contracted to implement is included. Units on the income statement (profits and losses) in addition to construction costs and other costs until the completion of the implementation of those units in, where all costs associated with those units of land costs, construction costs and indirect costs are charged to a work-in-progress item until the completion of all work at that phase. The square meter's share of the total costs is determined, and therefore the cost of the units is determined according to their area, provided that the unit cost is included in the income statement (profits and losses) for the contractual value at the point of time when the actual delivery of those units and the transfer of control to the customer.

31. REVENUE RECOGNITION

a) Sales revenues

1- Villas and townhouses

The revenues resulting from practicing the main and usual activity - real estate development of the company - are realized and recorded in the income statement (profits and losses) in light of the extent of progress in fulfilling obligations at the level of completion of the executed works (measuring the extent of progress) at the contract unit level for each contracted unit separately, as the The company is contractually restricted from directing the asset to another use due to the fact that the contracted unit (sold) has pre-determined boundaries and features in the contract with regard to independent units (villas and townhouses). The company also has a contractual right to collect the sale value of the unit from the customer in installments. In the event of the customer's non-compliance, the installment deadlines due on the unit will be waived, with the customer committing to pay those installments in one payment.In the event of termination of the contract for

reasons other than the facility's failure to perform as promised, the company will recover the costs it incurred from the customer in exchange for its completed performance to date, in addition to a percentage of the contractual value (profit margin), The revenues generated from the total contractual values from the contracts signed and approved for the contracted units are also weighted by the percentage of progress in fulfilling obligations at the level of the contract unit, taking into account additional business revenues versus their actual cost for each stage (unit) separately, in a way that reflects and measures the extent of progress. In fulfilling the performance obligations under the contract.

2- Completed units ready for sale

Completed units ready for sale represent the contractual values of contracted units. Revenue is recognized in the income statement at the point in time at which the entity transfers control of the asset to the customer.

b) Investments in Associates and subsidiaries

Revenues resulting from investments in subsidiaries companies resulting from following the equity method are recorded according to the company's share in the results of the investee companies' business and according to the percentage of its contribution, in addition to the change in the equity of the investee company for items that are not included in the business results. Revenues resulting from investments in subsidiaries and resulting from adopting the cost method are recognized when the company has the right to receive those revenues and returns, whether by the announcement event or by the actual collection event, whichever is more specific. The effect of those realized revenues, whether by cash distribution or by applying the equity method, is excluded from the group's income statement when preparing it.

c) Revenues from investment property

The income resulting from investing in real estate investments is realized upon the completion and completion of the sale of those investments and the transfer of ownership – initially - to the buyer, and these revenues are recognized as sale profits at the value of the difference between the cost of those investments and the selling price, and the revenues resulting from the exploitation and leasing of these investments to others are also recognized. According with the accrual principle.

d) Interest income

Interest income is recognized in the profit or loss as it accrues using the effective interest rate method.

32. CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less.

33. FINANCIAL INSTRUMENTS & FAIR VALUE

- Financial assets

33-1 Recognition and initial measurement

The company initially recognizes debtors and debt instruments on the date of its inception, all financial assets and other financial obligations are initially recognized on the date of the transaction when the company becomes a party to the contractual provisions of the financial instrument.

The financial asset (unless the trade receivable does not have a significant financing component) or financial liability is initially measured at fair value plus transaction costs that directly cause its acquisition of the item not at fair value through profit or loss. Customers who do not have a significant financing component are initially measured at the transaction price.

33-2 Financial Assets - Classification and Subsequent Measurement

Upon initial recognition, the financial asset is classified on (debt instruments) as measured at amortized cost or at fair value through other comprehensive income as investments in debt instruments and investments in equity instruments or at fair value through profits and losses.

Financial assets are not reclassified after initial recognition unless the company changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the first financial reporting Year after the change in business model.

The financial asset (debt instruments) is classified as valued at amortized cost if it meets the following two conditions and is not classified as valued at fair value through profit or loss:

- **If the asset is to be held within a business model that aims to hold assets to collect contractual cash flows.**

- **In the event that the contractual terms of the financial assets give rise to cash flows on specified dates that are only principal and interest payments on the principal amount repayable.**

The investment in debt instruments is classified at fair value through other comprehensive income if the following two conditions are met and is not determined as being valued at fair value through profit and loss:

- **It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.**
- **The contractual terms of the financial asset give rise to specified dates to cash flows that are solely payments of principal and interest on the principal and interest outstanding.**

Upon initial recognition of an investment in equity instruments that are not held for the purpose of trading, the company can make an irrevocable choice to present it within other comprehensive income. Subsequent changes in the fair value of the investment appear within other comprehensive income items and are not reclassified in the income statement.

Financial assets that are not classified as valued at amortized cost or valued at fair value through other comprehensive income are classified as fair value through profit and loss, and this includes all financial assets derivatives. Upon initial recognition, the company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, at fair value through comprehensive income, or at fair value through profit or loss if doing so eliminates or substantially reduces Inconsistency in a measurement or recognition (sometimes referred to as an "accounting inconsistency") that may arise during that time.

No expected credit losses are calculated for equity instruments.

33-3 Financial Assets - Business Model Evaluation

The company makes an objective assessment of the business model in which a financial asset is held at the portfolio level because this better reflects the way the business is conducted, and information is presented to management. The information considered includes:

- The stated policies and objectives of the portfolio and the operation of those policies in practice. This includes whether management's strategy focuses on earning contractual interest income and maintaining a certain interest rate.
- How to evaluate the performance of the portfolio and report it to the company's management.
- the risks that affect the performance of the business model (and the financial assets held in the business model) and how those risks are managed
- The frequency, volume, and timing of sales of financial assets in previous Years, the reasons for such sales, and expectations regarding future sales activity.
- Financial assets held for trading whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

33-4 Financial Assets - Assessment of whether the contractual flows are solely payments of principal and interest

For the purposes of this assessment, the principal amount is the fair value of the financial asset at financial recognition and the interest is against the time value of money, against the credit risk associated with the principal amount outstanding over a certain Year of time and against other basic lending risks and costs (liquidity risk and administrative costs), in addition to the profit margin.

In assessing whether the contractual cash flows are solely payments of interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it would not meet this condition. When making this assessment, the Company considers:

- potential events that would change the amount or timing of cash flows.
- terms that may modify the rate of contractual payments, including variable rate features.

- Prepaid features and additions; (if any)
- Conditions that limit a company's claim to cash flows from identified assets
- The early payment benefit is consistent with payments of principal and interest only if the amount of the prepayment substantially represents the unpaid amounts of principal and interest on the principal amount owed, which may include reasonable compensation for early termination. In addition, for financial assets obtained at a discount or premium over the contractual face value, a feature that permits or requires early payment in an amount substantially the contractual amount plus the contractual interest accrued (but not paid) (which may also include reasonable compensation for early termination) is treated as compliant with this Standard if the fair value of the early settlement feature is ineffective on initial recognition.

33-5 Financial Assets - Subsequent Measurement, Profits and Loss

Financial assets at fair value through profit or loss	Financial assets are subsequently measured at fair value, and changes in fair value, including any returns or dividends, are recognized in profit or loss.
Financial assets at amortized cost	Financial assets valued at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment are recognized in profit and loss, and gains and losses on disposal are recognized in profit and loss.
Debt instruments at fair value through other comprehensive income	Financial assets at fair value through comprehensive income are subsequently measured at fair value. Interest income is calculated using the effective interest method, gains and losses on currency differences and impairment are recognized in profit and loss. Other net gains and losses are recognized in comprehensive income. On disposal, the combined profit and loss in comprehensive income is reclassified to profit and loss.
Equity investments at fair value through other comprehensive income	Financial assets valued at fair value through comprehensive income are subsequently measured at fair value. Dividends are recognized as income in profit and loss unless the dividends clearly represent a recovery of part of the investment cost. Other net gains and losses that have been recognized in other comprehensive income are not reclassified at all to profit or loss.

33-6 Financial liabilities - classification and subsequent measurement, profits and losses

Financial liabilities are classified as valued at amortized cost or at fair value through profit and loss.

Financial liabilities are classified as valued at fair value through profit and loss if they are classified as held for trading purposes, or they are within financial derivatives, or they are classified at fair value through profit or loss upon initial recognition.

Financial liabilities measured at fair value through profit and loss are measured at fair value and net gains and losses, including interest expense, are recognized in profit and loss.

Other financial obligations are subsequently measured at amortized cost using the effective interest method. Interest expense and gains and losses from changes in foreign exchange rates are recognized in profit and loss. Gains and losses resulting from disposal are recognized in profit and loss.

33-7 DISPOSAL

financial assets

The company disposes the financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred, or in which the company does not transfer or retain bears all the risks and rewards of ownership and does not retain control over the financial assets.

The Company enters into transactions whereby it transfers the assets recognized in its statement of financial position but retains all the risks and rewards of the transferred assets. In this case, the transferred assets are not excluded.

financial obligations

Financial obligations are excluded when the contractual obligations are paid, canceled or expired.

The company also dismisses a financial liability when its terms are adjusted and the cash flows of the modified obligations are substantially different, in which case the new financial obligations are recognized on the basis of the adjusted condition at fair value.

On derecognition of financial obligations are derecognition, the difference between the book value and consideration paid (including any non-monetary assets transferred or liabilities assumed) is recognized in profit or loss.

33-8 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net reported in the statement of financial position when, and only when:

The company has a legally mandatory right to settle the recognized amounts, and when the company intends to settle the assets with the liabilities on a net basis or sell the assets and settle the liabilities simultaneously.

33-9 Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its exposure to foreign exchange rate and interest rate risks. Implicit derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and if specific conditions are met.

Derivatives are initially measured at fair value and the related transaction costs are recognized in profit or loss. After initial recognition the derivative is measured at fair value and any change in fair value is recognized in profit or loss.

34. RISK MANAGEMENT

(A/1) Interest rate risk

The interest risk is represented in the interest rates changes and its effect on the current and future financial liabilities, represented in interests and commissions on bank overdraft, which may have a negative impact on the results of operations. The Company uses long-term financing sources with no interest represented in advances from customers.

	NOTE NO.	31 Mar 2026 EGP
Financial Assets		
Local operation current accounts	(48)	5 790 701 443
Bank accounts for local currency deposits	(48)	2 500 000
		5 793 201 443
Financial obligations		
Credit facilities	(50)	11 938 707 216
Loans	(51)	10 885 889 848
Credit banks	(49)	1 205 910 561
Lease obligations	(55)	168 408 357
Total		24 198 915 982

In the event that interest rates change from current rates with all other variables constant, this will affect the sensitivity of the statement of profits and losses as a result of assuming a change in the interest rate, based on the financial assets and liabilities linked to the interest rate, as follows:
- In the event of an (decrease) / increase in the interest rate by 2% with all other variables remaining constant, the statement of profits and losses, as well as the statement of cash flows for the year in which the change occurred, will be affected by an increase/(decrease) of approximately 368 million Egyptian pounds.

(A/2) Foreign exchange rate risk

Foreign currency risk is represented by changes in foreign currency rates, which affect payments and receipts in foreign currencies, as well as the evaluation of assets and liabilities in currencies. The balances of assets in foreign currencies described above were evaluated using the rate prevailing on the date of the financial position.
The net foreign currency balances at the financial position date are as follows:

	31 Mar 2026 EGP
Financial assets	
Net foreign currency balance - Asset	3 185 066 409

Sensitivity analysis:

Foreign currency rate risk is the risk of fluctuations in the fair value of the future cash flows of a financial instrument due to changes in foreign currency rates. The following table shows the company's sensitivity to a 10% increase or decrease in the Egyptian pound against foreign currency exchange rates while keeping all other variables constant, and the impact of that on The company's statement of profits or losses is as follows:

	31 Mar 2026
	EGP
The equivalent in Egyptian pounds for collecting foreign currencies	3 185 066 409
The effect of an increase/decrease in the exchange rate on the company's net profit	
When foreign exchange rates increase by 10%	318 506 641
When foreign exchange rates decrease by 10%	(318 506 641)

(B) Credit risk

Credit risk is represented by the inability of customers to whom credit is granted to pay what is owed to them. This risk is considered limited given that the company deals with customers with good financial solvency, in addition to the company's failure to deliver the contracted units before the customer deposits negotiable bank debt instruments in exchange for the unpaid installments in Date of receipt (note 43).

In addition to the above, customer contracts stipulate that ownership of the units will not be transferred to customers before paying the full value of the units. Therefore, no losses or impairment of customer balances occurred before that.

The company also achieves direct and indirect profits in the event that customers do not pay the remaining dues on the unit, as the contract is canceled and the amounts previously paid are refunded after deducting the cancellation fees in accordance with the concluded contract, in addition to the positive change in selling prices and thus the contractual values of the units.

The company periodically studies expected credit losses to offset the impact of expected credit risk on the poor quality of financial assets.

(C) Investment Risk

The investment risk is represented in the possible decrease in the potential and expected returns and distributions in the companies invested in their capital and the possibility of reinvesting in other securities with relatively high returns, in addition to the potential risks of not appropriate diversification in the stock portfolio in all existing and potential investment sectors. The company follows a policy in managing the company's stock portfolio that will maximize returns, revenues and profits achieved through purchases and resales, as well as selling and repurchases, in addition to diversifying investment in investment sectors with relatively stable returns.

(D) Liquidity risk

Liquidity risk is represented by factors that may affect the company's ability to pay part or all of its obligations, and according to the company's policy, appropriate liquidity is maintained to meet the company's current obligations, which affects the reduction of that risk to a minimum.

The following is an analytical statement of financial obligations and other contribution payments at the date of the financial position, which are as follows:

	Note No.	31 Mar 2026	
		EGP	EGP
Financial Liabilities		Less than year	More than year
Credit banks	(49)	1 205 910 561	--
Credit facilities	(50)	11 938 707 216	--
Loans	(51)	686 930 276	10 198 959 572
Lease obligations	(55)	63 945 856	104 462 501
Due to related parties	(57)	29 919 710	--
Creditors and other credit balances	(59)	4 650 067 405	--
Other obligations – residents association	(63)	--	30 842 958 515
Suppliers and contractors	(49)	5 340 090 248	--
Total		23 915 571 272	41 146 380 588

35. INVESTMENT IN ASSOCIATES

The consolidated balance of investments in Associates as of March 31, 2026, amounted to an amount 3 838 697 211 EGP as follows

	31 March 2026	31 Dec 2025
	EGP	EGP
Naema for Touristic & Real Estate Investments S.A.E	225 638 608	242 557 640
EFS palm for facilities services S.A. E	6 633 373	6 633 373
Villamora for Real Estate Development Company S.A. E	2 535 617	2 535 617
Palm Hills for Real Estate S.A. E-Coldwell Banker S.A.E	245 000	245 000
International Badya university for Higher Education S.A. E	542 014 098	436 999 484
Inspired Egypt for Education S.A. E	367 500	367 500
International Financial Leasing Company – Incolease S.A.E	432 523 071	432 523 071
Sixth of October Hotels and Tourism Services Company S.A.E	232 345 170	227 745 067
Taleem For Management Services Company S.A.E	2 396 394 774	2 262 012 987
Balance on March 31, 2026	3 838 697 211	3 611 619 739

The following is a summary of the financial data for the Associates:

	Assets	Liabilities	Shareholders' equity	Revenues	Expenses
Naema for Touristic & Real Estate Investments	708 893 596	257 562 969	451 330 627	92 949 815	29 774 687
Palm Hills for Real Estate -Coldwell Banker	500 000	--	500 000	--	--
Villamora for Real Estate Development Company	2 535 619	--	2 535 619	--	--

36. Subordinated loan- associate Companies

The consolidated balance of Subordinated loan – in associate as of March 31, 2026, amounted to an amount 34 333 4773 EGP as follows

	31 March 2026	31 Dec 2025
	EGP	EGP
International Leasing Company "incolease"*	34 333 473	--
Balance on March 31, 2026	34 333 473	--

* The balance of the subordinated loan granted to the sister company, the International Leasing Company "incolease", amounted to EGP 34 333 473 according to the subordinated loan agreement concluded between the two parties. The agreement stipulates that the term of the subordinated loan is five years, It begins on March 31, 2026 and ends on March 31, 2031 to be consumed at a rate of 20% with an interest rate of 1.25% annually above the lending rate announced by the Central Bank of Egypt, and the interest is paid every three months with the due date of the loan principal.

37. INVESTMENT PROPERTY

The consolidated balance of real estate investments on March 31, 2026, amounted to 1 020 474 869 EGP and its balance is the value of the cost of Crown School – King School, in addition to the construction cost of the shops at Palm Hills Resort on the 6th of October (Mall 88Street) As well as the villas in Villa Mora Resort, as follows:

	31 Dec 2026	31 Dec 2025
Crown School (King School)	EGP	EGP
Cost Of the School	1 061 698 038	1 061 698 038
Deduct:		
Accumulated depreciation for Jan 1,2026	75 224 222	31 615 721
Depreciation for the period	11 018 739	43 608 501
Accumulated depreciation at the end of the period	86 242 961	75 224 222
Net book value of the school	975 455 077	986 473 816
Real Estate Investments – Buildings		
Commercial shops - Palm Hills Resort		
Cost of shops (88 Street Mall)*	77 418 261	77 418 261
Deduct:		
Accumulated depreciation for Jan 1,2026	33 361 892	29 215 583
Depreciation for the period	1 036 577	4 146 309
Accumulated depreciation at the end of the period	34 398 469	33 361 892
Net book value of shops (88 Street Mall)	43 019 792	44 056 369
Villas at villa mora resort	2 000 000	2 000 000
Balance on mar 31, 2026	1 020 474 869	1 032 530 185

The company has concluded contracts for the sale and leaseback of the commercial mall stores (Street 88) owned by the company with one of the companies operating in the same field, and these transactions have been proven as guarantees (power of sale) and obligations resulting from financial transactions as a financing activity, according to the essence of those transactions and the lack of completion of any of the Conditions that must be met to prove these contracts as lease contracts and that these investments are provided as guarantees, and in accordance with the provisions of Egyptian Accounting Standard No. (49) related to lease contracts (Note No. 28B, 52A,52B).

38. Fixed Assets

The net cost of the consolidated fixed assets on 31 March 2026 amounted to EGP 4 529 193 596 presented by fixed administrative assets on the site and the headquarters as follows:

	Cost as of Jan. 1,2026 EGP	Additions during the Period EGP	Disposals during the period EGP	Cost as of 31 March 2026 EGP	Accumulated depreciation as of Jan. 1, 2026 EGP	Depreciation for the period EGP	Depreciation of D.sposals EGP	Accumulated depreciation as of 31 March, 2026 EGP	Accumulated foreign assets entities 31 March, 2026 EGP	Net book valu as 31 March 2026 EGP
land	36 765 715	--	--	36 765 715	--	--	--	--	--	36 765 7
Buildings	2 431 140 154	76 744 737	--	2 507 884 891	436 819 986	28 998 119	--	465 818 105	--	2 038 429 8
Machinery & equipment	590 558 559	31 485 929	--	622 044 488	282 129 631	24 963 037	--	307 092 668	14 530	314 966 3
Vehicles	164 317 214	11 278 017	--	175 595 231	57 719 929	8 822 963	--	66 542 892	--	109 052 3
Computer equipment	230 270 947	8 601 346	1 000	238 871 293	154 727 538	10 046 813	1 000	164 773 351	31 560	74 129 5
Leasehold improvements	47 309 817	--	--	47 309 817	23 709 929	1 653 198	--	25 363 126	--	21 946 6
Furniture	591 474 780	18 703 407	--	610 178 187	254 432 881	34 908 802	--	289 341 683	354 170	321 190 6
Golf Courses	2 412 646 478	--	--	2 412 646 478	772 972 834	30 598 104	--	803 570 939	--	1 609 075 5
Total in 31 March, 2026	6 504 483 664	146 813 436	1 000	6 651 296 100	1 982 512 727	139 991 036	1 000	2 122 502 765	400 260	4 529 193 5

a. All fixed assets in the group companies are available for use in operation.

b. Fixed assets depreciation for three months Ended in 31, March 2026 amounted To 139 991 036 EGP and allocated as follows:

	EGP
Operating assets-work in process	19 639 750
Administrative depreciation (income statement)	101 100 096
Depreciation expense of hotel operations	7 677 570
Depreciation expense of Palm Hills Club's assets - club's operating statement	11 573 620
Total depreciation of fixed assets for the Three Months Ended in 31 March 2026	139 991 036

Capital Gains for the three months ended in 31, March 2026 amounted to EGP 1 000 as follows:

	EGP	EGP
Proceed from sale of fixed assets	1 000	
Deduct:		
Cost of assets sold		1 000
Accumulated depreciation of assets sold		1 000
Carrying amount of assets sold		
Gain on sale of fixed assets for three months Ended in March 31, 2026	1 000	

The company has concluded sales lease back contracts for the lands and buildings of the Palm Hills Club and the company's headquarters in the smart village, which is owned by the company with one of the companies operating in the same field, and these transactions have been proven as guarantees (power of attorney to sell) and obligations resulting from financial transactions as a financing activity according to the essence of these transactions and not Completion of the conditions that must be fulfilled to prove those contracts as a finance lease and that these assets are presented as guarantees in accordance with the Egyptian Accounting Standard No. (49) for financial leasing contracts (Note No28b-54).

The net cost of the consolidated fixed assets on Dec 31, 2025, amounted to EGP 4 521 970 936presented by fixed administrative assets on the site and the headquarters as follows:

	Cost as of Jan. 1,2025 EGP	Additions during the period EGP	Disposals during the period EGP	Cost as of 31 Dec 2025 EGP	Accumulated depreciation as of Jan. 1, 2025 EGP	Depreciation for the period EGP	Accumulated Depreciation of Disposals EGP	Accumulated depreciation as of Dec, 2025 31 EGP	Net book value as 31 Dec 2025 EGP
land	33 145 821	3 619 894	--	36 765 715	--	--	--	--	36 765 715
Buildings	950 654 148	1 480 486 006	--	2 431 140 154	378 747 797	58 072 189	--	436 819 986	1 994 320 168
Machinery & equipment	414 189 248	177 592 666	1 223 355	590 558 559	216 139 448	66 903 085	912 902	282 129 631	308 428 928
Vehicles	89 166 114	78 035 699	2 884 599	164 317 214	36 066 140	24 536 679	2 882 890	57 719 929	106 597 285
Computer equipment	176 351 167	58 058 129	4 138 349	230 270 947	121 557 940	33 671 002	501 404	154 727 538	75 543 409
Leasehold improvements	24 616 689	22 701 483	8 354	47 309 818	21 293 867	2 424 416	8 354	23 709 929	23 599 889
Furniture	325 202 254	267 701 687	1 429 161	591 474 780	154 498 986	101 363 056	1 429 161	254 432 881	337 041 899
Golf Courses	2 412 646 478	--	--	2 412 646 478	650 580 417	122 392 418	--	772 972 835	1 639 673 643
Total in 31 Dec, 2025	4 425 971 919	2 088 195 564	9 683 818	6 504 483 665	1 578 884 595	409 362 845	5 734 711	1 982 512 729	4 521 970 936

a. All fixed assets in the group companies are available for use in operation.
b. Fixed assets depreciation for year ended on 31, Dec 2025 amounted to EGP 409 362 845 and allocated as follows:

	EGP
Operating assets-work in process	72 590 919
Administrative depreciation (income statement)	284 283 307
Depreciation expense of hotel operations	14 933 177
Depreciation expense of Palm Hills Club's assets - club's operating statement	37 555 442
Total depreciation of fixed assets for the year ended on 31, Dec 2025	409 362 845

The company entered into sale and leaseback contracts for the land and buildings of Palm Hills Club, as well as the company's headquarters in Smart Village, which are owned by the company, with one of the companies operating in the same field. These transactions were recorded as guarantees (a power of attorney for sale) and obligations resulting from financial transactions as a financing activity, in accordance with the essence of these transactions and the lack of completion of the conditions that must be fulfilled to record these contracts as lease contracts, and that these assets were provided as guarantees, in accordance with the conditions of sale and leaseback in Egyptian Accounting Standard No. (49) concerning lease contracts (Explanation No. 28b, 52b).

Capital Gains for year ended on 31 Dec 2025 amounted to EGP 5 752 390 as follows:

	EGP	EGP
Proceed from sale of fixed assets		9 701 497
Deduct:		
Cost of assets sold	9 683 818	
Accumulated depreciation of assets sold	5 734 711	
Carrying amount of assets sold		3 949 107
Gain on sale of fixed assets for the year ended on 31, Dec 2025		5 752 390

39. PROJECTS UNDER CONSTRUCTION

The consolidated balance of projects under construction on March 31, 2026, amounted to 199 402 882 EGP and is the value of the cost of land and construction work for service areas and recreational areas in the residential complexes of the Palm Hills Group, as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Consultation and designs fees	198 781 119	181 995 120
Schools Construction cost	621 764	621 763
Balance on March 31, 2026	199 402 883	182 616 883

40. THE RIGHT OF USE ASSETS

The right of use assets is represented in the right of use assets (lessee) the rents of offices and administrative headquarters, and the balance has reached On March 31, 2026, an amount of 176 631 325 EGP is as follows: -

	31 March 2026	31 Dec 2025
	EGP	EGP
The right of use assets – Offices rent.	243 980 291	156 612 953
Deduct		
Accumulated Amortization at Jan ,1,2026	54 080 462	25 573 718
Amortization for the period	13 268 504	28 506 744
Accumulated Amortization at 31 Mar 2026	67 348 966	54 080 462
Balance on March 31, 2026	176 631 325	102 532 491

41. NOTES RECEIVABLE

The notes receivable are represented in the checks received from the clients for the contractual values of the units contracted with the company to implement them, as well as the workers 'union checks (against maintenance expenses) in addition to other checks collected from other parties. The consolidate balance of the receivables reached on March 31, 2026, is EGP 68 745 419 137 after deducting the difference in the present value of 2 774 338 845 EGP and the share of the partners in an amount of 17 562 287 163 EGP as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Short term notes receivable	19 947 757 645	20 965 358 532
Deduct: -		
Unamortized discount	69 449 310	140 847 027
Notes receivable of joint venture	2 954 888 834	2 686 792 581
The present value of short-term receivables	16 923 419 501	18 137 718 924
Long-term notes receivable	69 134 287 500	70 549 387 196
Deduct: -		
Unamortized discount	2 704 889 535	3 492 431 361
Notes receivable of joint venture	14 607 398 329	12 255 639 636
The present value for long term notes receivable	51 821 999 636	54 801 316 199
Balance on March 31, 2026	68 745 419 137	72 939 035 123

** The receivable notes received for contracted units that were not delivered and not included in the financial statements were disclosed (Note No. 72).
And according to the decision of the Central Bank of Egypt Board of Directors No. 1906 of 2007 regarding the controls and rules of bank financing for real estate development companies working in the field of constructing housing units for the purpose of selling them, the bank may not deduct those checks, commercial papers and other means of payment provided to the company from the holders of housing units nor reduce the company's indebtedness with them Only after the units are delivered to their purchasers, and thus those checks remain in the books until the due date.

* Notes receivables balances included an amount of 13 804 billion EGP representing the value of checks received in exchange for maintenance deposits of contracted units, whose collected value reverts to the Workers' Union upon its establishment in accordance with the provisions of the Building Law No. 119 of 2008 and its executive regulations and amendments thereof.

* The share of the partner (the owner) in the notes receivables and checks under collection of the projects that the company started to market and implement under the project system with the participation system in light of the contracts concluded in this regard implement under the project system with the participation system in light of the contracts concluded in this regard (8c).

- The transitional treatment issued by the Egyptian Supreme Committee for Accounting and Auditing, the limited examination, formed by Prime Minister Decision No. 909 of 2011, which was approved by the Financial Supervisory Authority on January 12, 2022, regarding the recognition of checks received from customers for units that have not been delivered to customers, which stipulates By allocating a separate account on the date of receiving the checks within the financial assets on the balance sheet (a notes receivable account for units that have not been delivered) in return for recognizing within the financial obligations on the balance sheet a commitment of the same amount (Calculation of obligations for checks received from clients) This treatment is considered a transitional treatment on the concluded sales contracts that the company will enter into until the end of the fiscal Period ending on 31 December 2022 until the delivery of these properties to the clients in accordance with Egyptian Accounting Standard No. (48) Revenue from contracts with customers (Note 54,72).

42. Notes receivable for undelivered units

The net present value of notes receivable is for units not delivered to customers On March 31, 2026 an amount of 2 230 754 186 Egyptian pounds is as follows: -

	31 March 2026 EGP	31 Dec 2025 EGP
Short term notes receivable	960 178 006	1 036 635 531
Deduct:		
Unamortized discount	95 356 296	101 376 055
The present value of short-termnotes receivables	864 821 710	935 259 476
Long-term notes receivable		
Deduct:	2 320 106 072	2 594 312 047
Unamortized discount	954 173 596	1 075 821 828
The present value of long-term notes receivable	1 365 932 476	1 518 490 219
Balance on March 31, 2026	2 230 754 186	2 453 749 695

- The transitional treatment issued by the Egyptian Supreme Committee for Accounting and Auditing, the limited examination, formed by Prime Minister Decision No. 909 of 2011, which was approved by the Financial Supervisory Authority on January 12, 2022, with regard to recognizing checks received from customers for units that have not been delivered, subject of contracts, to Customers, which require the allocation of a separate account on the date of receipt of checks within the financial assets in the statement of financial position (a notes receivable account for units that have not been delivered) in return for recognizing within the financial obligations on the statement of financial position a commitment of the same amount Account of obligations for checks received from clients) and this treatment is considered a transitional treatment on the concluded sales contracts that the company will conclude until the end of the financial Period ending on 31 December 2022 or until the delivery of these properties to the clients until the company's conditions are reconciled to comply with Egyptian Accounting Standard No. (48) Revenue from contracts with customers (Note No.54, 72).

43. Work in progress

The work in process represents the direct and indirect value and cost of the lands allocated to the group companies to carry out the usual and main activity of these companies, after excluding the cost of the contracted lands to build units on them, as well as the construction works, utility works and other indirect costs related to the construction works for the units contracted to implement and not The percentage of completion specified for inclusion in the income statement is realized, and the consolidated balance of work in progress has reached March 31, 2026 The amount of 21 337 803 436 is as follows:

	31 March 2026 EGP	31 Dec 2025 EGP
Total work carried out until Jan 1 2026	78 925 330 335	60 910 797 004
Add:		
Work Carried Out For three months Ended March, 31 2026	5 892 358 883	18 014 533 331
Total works executed until March 31, 2026	84 817 689 218	78 925 330 335
Deduct: excluded from income statement until March, 31 2026	63 479 885 782	61 354 421 455
The Balance of Work in progress as of March, 31 2026	21 337 803 436	17 570 908 880
Represented As follows:		
Land acquisition cost *	6 339 494 044	6 025 249 620
Cost of construction and facilities **	14 998 309 392	11 545 659 260
Balance on March 31, 2025	21 337 803 436	17 570 908 880

* The interest on capitalized loans under the item of works under implementation and allocated to finance construction in existing projects, according to the loan contracts concluded for the three months ending on 31 March 2026, amounted to 621,229,246 Egyptian pounds (Explanation No. 51).

**The works under implementation include the cost of land and construction of (4) villas, (6) chalets and (3) townhouses located in the Hacienda Bay project in the Sidi Abdel Rahman area - Alamein City - Matrouh Governorate, as well as the cost of construction of (4) cabins in the Hacienda White (2) project in the Sidi Abdel Rahman area - Alamein Center - Matrouh Governorate, as well as the cost of land and construction of (1) villa (townhouse) Golf Views model located within the Palm Hills project, as well as the cost of land and construction of (3) villas (townhouse) Solitaire Palm model located within the Palm Hills project in the Eastern Expansion area - 6th of October City - Giza Governorate The company entered into sale and leaseback contracts for those units, and this transaction was considered, in essence, as a financing contract secured by those assets, in accordance with the provisions of Egyptian Accounting Standard No. (49) concerning lease contracts (Explanation No. 52b).

44. ACCOUNTS RECEIVABLE

The present value of accounts receivable - debit balances on March 31, 2026 amounted to 30 481 010 262 EGP This due balance is represented in the difference between the contractual value of some contracted units and the advance of reservation and the installments paid for those units, without paying or depositing cash notes receivable or any other credit instruments for due installments, and it also includes the value of returned checks or non-collected checks from some clients as followings:

	31 March 2026 EGP	31 Dec 2025 EGP
Palm Hills Developments Company	6 188 854 345	4 601 047 850
Palm Hills Middle East Company for Real Estate Investment	7 424 429 589	6 919 794 162
Royal Gardens for Real Estate Investment Company	3 551 076	3 593 076
New Cairo for Real Estate Developments	1 180 601	1 180 601
Gawda for Trade Services	488 085 236	495 651 573
Saudi Urban Development Company	41 609 322	42 356 246
Rakeen Egypt for Real Estate Investment	96 119 541	86 463 272
East New Cairo for Real Estate Development	25 842 447	29 643 268
Middle East Company for Real Estate and Touristic Investment	942 347	1 147 348
United Engineering for Construction	3 611 234	3 611 234
Palm Real Estate Development	70 145 839	71 027 318
Palm for Investment and Real Estate Development	2 850 909 677	2 716 575 681
Palm Hills Development of Tourism and Real Estate	254 744 637	247 340 356
Palm for Urban Development	13 029 234 017	12 891 041 650
Palm for Clubs Management	6 079 038	6 345 664
Palm for Construction	31 217 467	30 551 017
Palm Sports for Clubs	25 781 206	24 623 609
Palm Alexandria	--	7 328 497
Kenzy for restaurants	18 882 826	18 882 826
Total	30 561 220 445	28 198 205 248
Less: Expected credit losses	80 210 183	80 089 001
Balance on March 31, 2026	30 481 010 262	28 118 116 247

45. DEBTORS AND OTHER DEBIT BALANCE

The consolidated balance of debtors and other debit balances as of March 31, 2026, amounted to 13 969 625 900 as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Paid under land account	--	165 376 786
Residents' Association *	2 070 305 640	1 995 417 217
Investment's debtors	4 462 221	4 462 221
Deposits with others	307 831 714	238 835 147
Prepaid expenses	465 171 734	119 200 450
Accrued Revenues	260 864 910	206 734 914
Commissions paid in Advance	7 783 235 925	7 784 739 002
Withholding tax	52 583 625	45 750 670
Letter of Guarantee	55 606 490	55 606 490
Loans to employees & custodies	49 615 109	30 803 785
Advance payments – partners' share	662 657 131	648 602 116
Other debit balances	2 266 589 998	1 628 695 623
Total	13 978 924 500	12 924 224 421
Less: Expected credit losses	9 298 599	2 245 567
Balance on March 31, 2026	13 969 625 900	12 921 978 854

* The legal position of the Residents' Association is being completed at the level of various projects in accordance with the requirements of Building Law No. 119 of 2008.

46. DUE FROM RELATED PARTIES – Debit Balances

The consolidated balance of due from related parties as of March 31, 2026, amounted as 341 675 923 EGP follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Al Ethadia for Real Estate S.A.E	262 325 664	252 340 121
Al Naeem for investments	48 755 256	48 755 256
Debtors of dividends	33 246 612	33 246 612
Palm Hills for Real Estate S.A.E-Coldwell Banker	20 480	20 480
Novotel Cairo 6th Of October S.A.E	7 318 131	11 655 754
The cookery co for catering and restaurant	5 000	5 000
Mercure Ismailia Hotel S.A.E	3 030 108	2 096 417
Total	354 701 257	348 199 640
Less: Expected credit losses	13 025 334	12 458 396
Balance on March 31, 2026	341 675 923	335 661 244

47. Financial investments at amortized cost

The consolidated balance for held-to-maturity investments on March 31, 2026, is an amount 13 675 395 000 EGP It represents the value of investment in treasury bills and bonds as follows:

	Face value	Unrecognized investment return	Purchase price	Average return rate
	EGP	EGP	EGP	%
Palm Hills Development	5 966 775 000	935 927 971	5 030 847 029	%19.42
Palm Hills Middle East Company for Real Estate Investment	1 721 775 000	309 532 712	1 412 242 288	%19.37
East New Cairo for Real Estate Development	158 425 000	26 730 020	131 694 980	%19.44
Gawda for Trade Services	6 300 000	1 086 239	5 213 761	%18.82
Middle East Company for Real Estate and Touristic Investment	13 275 000	2 198 992	11 076 008	%18.99
Palm Hills for Constructions and real estate development	364 425 000	63 442 567	300 982 433	%19.44
Palm Hills Development of Tourism and Real Estate	814 675 000	150 126 887	664 548 113	%19.49
Palm for investment and real estate development	2 084 575 000	371 584 289	1 712 990 711	%19.53
Palm real estate development	293 825 000	52 822 816	241 002 184	%19.39
Palm Hills for Urban Development Company	1 676 545 000	295 690 978	1 380 854 022	%19.46
Rakeen Egypt for Real Estate Investment	495 325 000	82 529 429	412 795 571	%19.45
Royal Gardens for Real Estate Investment Company	16 000 000	2 722 949	13 277 051	%19.04
Palm Alexandria for real Estates investment company	63 475 000	11 813 328	51 661 672	%18.98
Balance on Mars 31, 2026	13 675 395 000	2 306 209 177	11 369 185 823	

** Those investments were disclosed according to their maturity dates in the notes supplementing the independent financial statements of the aforementioned companies.*

48. CASH AND CASH EQUIVALENTES

The consolidated balance of cash and cash equivalent as of March 31, 2026, amounted to 9 125 128 163 as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Banks-current accounts- EGP	5 790 701 443	7 181 043 538
Banks-current accounts- foreign currency	520 542 333	706 276 595
Banks – Deposits- EGP	2 500 000	2 500 000
Banks – Deposits- foreign currency	2 664 524 076	1 423 345 865
Cash on hand- EGP	156 385 413	115 477 075
Total	9 134 653 265	9 428 643 073
Deduct:		
Expected credit losses	9 525 102	9 116 914
Balance on mar 31, 2026	9 125 128 163	9 419 526 159

49. BANKS- CREDIT BALANCES

The consolidated balance of Banks credit accounts as of March 31, 2026 amounted 1 205 910 651 as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Banks –EGP	1 115 705 878	777 217 392
Banks-foreign currencies	90 204 773	161 553 506
Balance on March 31, 2026	1 205 910 651	938 770 898

50. Credit Facilities

The consolidated balance of Banks overdraft as of March 31, 2026 amounted to 11 938 707 216 as follows:

	31 March 2026 EGP	31 Dec 2025 EGP
Arab Bank	402 868 165	440 125 567
CIB – Bank	3 377 964 936	3 383 283 549
Ahli United Bank	522 719 281	367 903 449
National Bank of Egypt	27 759 276	34 961 439
Bank Misr	352 354 799	380 661 741
Arab African international Bank	3 218 733 554	3 280 838 213
Emirates national bank of Dubai	4 036 307 205	3 449 758 018
Balance on Mars 31, 2026	11 938 707 216	11 337 531 976

51. LOANS

The consolidated balance of loans as of March 31, 2026 amounted to 1 885 889 849 as follows:

	31 March 2026		31 Dec 2025	
	Short term EGP	Long term EGP	Short term EGP	Long term EGP
Bank Misr Long-term syndicated financing in the amount of 2.5 billion Egyptian pounds to finance the projects of Palm Investment and Real Estate Development (Palm New Cairo project)	325 000 000	2 075 000 000	325 000 000	2 116 666 666
Arab African international Bank A short-term, multi-purpose credit facility against an assignment of contract proceeds to the Arab African International Bank for each individual transaction for United Engineering.	304 858 846	--	528 384 593	--
National Bank of Egypt A loan for the purpose of replacement and renewal of the Ismailia Hotel, Novotel 6th of October City, and Al-Nama Hotel of Macor Company	31 071 430	120 021 425	31 071 430	130 557 140
National Bank of Egypt Long-term syndicated financing in the amount of 832 million Egyptian pounds for the purpose of financing the Palm Hills Development Company project - (Crown Project)	--	--	179 382 000	653 463 335
Ahli United Bank A revolving loan of EGP 757 million was secured to finance part of the construction and development costs of Palm Hills' Palm Alexandria project.	--	750 642 263	--	750 642 263
Bank Misr A long-term syndicated financing contract was signed with a maximum amount of EGP 10 300 000 000 between Palm Development Company as the borrower, Palm Hills Development Company as a joint guarantor, Banque Misr as the first lead arranger, finance marketer, finance agent, account bank, intermediary account bank and lender, National Bank of Egypt as the first lead arranger, finance marketer, lender, Banque du Caire as the first lead arranger, finance marketer, debt service consumption account bank and lender, Emirates NBD as the lead arranger, security agent and lender, and other lending banks: Abu Dhabi Commercial Bank, National Bank of Kuwait Egypt, Al Baraka Bank Egypt and Industrial Development Bank.	--	5 794 764 000	--	5 480 330 095
Bank Misr Long -term syndicated cook hotel financing in a maximum amount of 1 300 000 000 for casa cook Hotel	26 000 000	1 010 394 096	26 000 000	963 306 893
Ahli United Bank Revolving financing of EGP 1,727 billion to finance a 41-acre project for Palm Hills	--	448 137 788	--	448 137 788
Ahli United Bank Revolving financing of EGP 160,218 million to finance Palm Parks' Palm Hills Development project.	--	--	160 202 000	16 148
Balance on Mars 31, 2026	686 930 276	10 198 959 573	1 250 040 023	10 543 120 329

The above loans were obtained by guaranteeing the cash flows of the funded projects and within the framework of the general controls for granting credit established by the Central Bank of Egypt for financing real estate development companies.

52. NOTES PAYABLE

A) Short Term Notes Payable

The consolidated balance of short-term notes payable (net) as of March 31,2026 amounted to 3 418 469 310 as follows:

	31 March 2026 EGP	31 Dec 2025 EGP
Notes payable- (New Urban Communities Authority)	1 046 203 045	414 991 371
Deduct:		
Deferred installments interest	527 571 334	207 645 401
Net Notes payable (short term)- Land	518 631 711	207 345 970
Add:		
Short-term notes payable (finance lease contract obligations)*	1 921 567 150	1 761 783 834
Deduct:		
Deferred installments interest	1 265 241 022	1 149 259 270
Net Notes payable (short term)- (finance lease contract obligations)	656 326 128	612 524 564
Add:		
Other notes payable	2 243 511 471	4 055 803 108
Balance as of March 31, 2026	3 418 469 310	4 875 673 642

B) Long Term Notes Payable

The consolidated balance of long-term notes payable (net) as of March 31,2026 amounted to 4 752 461 459 as follows:

	31 March 2026 EGP	31 Dec 2025 EGP
Notes-payable (New Urban Communities Authority)	4 856 432 865	4 224 503 367
Deduct:		
Deferred installments interest	2 230 720 068	2 128 744 730
Net Notes payable (long term)- Land	2 625 711 797	2 095 758 637
Add:		
long-term notes payable (finance lease contract obligations)*	6 190 619 085	6 602 618 835
Deduct:		
Deferred installments interest	4 063 869 423	4 295 637 550
Net Notes payable (long term)- (finance lease contract obligations)	2 126 749 662	2 306 981 285
Add:		
Other notes payable	--	102 284 987
Balance on March 31, 2026	4 752 461 459	4 505 024 909

* The other notes payable includes about 8 122 billion EGP represented in the value of the notes payable that were issued to the financing agencies according to the essence of the sale and lease back contracts as financing contracts concluded with these parties, and the obligations have been amounted at their present value which satisfied with sale and lease back conditions according to Egyptian accounting standard No (49) for financial leasing contracts (note 28b, 37،38).

53. ADVANCES FROM CUSTOMERS

The present value of Advances from customers account as March 31 ,2026 amounted to 72 867 592 as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Net contracting Customers	71 983 408 429	68 812 774 014
Advance reservations Customers	884 423 163	541 310 061
Balance on March 31, 2026	72 867 831 592	69 354 084 075

54. OBLIGATIONS FOR CHECKS RECEIVED FROM CLIENTS

The balance of obligations for checks received from customers (Which isn't delivered) on March 31,2026 amounted to 2 230 754 186 Egyptian pounds, and they are as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Checks received from customers - for undelivered units	3 280 284 078	3 630 947 577
deduct:		
Unamortized discount	1 049 529 892	1 177 197 882
Balance on March 31, 2026	2 230 754 186	2 453 749 695

Committee for Accounting, Auditing and Limited Examination, formed by Prime Minister Decision No. 909 of 2011, which was approved by the Financial Supervisory Authority on January 12, 2022, with regard to recognizing checks received from customers for units that have not been delivered, subject of contracts, to customers Which requires the allocation of a separate account on the date of receipt of checks within the financial assets in the statement of financial position (a notes receivable account for units that have not been delivered) in return for recognizing within the financial obligations in the statement of financial position a commitment of the same amount (an account of obligations for checks received from clients) and this treatment is considered a treatment Transitional on the sales contracts concluded that the company will conclude until the end of the financial Period ending on 31 December 2022 and until the delivery of these properties to customers until the company's conditions are reconciled to comply with Egyptian Accounting Standard No. (48) Revenue from contracts with customers (Note No. 42 ,72).

55. LEASE CONTRACT OBLIGATIONS).

The net present value of the lease contract obligations as (Company Branches) of Mar 31 ,2026 is EGP 168 408 357 as follows: -

	31 March 2026	31 Dec 2025
	EGP	EGP
(a)Lease Contract Obligations – Short Term	63 945 856	41 916 627
(b)Lease Contract Obligations – Long Term	104 462 501	60 703 816
Balance on mar 31, 2026	168 408 357	102 620 443

56. LAND PURCHASE LIABILITIE

The consolidated balance of Land purchase liabilities as of March 31, 2026 amounted to 76 747 275EGP follows:

	31 March 2026 EGP	31 Dec 2025 EGP
(A) Land purchase liability – short term	29 612 533	12 225
(B) Land purchase liability – long term	47 143 742	--
Balance on March 31, 2026	76 747 275	12 225

57. DUE TO RELATED PARTIES

The consolidated balance of Due to related parties as of March 31, 2026 amounted 29 919 710 to as follows:

	31 March 2026 EGP	31 Dec 2025 EGP
casa cook Hotel	14 586 695	14 586 695
Villamora for Real Estate Development Company S.A. E	8 989 268	8 989 268
Kanzy	6 000 000	6 000 000
Asten College for Education S.A. E	343 747	343 747
Balance on Mar 31, 2026	29 919 710	29 919 710

58. Joint Share Arrangement

The share of project partners in the participation system on March 31 , 2026 amounted to 6 6 275 414 878 EGP which is the net share of the partners (the owner) in exchange for the value of the land and the preparation of external facilities in accordance with the contracts concluded in this regard, which are paid in light of the approved timelines for the payment of annual payments This is represented in the following:

	31 March 2026 Short term EGP	31 March 2026 Long term EGP	31 Dec 2025 Short term EGP	31 Dec 2025 Long term EGP
Partners in Palm New Cairo-Project	643 984 254	1 728 682 290	752 030 941	1 847 729 226
(Badya) Project	2 121 695 525	997 144 505	2 229 841 971	1 291 913 059
Partners in Hacienda West	--	783 908 304	--	852 223 027
Balance on March 31, 2026	2 765 679 779	3 509 735 099	2 981 872 912	3 991 865 312

59. CREDITORS AND OTHER CREDIT BALANCES

The consolidated balance of creditors and other credit balances as of March 31, 2026, amounted to 4 650 067 405 EGP as follows:

	31 March 2026	31 Dec 2025
	EGP	EGP
Other credit balances	1 245 232 916	1 835 441 085
Insurance for Others	923 783 546	771 358 566
Obligations to government agencies	250 514 891	200 217 177
Accounts receivable under settlement	1 096 673 222	984 783 389
Accrued expenses	1 133 862 830	1 329 912 230
Balance on March 31, 2026	4 650 067 405	5 121 712 447

60. CAPITAL

The authorized capital was set at 10 000 000 Egyptian pounds (10 billion Egyptian pounds only), and the issued and paid-up capital amounted to 5 719 828 346 EGP (Five billion seven hundred nineteen million eight hundred twenty-eight thousand three hundred forty six) distributed over a number 2 859 914 173 shares, with a nominal value of 2 Egyptian pounds per share. The following is the development of the company's capital since the date of incorporation to date:

Issued capital	EGP
- The Company's issued capital was determined at EGP 121 500 000 representing 1 215 000 shares with a par value of EGP 100 per share It was registered in the commercial register on February 22, 2006.	121 500 000
- On 20 Dec. 2006, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 185,500,000 to be after such increasing amounted EGP 307,000,000 representing 3,070,000 shares with a par value of EGP 100 per share It was registered in the commercial register on January 3, 2007.	307 000 000
- On 13 May 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 93,000,000 to be after such increasing amounted EGP 400,000,000 representing 4,000,000 shares with a par value of EGP 100 per share It was registered in the commercial register on May 24, 2007.	400 000 000
- On 15 July 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 200,000,000 to be after such increasing amounted EGP 600,000,000 representing 6,000,000 shares with a par value of EGP 100 per share It was registered in the commercial register on August 22, 2007.	600 000 000
- On 6 November 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 200,000,000 to be after such an increase amounted EGP 800,000,000 representing 8,000,000 shares with a par value of EGP 100 per share. The Company's Extra-Ordinary General Assembly Meeting held in March 2009 approved a 50-for-1 stock split and the par value of the Company's share reduced to EGP 2 per share It was registered in the commercial register on November 28, 2007.	800 000 000
- On 27 March 2008, the Company's Board of Directors approved the issued Capital increase amounting to EGP 32,000,000 to be after such increasing amounted EGP 832,000,000 representing 416,000,000 shares with a par value of EGP 2 per share It was registered in the commercial register on April 22, 2008.	832 000 000
- On 8 May 2008, the Company's Board of Directors approved the issued Capital increase amounting to EGP 99,840,000 to be after such increasing amounted EGP 931,840,000 representing 465,920,000 shares with a par value of EGP 2 per share It was registered in the commercial register on September 17, 2008.	931 840 000
- On 30 June 2009, the Company's Board of Directors approved the issued Capital increase amounting to EGP 465,880,000 to be after such increasing amounted EGP 1,397,760,000 representing 698,880,000 shares with a par value of EGP 2 per share It was registered in the commercial register on September 30, 2009.	1 397 760 000
- On 28 January 2010, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 698,880,000 to be after such increasing amounted EGP 2,096,640,000 representing 1,048,320,000 shares with a par value of EGP 2 per share It was registered in the commercial register on May 12, 2010.	2 096 640 000

Issued capital	EGP
– On 22 Dec. 2013, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 600,000,000 to be after such increasing amounted EGP 2,696,640,000 representing 1,348,320,000 shares with a par value of EGP 2 per share It was registered in the commercial register on February 9, 2014.	2 696 640 000
– On 8 February 2015, the Company's Extra-ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 1 648 000 000 to be after such increasing amounted EGP 4 344 640 000 representing 2 172 320 000 shares with a par value of EGP 2 per share It was registered in the commercial register on July 13, 2015.	4 344 640 000
– On 29 November 2015, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase out of retained earnings amounting to EGP 53 359 478 to be after such increasing amounted EGP 4 397 999 478 representing 739 2 198 999 shares with a par value of EGP 2 per share It was registered in the commercial register on January 28, 2016.	4 397 999 478
– On 13 March 2016, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase out of retained earnings via the issuance of bonus shares amounting to EGP 53 359 478 to be after such increasing amounted EGP 4 397 999 478 representing 2 308 949 726 shares with a par value of EGP 2 per share It was registered in the commercial register on May 30, 2016.	4 617 899 452
– On 6 December 2018, the Company's Extra-Ordinary General Assembly Meeting approved the issued Capital increase out of retained earnings via the issuance of bonus shares amounting to EGP 769 649 909 to be after such increasing amounted EGP 6 157 199 270 represent 3 078 599 635 shares with a par value of EGP 2 per share It was registered in the commercial register on December 18, 2018.	6 157 199 270
– The issued capital after the increase in the amount of EGP 78 000 000 in favor of the employee compensation shares, through the dividends carried out in accordance with the resolution of the Extraordinary General Assembly on April 4,2019 distributed over the number of 3 117 599 635 shares, the nominal value of the share is 2 EGP and has been marked in the commercial register on 26 September 2019.	6 235 199 270
– The issued capital after reducing the value of treasury shares in accordance with the decision of the extraordinary general assembly held on the first of April 2021 in the amount of 72 270 000 Egyptian pounds for 36 350 000 shares with a nominal value of 2 Egyptian pounds per share. The shares were registered in the commercial registry on the date May 20, 2021, so the issued capital will be distributed over 3,081,249,635 shares.	6 162 499 270
– The issued capital after reducing the value of treasury shares in accordance with the decision of the extraordinary general assembly held on the end of March 2022 in the amount of 81 309 492 Egyptian pounds for 40 654 746 shares with a nominal value of 2 Egyptian pounds per share. The shares were registered in the commercial registry on the date Sep 16, 2022, so the issued capital will be distributed over 3,040,594,889 shares.	6 081 189 778
– The issued capital after reducing the value of treasury shares in accordance with the decision of the extraordinary general assembly held on at the date Nov 2022 in the amount of 78 000 000 Egyptian pounds for 39 000 000 shares with a nominal value of 2 Egyptian pounds per share. The shares were registered in the commercial registry on the date Dec 5, 2022, so the issued capital will be distributed over 3,001,594,889 shares.	6 003 189 778
– The issued capital after deduction by the value of treasury shares in accordance with the decision of the Extraordinary General Assembly held on March 1, 2023, in the amount of 120,000,000 Egyptian pounds for the number of 60,000,000 shares, with a nominal value of 2 Egyptian pounds per share, and an entry has been made in the commercial register on May 14, 2023, so that the issued capital will be divided into 2,941,594,889 shares.	5 883 189 778
– The issued capital after the reduction in the value of treasury shares in accordance with the decision of the Extraordinary General Assembly held on November 4, 2024 in the amount of 132 361 432 Egyptian pounds for the number of 61 680 716 shares with a nominal value of 2 Egyptian pounds per share and the commercial register was marked on 24 December 2024 The issued capital will be distributed over the number of 2 879 914 173 shares	5 759 828 346
– - The issued capital after the reduction by the value of treasury shares, according to the resolution of the Extraordinary General Assembly held on April 8, 2025, amounting to EGP 40,000,000 for 20,000,000 shares with a nominal value of EGP 2 per share. This was recorded in the Commercial Register on June 1, 2025, so the issued capital is distributed among 2,859,914,173 shares.	5 719 828 346

61. Legal reserve

The net balance of the legal reserve on March 31 ,2026 amounted to 1 121 678 212 as follows:

	31 March 2026	31 Dec. 2025
	EGP	EGP
Beginning balance	1 018 864 009	938 329 820
Transferred during Period / Year	102 814 203	80 534 188
Balance as of March 31, 2026	1 121 678 212	1 018 864 008

62. Treasury Share

On April 8, 2025, 20 000 000 shares representing treasury shares were executed, with a purchase value of EGP 113 486 788 in return for a capital reduction by the nominal value of these shares totaling EGP 40 000 000. The difference between the nominal value and the purchase value, amounting to EGP 73 486 786 was charged to retained earnings in accordance with the resolution of the Extraordinary General Assembly held on April 8, 2025.

On December 31, 2025, - As of December 31, 2025, and according to the company's board meeting held on October 1, 2024, the number of shares purchased as treasury shares reached 11 934 009 shares, with a total value of EGP 101 092 107, at an average purchase price of EGP 8.47 per share.

During the three months ending on March 31, 2026, the number of shares purchased as treasury shares was 8 000 000 shares with a purchase value of 67 882 311, with an average purchase cost of 8.49 Egyptian pounds per share.

Outstanding Shares

Treasury shares were purchased during the period from December 15, 2025, to December 31, 2025, as a total 11 934 009 shares at a value of EGP 101 092 107 at an average cost per share of EGP 8.47، Additionally, treasury shares were purchased during the three months ending March 31, 2026, totaling 8 000 000 shares at a purchase value of EGP 67 882 312 at an average purchase cost of EGP 8.49 per share.

The outstanding shares consist of the number of issued and subscribed shares less the number of shares acquired as treasury shares, as follows:

	Shares	Nominal Value / Acquisition Cost	Value per Share (EGP)
Issued and subscribed capital shares	2 859 914 173	5 719 828 346	2
Less: Treasury shares at cost	19 934 009	168 974 419	8,48
Outstanding shares and net paid-up issued capital	2 839 980 164	5 550 853 927	

63. OTHER LONG-TERM LIABILITIES- RESIDENTS' ASSOCIATION

The balance of the Residents' Association represents the value of the deferred checks and receipts received from the clients of the contracted units, from which the proceeds are invested for the benefit of the Residents Association of those units at the level of the existing stages and projects, until the completion of the Residents Association taking the independent legal personality, whereby the assets and liabilities of the residents association are excluded and separated in its favor and managed With the knowledge of its management and its general assembly, in accordance with Building Law No. (119) of 2008, the balance of the Residents Association on Mars 31, 2026 amounted to 30 842 958 515 EGP

64. REVENUES

The net revenues of the activity for the three-months ended On March 31, 2026, the amount of 9 346 133 744 EGP, as follows:

	31 Mar 2026 EGP	31 Mar 2025 EGP
Net Revenue from Real estate development	8 330 119 029	7 223 700 565
Other activities revenues **	333 692 907	860 062 964
Revenues from commercial and service activities	504 455 337	122 031 046
The owners share in the profits of operating the hotels	72 205 588	40 834 454
Revenue from palm hills club	105 660 883	145 923 808
Total as of Tree months ended Mars 31, 2026	9 346 133 744	8 392 552 837

-The percentage of the level of completion is determined at the level of the contract unit in accordance to the actual executed costs to the estimated costs of those works, based on the internal abstracts and estimates that are prepared by the company's engineering department.

-The revenues generated from the real estate development of villas and townhouses are recognized in light of the percentage of progress in fulfilling the contractual obligations achieved at the level of the contract unit, for each unit (phase) separately. As for the completed units, the revenues generated from them are recognized at a point in time upon the actual handover of those units.

** OTHER ACTIVITIES REVENUES

	31 March 2026 EGP	31 March 2025 EGP
Transfer fees and delay penalties	225 967 679	182 726 480
Gain from selling fixed asset	1 000	--
Profits from selling investments	--	560 793 232
Gain from associates	104 996 504	20 092 546
Retrieve the value of the utilities	2 727 724	1 598 648
Miscellaneous income	--	94 852 059
Total as of The three months ended on March 31, 2026	333 692 907	860 062 965

65. COST OF SALES

The net cost of sales for The three months ended On March 31, 2026, the amount of 6 005 182 791 EGP, as follows:

	31 March 2026 EGP	31 March 2025 EGP
Cost of Real estate development	5 802 618 960	4 466 452 829
Cost of Commercial and service activity	123 035 432	97 120 924
Cost of Palm Hills Club operation	61 845 435	43 371 299
Depreciation of club assets	11 573 620	8 262 684
Depreciation of Fixed assets - Macor	6 109 344	3 320 862
Total as of The three months ended on March 31, 2026	6 005 182 791	4 618 528 598

66. GENERAL ADMINISTRATIVE, SELLING AND MARKETING EXPENSES

Administrative, general, and marketing expenses for the three months ended On March 31, 2026, the amount of 1 394 445 914 EGP, as follows:

	31 March 2026 EGP	31 March 2025 EGP
salaries and wages	330 500 709	239 356 243
General administration and marketing expenses	1 063 945 205	842 120 620
Total as of The three months ended on March 31, 2026	1 394 445 914	1 081 476 863

67. Financing costs and Interests

The financing costs and interests for the three months ended On March 31, 2026, the amount 588 266 676 of EGP, as follows:

	31 March 2026 EGP	31 March 2025 EGP
Land Installment interest	94 201 860	72 118 208
Financing costs and interests	494 064 816	550 813 814
Total as of The three months ended on March 31, 2026	588 266 676	622 932 022

68. Expected credit losses (ECL):

The value of expected credit losses for the three-month ended On March 31, 2026, the amount of 8 149 340 EGP, as follows:

	31 March 2026 EGP	31 Mar 2025 EGP
Losses of customer receivable balances (Note 44)	121 182	2 181 705
Losses of debtors and other debit balances (Note No. 45)	7 053 032	4 566 722
Losses of balances owed by related parties (Note No. 46)	566 938	892 862
Losses of cash balances (Note No. 48)	408 188	--
Total as of The three months ended on March 31, 2026	8 149 340	7 641 289

69. GAINS ON INVESTMENTS IN FAIR VALUE THROUGH PROFIT OR LOSS

The Gains on Investments in Fair value through profit or loss for three months ended On March 31, 2026, the amount of 7 312 562 EGP, as follows:

	31 March 2026 EGP	31 March 2025 EGP
Profits from selling investment documents	7 312 562	11 308 775
Total as of The three months ended on March 31, 2026	7 312 562	11 308 775

70. INCOME TAX

A - Current income tax

The consolidated balance Current Income Tax for three months ended On March 31, 2026, the amount of 432 895 994 EGP, as follows:

	31 March 2026	31 March 2025
	EGP	EGP
Net profit before income tax	1 657 166 478	2 277 962 208
Adjustments to the accounting net profit to arrive at the net tax profit, stage losses and depreciation differences	266 815 718	445 253 623
Net taxable profit	1 923 982 196	2 723 215 831
Tax At (22.5%)	432 895 994	623 973 562

B - Deferred income tax

The consolidated balance Current Income Tax for three months ended On March 31, 2026, the amount of 268 995 EGP, as follows:

	31 March 2026	31 March 2025
	EGP	EGP
Deferred income tax	268 495	95 102
Total as of The three months ended on March 31, 2026	268 495	95 102

71. EARNINGS PER SHARE

The basic share in the consolidated profits for the three months ended 31 March 2026 amounted to EGP 0,42 per share, as follows:

	31 Mar 2026	31 Mar 2025
	EGP	EGP
Net profit for the period	1 205 253 089	1 539 660 235
Divided by:		
Weighted average number of shares during the period*	2 843 044 053	2 859 914 173
Earnings per share in the consolidated profits	,42	,54

*** For calculating earnings per share for the three months ended March 31, 2026, earnings per share were calculated based on the time-weighted average number of shares outstanding during the Period, after deducting treasury shares of 19 934 009 shares.**

72. Notes Receivable Not Included In The Items Of The Financial Statements

The nominal value of notes receivable not included in the financial statements, according to the provisions of Egyptian Accounting Standard No. (48) concerning revenue from contracts with customers, amounted to EGP 108 122 214 510 as of March 31, 2026, compared to a contractual value to customers of EGP 136 698 515 570. The present value of these checks as of March 31, 2026, amounted to EGP 54 080 712 370. These checks represent the value of checks related to undelivered units for which sales contracts were concluded during the fiscal year from January 1, 2023, to March 31, 2026.

	Nominal Value	Present Value Discount	Net Present Value
	EGP	EGP	EGP
Notes receivable due in 2026	10 725 511 359	912 847 862	9 812 663 497
Notes receivable due in 2027	14 533 788 019	3 368 261 633	11 165 526 386
Notes receivable due in 2028	14 740 659 965	5 464 342 279	9 276 317 685
Notes receivable due in 2029	14 641 880 594	7 103 236 363	7 538 644 231
Notes receivable due in 2030 and more	53 480 374 573	37 192 814 002	16 287 560 571
Balance on Mar 31, 2026	108 122 214 510	54 041 502 139	54 080 712 370

73. TRANSACTION WITH RELATED PARTIES

The transactions with related parties are represented in the transactions that took place with the shareholders, whether they were a natural person or a legal person, or the transactions with the shareholders of the company or any of the Associates or subsidiary companies as follows:

Party	party type	The nature of the transaction	Balance at the beginning of the Period debit / (credit)	Debit / Credit Transactions For The Period	Balance at the end of the Period debit / (credit)
			EGP	EGP	EGP
Palm Hills Middle East Company for Real Estate Investment S.A.E	Subsidiary	Acting payments/receipts	(4 127 733 795)	(4 451 223 413)	(8 578 957 208)
Royal Gardens for Real Estate Investment Company S.A.E	Subsidiary	Acting payments/receipts	604 531	--	604 531
New Cairo for Real Estate Development	Subsidiary	Acting payments/receipts	(8 946 949)	93 960	(8 852 989)
Middle East Company for Real Estate and Touristic Investment S.A.E	Subsidiary	Acting payments/receipts	97 474 313	70 410 733	167 885 046
Gawda For Trading Company S.A.E	Subsidiary	Acting payments/receipts	(123 159 098)	(45 836 464)	(168 995 562)
Rakeen Egypt For Real Estate Development S.A.E	Subsidiary	Acting payments/receipts	(558 461 323)	(178 965 934)	(737 427 257)
Saudi Urban Development S.A.E	Subsidiary	Acting payments/receipts	33 460 630	981 546	34 442 176
Nile Palm El-Naeem S.A.E	Subsidiary	Acting payments/receipts	(44 059 080)	--	(44 059 080)
El Naeem Hotels and Touristic Villages S.A.E	Subsidiary	Acting payments/receipts	(121 996 741)	--	(121 996 741)
East New Cario for Real Estate Development	Subsidiary	Acting payments/receipts	(1 807 128 073)	(841 387)	(1 807 969 460)
Palm October For Hotels S.A.E	Subsidiary	Acting payments/receipts	11 368 058	--	11 368 058
Palm Hills Hotels S.A.E	Subsidiary	Acting payments/receipts	100 405 014	--	100 405 014
Palm Hills For Education S.A.E	Subsidiary	Acting payments/receipts	87 193 479	124 221 000	211 414 479

Party	party type	The nature of the transaction	Balance at the beginning of the Period debit / (credit)	Debit / Credit Transactions For The Period	Balance at the end of the Period debit / (credit)
Palm Gemsha for Hotels S.A.E	Subsidiary	Acting payments/receipts	85 050	--	85 050
Palm North Coast Hotels S.A.E	Subsidiary	Acting payments/receipts	54 358	--	54 358
United Engineering for Construction	Subsidiary	Acting payments/receipts	(11 083 043)	--	(11 083 043)
Palm for Real Estate Development S.A.E	Subsidiary	Acting payments/receipts	311 719 083	(151 333 005)	160 386 078
Palm for Investment and Real Estate Development	Subsidiary	Acting payments/receipts	1 237 680 993	(106 921 509)	1 130 759 484
Palm Hills Properties	Subsidiary	Acting payments/receipts	(36 394 178)	6 620 945	(29 773 233)
Palm Hills for Tourism and Real Estate Development	Subsidiary	Acting payments/receipts	445 491 209	122 212 245	567 703 454
Palm Hills for Touristic Investment	Subsidiary	Acting payments/receipts	(603 270 017)	165 000	(603 105 017)
Palm Hills Resorts	Subsidiary	Acting payments/receipts	(975 626)	341 000	(634 626)
Palm for Urban Development S.A.E	Subsidiary	Acting payments/receipts	2 600 153 836	(238 169 737)	2 361 984 099
Palm Club Management S.A.E	Subsidiary	Acting payments/receipts	(5 219 100)	(571 960)	(5 791 060)
Palm Alexandria For Real Estate Investment	Subsidiary	Acting payments/receipts	(19 919 535)	3 116 777	(16 802 758)
Asten College for Education	Subsidiary	Acting payments/receipts	--	--	--
Palm for Constructions And Real Estate Development S.A.E	Subsidiary	Acting payments/receipts	(25 141 562)	30 293 702	5 152 140
khedma for management of tourist and urban resorts	Subsidiary	Acting payments/receipts	5 685 352	--	5 685 352
Palm sports for Clubs S.A.E	Subsidiary	Acting payments/receipts	(374 999 413)	24 297 213	(350 702 200)
Palm Hills Holding For Financial Investment	Subsidiary	Acting payments/receipts	278 863 350	345 000	279 208 350
The co-cookery for restaurants Company	Associate company	Acting payments/receipts	5 000	--	5 000
ColdWell Banker Palm Hills for Real Estate Investment	Associate company	Acting payments/receipts	20 480	--	20 480
Aletehadia for Real Estate Development	Associate	Acting payments/receipts	261 440 102	9 985 545	271 425 647
Palmet for Hotels and resorts	Subsidiary	Acting payments/receipts	153 800	110 000	263 800
Palm for real mortgages	Subsidiary	Acting payments/receipts	395 901	--	395 901
Palm hills Developments holding limited	Subsidiary	Acting payments/receipts	(51 473 136)	(7 480 961)	(58 954 097)
PHD North Jubail property development	Subsidiary	Acting payments/receipts	18 696 881	3 618 462	22 315 343
Palm Hills north Jubail holding limited	Subsidiary	Acting payments/receipts	14 278	2 076	16 355
Palm hills for restaurants Company	Subsidiary	Acting payments/receipts	(5 559 635)	(26 200 261)	(31 759 896)

74. TAX STATUS

A) Corporate tax

- The Company started its operations on 14 March 2005
- The company enjoyed a tax exemption for ten years starting from the financial year following the commencement of activity, which ended on December 31, 2015.
- Years 2005–2019: Tax examination, assessment, and payment have been completed.
- - Years 2020 – December 31, 2025: The company submits its tax return on time and pays the tax.

B) Salaries and wages tax

- Years from commencement of activity -2022: Tax examination and assessment have been completed, and tax differences have been paid.
- - The years 2023 until March 31, 2026: The company deducts and remits the tax on its legally mandated dates.

C) Stamp tax

- The company is subject to Law No. 111 of 1980 and its amendments and executive regulations.
- Period from commencement of activity to July 31, 2006 Tax examination, assessment, and payment have been completed.
- Years 2006–August 31, 2018: Tax examination has been completed, and assessment and payment have been completed.
- Years 2019 to Dec 31, 2023: Examination has been conducted, and the internal committees and linkage are in the process of completion.
- Articles (64, 60) of the Stamp Tax Law were canceled as of January 27, 2022.

D) Tax on Built Real Estate

- The company submits its tax returns on real estate built on the units owned by it, whether commercial or administrative, in accordance with Law No. 196 of 2008 on the legal dates. The company also pays the tax due on these units on the legal dates.

E) Value Added Tax (VAT)

- The company was registered for VAT on February 12, 2020, and it submits tax returns within the legal deadlines.
- The company has been audited up to the year 2023, and the assessment and payment have been completed.
- Years 2024 to 31 March 2026: Returns are submitted and taxes are paid within the legal deadlines.

F) Transfer pricing with related parties

- **The company prepared a study of transactions with related parties and prepared the main file and the local file in accordance with the provisions of Article (30) of Law No. (91) of 2005 and Articles (39, 40) of the executive regulations of the same law, as well as the provisions of Law No. (206) of 2020 on standardized tax procedures.**

75. Significant Events

- **On April 2, 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to maintain key interest rates unchanged. Accordingly, the deposit and lending rates were kept at 19% and 20.5%, respectively, and the discount and credit rates were also maintained at 19.5%.**

Due to the outbreak of wars in the Middle East, especially with regard to the war on Iran, the prices of foreign currencies have moved to rise against the Egyptian pound, as well as the rise in the prices of some hydrocarbons and natural gas, which will affect the high inflation rates and the increase in the cost of the works being implemented, which may affect the total profit of the company's activity, and the company is studying the extent of the impact of these events on the company's activity and confronting their effects.