Mostafa Shawki

Palm Hills Developments Company

(An Egyptian Joint Stock Company)

Periodic Stand-Alone Financial Statements

For the Period Ended on June 30, 2026

Together with The Limited Report

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Translation of review
report Originally issued in Arabic.

Limited Review Report
On Interim Stand-Alone Financial Statements

To The Chairman And Members Of The Board Of Directors

Palm Hills Development

Introduction

We have reviewed the accompanying interim stand-alone statement of financial position of Palm Hills Development "PHD" (S.A.E) as of 30 June 2026 as well as the related interim stand-alone statements of profit or loss and comprehensive income and the interim stand-alone statements of changes in equity and cash flows for the Six-months 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 Auditing for the tasks of limited examination of the periodic financial statements of the entity No. (2410), and the limited examination of the periodic financial statements includes making inquiries mainly from persons responsible for financial matters and accounting, applying analytical procedures, and other limited examination procedures. The limited review is substantially less in scope than the audit conducted in accordance with Egyptian Standards on Auditing, and therefore we cannot obtain confirmation of all significant matters that may be discovered in the audit process, and accordingly we do not express an audit opinion on these financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying stand-alone interim financial statements It does not express fairly and clearly in all its important aspects the stand-alone financial position of Palm Hills Development An Egyptian Joint Stock Company on June 30, 2026 and its financial performance and stand-alone cash flows for the Six 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 this being considered a qualification, 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 (Notes No. 42, 47).

- 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. 33, 34, 65, 66).

- The company prepared and issued Consolidation financial statements in accordance with Egyptian Accounting Standard No. (42) regarding the preparation of Consolidation financial statements. To obtain a clearer and more comprehensive understanding of the group's financial position, it is necessary to review the Consolidation financial statements of Palm Hills Development Company and its subsidiaries on June 30, 2026.

Cairo: 17 August 2026

Auditor

Khaled Saad El-Rabat

Financial Supervision Authority Registration No. (258)

R.A.A (8173)

Forvis Mazars Mostafa Shawki

Translation of financial position

Originally Issued in Arabic

Palm Hills Developments Company S.A.E`

Stand-Alone Financial Position

As of 30 June2026

	Note no.	30 June 2026 EGP	31 Dec 2025 EGP
Assets			
Non-current assets			
Investment in Subsidiaries	(39 , 14a ,8e)	4 190 091 603	3 865 341 603
Investments in associates	(40,14b, 8e)	2 352 760 999	2 352 738 499
Investment property	(41,14c)	1 006 419 549	1 030 530 183
Fixed assets (net)	(42,17)	1 329 790 883	1 198 111 315
Advance payments for investments acquisition		1 122 290 296	25 784 852
Subordinated Loans	(43)	34 500 000	--
Right of use asset	(44, 32)	26 662 466	37 483 894
Notes receivable - long term	(45,20)	16 148 159 892	12 221 579 170
Notes receivable - long term for undelivered units	(46,20)	157 590 665	159 492 431
Deferred tax asset	(27b)	26 784 067	26 784 067
Total non-current assets		**26 395 050 420**	**20 917 846 014**
Current assets			
Works in process	(47,18)	7 732 337 413	6 368 261 219
Accounts receivable	(48)	10 135 634 282	4 568 473 015
Debtors and other debit balances	(49)	5 350 483 025	4 236 811 557
Suppliers - advance payments		2 075 093 013	1 743 110 273
Due from related parties	(50c, 50a ,31)	7 821 240 618	5 487 130 933
Financial investments at amortized cost	(51,5/37)	5 766 517 824	4 438 922 669
Notes receivable - short term	(45 ,20)	4 909 124 490	4 870 632 078
Notes receivable - short term for undelivered units	(46,20)	107 069 510	118 771 942
Cash and cash equivalents	(52,36)	1 939 085 574	3 392 561 765
Total current assets		**45 836 585 749**	**35 224 675 451**
Total Assets		**72 231 636 169**	**56 142 521 465**
Shareholders' equity			
Share capital	(61)	5 719 828 346	5 719 828 346
Treasury shares	(63)	(327 006 688)	(101 092 107)
Legal reserve	(62)	804 442 363	799 963 621
Retained earning		1 015 990 276	1 570 129 751
Net profit for the Period/Year		1 144 024 953	89 574 831
Total shareholders' equity		**8 357 279 250**	**8 078 404 442**
Non-current liabilities			
Loans long-term	(55)	1 198 780 051	1 852 259 534
Notes payable - long term	(56b)	2 927 098 553	3 292 868 242
Other long-term liabilities – Residents' Association	(64)	11 194 133 805	7 558 589 310
Lease obligations - long term	(57,32)	2 826 637	25 792 398
Total non-current liabilities		**15 322 839 046**	**12 729 509 484**
Current liabilities			
Banks - credit balances	(53)	698 660 667	459 406 109
Credit facilities	(54)	1 138 635 506	4 579 898 305
Current portion of Short-term loans	(55)	--	339 584 000
Notes payable - short term	(56a)	2 727 215 339	2 656 858 971
Advances from customers	(58)	24 187 450 483	15 671 744 902
liabilities for checks received from customers for undelivered units	(59)	264 660 175	278 264 372
Deferred revenue		250 565 349	731 229 938
Lease contract liabilities - short term	(57,32)	26 981 408	17 505 588
Due to related parties	(50c ,50b,31)	14 348 734 698	7 925 520 300
Creditors & other credit balances	(60)	3 411 635 892	1 890 432 107
Suppliers And contractors		1 101 514 384	608 791 408
Provisions	(23)	41 575 259	41 575 259
income tax liability	(27a)	353 888 713	133 796 280
Total current liabilities		**48 551 517 873**	**35 334 607 539**
Total liabilities		**63 874 356 919**	**48 064 117 023**
Total equity and liabilities		**72 231 636 169**	**56 142 521 465**

- Limited review report attached.
- Notes receivables are not included in the line items of the financial statements (Note No. 73)
- The accompanying notes are an integral part of the financial statements.

Chairman	**Chief Financial Officer**
Yasseen Mansour	**Ali Thabet**

Translation of Income Statements

Originally Issued in Arabic

Palm Hills Developments Company S.A.E

Stand-Alone Statement Of Income (Profit Or Loss)
For The Six Months Ended In 2026

	Note No.	Period from Jan 1st 2026 Till 30 June 2026 EGP	Period from Jan 1st 2025 Till 30 June 2025 EGP	Period from Apr 1st 2026 Till 30 June 2026 EGP	Period from Apr 1st 2025 Till 30 June 2025 EGP
Revenues	(65, 33)	10 935 441 792	1 821 488 976	4 528 893 907	902 930 590
Deduct					
Cost of revenues	(66,34)	7 624 140 570	1 435 981 476	3 555 966 228	570 869 185
Cash discount		20 903 424	20 479 560	14 260 569	15 187 908
Gross operating profit		**3 290 397 798**	**365 027 940**	**958 667 110**	**316 873 497**
Deduct					
General administrative, selling and marketing expenses	(67)	1 643 535 293	579 951 598	765 472 728	387 227 329
Finance costs & interests	(69,29)	636 765 547	696 566 778	225 339 372	351 201 593
Depreciation and amortization	(41, 42, 44)	122 057 666	103 557 223	62 025 082	52 572 753
Expected credit losses	(68)	(6 494 731)	1 323 735	1 596 653	9 444 824
Total general, administrative, marketing and financing expenses, depreciation		**2 395 863 775**	**1 381 399 334**	**1 054 433 835**	**800 446 499**
Add					
Current value discount amortization – notes receivable		59 217 019	81 255 759	32 962 614	40 631 004
Credit interest and gains on investment at amortized cost	(35d)	221 321 054	61 406 802	122 209 895	33 369 522
Other Revenues	(70)	279 045 290	120 340 075	535 874 201	23 838 220
Total other revenues		**559 583 363**	**263 002 636**	**691 046 710**	**97 838 746**
Net profit (Loss) for the Period before income tax		**1 454 117 386**	**(753 368 758)**	**595 279 985**	**(385 734 256)**
Deduct					
Income tax	(71,27a)	310 092 433	--	111 012 660	--
Net profit (loss) after tax		**1 144 024 953**	**(753 368 758)**	**484 267 325**	**(385 734 256)**
Earnings per share for profit (loss)	(72,30)	**0,404**	**(0,262)**	**0,171**	**(0,134)**

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

Chairman	Chief Financial Officer
Yasseen Mansour	Ali Thabet

Palm Hills Developments Company S.A.E

Stand-Alone Statement Of Comprehensive Income
For The Six Months Ended In 30 June 2026

	Period from Jan 1st 2026 Till 30 June 2026 EGP	Period from Jan 1st 2025 Till 30 June 2025 EGP	Period from Apr 1st 2026 Till 30 June 2026 EGP	Period from Apr 1st 2025 Till 30 June 2025 EGP
Net profit (Loss) for the period	1 144 024 953	(753 368 758)	484 267 325	(385 734 256)
Other comprehensive income	--	--	--	--
Total comprehensive income for the period net of tax	**1 144 024 953**	**(753 368 758)**	**484 267 325**	**(385 734 256)**

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

Chairman

Yasseen Mansour

Chief Financial Officer

Ali Thabet

Translation of Cash Flow Statements
Originally Issued in Arabic

Palm Hills Developments Company S.A.E
Stand-Alone Statement Of Cash Flows
For The Six Months Ended In 30 June2026

	Note No.	30 June 2026 EGP	30 June 2025 EGP
Net profit (Loss) for the period before income tax		**1 454 117 386**	**(753 368 758)**
Adjustments to reconcile net profit (Loss) to net cash from operating activities			
Depreciation and Amortization	(42 ،17)	122 057 666	103 557 223
Financing costs & interests	(69,29)	636 765 547	696 566 778
Expected credit losses	(68)	(6 494 731)	1 323 735
Dividends from subsidiaries companies		--	(6 612 484)
Capital gains	(42 ،17)	--	(4 747 601)
Current value discount amortization - notes receivable		(59 217 019)	(81 255 759)
Credit interest and gains on investment at amortized cost		(221 321 054)	(61 406 802)
Operating profit (loss) before changes in working capital		**1 925 907 795**	**(105 943 668)**
Cash flow from operation activates			
Change in work in process	(47 ،18)	(1 472 324 626)	(1 413 902 051)
Change in notes receivables	(45,20)	(3 905 856 113)	295 047 963
Change in notes receivable for units that have not been delivered	(46,20)	13 604 197	(68 596 378)
Change in accounts receivables	(48)	(5 560 132 938)	(1 250 909 676)
Change in suppliers – advanced payments		(331 982 740)	(92 226 316)
Change in Debtors and other debit balances	(49)	(1 114 897 390)	(1 691 002 817)
Change in suppliers & contractors		492 722 976	324 742 754
Change in due from related parties	(c50, a 50 ،31)	(2 335 842 893)	(351 855 144)
Change in accounts receivables – advance payments	(58)	8 515 705 581	1 242 120 934
Change in liabilities against checks received from customer	(59)	(13 604 197)	68 596 378
Change in Deferred revenue		(480 664 588)	852 968 858
Change due to related parties	(c50,50b ،31)	6 423 214 398	1 575 999 171
Change in notes payable	(56)	(497 860 511)	241 642 817
Change in creditors & other credit balances	(60)	1 521 203 785	597 655 587
Income Tax Paid		(90 000 000)	--
Change in Lease Liability	(57،32)	(13 489 940)	(10 114 223)
Change in long term liabilities – Residents' Association	(64)	3 635 544 494	1 579 733 109
Net cash provided by operating activities		**6 711 247 290**	**1 793 957 298**
Cash flows from investing activities			
(Payments) for purchase of fixed assets	(42 ،17)	(110 556 740)	(109 022 954)
Proceeds from Investment in Subsidiaries		--	6 612 484
(Payments) for Investment in Subsidiaries		(324 750 000)	(1 246 828 716)
Financial investments at amortized cost	(51,5/37)	(1 327 595 155)	(534 654 007)
(Payments) for Subordinated Loans	(43)	(34 500 000)	--
(Payments)for real estate investments		--	(22 599 899)
(Payments) for Advance payments for investments acquisition		(1 096 527 944)	--
Proceeds from fixed assets sale	(42,17)	--	4 747 601
Credit interest received		221 321 054	61 406 802
Net cash (used in) investing activities		**(2 672 608 785)**	**(1 840 338 689)**
Cash flows from financing activities			
Proceeds from Banks - credit balances	(53)	239 254 555	203 389 502
(Payments) Proceeds from credit facilities	(54)	(3 441 262 799)	1 929 004 681
(Payments) for Treasury shares	(63)	(225 914 581)	--
dividends – paid		(639 235 564)	(467 669 868)
(Payments) for loans	(55)	(993 063 483)	(51 013 311)
Proceeds from loans	(55)	--	16 221 132
Finance costs & interests paid	(69,29)	(434 318 356)	(555 240 065)
Net cash (used in) provided by financing activities		**(5 494 540 228)**	**1 074 692 071**
Net increase in cash and cash equivalents during the Period		(1 455 901 723)	1 028 310 680
Expected credit loss		2 425 532	--
Cash and cash equivalents at the beginning of the Period		3 392 561 765	2 679 604 055
Cash and cash equivalents as of 30 June 2026	(52 ،36)	**1 939 085 574**	**3 707 914 735**

- The accompanying notes are an integral part of these financial statements and are to be read therewith.
- Non- Cash transactions are excluded from the cash flow statement Note No (76).

Chief Financial Officer
Ali Thabet

Chairman
Yasseen Mansour

Palm hills developments company S.A.E
Stand-Alone Statement Of Changes In Equity
For The Six Months Ended In 30 June2026

	Share Capital	Treasury shares	Legal reserve	Retained earning	Net (loss) profit for the Period	Total on 30 June 2026
	EGP	EGP	EGP	EGP	EGP	EGP
Balance on January 1, 2025	5 759 828 346	(113 486 788)	786 887 503	1 862 840 158	261 522 367	8 557 591 586
Capital Reduction – execution of Treasury Shares	(40 000 000)	113 486 788	--	(73 486 788)	--	--
Transferred to retained earnings	--	--	--	261 522 367	(261 522 367)	--
Transferred to legal reserve	--	--	13 076 118	(13 076 118)	--	--
Dividends*	--	--	--	(467 669 868)	--	(467 669 868)
Net (Loss) for the Six Months ended on 30 June 2025	--	--	--	--	(753 368 758)	(753 368 758)
Balance as of June 30, 2025	**5 719 828 346**	**--**	**799 963 621**	**1 570 129 751**	**(753 368 758)**	**7 336 552 960**
Balance as of July 1, 2025	**5 719 828 346**	**--**	**799 963 621**	**1 570 129 751**	**(753 368 758)**	**7 336 552 960**
Treasury Shares Note No (63)	--	(101 092 107)	--	--	--	(101 092 107)
Net Profit for the Six Months ended on 31 Dec 2025	--	--	--	--	842 943 589	842 943 589
Balance as of Dec 31, 2025	**5 719 828 346**	**(101 092 107)**	**799 963 621**	**1 570 129 751**	**89 574 831**	**8 078 404 442**
Balance on January 1, 2026	**5 719 828 346**	**(101 092 107)**	**799 963 621**	**1 570 129 751**	**89 574 831**	**8 078 404 442**
Execution of Treasury Shares Note No (63)	--	(225 914 581)	--	--	--	(225 914 581)
Transferred to retained earnings	--	--	--	89 574 831	(89 574 831)	--
Transferred to legal reserve	--	--	4 478 742	(4 478 742)	--	--
Dividends*	--	--	--	(639 235 564)	--	(639 235 564)
Net profit for the Six Months ended on 30 June2026	--	--	--	--	1 144 024 953	1 144 024 953
Balance as of June 30, 2026	**5 719 828 346**	**(327 006 688)**	**804 442 363**	**1 015 990 276**	**1 144 024 953**	**8 357 279 250**

***According to the decisions of the company's 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

Palm Hills Developments Company
(S.A.E)
Notes to the Stand - Alone
Financial Statements as Of June 30,2026

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 head office is located on the 6th of October City in the Giza Governorate and the main branch is in the Smart Village.

4. Commercial Register

The company is registered in the Commercial Register under No. 23859 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 Period

The company's financial year begins on 1 March and ends on 28 Feb. The extraordinary general assembly held on September 19, 2007 decided to amend the company's bylaws so that the fiscal year begins on January 1 and ends on December 31 of each year.

6. Authorization Of The Financial Statements

The company's Stand-Alone financial statements for the Six Months ended on June 30, 2026, were authorized for issue by the board of directors on 17 August 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 reconciled its positions in accordance with the decision of the Board of Directors of the General Authority for Financial Supervision 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 those 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

Establishing and implementing the residential complex in Palm Hills Resort in 6th of October City, with a total land area acquired amounting to approximately (1153.52 acres), as well as establishing the residential complex in New Cairo with an area of 221.56 acres.

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 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 Sep 2019.

  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 Hills Developments, the real estate developer, has contracted with Al Shorouk Tourism Development Company (an Egyptian joint stock company) to develop an integrated residential, touristic project in Ain Sokhna - the Laguna Bay project. Under this contract, both the real estate developer and the owner company will receive a share of the project revenues, paid according to the approved schedule. In this regard and in light of the project's proceeds, the company has started the project development work as of Sep 2020.

c) Managing service activities

The company purchased the Palm Hills Club on the 6th of October City, which is dedicated to the entire Palm Hills resort, which was acquired through a sale contract dated October 1, 2007, from one of the associates' companies.

A contract was concluded to manage the Palm Hills Club - in the Palm Hills Resort on the 6th of October City - with the Palm Sports Clubs Company (a subsidiary) as of January 1, 2020. Under this contract, the managing company gets 80% of the club's operating revenues, while the owner company gets (Palm Hills Development) on 20% of the club's operating revenues.

d) 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 of total land area was assigned and settled in favor of the New Urban Communities Authority (note 47).

e) Investments in Associates and subsidiaries

Direct investment in subsidiaries and sister companies practicing the same activities in other urban areas (Note No. 14a, 14b) Its explanation is as follows:

	Percentage share %
Gawda for Trade Services S.A. E	%99,996
Palm Hills Middle East Company for Real Estate Investment S.A. E	%99,99
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 Hills Sports	%99,99
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	%99,4
Palm for Construction, real estate 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 Hospitality S.A. E	%98
East New Cairo for Real Estate Development S.A. E	%88,95
Macor for Securities Investment Company S.A. E	%69,45
Al Naeem for Hotels and Touristic Villages S.A. E	%100
Royal Gardens for Real Estate Investment Company S.A. E	%51
Saudi Urban Development Company S.A. E	%51
Nile Palm Al-Naeem for Real Estate Development 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
Palm Hills for Education S.A. E	%99,987
Inspired Education- Egypt S.A. E	%1
Palm Holding Company for Financial Investments S.A. E	%99
Palm Hills for restaurants S.A. E	%99
Palm for Real Estate Mortgage Company S.A. E	%9
Middle East for Real Estate touristic Investment	%2,525
Palmt Hotels and Tourist Villages	%0.0005
6th of October Hotels and Tourism Services	%20.02
Taleem for Management Services	%32.614
Palm hills Development holding company limited	%80
Palm Mount for Urban development	%64,95

9. Statement Of Compliance

The company During the Six Months ending on June 30, 2026, committed itself 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 Interim financial statements on Mar 31, 2026 which have not changed Any amendments or any update.

Significant Accounting Policies Applied

10. Basis for preparing the financial statements.

The preparation of the financial statements is the responsibility of the company's management, and the accounting policies and preparation of these financial statements are developed and implemented in accordance with the Egyptian accounting standards and international accounting standards, in respect of which no Egyptian accounting standard issued by Ministerial Resolution No. (110) of 2015, and its amendments, and the relevant Egyptian accounting standards were applied when preparing the financial statements on June 30, 2026, with the exception of the non-relevant Egyptian accounting standards.

11. Accounting estimates

The preparation of the financial statements in accordance with the Egyptian accounting standards requires that reliance be made on the best assumptions and estimates made by the management and what it deems appropriate to develop and apply accounting policies to reflect the essence and economic content of the transactions that take place and are related to the basic activity of the company (revenues of the current activity, the estimated cost until the completion of the project, impairment of assets, usufruct right, 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 between the estimates made at the date of preparing the lists from the actual reality in the following periods, without prejudice to the extent to which the financial statements reflect the true financial position of the company and its cash flows for the current period.

12. Changes in accounting policies

It is represented in the change in the principles, foundations, rules and practices that the establishment applies when preparing the financial statements, by shifting from an 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 applying those policies are expressed. The policy is based on the essence of the company's transactions and operations and the effects that result from it on the actual financial position and the results of the company's business. The effects of that change in policies are proven retrospectively, and these effects are evidenced by the retained earnings within equity (if any).

13. Bookkeeping

1- Functional and presentation currency

These Stand-Alone financial statements are presented in Egyptian pound, which is the currency of the primary economic environment in which the Group operates (the functional currency). Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction.

2- Transactions and balances

- Translate monetary items in foreign currencies on the date of preparing the financial statements (if any) using the closing rate - the prevailing exchange rate in the free market for foreign exchange at the end of the financial period, provided that the result of the re-measurement is included in the income statement (profits and losses).
- Non-monetary items denominated in foreign currencies at the date of preparing the financial statements (if any) that are measured at historical cost are translated using the exchange rates prevailing at the date of recording those transactions.
- Items of a non-monetary nature in foreign currencies on the date of preparing the financial statements (if any) that are measured at fair value are translated using the exchange rates prevailing on the date on which the fair value was determined.

14. 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 Stand-Alone 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.

15. 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.

16. Intangible assets

Intangible assets are assets that are not of a monetary nature and do not have a specific and tangible physical existence, which were obtained or arose from legal contractual rights with other parties, and it is expected that its possession will result in a flow of future measurable benefits in the form of future cash flows, and the first is recognized These assets have the direct contractual value to obtain them, provided that they are re-measured at the end of the financial period at the acquisition cost less accumulated depreciation and accumulated impairment losses - if any - which represents the fair value of those assets at that date.

17. 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. The 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 at 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 excluded 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 period 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 period, 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)

18. 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).

19. 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.

20. Notes Receivable

Notes receivable represents the checks which have certain maturity dates which the Company received as bank guarantees for the contractual values of the contracted units. Notes receivables 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.

21. 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.

22. Impairment In Assets

22/1 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, like 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 period, 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 period 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 period 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.

22/2 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.

23. 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.

24. Land Contracted Liability

Land contracted liability represents the obligations which were incurred for purchasing 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.

25. 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.

26. 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 periods in which the effective construction of the asset is disrupted.

27. Income Tax

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

(A) 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.

28. 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.

29. 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 period 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.

30. 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 period weighted by the time factor.

31. 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.

32. 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 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 assets 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.

Transferring an asset is not a sale.

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) Exemptions from recognition

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.

33. Revenue From Customer Contracts

- 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:
  - **Over time**

    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.
  - **At a point in time**

    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.

There is an important financing component:

- 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.

34. 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.

35. Revenue Recognition

a) Revenue From The Sale of Project Units.

1- Villas and townhouses

The revenues resulting from the practice of the main and usual activity - the real estate development of the company and its recognition in the income statement (profits and losses) are realized in light of the extent of progress in fulfilling the obligations to the level of completion of the executed works (measuring the extent of progress) at the level of the contract unit for each contracted unit separately, as the company is contractually restricted from directing the asset to another use due to the fact that the contracted unit (sold) has predetermined boundaries and features in the contract with regard to independent units (villas and townhouses), and the company has the right Contractually in collecting the value of the sale of the unit from the customer in installments, and in the event of non-commitment of the customer, the terms of the installments due on the unit are dropped with the customer's commitment to pay those installments in one payment, and in the event of termination of the contract for reasons other than the entity's failure to perform as promised, the company recovers the costs incurred from the customer for its completed performance to date in addition to a percentage of the contractual value (profit margin), and the revenues achieved are weighted from the total contractual values Based on the signed and approved contracts for the contracted units, the rate of progress in the extent of fulfillment of obligations at the level of the contract unit, taking into account the revenues of the additional works against their actual cost for each (unit) stage separately, in a way that reflects and measures the progress in fulfilling the performance obligations of the contract.

2- Complete units Prepared 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) Revenues from subsidiaries and Associates companies

The revenues resulting from investments in sister companies resulting from the adoption of the equity method are recognized in the consolidated financial statements according to the company's share in the results of the investee companies' business and according to the percentage of their shareholding, in addition to the change in the equity of the investee company for items that are not included in the business results.

The revenues resulting from investments in subsidiaries and resulting from the cost method are recognized when the company is issued the right to receive such revenues and returns, whether by the fact of the announcement or by the realization of the actual collection incident, whichever is more specific.

The impact of such income generated either by cash distribution or by applying the equity method is excluded from the Group's income statement at the time of its preparation.

c) Revenues from investment property

The income resulting from the investment 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 with the value of the difference between the cost of those investments and the sale price, and the revenues resulting from the exploitation and lease of those investments to others are recognized in accordance with the accrual principle.

d) Interest income

Interest income is recognized using the actual return method, charged to the income statement (profit and loss).

36. 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.

37. Financial Instruments & Fair Value

- Financial assets

37-1 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 is not at fair value through profit or loss. Customers who do not have a significant financing component are initially measured at the transaction price.

37-2 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 period 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.

37-3 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 periods, 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.

37-4 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 period 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.

37-5 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.

37-6 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.

37-7 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.

37-8 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.

37-9 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.

38. Risk Management

(A) Market Risk

(A/1) - Interest Rate Risk

Interest risk is the potential change in interest rates and its impact on current and future financial obligations, represented by interest and commissions on balances of loans and advances and other financing sources, which may have an adverse impact on business results. The company uses long-term, interest-free financing sources that represent the balance of advance payments from customers, in addition to diversifying other financing sources through the banking sector and the real estate financing sector in accordance with the provisions and laws in force in those sectors.

The value of net assets and liabilities of a monetary nature linked to interest rates at the date of preparing the financial position was as follows:

	Note No	30 June 2026 EGP
Financial assets		
Local currency current accounts	(52)	1 516 766 159
Bank accounts for local currency deposits	(52)	2 500 000
Total		**1 519 266 159**
Financial obligations		
Loans	(55)	1 198 780 051
Credit banks	(53)	698 660 667
Credit facilities	(54)	1 138 635 506
Total		**3 036 076 224**
		(1 516 810 065)

Sensitivity analysis

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 of 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 (decrease) / increase of approximately (30.3) million Egyptian pounds.

(A/2) - Foreign Exchange 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:

	30 June 2026 EGP
Financial assets	
Net foreign currency balance - Asset	400 294 566

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:

	30 June 2026 EGP
Financial assets	
The equivalent in Egyptian pounds for the balance of foreign currencies	400 294 566
The effect of an increase/decrease in the exchange rate on the company's net profit	
When foreign exchange rates increase by 10%	40 029 457
When foreign exchange rates decrease by 10%	(40 029 457)

(B) Credit Risk

Credit risk is represented in the inability of clients granted credit to pay their dues. This risk is limited because the company deals with clients of good financial solvency, in addition to the company's failure to deliver the contracted units before the client deposits negotiable bank debt instruments against unpaid installments in the date of receipt (note 48).

Credit risk is represented in the inability of customers granted credit to pay their dues. This risk is limited because the company has developed a distinguished credit policy that includes obtaining advance payments, as well as customers negotiable bank debt instruments against the installments due on the date of receipt, if the company deals with high-net-worth clients.

In addition to the above, the customer contracts stipulate that the ownership of the units shall not be transferred to the customers before the full value of the units is paid, and therefore no losses or impairment in customer balances occurred before that.
The company also achieves direct and indirect profits if the customers do not pay the rest of the dues on the unit, as the contract is canceled and the amounts previously paid are refunded after deducting the cancellation fees according to the contract concluded, in addition to the positive change in selling prices and thus the contractual values of the units.

(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 the total and undiscounted financial liabilities, including contractual interest payments at the date of the financial position, which are as follows:

	Note No.	30 June 2026	
		EGP	EGP
Financial Liabilities		**Less than year**	**More than year**
Due to related Parties	(50b)	14 348 734 698	--
Credit Banks	(53)	698 660 667	--
Credit facilities	(54)	1 138 635 506	--
Loans	(55)	--	1 198 780 051
Creditors and other credit balances	(60)	3 411 635 892	--
Other Liabilities – Residential association	(64)	--	11 194 133 805
Contractors and suppliers		1 101 514 384	--
Total		**20 699 181 147**	**12 392 913 856**

39. Investment In Subsidiary

Balance of investments in subsidiaries as of June 30, 2026, amounted to an amount EGP 4 190 091 603 as follows:

	Legal Environment	Percentage of share %	Number of shares	Cost of Investment as of 30 June 2026 EGP	Cost of Investment as of 31 Dec 2025 EGP
Invested companies upon incorporation					
New Cairo Real Estate Development company S.A.E	S.A.E	% 99,985	999 850	132 270 000	132 270 000
Royal Gardens for Real Estate Investment Company S.A.E	S.A.E	% 51	153 000	7 650 000	7 650 000
Nile Palm Al Naeem Tourism Development Company S.A.E	S.A.E	% 51	505 848	50 584 800	50 584 800
Palm October for Hotels Company S.A.E	S.A.E	% 0.244	24 500	245 000	245 000
Palm Hills Hospitality Company S.A.E	S.A.E	% 98	24 500	61 250	61 250
Palm for Real Estate Development Company S.A. E	S.A.E	% 99,994	2 499 850	10 248 500	10 248 500
Palm for Investment & Real Estate Development Company S.A. E	S.A.E	% 99,40	24 850	248 500	248 500
Palm Hills Properties Company S.A.E	S.A.E	% 99,20	24 800	248 000	248 000
United Engineering for Construction Company S.A.E	S.A.E	% 99,25	9 925 000	19 850 000	19 850 000
Palm Hills Development of Tourism and Real Estate Company S.A. E	S.A.E	% 99,40	24 850	248 500	248 500
Palm Hills for Tourism Investment Company S.A. E	S.A.E	% 79,80	19 950	248 500	248 500
Palm Hills Resorts Company S.A. E	S.A.E	% 99,40	24 850	248 500	248 500
Palm for Urban Development Company S.A. E	S.A.E	% 99,99	25 024 850	250 248 500	250 248 500
Palm Alexandria for Real Estate Company S.A.E	S.A.E	% 60	15 000	68 307 276	68 307 276
Palm for Club Management Company. S.A.E	S.A.E	% 99,20	24 800	248 000	248 000
Khedma for managing tourist resorts and real estate Company. S.A.E	S.A.E	% 99,998	499 990	4 999 710	4 999 710
Palm for Construction, a real estate development Company. S.A.E	S.A.E	% 99,40	24 850	248 500	248 500
Palm Hills for education Company S.A.E	S.A.E	% 99,987	1 489 800	14 898 000	14 898 000
Palm sports clubs Company S.A.E	S.A.E	%99 ,99	5 099 700	21 999 800	21 999 800
Palm Holding for Financial Investments Company S.A.E	S.A.E	% 99	495 000	4 950 000	4 950 000
Palm Hills Development holding limited U.A.E	S.A.E	%80	4 000 000	1 969 236 754	1 969 236 754
Palm restaurant Company S.A.E	S.A.E	% 99	24 750	247 500	247 500
Palm Mount for Urban Development	S.A.E	%64,95	12 990 000	324 750 000	--
				2 882 285 590	2 557 535 590
Invested companies upon acquisition					
Rakeen Egypt for Real Estate Investment Company S.A. E	S.A.E	% 99,945	549 700	115 114 292	115 114 292
Saudi Urban Development Company S.A.E	S.A.E	% 51	51 000	172 257 405	172 257 405
Gawda for commercial services Company S.A.E	S.A.E	% 99,996	2 499 900	99 024 637	99 024 637
Al Naeem for Hotels and Touristic Villages Company S.A.E	S.A. E	% 100	338 000	95 745 000	95 745 000
East New Cairo for Real Estate Development Company S.A.E	S.A.E	% 88.95	89 000	334 150 433	334 150 433
Balance as of 30 June 2026				816 291 767	816 291 767
Invested companies upon incorporation and acquisition					
Palm Hills Middle East Real Estate Investment Company S.A.E	S.A.E	% 99,99	1 499 850	608 197 000	608 197 000
Macor for Securities Investment Company S.A.E	S.A.E	%69.45	66 260	281 034 206	281 034 206
				4 587 808 563	4 263 058 563
Deduct:					
Loss in investments				397 716 960	397 716 960
Balance as of 30June 2026				4 190 091 603	3 865 341 603

- All investee companies are Egyptian joint stock companies, except Palm Hills Development Limited.
- All investee companies are unlisted on the Cairo and Alexandria Stock Exchange or any other financial markets.
- All investee companies were initially invested in at par value, except for those acquired through business combinations or when the company increased its ownership stake.

40. Investment In Associates

balance of investments in Associates as of June 30, 2026, amounted to an amount EGP 2 352 760 999 as follows:

Investment	Legal environment	Percentage of shares	Number of shares	Balance 30 June 2026 EGP	Balance 31 Dec 2025 EGP
EFS Palm for building management	S.A.E	%49	98 000	980 000	980 000
Inspired Education – Egypt	S.A.E	%1	3 000	30 000	7 500
Coldwell banker Palm Hills for real estate investment	S.A.E	%49	245	245 000	245 000
Middle East for touristic & real-estate Investment	S.A.E	%2,525	5 050	505 000	505 000
Palm for real-estate finance Company	S.A.E	%9	11 250	1 125 000	1 125 000
Palmt Hotels and Tourist Villages	S.A.E	%0.0005	1	25	25
6th of October Hotels and Tourism Services	S.A.E	%20.02	72 071	208 020 870	208 020 870
Taleem For management Services	S.A.E	%32.614	238 166 695	2 141 855 104	2 141 855 104
Balance on June 30, 2026				2 352 760 999	2 352 738 499

41. Investment Property

balance of real estate investments on June 30, 2026, amounted to EGP 1 006 419 549 as and its balance is represented in the cost of the commercial mall (88th Street Mall) in Palm Hills Resort in 6th of October, as well as the cost of Crown - King School, as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Crown School – King School		
School Costs	1 061 698 038	1 061 698 038
Deduct:		
Accumulated depreciation as of Jan. 1,2026	75 224 222	31 615 721
Depreciation During the Period/Year	22 037 479	43 608 501
Accumulated depreciation as of June 30,2026	**97 261 701**	**75 224 222**
Net cost	**964 436 337**	**986 473 816**
Commercial shops - Palm Hills Resort		
Cost of shops (88 Street Mall) *	77 418 261	77 418 261
Deduct:		
Accumulated depreciation as of Jan. 1,2026	33 361 894	29 215 583
Depreciation During the Period/Year	2 073 155	4 146 311
Accumulated depreciation as of June 30,2026	**35 435 049**	**33 361 894**
Net cost of shops (88 Street Mall)	**41 983 212**	**44 056 367**
Balance on June 30, 2026	**1 006 419 549**	**1 030 530 183**

* The company has concluded contracts for the sale and leaseback of the commercial mall stores (Street 88) owned by the company as well as Crown-king school 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. 32B‹56b‹56a‹75).

42. Fixed Assets

The net cost of the fixed assets on 30 June 2026 amounted to EGP 1 329 790 883 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	Cost as of June 30, 2026 EGP	Accumulated depreciation as of Jan. 1, 2026 EGP	Depreciation for the Period June 30 2026 EGP	Accumulated depreciation as of June 30 2026 EGP	Net book value as June 30 2026 EGP
land	12 920 662	14 890 923	27 811 585	--	--	--	27 811 585
Buildings	369 074 675	138 343 200	507 417 875	139 281 418	9 772 219	149 053 637	358 364 238
Machinery & equipment	95 513 675	16 201 886	111 715 561	63 759 721	6 550 745	70 310 466	41 405 095
Vehicles	74 935 832	13 002 140	87 937 972	26 538 985	8 587 671	35 126 656	52 811 316
Computer equipment	174 939 473	14 739 648	189 679 121	120 944 248	15 201 248	136 145 496	53 533 625
Leasehold improvements	39 815 160	---	39 815 160	17 748 382	3 032 598	20 780 980	19 034 180
Furniture	187 765 473	28 031 350	215 796 823	90 024 695	23 154 939	113 179 634	102 617 189
Golf Courses	1 123 489 349	---	1 123 489 349	422 045 535	27 230 159	449 275 694	674 213 655
Total cost	**2 078 454 299**	**225 209 147**	**2 303 663 446**	**880 342 984**	**93 529 579**	**973 872 563**	**1 329 790 883**

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

- Fixed assets depreciation for Six Months ended on June 30, 2026 amounted To EGP 93 529 579 and allocated as follows:

	EGP
Operating assets depreciation - work in process	6 403 974
Administrative assets depreciation - (income statement)	63 427 391
Depreciation expense of Palm Hills Club's assets - club's operating statement	23 698 214
Total depreciation of fixed assets For the Period ended in June 30, 2026	**93 529 579**

* The cost of fixed assets includes the land and buildings of Palm Hills Club owned by the company. The company entered into sale and leaseback agreements for the land and buildings of Palm Hills Club with one of the companies operating in the same field. These transactions were recorded as collateral (power of attorney for sale) and as liabilities arising from financial transactions classified as financing activities (financing agreements), in accordance with the substance of the transactions and due to the non-fulfillment of the necessary conditions required to recognize these contracts as lease contracts. Accordingly, these assets are presented as collateral, in compliance with the requirements of sale and leaseback under Egyptian Accounting Standard No. (49) on lease contracts (Note No. 32b, 56a, 56b, 75).

The net cost of the fixed assets on Dec 31, 2025, amounted to EGP 1 198 111 315presented by fixed administrative assets on the site and the headquarter as follows:

	Cost as of Jan. 1,2025 EGP	Additions during the Year EGP	Disposals during the Year EGP	Cost as of Dec 31. 2025 EGP	Accumulated depreciation as of Jan. 1, 2025 EGP	Depreciation for the Year Dec 31 2025 EGP	Accumulated depreciation of disposals as of Dec. 31, 2025 EGP	Accumulated depreciation as of Dec 31 2025 EGP	Net book value as Dec 31 2025 EGP
land	12 920 662	--	--	12 920 662	--	--	--	--	12 920 662
Buildings	318 858 920	50 215 755	--	369 074 675	122 548 671	16 732 747	--	139 281 418	229 793 257
Machinery & equipment	80 146 059	15 941 967	574 351	95 513 675	53 953 166	10 380 906	574 351	63 759 721	31 753 954
Vehicles	41 531 836	36 286 886	2 882 890	74 935 832	16 312 865	13 109 010	2 882 890	26 538 985	48 396 847
Computer equipment	142 710 612	32 713 287	484 426	174 939 473	93 869 090	27 559 584	484 426	120 944 248	53 995 225
Leasehold improvements	17 617 663	22 205 851	8 354	39 815 160	15 806 593	1 950 143	8 354	17 748 382	22 066 778
Furniture	105 459 927	83 053 188	747 642	187 765 473	58 708 504	32 063 833	747 642	90 024 695	97 740 778
Golf Courses	1 123 489 349	--	--	1 123 489 349	367 585 216	54 460 319	--	422 045 535	701 443 814
Total cost	**1 842 735 028**	**240 416 934**	**4 697 663**	**2 078 454 299**	**728 784 105**	**156 256 542**	**4 697 663**	**880 342 984**	**1 198 111 315**

a. **All fixed assets in the group companies are available for use in operation.**
b. **The total depreciation of fixed assets on Dec 31, 2025 amounted to EGP 156 256 542 as follows:**

	EGP
Operating assets depreciation - work in process	9 705 335
Administrative assets depreciation - (income statement)	108 995 765
Depreciation expense of Palm Hills Club's assets - club's operating statement	37 555 442
Total depreciation of fixed assets as of Dec 31, 2025	**156 256 542**

Fixed assets Gains for Year ended in Dec 31, 2025 amounted to EGP 4 772 276 as follows:

	EGP	EGP
Proceed from sale of fixed assets		4 772 276
Deduct:		
Cost of assets sold	4 697 663	
Accumulated depreciation of assets sold	(4 697 663)	
Carrying amount of assets sold		--
Gain on sale of fixed assets as of Dec 31, 2025		**4 772 276**

* The cost of fixed assets includes the land and buildings of Palm Hills Club owned by the company. The company entered into sale and leaseback agreements for the land and buildings of Palm Hills Club with one of the companies operating in the same field. These transactions were recorded as collateral (power of attorney for sale) and as liabilities arising from financial transactions classified as financing activities (financing agreements), in accordance with the substance of the transactions and due to the non-fulfillment of the necessary conditions required to recognize these contracts as lease contracts. Accordingly, these assets are presented as collateral, in compliance with the requirements of sale and leaseback under Egyptian Accounting Standard No. (49) on lease contracts (Note No. 32b, 56a, 56b).

43. Subordinated Loans

The balance of Subordinated Loans as of June 30, 2026 amounted to EGP 34 500 000 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Palm Holding for Financial Investment *	34 500 000	--
Balance on June 30, 2026	**34 500 000**	--

* The balance of the subordinated loan granted to the subsidiary amounted to EGP 34 500 000 pursuant to the resolution of the Ordinary General Assembly, which approved the granting by Palm Holding for Financial Investments – a subsidiary – of a subordinated loan of up to EGP 35 million for a period of five years, bearing interest at a rate of 1.25% per annum above the lending rate announced by the Central Bank.

44. 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 that the company uses, and the balance has reached On June 30, 2026 an amount of EGP 26 662 466 is as follows: -

	30 June 2026 EGP	31 Dec 2025 EGP
The right of use assets – offices rent.	79 787 642	79 787 642
Deduct:		
Accumulated Amortization as of Jan 1,2026	42 303 748	20 832 345
Amortization During the Period/Year	10 821 428	21 471 403
Accumulated Amortization as of June 30,2026	**53 125 176**	**42 303 748**
Balance on June 30, 2026	**26 662 466**	**37 483 894**

45. Notes Receivable

The notes receivables 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. balance of the receivables reached on June 30, 2026 is EGP 21 057 284 382 after deducting the difference in the present value of 686 359 561 EGP and the share of the partners in an amount of EGP 9 816 515 579 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Short term notes receivable	7 612 852 694	5 716 546 380
Deduct: -		
Unamortized discount	57 752 943	107 643 428
The share of partners in joint venture	2 645 975 261	738 270 874
The present value of short-term receivables	**4 909 124 490**	**4 870 632 078**
Long term notes receivable	23 947 306 828	16 115 427 269
Deduct: -		
Unamortized discount	628 606 618	1 037 651 489
The share of partners in joint venture	7 170 540 318	2 856 196 610
The present value for long term notes receivable	**16 148 159 892**	**12 221 579 170**
Balance on June 30, 2026	**21 057 284 382**	**17 092 211 248**

* Receipt Notes received for contracted units that are not delivered and not included in the financial statements have been disclosed (Note No. 73).

* 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 4,505 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 (Note No. 64).
* 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 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 Year ended on dec 31,2022 until the delivery of these properties to the clients in accordance with Egyptian Accounting Standard No. (48) Revenue from contracts with customers , the notes receivable for non-delivered units have been separated from the notes receivable for delivered units (Note No. 33, 34, 46,73).

46. Notes Receivable For Undelivered Units

The net present value of notes receivable is for units not delivered to customers On June 30, 2026 an amount of EGP 264 660 175 is as follows: -

	30 June 2026 EGP	31 Dec 2025 EGP
Short term notes receivable	117 990 994	131 430 230
Deduct:		
Unamortized discount	10 921 484	12 658 288
The present value of short-term notes receivables	**107 069 510**	**118 771 942**
Long term notes receivable	236 948 390	248 064 273
Deduct:		
Unamortized discount	79 357 725	88 571 842
The present value of long-term notes receivables	**157 590 665**	**159 492 431**
Balance on June 30, 2026	**264 660 175**	**278 264 373**

- 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 Year ended on 31 Dec 2022 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. 33, 34, 45, 73).

47. Work In Process

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 balance of work in progress has reached June 30, 2026 The amount of EGP 7 732 337 413 which is as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Total work carried out until Jan 1, 2026	29 252 467 914	23 577 909 901
Add:		
Work carried out for the Six Months ended June 30, 2026	2 989 210 206	5 674 558 013
Total works executed until June 30, 2026	**32 241 678 120**	**29 252 467 914**
Deduct: excluded from income statement until June 30, 2026	24 509 340 707	22 884 206 695
The Balance of Work in progress as of June 30, 2026	**7 732 337 413**	**6 368 261 219**
Represented As follows:		
Land acquisition cost	5 326 260 473	4 619 588 574
Cost of construction and facilities and indirect costs *	2 406 076 940	1 748 672 645
Balance on June 30, 2026 **	**7 732 337 413**	**6 368 261 219**

* The interest of the loans capitalized on the work in progress account which allocated to financing construction in the existing projects according to the concluded loan contracts for the Period ended **June 30, 2026** amounted to EGP 259 312 700 (Note NO. 55).

** "Work in progress" includes the cost of land and construction for one (1) townhouse (Golf Views model) located within the Palm Hills project, as well as the cost of land and construction for three (3) townhouses (Solitaire Palm model) located within the Palm Hills project in the Eastern Expansions area – 6th of October City – Giza Governorate. The company has entered into sale and leaseback agreements for these units, and such transactions have been treated, in substance, as financing arrangements secured by these assets, in accordance with the provisions of Egyptian Accounting Standard (EAS) No. 49 related to lease contracts, with reference to Clarification (Note No. 56a ،56b،75).

48. Accounts Receivable

The present value of accounts receivable - debit balances on June 30, 2026 amounted to EGP 10 135 634 282 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:

	30 June 2026 EGP	31 Dec 2025 EGP
Phase first to fifth customers	1 664 819	1 664 819
Phase sixth to eighth customers	1 309 653	1 453 509
Golf	109 324 086	102 431 002
Golf extension	28 301 594	28 065 225
Woodville	12 345 333	11 872 468
Katamia	8 203 059	10 405 339
Crown customers	470 023 860	329 414 449
Mall 88 customers	5 279 685	4 100 443
Palm Alexandria project	1 498 053 227	1 617 936 174
Palm Medical center customers	26 774 364	18 259 223
Golf Central mall customers	6 760 000	6 760 000
Laguna bay customers	348 655 318	340 992 758
PX	2 005 512 722	1 808 477 455
Ritz Carlton	--	264 595 555
Hills 97	1 560 667 643	45 192 856
Village de la Capitale	4 068 948 255	--
Palm hills club customers	1 715 256	1 784 661
Total	**10 153 538 874**	**4 593 405 936**
Less: Expected credit losses	17 904 592	24 932 921
Balance on June 30, 2026	**10 135 634 282**	**4 568 473 015**

49. Debtors And Other Debit Balance

The balance of debtors and other debit balances as of June 30, 2026 amounted to EGP 5 350 483 025 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Commissions paid in Advance	2 044 662 638	1 657 340 290
Accrued revenue	66 011 497	27 591 082
Residents' Association *	909 604 358	751 110 392
Advance payments for land	--	147 812 020
Investment's debtors	3 967 905	3 967 905
Insurance for others	99 919 832	63 528 246
Prepaid expenses	468 379 397	68 668 962
Petty cash	15 099 925	14 565 533
Withholding tax	1 916 772	1 877 810
Other debit balances	1 742 838 324	1 501 041 018
Total	**5 352 400 648**	**4 237 503 258**
Less: Expected credit losses	1 917 623	691 701
Balance on June 30, 2026	**5 350 483 025**	**4 236 811 557**

* 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.

50. Related Parties

A. Due From Related Parties – Debit Balances

The balance of due from related parties as of June 30, 2026 amounted to EGP 7 821 240 618 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Al Ethadia for Real Estate S.A.E	279 846 434	261 440 102
Saudi Urban Development Company S.A.E	35 715 839	33 460 630
Royal Gardens for Real Estate Investment Company S.A.E	604 531	604 531
Coldwell Banker Palm Hills for Real Estate S.A.E	20 480	20 480
Palm October for Hotels S.A.E	11 368 058	11 368 058
Palm Hills Hospitality S.A.E	100 405 014	100 405 014
Palm hills for education S.A.E	211 517 913	87 193 479
Palm Gamsha Hotels S.A.E	85 050	85 050
Palm North Coast Hotels S.A.E	54 358	54 358
Middle East Company for Real Estate and Touristic Investment S.A.E	258 923 790	97 474 313
Palm for Real Estate Development S.A. E	159 086 775	311 719 083
Palm for Investment & Real Estate Development S.A. E	1 300 165 554	1 237 680 993
Palm Hills Development of Tourism and Real Estate S.A. E	746 320 512	445 491 209
Palm for Urban Development S.A. E	4 373 027 947	2 600 153 836
khedma for management of tourist and urban resorts	5 685 352	5 685 352
The co-cookery for restaurants	5 000	5 000
Palm for real state finance company	395 901	395 901
Palm Holding Company for Financial Investments	279 208 350	278 863 350
Palmet for Hotels and resorts	263 800	153 800
Palm Construction and Real Estate Development	30 025 964	--
PHD North Jubail L.L.C	34 067 223	18 696 881
Palm Hills north Jubail holding limited	14 747	14 279
Total	**7 826 808 592**	**5 490 965 699**
Less: Expected credit losses	5 567 974	3 834 766
Balance on June 30, 2026	**7 821 240 618**	**5 487 130 933**

B. Due To Related Parties – Credit Balances

The balance of Due to related parties as of June 30, 2026 amounted to EGP 14 348 734 698 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Al Naeem for Hotels and Touristic Villages S.A.E	121 996 742	121 996 742
Palm Hills Middle East Real Estate Investment S.A.E	10 208 492 803	4 127 733 795
Gawda for commercial services S.A.E	169 321 822	123 159 098
Nile Palm Al-Naeem for Real Estate Development S.A.E	44 059 080	44 059 080
Rakeen Egypt for Real Estate Investment S.A.E	828 573 666	558 461 323
Palm Sports Clubs Company S.A.E	389 696 385	374 999 413
Palm Alexandria for Real Estate S.A.E	9 765 600	19 919 535
Palm Hills Tourism Investment	603 072 017	603 270 017
Palm Hills Resorts	626 187	975 626
East New Cairo for Real Estate Development S.A.E	1 825 104 721	1 807 128 073
United Engineering for Construction S.A.E	11 083 043	11 083 043
Palm hills for restaurants	31 756 542	5 559 635
New Cairo for Real Estate Development	9 200 419	8 946 949
Palm Hills Properties S.A.E	30 444 151	36 394 174
Palm hills for clubs S.A.E	6 211 378	5 219 100
Palm Construction and Real Estate Development	--	25 141 562
Palm hills Developments holding limited L.L.C	53 161 078	51 473 135
Palm Mount for Urban Development	6 169 064	--
Balance on June 30, 2026	**14 348 734 698**	**7 925 520 300**

C. 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) EGP	Debit / Credit Transactions For the Period EGP	Balance at the end of the Period debit / (credit) EGP
Palm Hills Middle East Company for Real Estate Investment S.A.E	Subsidiary	Acting payments/receipts	(4 127 733 795)	(6 080 759 008)	(10 208 492 803)
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)	(253 470)	(9 200 419)
Middle East Company for Real Estate and Touristic Investment S.A.E	Subsidiary	Acting payments/receipts	97 474 313	161 449 477	258 923 790
Gawda For Trading Company S.A.E	Subsidiary	Acting payments/receipts	(123 159 098)	(46 162 724)	(169 321 822)
Rakeen Egypt For Real Estate Development S.A.E	Subsidiary	Acting payments/receipts	(558 461 323)	(270 112 343)	(828 573 666)
Saudi Urban Development S.A.E	Subsidiary	Acting payments/receipts	33 460 630	2 255 209	35 715 839
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	(121 996 742)	--	(121 996 742)
East New Cario for Real Estate Development	Subsidiary	Acting payments/receipts	(1 807 128 073)	(17 976 648)	(1 825 104 721)
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	124 324 434	211 517 913
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	(152 632 308)	159 086 775
Palm for Investment and Real Estate Development	Subsidiary	Acting payments/receipts	1 237 680 993	62 484 561	1 300 165 554
Palm Hills Properties	Subsidiary	Acting payments/receipts	(36 394 174)	5 950 023	(30 444 151)
Palm Hills for Tourism and Real Estate Development	Subsidiary	Acting payments/receipts	445 491 209	300 829 303	746 320 512
Palm Hills for Touristic Investment	Subsidiary	Acting payments/receipts	(603 270 017)	198 000	(603 072 017)
Palm Hills Resorts	Subsidiary	Acting payments/receipts	(975 626)	349 439	(626 187)
Palm for Urban Development S.A.E	Subsidiary	Acting payments/receipts	2 600 153 836	1 772 874 111	4 373 027 947
Palm Club Management S.A.E	Subsidiary	Acting payments/receipts	(5 219 100)	(992 278)	(6 211 378)

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 Alexandria For Real Estate Investment	Subsidiary	Acting payments/receipts	(19 919 535)	10 153 935	(9 765 600)
Palm for Constructions And Real Estate Development S.A.E	Subsidiary	Acting payments/receipts	(25 141 562)	55 167 526	30 025 964
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)	(14 696 972)	(389 696 385)
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	Associate company	Acting payments/receipts	20 480	--	20 480
Aletehadia for Real Estate Development	Subsidiary	Acting payments/receipts	261 440 102	18 406 332	279 846 434
Palmet for Hotels and resorts	Subsidiary	Acting payments/receipts	153 800	110 000	263 800
Palm for real state finance	Subsidiary	Acting payments/receipts	395 901	--	395 901
Palm hills Developments holding limited	Subsidiary	Acting payments/receipts	(51 473 135)	(1 687 943)	(53 161 078)
PHD North Jubail	Subsidiary	Acting payments/receipts	18 696 881	15 370 342	34 067 223
Palm Hills north Jubail holding limited	Subsidiary	Acting payments/receipts	14 279	468	14 747
Palm hills for restaurants Company	Subsidiary	Acting payments/receipts	(5 559 635)	(26 196 907)	(31 756 542)
Palm Mount for Urban Development	Subsidiary	Acting payments/receipts	--	(6 169 064)	(6 169 064)

51. Financial Investments At Amortized Cost

The balance for held-to-maturity investments on June 30, 2026 is an amount EGP 5 766 517 824 It represents the value of investment in treasury bills and bonds as follows:

Treasury bills and bonds	Face value	Unrecognized investment return June 30, 2026	Purchase price June 30, 2026	Average return rate
	EGP	EGP	EGP	%
Commercial international bank	830 350 000	130 500 003	699 849 997	%18,40
Ahli united bank	960 350 000	85 389 125	874 960 875	%18,79
First Abu Dhabi Bank Misr	260 300 000	5 302 311	254 997 689	%18,40
Emirates Bank Dubai	698 400 000	119 724 709	578 675 291	%19,30
Arab African international bank	3 993 675 000	635 641 028	3 358 033 972	%19,58
Balance on June 30, 2026	**6 743 075 000**	**976 557 176**	**5 766 517 824**	

52. Cash And Cash Equivalents

The balance of cash and cash equivalent as of June 30, 2026 amounted to EGP 1 939 085 574 as follows:

	30 June 2026	31 Dec 2025
	EGP	EGP
Banks-current accounts- EGP	1 516 766 159	2 791 144 695
Banks-current accounts- foreign currency	381 993 246	586 538 925
Banks – Deposits- EGP	2 500 000	2 500 000
Banks – Deposits- foreign currency	18 301 320	--
Cash on hand- EGP	22 610 402	17 889 230
Total	**1 942 171 127**	**3 398 072 850**
Less: Expected credit losses	3 085 553	5 511 085
Balance on June 30, 2026	**1 939 085 574**	**3 392 561 765**

53. Banks- Credit Balances

The balance of Banks credit accounts as of June 30, 2026 amounted to EGP 698 660 667 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Banks -Credit Balances –EGP	656 710 678	343 240 180
Banks -Credit Balances-foreign currencies	41 949 989	116 165 929
Balance on June 30, 2026	**698 660 667**	**459 406 109**

54. Credit Facilities

The balance of credit facilities as of June 30, 2026 amounted to EGP 1 138 635 506 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Arab Bank	370 809 707	440 125 595
Arab -African Bank	209	54 842 732
National Bank of Egypt	23 958 009	34 961 231
Ahli United Bank	374 364 982	219 549 137
Emirates NBD	56 513 285	3 449 757 869
Banque Misr	312 989 314	380 661 741
Balance on June 30, 2026	**1 138 635 506**	**4 579 898 305**

55. Loans

The balance of loans on June 30, 2026 amounted to EGP 1 198 780 051 as follows:

	30 June 2026		31 Dec 2025	
	Short term EGP	Long term EGP	Short term EGP	Long term EGP
Ahli United Bank				
Revolving financing of 160,218 million Egyptian pounds for the purpose of financing the projects of Palm Hills Development Company (Palm Parks project).	--	--	160 202 000	16 148
Ahli United Bank				
Revolving financing of 1,727 billion Egyptian pounds for the purpose of financing the project of Palm Hills Development Company (Palmet Project) on an area of 41 acres.	--	448 137 788	--	448 137 788
Ahli United Bank				
Revolving financing in the amount of 757 million Egyptian pounds in order to finance part of the construction and development costs of the (Palm Alexandria) project.	--	750 642 263	--	750 642 263
National Bank of Egypt				
long-term co-financing of EGP 832 million to finance the Palm Hills Development- Crown project.	--	--	179 382 000	653 463 335
Balance on June 30, 2026	--	**1 198 780 051**	**339 584 000**	**1 852 259 534**

- 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.

56. Notes Payable

A) Short Term Notes Payable

The balance of short-term notes payable (net) as of June 30, 2026 amounted to EGP 2 727 215 339 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Notes payable- (New Urban Communities Authority)	1 064 705 964	393 792 379
Deduct: - Deferred installments interest	523 932 784	198 676 783
Net Notes payable (short term)- Land	**540 773 180**	**195 115 596**
Add:		
Notes payable – (short term) Finance Lease Obligation*	2 836 660 730	1 126 216 475
Deduct: - Deferred installments interest	1 887 997 587	746 083 845
Net Notes payable (short term) Finance Lease Obligation	**948 663 143**	**380 132 630**
Add:		
Other notes payable	1 237 779 016	2 081 610 745
Balance as of June 30, 2026	**2 727 215 339**	**2 656 858 971**

B) Long Term Notes Payable

The balance of long-term notes payable (net) as of June 30, 2026 amounted to EGP 2 927 098 553 as follows:

	30 June 2026 EGP	31 Dec 2025 EGP
Notes payable- (New Urban Communities Authority)	4 503 797 561	4 129 259 418
Deduct: - Deferred installments interest	2 047 521 093	2 083 300 795
Net Notes payable (long term)- Land	**2 456 276 468**	**2 045 958 623**
Add:		
Notes payable – (long term) Finance Lease Obligation*	1 407 836 412	3 391 654 541
Deduct: - Deferred installments interest	937 014 327	2 246 867 026
Net Notes payable (long term) Finance Lease Obligation	**470 822 085**	**1 144 787 515**
Add:		
Other notes payable	--	102 122 104
Balance as of June 30, 2026	**2 927 098 553**	**3 292 868 242**

* The other notes payable includes about 4,244 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 32b, 41, 42, 47).

57. Lease Contract Obligations

The net present value of the lease contract obligations (Lease contracts of company branches) as of June 30, 2026 amounted to EGP 29 808 045 is as follows:-

	30 June 2026 EGP	31 Dec 2025 EGP
The Present Value of Lease Contract Obligations – Short Term	26 981 408	17 505 588
The Present Value of Lease Contract Obligations – Long Term	2 826 637	25 792 398
Balance on June 30, 2026	**29 808 045**	**43 297 986**

58. Advances From Customers

The present value of Advances from customers account as June 30, 2026 amounted to EGP 24 187 450 483 as follows:

	30 June 2026	31 Dec 2025
	EGP	EGP
Net contracting Customers	23 401 911 824	15 354 865 878
Advance Reservations Customers	785 538 659	316 879 024
Balance on June 30, 2026	**24 187 450 483**	**15 671 744 902**

59. Liabilities For Checks Received From Customers For Undelivered Units

The balance of liabilities for checks received from customers for undelivered units on June 30, 2026 amounted to EGP 264 660 175 and they are as follows:

	30 June 2026	31 Dec 2025
	EGP	EGP
Checks received from customers - for undelivered units	354 939 384	379 494 503
Deduct:		
unamortized discount	90 279 209	101 230 131
Balance on June 30, 2026	**264 660 175**	**278 264 372**

- 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 year ending on December 31, 2022 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. 33, 35, 45, 46,73).

60. Creditors And Other Credit Balances

The balance of creditors and other credit balances as of June 30, 2026, amounted to EGP 3 411 635 892 as follows:

	30 June 2026	31 Dec 2025
	EGP	EGP
Accounts receivable under settlement	594 980 567	163 768 023
Accrued expenses	1 226 874 344	684 261 224
Insurance for others	452 613 307	371 096 160
Other credit balances	1 137 167 674	671 306 700
Balance on June 30, 2026	**3 411 635 892**	**1 890 432 107**

61. Capital

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

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 increasing 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
- 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 198 999 739 2 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

Issued capital	**EGP**
- 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, 2024 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, 2024, so that the issued capital will be divided into 2,941,594,889 shares.	5 883 189 778
- The issued capital after deduction by the value of treasury shares in accordance with the decision of the Extraordinary General Assembly held on November 4, 2024 in the amount of 123 361 432 Egyptian pounds for the number of 61 680 716 shares, with a nominal value of 2 Egyptian pounds per share, and an entry has been made in the commercial register on December 24, 2024, so that the issued capital will be divided into 2 879 914 173 shares.	5 759 828 346
- The issued capital after deduction by the value of treasury shares in accordance with the decision of the Extraordinary General Assembly held on April 8, 2025 in the amount of 40 000 000 Egyptian pounds for the number of 20,000,000 shares, with a nominal value of 2 Egyptian pounds per share, and an entry has been made in the commercial register on June 1, 2025, so that the issued capital will be divided into 2 859 914 173 shares.	5 719 828 346

62. Legel reserve

The net balance of the legal reserve on June 30,2026 amounted to EGP 804 442 363 Which is represented in what is set aside from the distributable net profits at a rate of 5% of those profits in addition to the transfer from the net issuance premium as follows:

	30 June 2026	**31 Dec 2025**
	EGP	**EGP**
Beginning balance	799 963 621	786 887 503
Transferred during the Period/Year	4 478 742	13 076 118
Balance as of June 30, 2026	**804 442 363**	**799 963 621**

63. Treasury Shares

- **On December 31, 2025**, according to the company's Board of Directors meeting held on October 1, 2024, the number of shares purchased as treasury shares up to that date amounted to 11 934 009 shares at a purchase value of EGP 101 092 107 with an average purchase cost per share of EGP 8,47.

- **For the six-month period ended June 30, 2026** the number of shares acquired as treasury shares reached 23 510 000 shares at a total purchase cost of EGP 225 914 581 with an average purchase cost of EGP 9,61 per share."

- Outstanding Shares

Treasury shares were purchased and executed during the period from December 15, 2025 to June 30, 2026, with a total of 11 934 009 shares acquired at a value of 101 092 107 with an average cost per share of EGP 8,47 And Treasury shares were purchased and executed during the Six Months ended on June 30, 2026, with a total of 23 510 000 shares acquired at a value of 225 914 581 with an average cost per share of EGP 9,61.

Outstanding shares represent 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	35 444 009	327 006 688	9,22
Outstanding shares and net paid-up issued capital	**22 824 470 164**	**5 392 821 658**	

64. 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, June 30, 2026 amounted to 11 194 133 805 EGP.

65. Revenues

The net revenues of the activity for the Six Months ended on June 30, 2026 the amount of EGP 10 935 441 792 as follows:

	30 June 2026 EGP	30 June 2025 EGP
Net Revenue from Real estate development	10 462 635 837	1 821 488 976
Other operating revenues*	472 805 955	--
Total for the Period ended on June 30, 2026	**10 935 441 792**	**1 821 488 976**

The percentage of the level of completion is determined at the level of the contract unit in accordance with 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.

Real estate development revenues for villas and townhouses are recognized in light of the percentage of progress in the extent of fulfilling the contract obligations achieved at the contract unit level for each unit (stage) separately. As for completed units, the revenues generated from them are recognized at a point in time with the completion of the actual delivery of those units.

* Other operating revenues consist of real estate net marketing revenues related to Jirian Project established on the land located south of the "Tahya Misr" in accordance with the agreement concluded with the Entity the owner of the project.

66. Cost Of Revenues

The net cost of revenues for the Six months ended on June 30, 2026, the amount of EGP 7 624 140 570 which includes direct activity costs for each of the costs of developing the contracted land as well as construction costs, in addition to the indirect costs, which represent the share of each stage of the costs of utilities work and expenses Other indirect, as follows:

	30 June 2026 EGP	30 June 2025 EGP
Cost of Real estate development	7 624 140 570	1 435 981 476
Total for the Period ended on June 30, 2026	**7 624 140 570**	**1 435 981 476**

67. General Administrative, Selling And Marketing Expenses

Administrative, general and marketing expenses for the Six Months ended on June 30, 2026, the amount of EGP 1 643 535 293 as follows:

	30 June 2026 EGP	30 June 2025 EGP
Salaries and wages	148 031 022	239 356 243
Selling and marketing expenses	1 495 504 271	340 595 355
Total for the Period ended on June 30, 2026	**1 643 535 293**	**579 951 598**

68. Expected credit losses (ECL):

The value of (reverse) expected credit losses for the Six Months ended on June 30, 2026 the amount of EGP (6 494 731) as follows:

	30 June 2026 EGP	30 June 2025 EGP
(Reverse Losses) of customer receivable balances (Note 48)	(7 028 329)	(4 086 943)
Losses of receivable and other debit balances (Note No. 49)	1 225 922	2 875 674
Losses of balances owed by related parties (Note No. 50a)	1 733 208	2 535 004
(Reverse Losses) of cash balances (Note 52)	(2 425 532)	--
Total for the Period ended on June 30, 2026	**(6 494 731)**	**1 323 735**

69. Finance costs and interest expenses

Financial costs and financing interest for the Six Months ended 30 June 2026 amounted to EGP 636 765 547 detailed as follows:

	30 June 2026 EGP	30 June 2025 EGP
Land Installment interest	202 447 190	141 326 713
Financing costs and interests	434 318 357	555 240 065
Total for the Period ended on June 30, 2026	**636 765 547**	**696 566 778**

70. Other Revenues

The other revenues for the Six Months ended on June 30, 2026 the amount of 279 045 290 EGP as follows:

	30 June 2026 EGP	30 June 2025 EGP
Revenue from the Right to Use Trademark	33 030 101	--
Late Fees and Fines Revenue	199 378 534	88 059 153
Company's share in malls and clubs operating revenues	43 650 511	18 531 941
Gain on sale of fixed assets	--	4 747 601
Dividends from subsidiaries	--	6 612 484
Utility fee refund	2 986 144	2 388 896
Total for the Period ended on June 30, 2026	**279 045 290**	**120 340 075**

71. Current Income Tax

The balance Income Tax for the Six Months ended on June 30, 2026 the amount of 310 092 433 EGP as follows:

	30 June 2026 EGP	30 June 2025 EGP
Net profit before income tax	1 454 117 386	--
Adjustments to the accounting net profit to get the net tax profit, stage losses and depreciation differences	(75 928 795)	--
Net taxable profit	1 378 188 591	--
Tax At (22.5%)	**310 092 433**	--

72. Earnings Per Share

The basic share in the profits (Loss) for the Six Months ended on June 30, 2026, the amount of EGP 0,404 as follows:

	30 June 2026 EGP	30 June 2025 EGP
Net profit (loss) for the Period	1 144 024 953	(753 368 758)
Divided by: Weighted average number of shares during the Period*	2 835 240 054	2 876 709 753
Earnings per share in the profit (loss)	**0,404**	**(0,262)**

*For the purpose of calculate its share of stock in the Six Months ending June 30, 2026, its share of stock in android has been calculated on the basis of the average number of rich shares during the busy Year Time factor, this is after deducting treasury shares of 23 510 000 shares (Note No. 63)."

73. Notes receivable not included in the items of the financial statements.

The face 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 29 725 651 774 as of June 30, 2026, for a contractual value to customers of EGP 35 666 182 6262 The present value of these checks as of June 30, 2026, amounted to EGP 14 843 070 441 This represents the value of checks related to undelivered units for which sales contracts were concluded during the financial Year from January 1, 2023, to June 30, 2026, and which were not subject to the transitional treatment Issued by the Egyptian Supreme Committee for Accounting and Auditing and approved by the Financial Regulatory Authority on January 12, 2022, the receivables are as follows, according to their due dates:

	Face Value for Notes Receivable	Discount on Present Value of Notes Receivable	Present Value of Notes Receivable
	EGP	EGP	EGP
Notes receivable due in 2026	1 697 741 283	108 895 730	1 588 845 553
Notes receivable due in 2027	3 763 328 435	696 601 565	3 066 726 870
Notes receivable due in 2028	4 028 688 927	1 336 125 316	2 692 563 611
Notes receivable due in 2029	4 246 430 190	1 920 511 338	2 325 918 852
Notes receivable due in 2030 or more	15 989 462 939	10 820 447 384	5 169 015 555
Balance on June 30, 2026	**29 725 651 774**	**14 882 581 333**	**14 843 070 441**

74. Tax Status

A) Corporate tax

- The Company started its operations on 14 March 2005.
- The Company is exempted from income tax for ten years to end on 31 Dec. 2015.
- **Years 2005 to 2019:** examination has been completed, linked and paid
- **Years 2020 to 2025:** The company submits the tax declaration on the legal dates and pays the tax.

B) Payroll tax

- **Years from the beginning of the activity - 2022:** the examination, linked and payment of tax differences were settled.
- **Years 2023 until June 30, 2026**: The company deducts the tax and remits it on the legal dates.

C) Stamp tax

- The company is subject to Law No. 111 of 1980 and its amendments and executive regulations.
- **The period from the beginning of the activity - July 31, 2006:** The company has been notified of the tax forms, and payment has been made.
- **The period from August 1, 2006 To December 31, 2018:** examinations have been completed, paid.
- **Years from 2019 To December 31, 2023**: examination has been completed and the internal committees and linking are being finalized.
- Articles 64 and 60 of the Stamp Tax Law have been repealed 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.

F) Value Added Tax

- The company registered for Value Added Tax (VAT) on February 12, 2020, and has been submitting its tax returns within the legal deadlines.
- The company has been examined up to the year 2023, with reconciliations completed and payments settled.
- **Years 2024 to June 30,2026:** The company submits the tax declaration on the legal dates and pays the tax.

E) 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. Contingent Liabilities

At its Ordinary General Assembly meeting held on April 3, 2023, the company approved guaranteeing its subsidiaries, associates, and investee companies, including Palm Hills Developments. The contingent liabilities consist of the company signing financial leasing contracts (as a joint guarantor, jointly and severally liable with the other guarantors) with Palm Hills Middle East for Real Estate Investment and Rakeen Egypt for Real Estate Investment (related parties as members of Palm Hills Developments Group) amounting to EGP 3 442 360 002 and the present value of these obligations amounts to EGP 1 246 673 920 (Notes no 41،47).

76. Non-Cash Transactions

Fixed Assets increased by EGP 114 652 405 as a result of a transfer from Work in process.

Investments in associates increased by EGP 22 500 as a result of a transfer from Advance payments for investments acquisition.

77. Significant Events

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 gross 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.