TMG

STRATEGY PRESENTATION

DECEMBER 2019

TMG Holding S.A.E.
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Giza, Egypt

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Publicly held since 2007
EGX: TMGH.CA / TMGH EY

About TMG Holding

Talaat Moustafa Group Holding (TMG Holding) a leading conglomerate with special emphasis on developing integrated communities, including but not limited to mixed-use real estate and hospitality projects across Egypt's key cities. It has an outstanding track-record in creation of large, vibrant and diverse communities, providing high-quality housing accompanied by superb amenities and embodying the company's unmatched experience in planning, execution, management and maintenance of large-scale developments. Constant execution of the company's bold and ambitious vision has been redefining and reshaping Egypt's property landscape over the past two decades, dictating new trends and higher standards and substantially contributing to sustainable economic growth and improvement in quality of life for local communities.

TMG Holding is the developer of Al Rehab city in New Cairo, Al Rabwa in Sheikh Zayed city, Mayfair in Al Shorouk city and Madinaty, its flagship mega-development occupying a whopping 33.6mn sqm in East Cairo, in addition to "Celia" its recently launched project in the New Administrative Capital. TMG Holding also own three luxurious Four Seasons hotels in Sharm El Sheikh, Alexandria and Cairo, where it also owns the Kempinski Nile Hotel. The company owns 875 upscale hotel rooms in total and is currently expanding its portfolio by 443 additional rooms in two new upscale hotel properties in Sharm El Sheikh and Cairo. Another two upscale hotels are to be developed in Marsa Alam and Luxor.

TMG Holding is also an owner of over 127 thousand sqm of prime retail space located across its integrated communities and is an emerging dominant player on Cairo's sporting club scene, with two operational integrated sporting clubs accommodating about c0.2 million members and additional two clubs under construction.

The company is publicly held since 2007 and is the largest listed developer by market capitalization, at EGP17.5bn as of today. It has a total land of 53mn sqm, the largest accessed by a listed developer in Egypt. TMG Holding has the largest backlog among local developers, at EGP48bn and to be fully delivered within the coming four years.

Market capitalization
EGP17.5bn

Annual turnover (FY2018)
EGP10.9bn

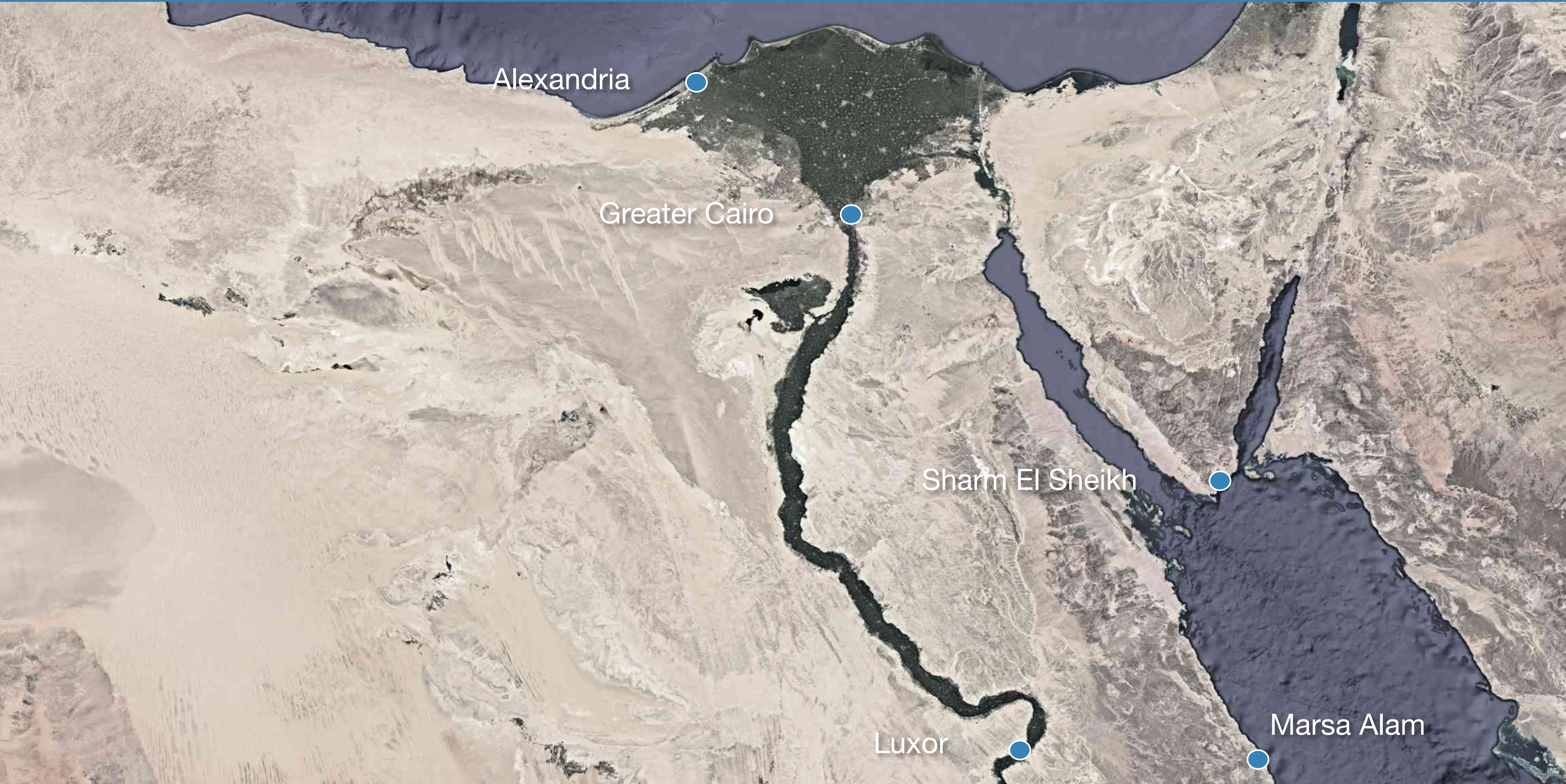
Backlog (9M2019)
EGP47.7bn

Total assets (9M2019)
EGP103bn

Note: Market capitalization as of December 2019, financial and operational KPIs as of end-2018 and end-9M2019.

Our footprint

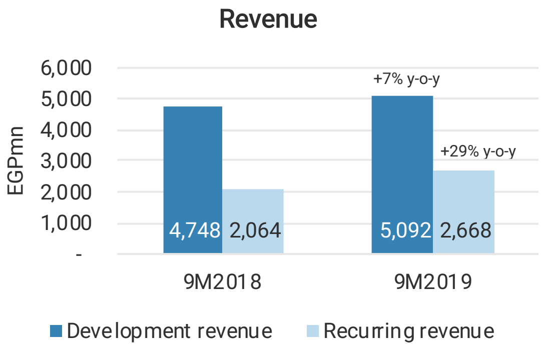
TMG

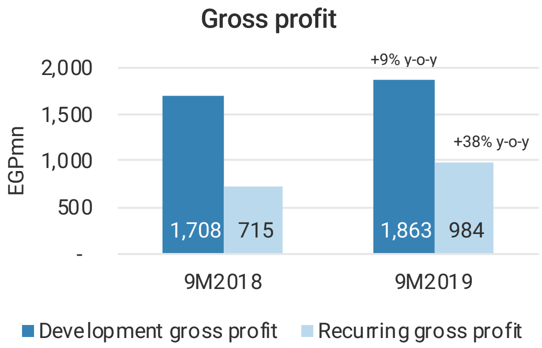


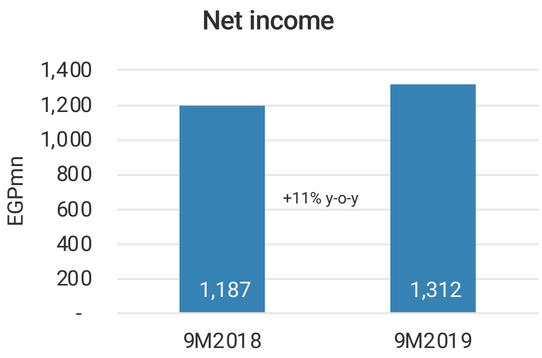
Recent milestones

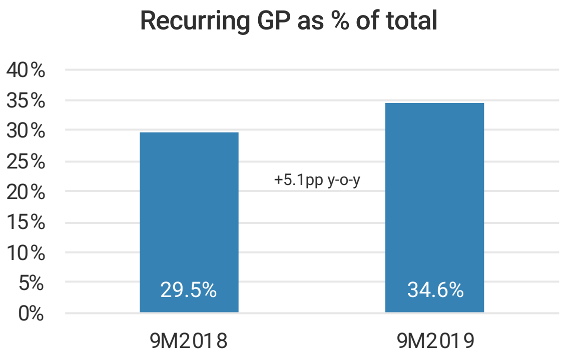
- Achieved strong sales of EGP14.5bn in 9M2019, the highest in the Egyptian market, of which EGP282mn represented stand-alone club membership sales. The result is 54% higher y-o-y if adjusted for Celia launch last year and 73% higher y-o-y if adjusted for school sales.
- Key recurring income segments continued to deliver strong growth, with club segment revenue up by 119% y-o-y in 9M2018 and retail revenues up by 25% y-o-y, on increasing contribution from the Open Air mall.
- Commenced sales of residential units in Four Seasons hotel in Madinaty.
- Launched a new upscale neighborhood in Madinaty – Privado in May 2019, with 9,846 well-designed apartments, meeting a strong response from the market, with net sales of over EGP5.5bn achieved until end-September 2019.
- Launched a mortgage finance JV with EFG Hermes and GB Capital, with a paid in capital of EGP150mn, expected to increase to EGP250mn. In the first 12 months of its operation, the JV plans to offer EGP450mn worth of mortgage funding and will almost exclusively focus on TMG-branded product, increasing the investment appeal of our primary market offering.
- Implemented further upgrades to all existing facilities which significantly improved costumer satisfaction and reflected in stellar sales performance

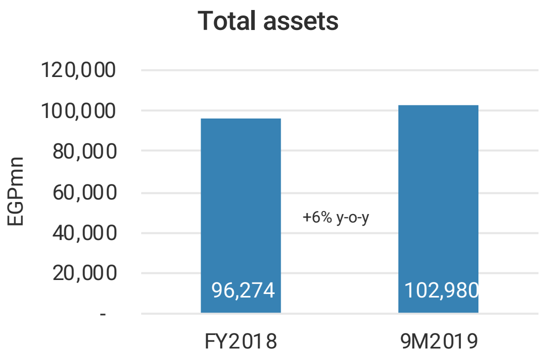
Key financial highlights of 9M2019

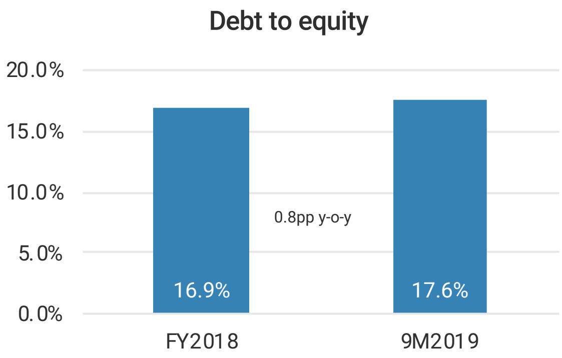


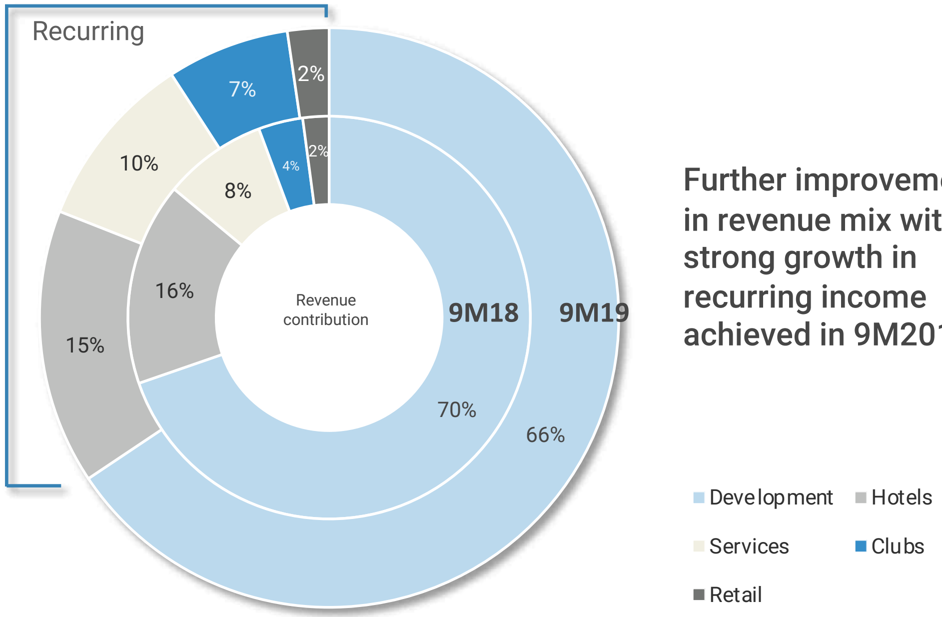












Further improvement in revenue mix with strong growth in recurring income achieved in 9M2019

- Revenues of EGP7.76bn, up 13.9% y-o-y, of which a significant 34% or EGP2.67bn was generated from hospitality and other recurring income lines, growing 29.3% y-o-y Gross profit of EGP1.86bn, up 19.8% y-o-y
- Net profit before minority interest of EGP1.37bn, up 9.9% y-o-y
- Net profit after tax and minority interest of EGP1.31bn, up 10.5% y-o-y

TMG at a glance [TMGH.CA/TMGH EY] as at end-9M2019

MENA's leading developer[1]

#1 Egyptian RE developer by market cap

40+ years track record

over 90k / 3.1k units sold

(since inception / 9M2019 only)

c100k+ units delivered

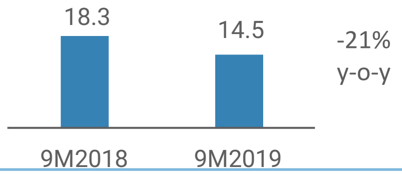
(since inception, including ministry units)

Highest cumulative deliveries by a single MENA developer

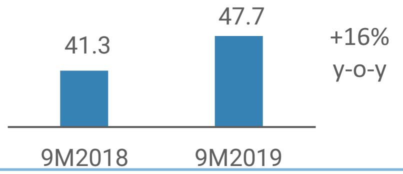
875 operational hotel rooms

443 rooms under development[2]

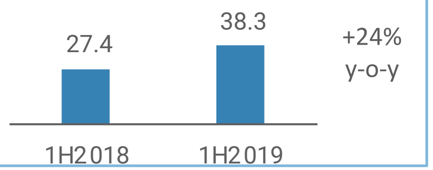
New sales [EGPbn][3]



Backlog [EGPbn]



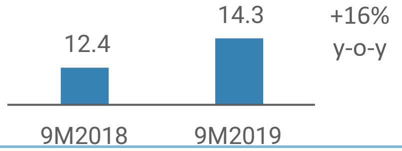
Remaining collections [EGPbn]



127.5k sqm GLA portfolio[4]

44k sqm GLA leased and operational

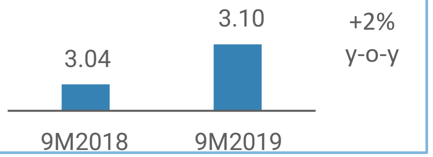
Expected net cash flow from backlog and delivered units [EGPbn]



15mn sqm residual BuA

c3.5mn BuA commercial BTS and BTL

Net cash position [EGPbn]



197k club membership capacity[5]

Sold c46k memberships, c151k memberships yet to be sold

Egypt's leading developer of premium master planned communities with sufficient land bank for 16 years and sizeable portfolio of Recurring Income Assets contributed 30% of GOP for 2018[6] and planned to increase to 40-45%

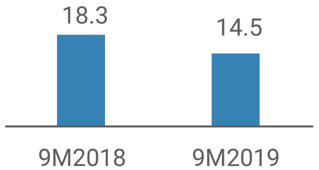
Note (1): By number of units delivered.
Note (2): Includes Four Seasons Sharm El Sheikh extension (under construction) and Four Seasons Madinaty (in design phase)
Note (3): 9M2018 sales captured EGP1bn school transaction, in addition to EGP10.7bn contributed by Celia launch. If adjusted, like-for-like sales in legacy geographies were up by c73% up y-o-y
Note (4): Includes Open Air mall (new units opening over 2019, Carrefour operating since October 2018, achieving the highest Carrefour sales per sqm in Egypt)
Note (5): Substantial high-margin revenue stream with limited CapEx needs overlooked by the market, to deliver exponential growth mimicking accelerated population build-up. Capacity does not include Celia, Privado clubs which are under process of licensing.
Note (6): Contributed 25% in 2017, 35% in 9M2019

We continue to deliver on our key strategic priorities previously communicated to the market

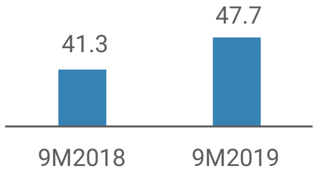
TMG

1 Achieving robust growth in sales
FY2019e sales target: EGP24bn, up 13% y-o-y on FY2018a of EGP21.3bn

New sales [EGPbn]

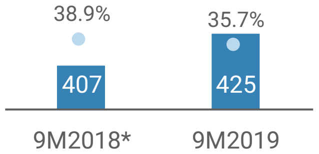


Backlog [EGPbn]



2 Continue building our recurring income portfolio –
- target 40-45% of gross profit by 2020, up from 30% in 2018

Hospitality EBITDA [EGPmn]



- The Group invested EGP1bn to increase its stake in ICON to 83.3%
- Signed JLL to manage and operate Open Air Mall in Madinaty
- Signed Carrefour as anchor tenant in Rehab & Madinaty malls, opened in Open Air mall in October 2018

3 Executing the Group's strategy of monetizing non-core assets

TMG Holding
GEMS EDUCATION
EFG HERMES

EGP1bn proceeds from the transaction in 2018

4 Disciplined approach for land acquisitions while managing financial risk

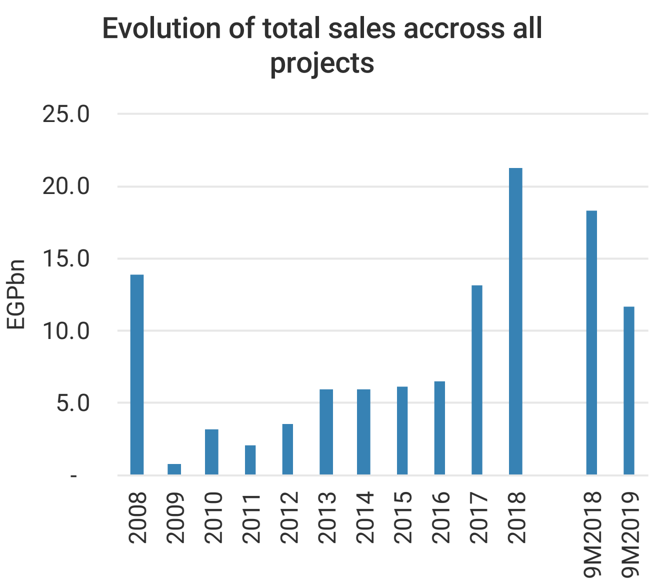
CELIA NEW CAPITAL → Strategic land → EGP13.5bn net sales until end-9M2019

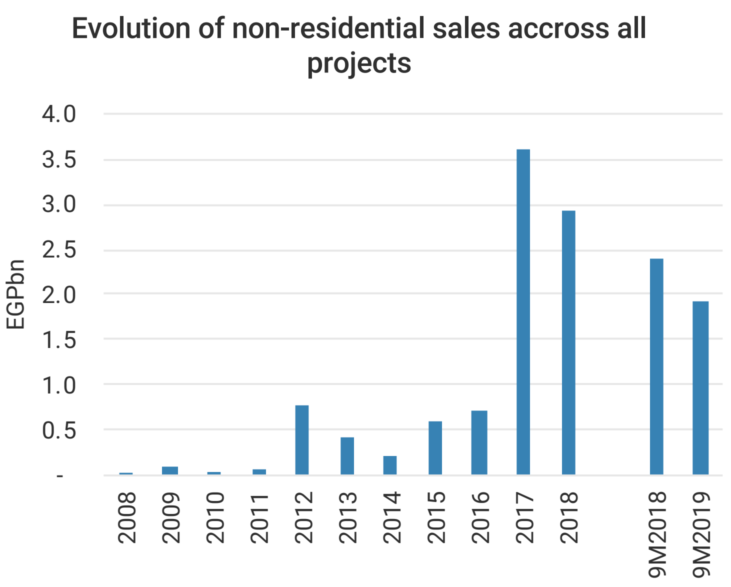
5 Preserving capital appreciation while providing a dividend stream
No equity increases since IPO, moderate leverage, stable dividend payout since 6 years

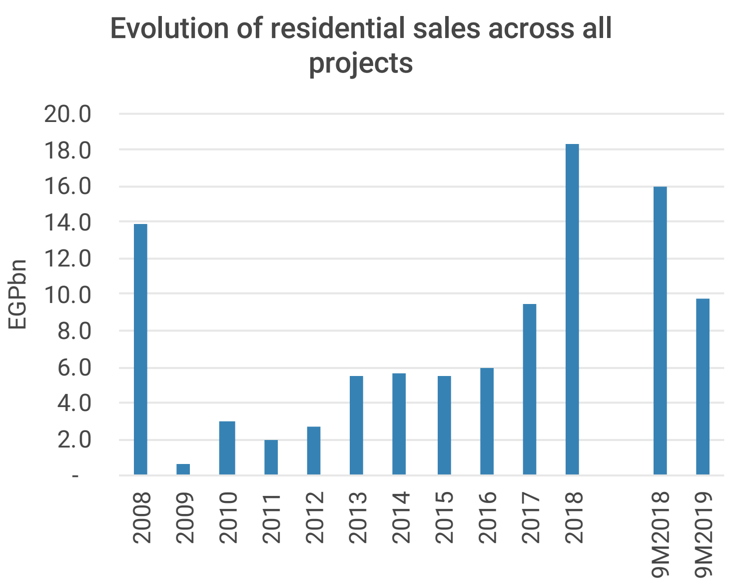
Mission: Provide exceptional services to all our clients and ensure great customer experience and capitalize on such client base for new projects

Note (*): Comparative figures adjusted for one-offs

We are on track to achieve all-time high sales

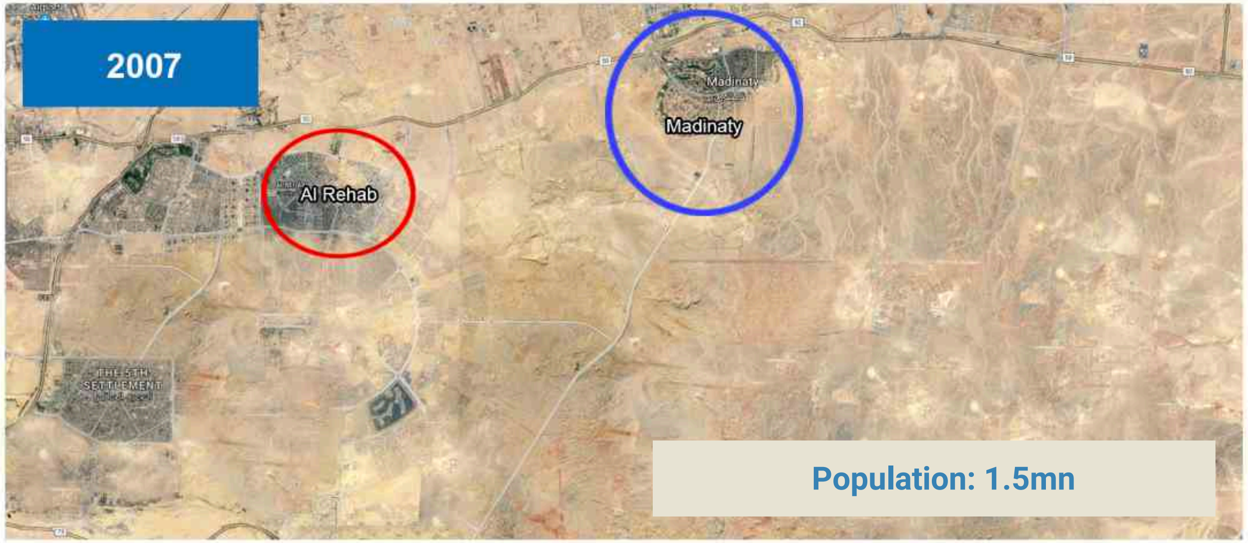


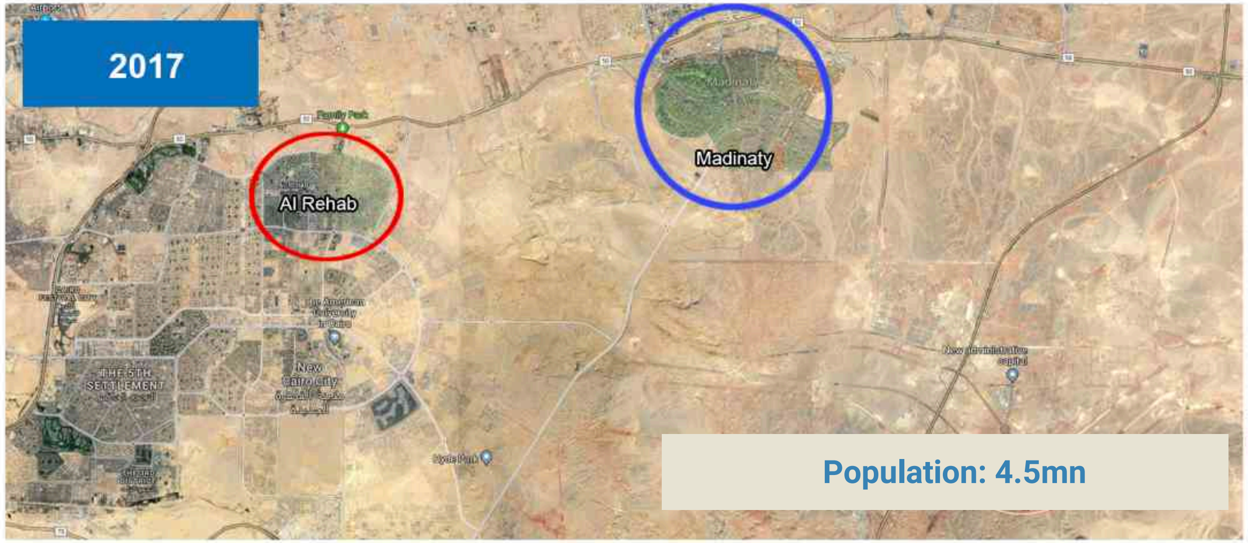




- Strong brand equity and development progress drive strong growth in residential and non-residential sales since 2017.
- Achieved EGP14.5bn in total sales in 9M2019, compared to 18.3bn in 9M2018, which was boosted by EGP1bn school transaction and Celia launch (new destination) of EGP10.7bn, benefiting from pent-up demand for the New Administrative Capital product.
- Achieved cEGP2bn in non-residential and club sales sales in 9M2019. This compares to EGP2.4bn in 9M2018, boosted by EGP1bn school transaction.

Strategic vision allowed for early foothold in rapidly urbanizing East Cairo





Madinaty – a full-fledged booming international city in the heart of East Cairo

- Madinaty is TMG's flagship mixed-use city in East Cairo spanning over a massive area of 33.6 km^2, launched in 2006 and to be fully completed by 2035
- Designed to be self-sufficient international city for quality life-style and world-class commerce, leveraging on 40+ years of experience of TMG teaming up with renowned international master planners and architects

Land area
33.6 km^2

117k residential units

Over 4mn sqm of non-residential BuA

Prime location

- Well-connected to the 5th Settlement and inner Cairo
- Well-connected to the New Administrative Capital and Suez zone
- In close proximity to Cairo International Airport and the New Capital airport
- Well-connected to other project's of TMG, such as Rehab and Celia

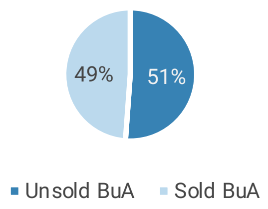
Well diversified unit mix supporting a sustainable community

- 107.5 thousand finished apartments of various sizes
- 9.3 thousand stand-alone units with private gardens
- 3.8mn sqm of regional services, including malls, office space, hotels, clinics etc., in addition to 0.33mn sqm of district and sector centers
- Hosting one of the largest downtown centers of trade and commerce in Egypt and the region (the Spine)

Gaining critical mass

- Delivered some 50 thousand residential units to date since inception
- Quality ready-made finishing and amenities encourage a vibrant rental market, boosting occupancies and commercial activity

Residential BuA



Offering superb amenities

- Vast, high-quality sustainable landscaping (25 sqm of greenery per inhabitant)
- Internal road network with service lanes, biking tracks and pedestrian lanes, dedicated water and electricity infrastructure
- High-quality schools with diverse international and local curricula, nurseries
- Sporting club of 200 feddans
- World-class medical centers and pharmacies
- Dedicated transportation services
- Mosques and churches

World-class planning and vision

- Designed by renowned international architects, such as Sasaki, SWA, HHCB, Dar, F+A, HR&A, among others
- Provides for tranquility of residential quarters and immediate accessibility to commercial centers
- Well-connected to surrounding neighborhoods, capturing footfall of East Cairo and the New Administrative Capital

Privado – further diversifying the product of Madinaty

A value proposal leveraging on quality services of Madinaty paired with tranquility of a gated compound…

- **Privado** is our newest apartment neighborhood in the East of Madinaty, spanning over 1.2mn and neighboring the downtown area
- Total residential BuA of c1.1mn sqm
- In addition to 7.3k sqm of service space, with a dedicated Town Square spanning over 12.1k sqm, containing:
  - Retail, market, storage, nursery, courtyard, stage, administrative offices
- Footprint of 16% only, leaving 84% for open areas and green spaces dotted with lakes and other water features, including a central park spanning over 630,000 sqm
- Entertainment zone with 4 movie theatres and 250 retail outlets
- Adventure Park with car racing, retro arcade, kids indoor climbing, BMX and skating park

Centrally located…

- **Privado** will grant its residents an easy access to top-notch facilities of the compound as well as the services and amenities of Madinaty
- It is centrally located within walking distance from Madinaty downtown areas and the Central Park, with direct access to Cairo-Suez road

276 feddans
Privado land area

1.1mn sqm
Total residential area

EGP5.5bn
Total net sales since prelaunch until end-9M2019

1,421 units (c14%)
sold until end-9M2019

9,846 units
Total residential units for sale

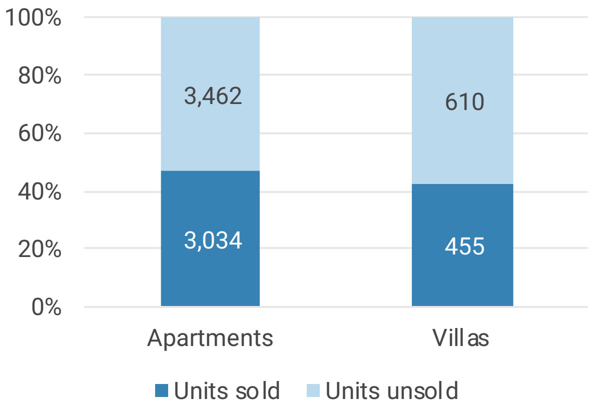
PRIVADO
MADINATY

Privado perspectives

Unmatched brand equity of TMG in the Egyptian market

- **Celia** is a new mixed-use development located on 500 feddans in the New Administrative Capital (NAC) – largest land plot launched in NAC to date
- Total residential BuA of c1.07mn sqm, in addition to c190k sqm of non-residential space
- Launched in June 2018, to be completed within the next 4 – 6 years
  - Very good market reception as a testimony to brand equity
  - Significant pent-up demand in location despite earlier launches by smaller companies before the launch of Celia
  - Good outlook on demand dynamics following launch
  - More than 15% of clients are returning clients
- Well-diversified offering portfolio:
  - Four types of multitenant buildings, 8 floors each
  - Five types of stand-alone units ranging from 213 to 373 sqm per unit
  - Master plan accommodates for a sporting club and basic services
- Land purchased in 2017 for EGP2,100/sqm, payable over 9 years (10% down payment, 2 years grace period + 7 years installments, interest of 10% only)

Sales status as at end-9M2019



500 feddans
Celia land area

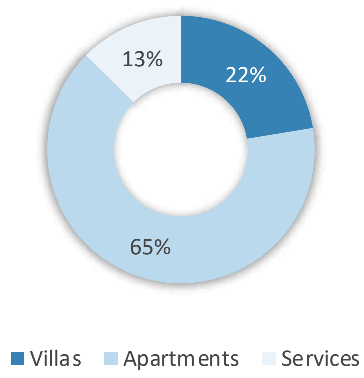
1.07mn sqm
Total residential area

cEGP13.5bn
Total net sales since launch until end-9M2019

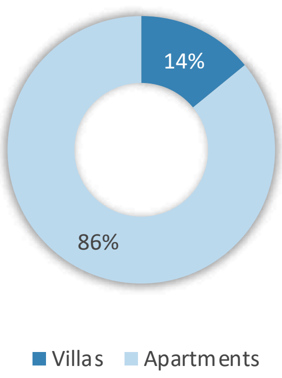
3,489 units (c47%)
sold until end-9M2019

7,561 units
Total residential units for sale

BuA breakdown by type

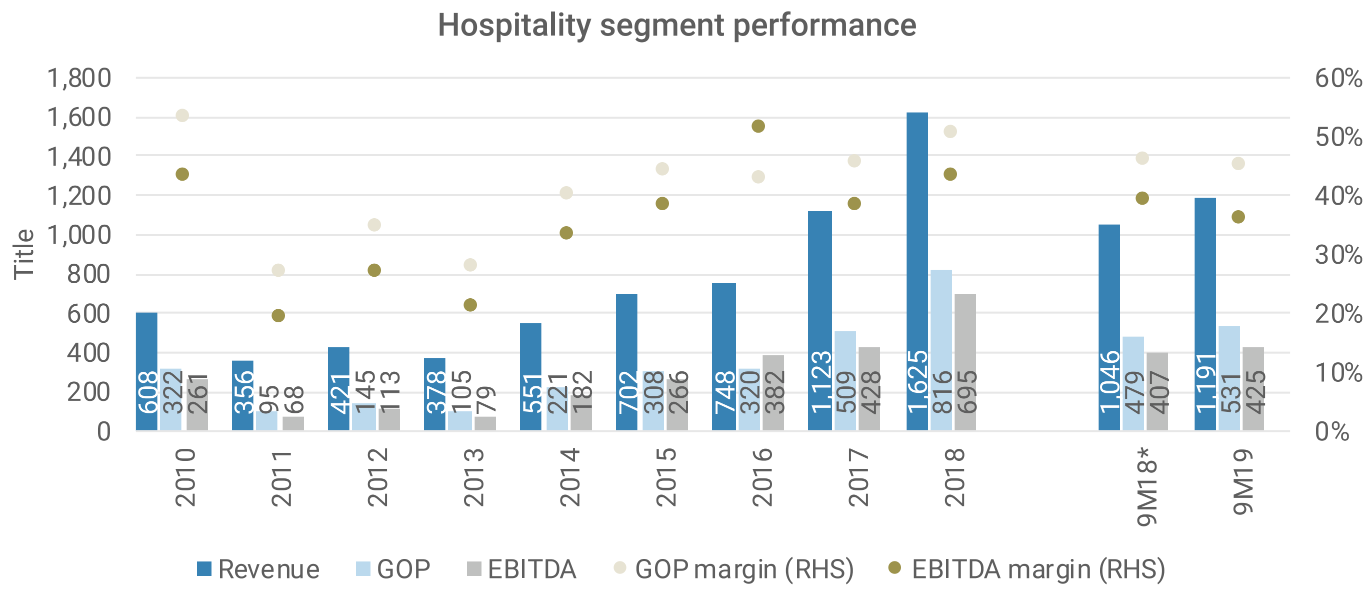


Units breakdown by type



CELIA NEW CAPITAL

Continue investing in hotel portfolio – significant improvement across all KPIs



- **Freed liquidity from monetizing non-core assets and invested EGP1.0bn in ICON in a value accretive transaction, increasing stake in TMG's yielding hospitality segment to 83.3%**
- **Appointed Hotel Chief Operating Officer in 2019 to oversee existing portfolio and its expansion**
- 443 new keys under development:
  - 346 keys in FS Madinaty + 191 residential units, construction breaking ground in 2019, to be completed in 2023
  - 97 keys in FS Sharm El Sheikh ext. + 69 residential units; under construction, to be completed in 2020
- Ongoing phased renovation of FS Nile Plaza

Four Seasons Sharm El Sheikh
[200 keys, opened 2001]

Four Seasons Nile Plaza, Cairo
[366 keys, opened 2004]

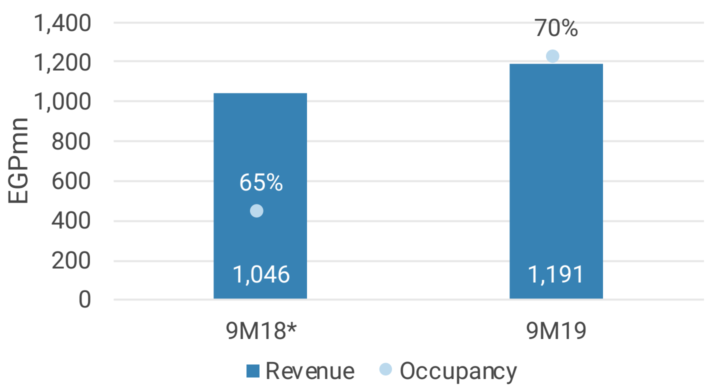
Four Seasons San Stafano, Alexandria
[118 keys, opened 2007]

Kempinski Nile Hotel, Cairo
[191 keys, opened 2010]

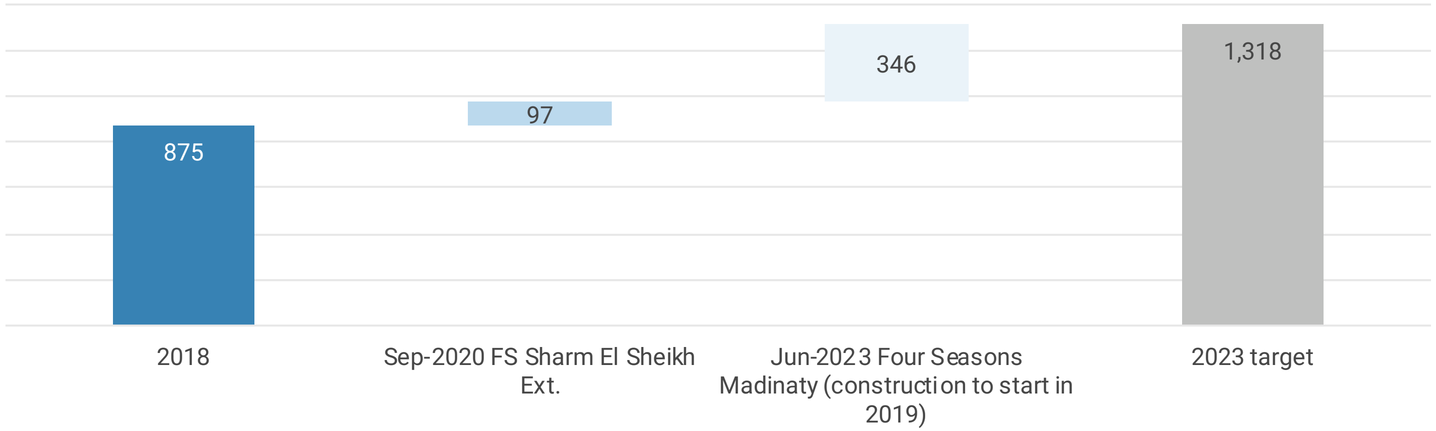
Note (*): Adjusted for one-offs

Continue building our recurring income portfolio – target 40-45% of consolidated gross profit

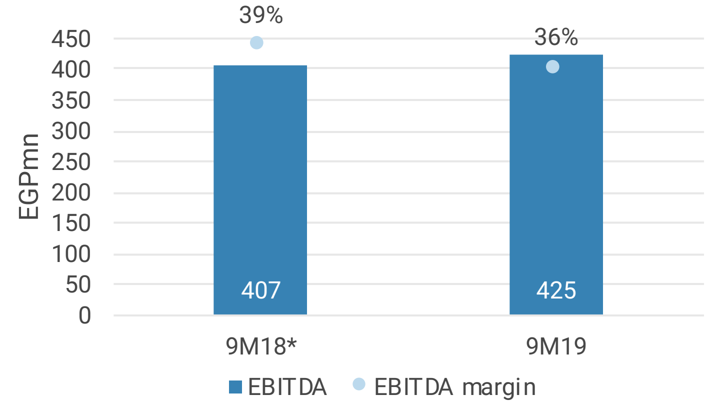
Revenue and occupancy rate



Hotel rooms evolution



EBITDA and EBITDA margin*



Short-term initiatives - ongoing

Four Seasons Sharm El Shaikh

- 97 hotel keys
- 69 residential Units
- Licenses/permits Issued

Four Seasons Nile Plaza

- Renovation plan ongoing
- Execution started in 2018
- Self-funded from existing cash resources

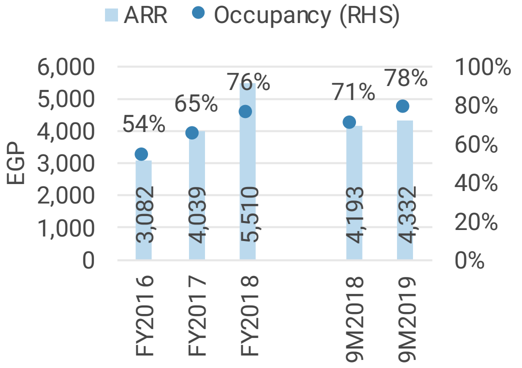
Four Seasons Madinaty

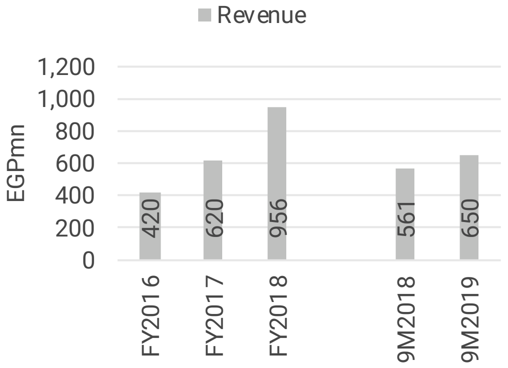
- 346 Hotel Keys
- 191 residential units (111 villas and 80 apartments)
- Design ongoing

Note (*): 9M2018 KPIs adjusted for one-offs. Slight EBITDA margin compression attributable to strengthening of EGP over 9M2019 and further cuts to energy subsidies

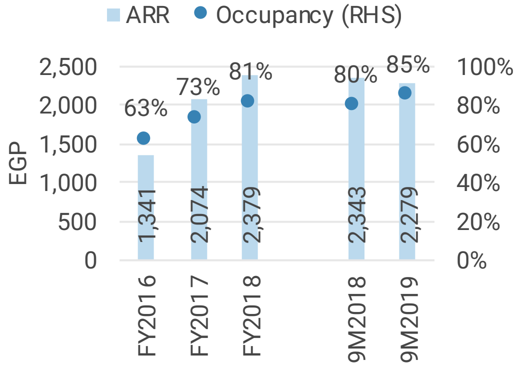
Significant improvement across hotel KPIs

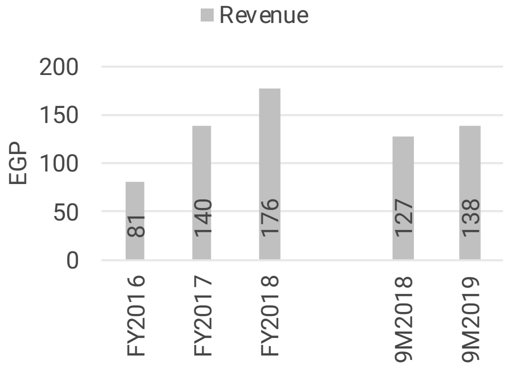
Four Seasons Nile Plaza KPIs*



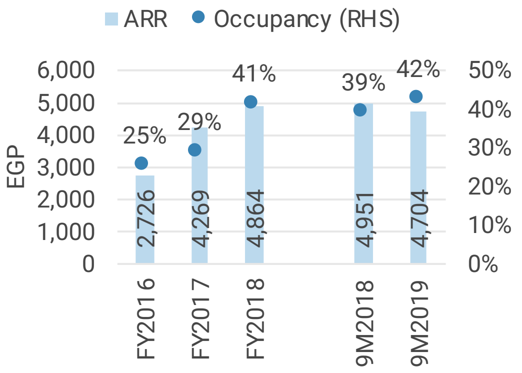


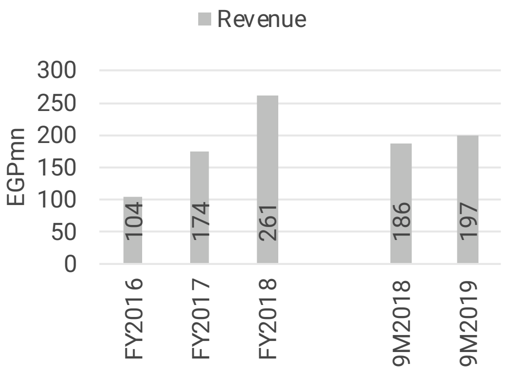
Kempinski Nile Hotel KPIs



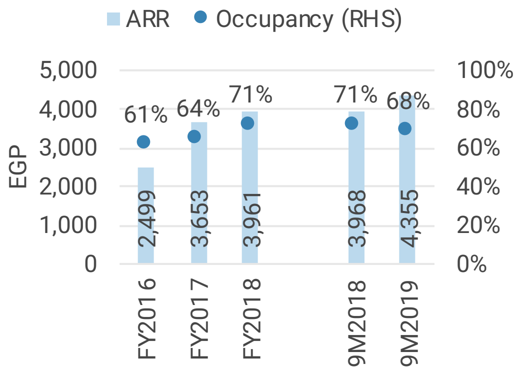


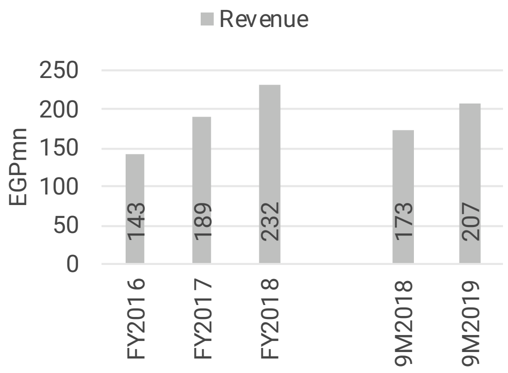
Four Seasons Sharm El Sheikh KPIs





Four Seasons San Stefano KPIs

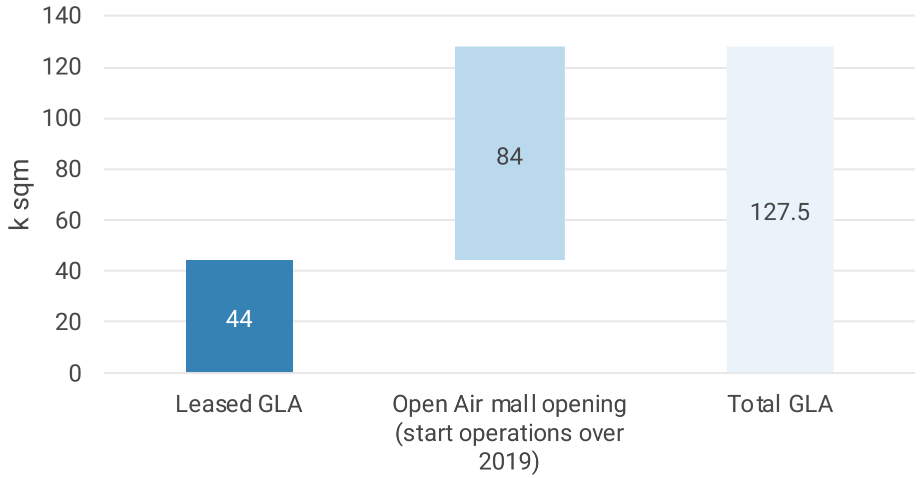




Note (*): 9M18 KPIs adjusted for one-offs

Continue building our recurring income portfolio – target 40-45% of consolidated gross profit

Retail GLA



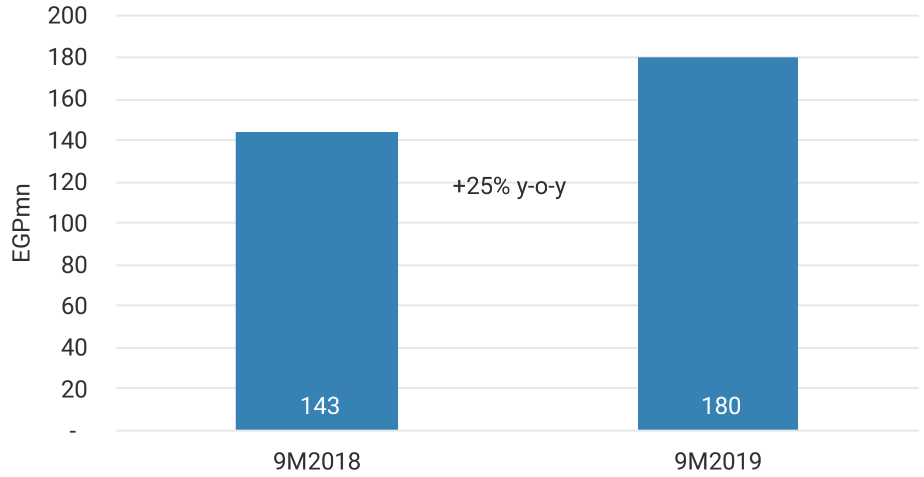
Remaining CAPEX EGP1.3bn

Target 2020e revenue cEGP0.5bn

Target EBITDA margin c85-90%

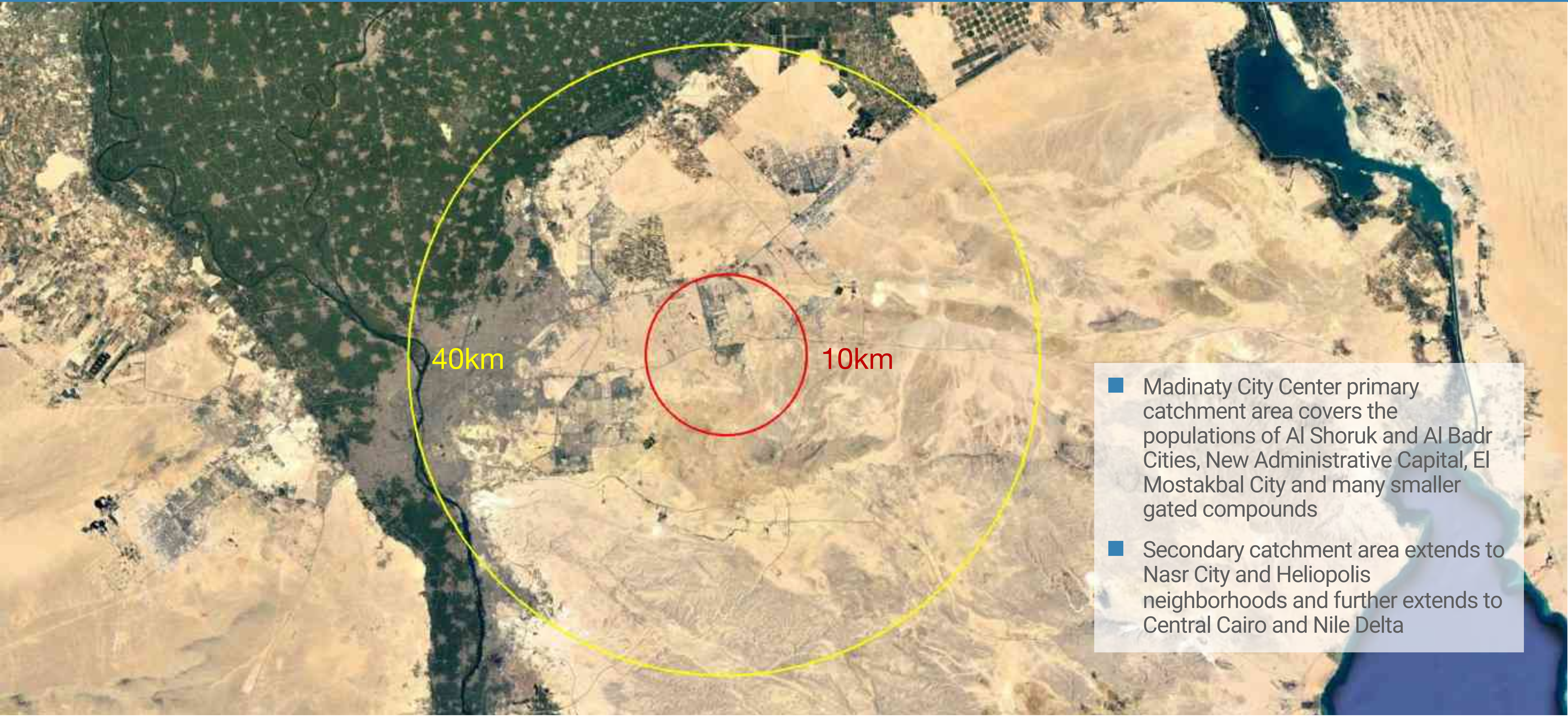
Target 2020e EBITDA EGP0.45bn

Retail revenue grows in significance



- Retail revenues benefit from continuous population build-up in TMG Holding projects
- Over 46k sqm of GLA in Open Air mall already signed or under negotiation as of December
- Carrefour hypermarket, opened in October 2018, achieves the highest sales per sqm in Egypt

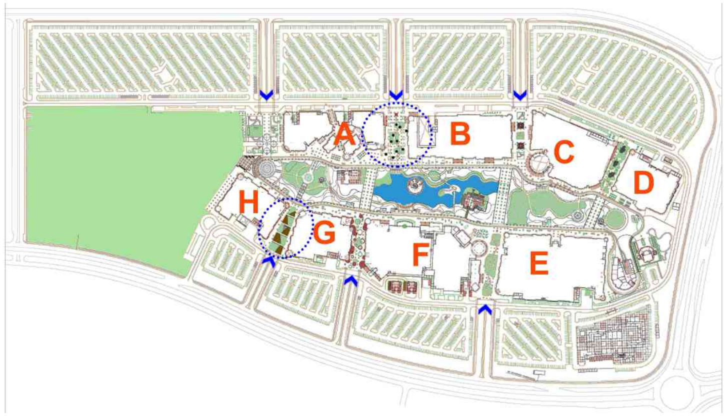
Catchment of Madinaty City Center



- Madinaty City Center primary catchment area covers the populations of Al Shoruk and Al Badr Cities, New Administrative Capital, El Mostakbal City and many smaller gated compounds
- Secondary catchment area extends to Nasr City and Heliopolis neighborhoods and further extends to Central Cairo and Nile Delta

About Open Air Mall

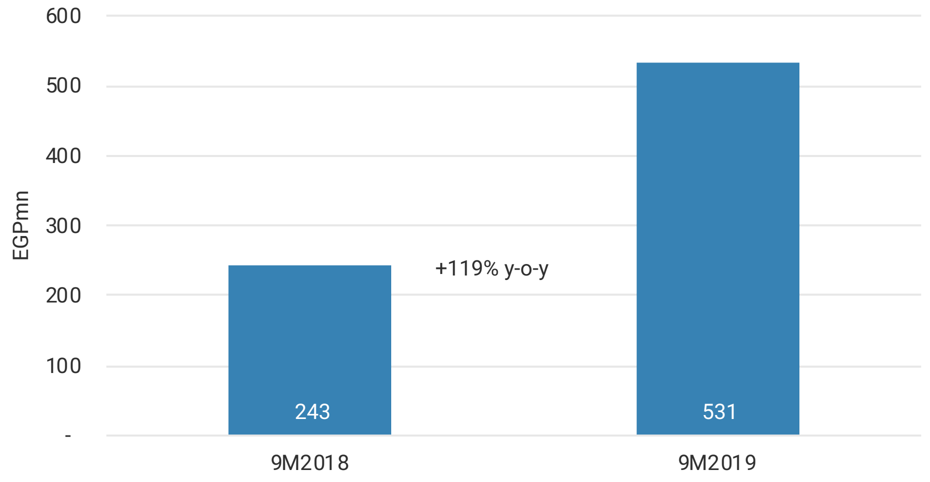
- **A new regional mall in Madinaty** built on 406k sqm of land on Northern edges, immediately surrounded by residential communities within the project and with easy access from the outside
- GLA of 92k sqm + some 6,000 parking spots
- Modular designed consisting of 8 buildings connected by alleys and a tram network
- All GLA fully owned by TMG
- Inaugurated in 2018 with opening of Carrefour hypermarket, to be fully completed over 2019
  - **The highest selling Carrefour outlet per sqm in all of Egypt**
- Footfall bound to increase exponentially with new residential deliveries in Madinaty and neighboring projects by other developers, bring total population in the area to over 10mn individual in the coming 10 years, from current estimate of 4.5mn
- Catchment: at least 3.5mn people, of which 1.9mn within primary catchment area
- Driving times:
  - El Shourok City: ~10 min
  - New Cairo: ~20-30 min
  - Cairo Intl. Airport: ~30 min
  - New Admin. Capital: ~ 35 min



Continue building our recurring income portfolio – target 40-45% of consolidated gross profit

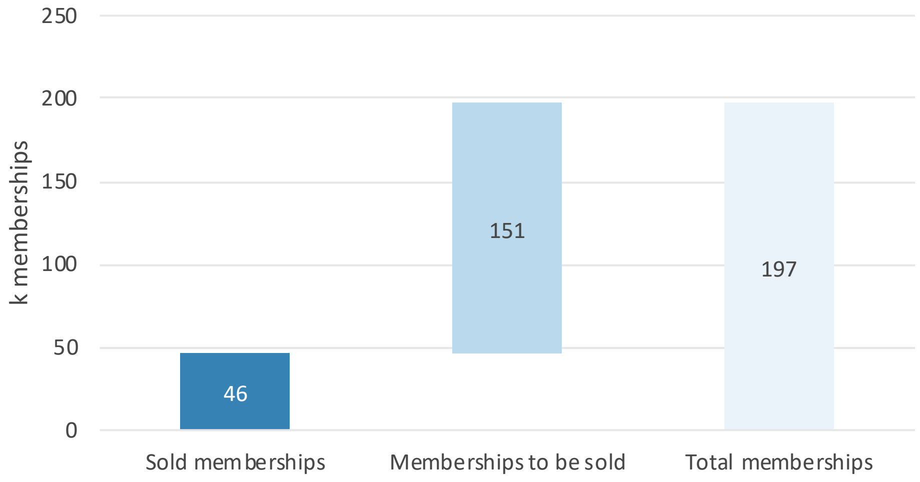
TMG

Club revenue grows in significance



- Emerging player on Cairo sporting club scene – revenue up +193 y-o-y to EGP531mn in 9M2019, unrecognized revenue backlog of cEGP1bn as at 9M2019
- One time life membership sold for cEGP120-250k, below market rates as memberships are not yet availed to non-residents
- Maintenance and operation covered by annual renewal fees
- Additional sales reached EGP282mn in 9M2019 (9M2018: nil)

Club memberships – sold and remaining



Remaining CAPEX cEGP0.8bn for extension, main club is already completed and operational

Avg. membership EGP130-200k

Target aggregate cash inflows from memberships sold EGP22-25bn in the next 10 years

EBITDA margin 85%

Target 2020e EBITDA EGP500mn

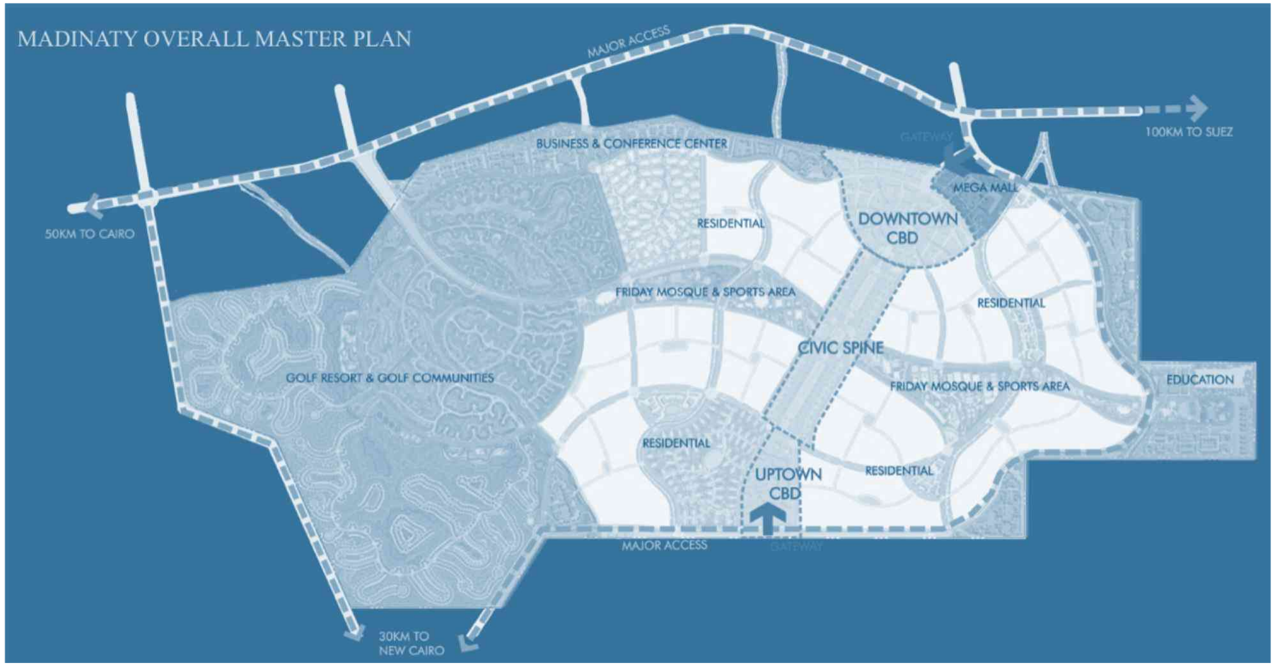
Maintain robust growth in sales in existing projects

The Spine(1)

Fully integrated residential complex including retail, leisure, hospitality, and offices designed to international standards

2.7mn sqm land area
4.5mn sqm total BuA(2)
13 years of development

2.3mn sqm of residential BuA



Strategic location	Unique accessibility
Quality infrastructure	Superior quality standards

Note (1): Areas subject to change as per the final master plan and utilization

Note (2): Including c1.2mn sqm of garage BuA

Continue building our recurring income portfolio – target 40-45% of consolidated gross profit

TMG

The Spine[1]

400k sqm of retail portfolio
35:65% / BTS:BTL

635k sqm of office GLA
25:75% / BTS:BTL

600+ hotel keys
to be managed by operators

Note (1): Areas subject to change as per the final master plan and utilization

The Spine concept

- Each district is tailored for a specific target audience:
  - Downtown: seniors, families and youth
  - Parkside: families and youth
  - Uptown: professionals

Maintain robust growth in sales in existing projects

Historical sales	■ EGP14.3bn of net cash flow from backlog and delivered units	■ EGP47.7bn of backlog ■ Avg. gross profit margin 30%-35%
Unlaunched residential BuA	■ 11.5mn sqm ■ Target gross profit margin 30% - 35%	■ Land bank sufficient for the next 16 years ■ Sell all remaining units in Al Rehab and Al Rabwa in the short term ■ **Target 3,500 residential units to be launched each year**
Non-residential BuA/land	■ 6.3mn sqm of land (of which 237k sqm in Al Rehab) translating into BUA of 3.5mn sqm ■ This area will be split between BTS and BTL assets ■ Average gross profit margin for BTS 75%	■ BTS strategy preferred over land sales to unlock additional value ■ Plan to sell over the next 10 years, assets that are non core to our recurring income hold / BTL strategy

Significant cash flows expected from the sale of residential and BTS commercial units to fund:

Dividends	**Building recurring income portfolio**	**Acquisitions of land**

Note: all estimates stated at today's market prices, figures as at end-1H2019

Monetize value of certain assets at the right timing

TMG

Potential monetization plan

In that regard we have successfully monetized EGP1bn from the schools that we have built in our projects to GEMS / EFG as operators, which had very minimal contribution to our profits and used the proceeds to invest in the hospitality business in what we believe is a value accretive transaction

- We believe that today the market does not ascribe value to most of our recurring income portfolio (namely hotels, retail, clubs, and non-residential land bank) which offers a significant long-term upside for equity investors
- We will keep monitoring the performance of such businesses and invest to grow them over the coming period provided such new investments meet our target returns criteria
- Once these assets reach a stage of maturity to run on their own and continue the current growth trend independently we will start exploring our monetization options
- Such monetization options will include either IPOs or M&As that would create value to the Group
- For smaller non-core assets, we will aim to fully divest to an Operator that would create further value to our communities
- Proceeds from such monetization plan will finance dividends and business growth

Disciplined and selective land acquisition approach

TMG

Strategic acquisition criteria

- Large plots that allow for the development of urban communities targeting the middle to upper middle classes
- Focus on Greater Cairo primarily, and the North Coast can also be selectively considered

Financial acquisition criteria

- Preference towards cash acquisitions to manage financial risk
- Opportunistically consider JVs or revenue / profit sharing while maintaining control
- Target minimum gross profit margin of 30%-35%

Current land bank sufficient for 16 years

In line with development timeframe allowed by land contracts

Preserving capital appreciation while providing a dividend stream

TMG

Net cash from contracted sales

- **cEGP14.3bn** net cash flow pre-tax from **backlog sales**

Net cash from future residential launches

- **11.5 mn sqm (BuA)** of BTS residential assets to be launched and sold in the next 10 – 15 years
- Average GP margin of **30-35%**

Avg. sales price of at least EGP20k/sqm at current market prices

Cash profits from BTS commercial sales

- **2.0 mn sqm (BuA)** (1.4 mn sqm of net sellable area) of BTS commercial assets to be launched and sold in the next 10 years
- Average GP margin of **75%**

Avg. sales price of at least EGP130k/sqm at current market prices

Cash inflows from club memberships sold

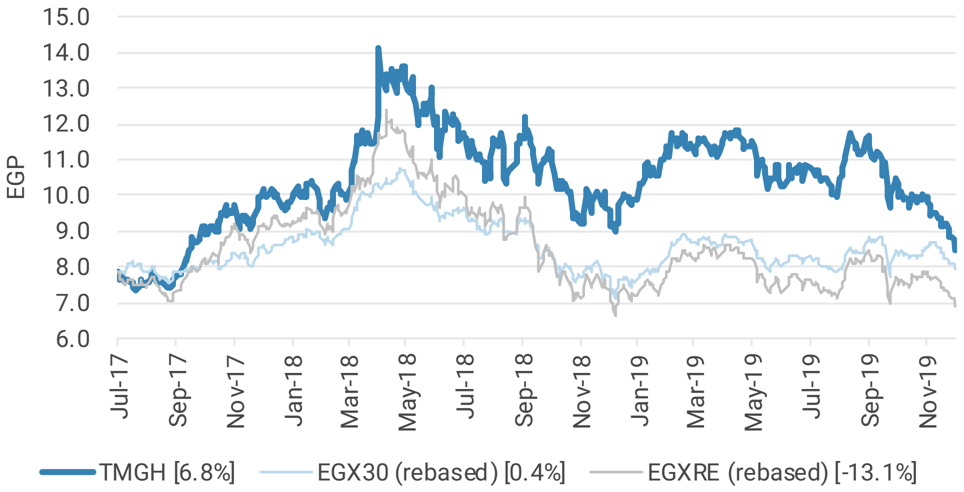
- **EGP22-25bn** of aggregated cash inflows in the next 10 years
- Based on target to sell **151k additional memberships** in Al Rehab Club and Madinaty Club (only EGP0.8bn CAPEX remaining)

Value realization from recurring income portfolio

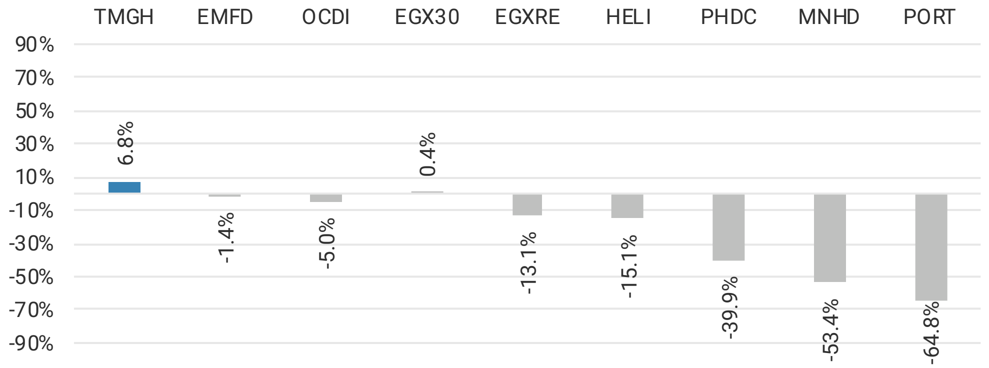
- 2020e EBITDA c**EGP0.45bn** for retail (existing & under-construction)
- 2020e EBITDA of c**EGP0.7bn** for operational hotels
- 2020e total recurring income of at least **cEGP1.6bn** with significant upside risks
- Market does not assign value to these assets in management's views. We will plan to realize value from these once they reach a state of maturity

Share price performance beating the indices since 2H2017

TMG share price performance compared to EGX indices



Share price returns of select real estate companies listed on the EGX since July 2017



Note: pricing data as of 3 September 2019

Key facts

- Listed on EGX since 2007
- c2,063mn shares outstanding
- No foreign ownership limits
- Shariah observant
- Reuters/BBG: TMGH.CA/TMGH EY
- Member of EGX30 index and MSCI Small Cap Egypt index
- The only active primary real estate developer listed on EGX capable of sustainable dividend distribution since 2014

FY2018 dividend
+4% y-o-y
EGP0.176/share

Thank you