

Annual report of the Board of Directors of Talaat Moustafa Group Holding

For the financial year ended December 31, 2023

Contents of the Board of Directors' Report for the financial year ended 31 December 2023

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General information about the company

Company purpose: Participating in the establishment of companies that issue securities or entering into the increase of their capital

Legal duration of the company: 25 years from the date of registration in the commercial register

Date of listing on the stock exchange: 25 November 2007

Law to which the company is subject: Law 95 of 1992 **Nominal value per share:** EGP10

Last authorized capital: EGP30,000,000,000 **Last issued capital:** EGP20,635,622,860

Last paid-up capital: EGP20,635,622,860 **Number and date of registration in the commercial register:** 187398, 3 April 2007

Investor Relations

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Company auditors:

Auditor name	Mr. Sherif Fathy Al-Kilani – Allied for Accounting and Auditing (Ernst & Young)	Mr. Samir Anas Abd ElGhfar (RSM Egypt – Chartered Accountants) Magdy Hashish & Co
Date of appointment:	General Assembly Resolution of 20/03/2023	General Assembly Resolution of 20/03/2023
Registration number and date	83 - 2006	282 - 2006

Shareholder structure and ownership percentage of Members of the Board of Directors as of December 31, 2023

Holding 5% or more of the company's shares	Shares on December 31, 2023	
	Number of shares	Ownership %
TMG Real Estate & Tourism Investment Company	890,566,601	43.16%
Alexandria Construction Company	165,783,250	8.03%
RIMCO E G T INVESTMEVT LLC	154,411,591	7.48%
Total	1,210,761,442	58.67%
Ownership by Members of the Board of Directors		
Mr. Tarek Talaat Mustafa	123,000	0.006%
Mr. Hesham Talaat Mostafa	123,000	0.006%
Mr. Hany Talaat Mostafa	123,000	0.006%
Mr. Yahya Mohammed Bin Laden	512	0.000%
TMG Real Estate & Tourism Investment Company	890,566,601	43.16%
Misr Insurance Company	17,139,207	0.831%
Total ownership of the Members of the BoD	908,075,320	44.01%
Treasury shares	none	

Board of Directors

Name	Function	Represented entity	Position (executive/non – executive)
Tarek Talaat Moustafa	Chairman of the Board of Directors	TMG Real Estate and Tourism Investment Company and its associated groups	Non-Executive
Hesham Talaat Moustafa	CEO and Managing Director	TMG Real Estate and Tourism Investment Company and its associated groups	Executive
Hany Talaat Moustafa	Member of the Board	TMG Real Estate and Tourism Investment Company and its associated groups	Non-Executive
Yehia Mohammad Awad Bin Ladin	Member of the Board	TMG Real Estate and Tourism Investment Company and its associated groups	Non-Executive
Jehad Mohammad Mari Al Sawaftah	Member of the Board	TMG Real Estate and Tourism Investment Company and its associated groups	Executive
Ahmed Ashraf Ali Kajouk	Member of the Board	Misr Insurance Company	Non-Executive
Hossam El-Din Mohamed Abdallah Helal	Member of the Board	Experienced	Non-Executive
Mohamed Bahgat Ahmed Samih Talaat	Member of the Board	Independent	Independent
Hany Salah Sarie El-Din	Member of the Board	Independent	Independent
Mohammad Abdel Aziz El-Toukhy	Member of the Board	Independent	Independent
Siham Mohammed Al-Saeed	Member of the Board	Female component	Executive
Heba Samir Zaki Abdel Malak	Member of the Board	Female component	Executive

Meetings of the Board of Directors and General Assembly Meetings: 6 Meetings

Audit and Governance Committee

In accordance with the Capital Market Authority's Resolution No. (30) issued on 18 June 2002, regarding the rules for listing, trading and delisting of securities, an Audit Committee was formed, and is composed of non-executive members of the Board of Directors, by the decision of the Board taken on 28 October 2007. According to the minutes of the Board of Directors meeting held on 31 March 2022, the Committee was organized as follows:

Member name	Position
Hany Salah Sarie El-Din	Chairman of the Committee
Hossam El-Din Mohamed Abdallah Helal	Member
Mohammad Abdel Aziz El-Toukhy	Member

Key terms of reference of the Audit and Governance Committee:

1. Examination and review of the Company's internal control procedures.
2. Examination and review of accounting policies applied by the Company and changes resulting from application of new accounting standards.
3. Examination and review of internal audit function, procedures, plans and results.
4. Examination and review of periodic administrative information provided to different administrative levels, its preparation systems, and timing of its presentation.
5. Examination of procedures to be followed in preparation and review of the following:
 - a. Periodic and annual financial statements
 - b. Prospectuses of public or private offering of securities
 - c. Estimated budgets, including cash flow statement and estimated income statement
 - d. Ensuring the application of necessary control methods to preserve the Company's assets and the periodic evaluation of those administrative procedures to ensure compliance with the rules, and preparing reports to the Board of Directors.
 - e. The Committee is responsible to verify management's response to the recommendations of the Company's auditors and the Egyptian Financial Supervisory Authority.
 - f. Other powers that the Company's Board of Directors deems appropriate, and in accordance with the rules of listing and delisting securities on the stock exchange.

The activities of the Committee during the fiscal year:

Holding of 4 meetings, and the related committee's reports were presented timely to the Board of Directors and did not include any substantial observations.

Remuneration and Nominations Committee

The Board of Directors decided on 28 October 2007 to form a Remuneration and Nominations Committee, and according to the minutes of the Board of Directors held on 31 March 2022, the committee was organized as follows:

Member name	Position
Hossam El-Din Mohamed Abdallah Helal	Chairman of the Committee
Hani Salah Sarie El-Din	Member
Mohamed Bahgat Ahmed Samih Talaat	Member

Executive Management

Jehad Mohammad Mari Al Sawaftah	Chief Financial Officer for Real Estate and Hotels affairs & Investor Relations Officer
Ahmed Abdullah Afifi	Executive Vice President of Implementation - Madinaty Project
Mustafa Sharif Muhammad Ghoneim	Executive Vice President of Marketing & Sales
Wael Abd El Halim Al Deeb	Executive Vice President of Project Management
Mohamed Atef Heriba	Executive Vice President of Technical Affairs Sector
Gamal Aldin Hussein Aljundi	Executive Vice President for Chairman's Office Affairs
Ghalib Ahmed Fayed	Executive Vice President for Financial Affairs
Siham Mohammed Al-Saeed	Executive Vice President of Banking & Finance
Heba Samir Zaki Abdel Malak	Executive Vice President of Human Resources

Company Employees Data:

The average number of employees was 7.

Reward and motivation system for employees and managers:

There are no reward and motivation shares.

Violations and procedures related to the Capital Market Law and Listing Rules:

No action has been taken against the company, its board members or its managers related to violations of the Capital Market Law and its Executive Bylaws.

Proposed dividends to be distributed to shareholders:

A proposal to distribute EGP450,000,000 to shareholders at a value of EGP0.218 per share.

Suggestions for conversion to reserves:

Legal Reserve 5%	EGP34,123,035
Carryover to next year	EGP1,003,607,212

A statement of the details of transactions that took place with related parties:

There are no netting contracts concluded by the company with related parties.

Article 66 of Law 159 of 1981 and Article 220 of its executive regulations

The company is committed to disclosing the amounts received by the Chairman and members of the Company's Board of Directors during the year 2023 in accordance with Article 66 of Law 159 of 1981 and Article 220 of its executive regulations at the disposal of the shareholders for their own knowledge at the company's headquarters and at the location of the Ordinary General Assembly.

The Group's commitment to Social and Environmental Responsibility

Talaat Moustafa Holding Group is keen to continue to play its role in achieving social balance in the Egyptian Society. Based on the premise that good investments stem from the impact on the surrounding environment and communities, the Group's companies have provided moral and material support for many charitable activities and funds, out of the Group's commitment to embody social responsibility as an ethical and professional value, to achieve real development of society and to improve the citizens' quality of life. During the last 5 years, TMG has allocated more than EGP5bn in supporting local communities, and the Group has implemented a concept of social responsibility based on embarking into long-term investments that will ensure sustainable benefits, through the adoption and implementation of initiatives centered on people's well-being, creating strong bases for the future and serving the community in all fields, especially in the sectors of education, health, economic empowerment, to educate students in the servicing and improving the community.

During 2023, the Group's companies donated EGP371mn to contribute to developmental, social and health projects, managed and implemented through government agencies and various publicized community associations benefiting the Egyptian people. The most important of these development projects are:

- Decent Life Initiative
- Egyptian Food Bank
- Ahl Masr Foundation
- Al-Rehab and Orman Associations and Baheya Foundation
- Magdy Yacoub Hospital

Executive management brief about the company's activity

Talaat Moustafa Holding Group achieved unprecedented business results during 2023 across all Group's activities. The efforts of the executive management team resulted in achieving contractual real estate sales, through the Group's sales channel, of EGP142.7bn, an unprecedented historical figure in the real estate sector in Egypt. Total new sales comprise EGP94.9bn in core sales and EGP47.84bn in sales generated for third parties, for which the company earns a commission, covering for the company's annual selling, general and administrative expenses, based on the strategic plans carefully developed by the management team. The long-term vision adopted and successfully implemented by management leads to the development of diversified sources of income for the Group.

The outstanding sales result achieved in 2023 and the Group's ability to break its sales record, is a testament to the Group's undisputed market leadership position, also reinforced by the Group's track record of unparalleled achievements, by the strength of its brand, and by the appeal that the Group's high quality and modern communities has to customers.

The extent reach by sales also testifies to the accuracy of the Group's sales and pricing strategy, as well as the well-thought diversity of its real estate product portfolio, which includes products ranging from affordable small units to ultra-luxury villas.

The strength of the company's financial position and the confidence placed in the Group by the most prominent financial institutions operating in the country allow us to securely provide attractive and easy payment plans for periods of up to 12 years, thus providing solutions to address the difficulties and obstacles facing buyers in the Egyptian market in terms of the ability to pay and afford to finance the purchase of units.

The Group's strong operational performance confirms the ability of the executive management to seize and accurately take advantage of market's opportunities, and to mitigate the effects of any challenges related to the real estate sector and the business in general through the strategy that is carefully designed by management. With the adoption of a long-term vision, and its successful implementation through the strategic plans, the Group achieved exceptional annual sales results over the past five years.

The backlog of sold but not yet delivered units reached EGP 145 billion compared to EGP 77 billion for the same period of the previous year, with a growth rate of 88%, which represents the highest number of realized and not delivered sales among Egyptian real estate development and investment companies. This figure provides visibility on the Company's revenues and profits in the medium term, as the units will be delivered, and the sales recognized as revenue, during the next 5 years. The delivery of these units is expected without any delays, and the company expects to maintain and improve its profitability further, on the back of the cumulated spending already made on sites (e.g., completed infrastructure, land cost etc.) and future savings in the cost of construction materials.

In addition, the hotel sector reached impressive revenues of EGP3.54bn compared to revenues of EGP2.56bn achieved during 2022, with a yearly growth rate of 38%.

The Group, through its hotel arm (ICON), has completed the process of acquiring a majority stake of 51% with full management rights in Legacy Hotels and Tourism Projects Company ("Legacy Hospitality"), the owner of a number of unique hotels in Cairo, Alexandria, Luxor and Aswan, and the final agreements were signed in January 2024.

Other recurring income activities and service activities also achieved impressive revenues of EGP 3.3 billion compared to revenues of EGP 2.6 billion during the past year, with a growth rate of 26%.

First: Financial results achieved

1. Revenues achieved in the Profit or loss statement from 1/1/2023 till 31/12/2023

Total revenues achieved for the group during 2023 amounted to about EGP28.4bn compared to EGP19.9bn revenues achieved during the same period of the previous year, with a growth rate of 43%, attributable to the brilliant performance of the Company's executive management in developing novel solutions and procedures that led to the occurrence of these outstanding results for the Company.

Revenues of real estate development activities

Revenues stemming from real estate development activities during 2023 amounted to EGP21.6bn, compared to EGP14.7bn during the same period last year, with a growth rate of 47%.

Revenues of hospitality activities

The total revenues of the Group's hotels (Four Seasons Nile Plaza, Four Seasons Sharm El Sheikh, Four Seasons San Stefano and Kempinski Nile) reached EGP3.54bn in 2023, compared to EGP2.56bn during the same period last year, with a growth rate of 38%.

Hotels achieved a net operating profit of EGP1.54bn during 2023, compared to EGP1.16bn during the same period last year, with a growth rate of 32%, on the back of the continuous implementation of new measures to reduce costs and operating expenses.

Executive management's efforts, represented by the CEO and Managing Director and his continuous directives to management companies to improve the operational performance of hotels to reach the optimal results of the hospitality arm, these efforts culminated in the addition of new outlets in the properties, with the opening of 3 restaurants, which are expected to reflect positively on the results of the hotels, in addition to attracting a distinctive quality of guests.

Bullona restaurant opens in Four Seasons Resort Sharm el Sheikh:

In February 2023, a new outlet of the famous Italian restaurants brand Bullona opened at Four Seasons Sharm El Sheikh, to become a new attraction for guests, attracting the Italian tourists and other international nationalities, especially after the return of international and Italian tourism to Sharm El Sheikh. This new opening will improve the service provided in the property, now becoming ever more a tourist's attraction, where all types of refined food are available meeting all tastes and preferences of guests. Also, it contributes to maximizing revenues and profitability of the hotel, by attracting classy guests and other tourists in Sharm El Sheikh, considering that the opening of the restaurant has already achieved an excellent echo after its opening, for its distinguished and sophisticated service provided to guests.

Riviera and Byblos restaurants open in Four Seasons Nile Plaza Hotel and Pool renovations:

Two new restaurants opened and are now operating in Nile Plaza: Riviera, a specialized Italian restaurant, and Byblos, a specialized Lebanese restaurant. Furthermore, renovations were completed in the swimming pool area, as well as in the now operating cabins overlooking the swimming pool.

Fresca restaurant opens at Four Seasons Hotel San Stefano after renovations:

The renovations of Fresca at the Four Seasons San Stefano Hotel in Alexandria were completed, and the restaurant is now open and is an attraction for the hotel's guests and other patrons from Alexandria thanks to its privileged location, which will contribute to increasing food and beverage revenues.

Efforts taken by the executive management in dealing with the effect stemming from the war in the Gaza Strip:

Since the start of the events concerning the Gaza Strip on October 7, 2023, executive management immediately took action in dealing and containing the negative effects that these events have on tourism and travel activity, as they resulted in a substantial decrease in the average occupancy rate in general but affecting Sharm El Sheikh hotels the greatest due to their vicinity to area.

The executive management, through continuous meetings, careful and timely follow-up, also in cooperation with the management companies, has mitigated the impact in Cairo hotels. The negative effects still affect the Sharm El-Sheikh property, due to the continuation of the conflict in the Gaza Strip.

Revenues of other recurring income activities

Recurring income and service activities achieved EGP3.3bn in 2023, compared to EGP2.6bn during the same period last year, with a growth rate of 26%. These results are supported by the efforts of the Group's management in developing activities with recurring returns, for example through the opening of more commercial and service centers, attracting many distinguished brands. In 2023 the Group delivered to the market huge areas totaling 93 thousand SQM of leasable spaces, with commercial and administrative units in properties located within TMG's communities, namely "Gateway Mall" in Al Rehab City, "All Season Park" and "East Hub" in the southeast of Madinaty. The delivering of these units brings the total non-residential area operating in our cities to a whopping 411 thousand SQM, reinforcing our dominant presence in the East Cairo area. The new deliveries and high rental demand in this upscale portfolio testify to the quality of execution and planning of our projects and the appropriateness of management's long-term vision.

2. Gross and net consolidated profits

Gross Consolidated Profit

The gross consolidated profit reached EGP8.64bn during 2023 compared to EGP6.23bn during the same period last year, with a growth rate of 38%.

Net consolidated profit

Consolidated net profit after taxes and after non-controlling interests amounted to EGP3bn in 2023 compared to EGP2.3bn during the same period last year, with a growth rate of 32%.

General and administrative expenses

Administrative and general expenses amounted to about EGP968mn in 2023, or 3.4% of revenues, compared to EGP785mn, or 4% of revenues, from the same period last year. The increase in the value of these expenses compared to the previous year is mainly due to the impact of inflation and of the exchange rate during the year. The executive management team continues to take the necessary measures to control costs and capital expenditures.

3. Financial Position

3/1 Assets

- Total assets reached EGP203bn in 2023 compared to EGP163.4bn from the same period last year, as assets increased during 2023 by about EGP39.6bn, mainly due to the impact of the increase in units under development by EGP16.1bn, increases in receivables from customers by EGP9.5bn, fixed assets under construction by EGP2.6bn. Cash and cash equivalents increase by EGP1.7bn, reflecting the strength of operational performance.
- The balance of cash, cash equivalents and financial investments amounted to about EGP18.8bn, compared to approximately EGP12.6bn on 31 December 2022, an increase of EGP6.2bn.

3/2 Liabilities

- Total liabilities amounted to EGP163bn in 2023 compared to EGP126.4bn from the same period last year, as liabilities increased during 2023 by EGP36.6bn, mainly due to EGP12.5bn increase in customer balances and advance payments as a result of the increase in sales achieved in the period.
- The balance of loans and debt facilities reached about EGP11bn during 2023 compared to approximately EGP7bn on 31 December 2022, due to the following:

- Currency differences resulting from the loan balances in foreign currency in tourism companies. The increase in the equivalent balance in Egyptian pounds of loans denominated in foreign currencies on the two companies Novapark and Alexandria Saudi Tourism Projects (amounting to 207 million US dollars and 11.4 million euros) was the result of the decision to move the exchange rate of the Egyptian pound against foreign currencies in January 2023 from 24.71 to 30.85 to the US dollar and from 26.33 to 32.75 to the euro which results an increase of Currency differences amounting 1.3 milliard.

The total debt in US dollars amounting to 217 million US dollars on tourism companies will be closed and paid during the first quarter of 2024, which will reduce the risks of losses from currency differences in the future as well as the risks of the high cost of financing interests associated with that debt in light of the high interest on the US dollar globally. This will be reflected in increasing the profitability of the group's tourism sector in the future.

These measures are being taken regarding the payment of this debt through an intermediary account for this purpose, through which the debt will be paid, and all guarantees associated with that debt will be cancelled.

- Madinaty for Tourism and Urban Projects obtained a loan amounting to EGP1.46bn from Banque Misr to finance the construction of the Four Seasons Hotel Madinaty.
- The Arab Company for Projects and Urban Development obtained a syndicated loan from the Arab Investment Bank worth EGP1.6bn for the repayment of the remaining amount of the sukuk's value.

The ratio of loans and debt facilities to equity of the parent company (Debt to equity) represents a ratio of 1 to 3.5.

The value of loans and bank facilities amounts to EGP11bn, while the value of cash, deposits, financial investments, and equivalents, amounts to EGP18.8bn, producing a ratio of loans to cash and equivalents of 1 to 1.7. This ratio indicates the strength of the company's financial position and the low level of loans against shareholders' rights and cash assets of the company.

The company's share performance on the Egyptian Exchange

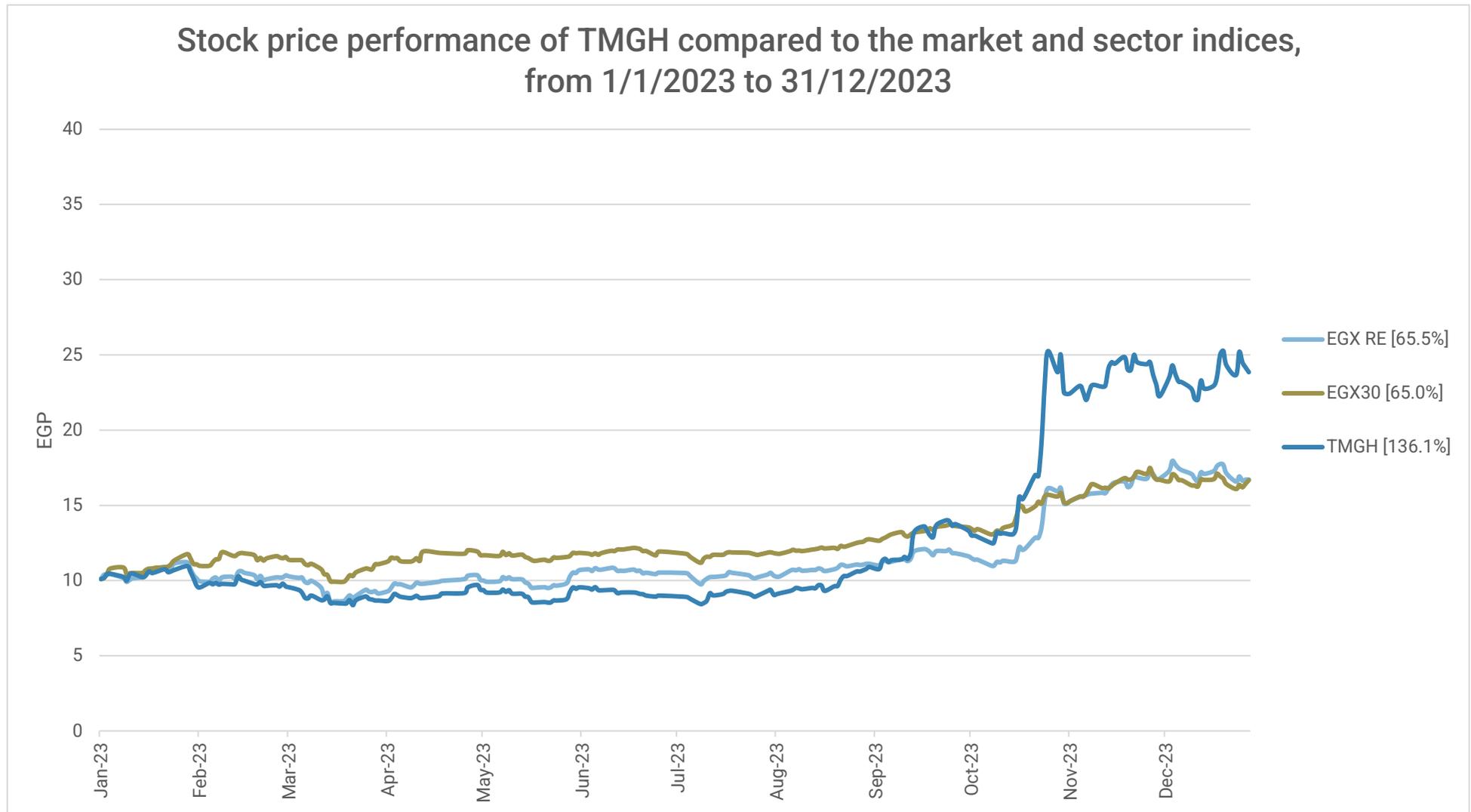
The company's share price closed at EGP24.15 on December 31, 2023, compared to EGP9.99 on December 31, 2022, implying a growth rate of 142%. The company's market capitalization increased by EGP29.2bn, reaching EGP49.83bn on December 31, 2023, compared to EGP20.61bn on December 31, 2022.

By comparing the performance of the company's share with both the EGX30 index and the index representing the real estate sector, the stock achieved an unprecedented and unmatched increase in its value, up by 136% during the 2023, compared to the real estate sector index, which increased by 65% and the EGX30 index increasing by approximately 65.5% during the same period, which reflects the continued great confidence that shareholders have in Talaat Moustafa Holding Group, its executive management and its ability to deliver outstanding performance across all sectors of the Group.

The remarkable share price performance reflects the continued implementation of the executive management's strategy, focused on finding novel revenue streams, improving both the real estate and hospitality departments of the Group. The implementation of the strategy achieved unprecedented real estate new sales and impressive hotel revenues, which are expected to further expand through the acquisition of a majority stake in Legacy Hospitality Company, which owns seven historical hotels in Cairo, Alexandria, Luxor and Aswan.

The following graphical map showing the stock's performance compared to the main index and the real estate companies index

The following graph shows the performance of the stock compared to the main market index and the index of the real estate sector.



Second: Consolidated financial statements breakdown for the fiscal year ended on December 31, 2023

Amount in LE

Assets and equity	12/31/2023	12/31/2022	Change	%change
Total long-term assets	38,250,933,754	36,144,601,620	2,106,332,134	5.8%
Working capital	34,599,573,968	22,476,642,300	12,122,931,668	54%
Total investments	72,850,507,722	58,621,243,920	14,229,263,802	24%
Total shareholders' equity after non-controlling interests	38,348,813,122	35,893,428,592	2,455,384,530	7%
Revenues				
Revenues	12/31/2023	12/31/2022	Change	%change
Real estate activities revenues	21,578,730,465	14,671,464,755	6,907,265,710	47%
Hospitality revenues	3,540,936,070	2,565,557,386	975,378,684	38%
Other recurring income revenues	3,311,733,995	2,633,428,629	678,305,366	26%
Total revenues	28,431,400,530	19,870,450,770	8,560,949,760	43%
Net profit after taxes and non-controlling interests	3,313,340,711	2,230,016,999	1,083,323,712	49%

Non-current assets

The non-current assets on 31 December 2023 amounted to EGP 38,250,933,754, as follows:

Statement	31/12/2023	31/12/2022	Change	%Change
Fixed assets	6,465,302,744	6,359,609,675	105,693,069	2%
Investment properties	2,122,251,697	2,264,425,638	(142,173,941)	(6)%
Right of use assets	81,378,074	-	81,378,074	100%
Advances on account of factoring	381,681,591	534,354,225	(152,672,634)	(29)%
Intangible assets	10,451,554	3,277,186	7,174,368	219%
Fixed assets under construction	13,154,345,174	10,517,533,912	2,636,811,262	25%
Goodwill	10,846,488,726	11,461,073,726	(614,585,000)	(5)%
Investments in associates	103,939,512	96,845,534	7,093,978	7%
Investments at fair value through other comprehensive income	854,287,345	621,973,121	232,314,224	37%
Time deposits and financial investments at amortized cost	3,972,195,241	4,209,758,129	(237,562,888)	(6)%
Deferred tax assets	258,612,096	75,750,474	182,861,622	241%
Total	38,250,933,754	36,144,601,620	2,106,332,134	6%

Current assets

The current assets on 31 December 2023 amounted to EGP 163,783,564,267, as follows:

Statement	31/12/2023	31/12/2022	Change	%Change
Real estate for development	89,847,247,605	73,745,950,597	16,101,297,008	22%
Inventory	1,143,280,325	971,586,075	171,694,250	18%
Receivables from clients	9,907,968,213	4,696,214,796	5,211,753,417	111%
Receivables for not delivered units	37,479,203,176	33,186,047,687	4,293,155,489	13%
Time deposits and financial investments at amortized cost	6,171,020,194	1,680,127,230	4,490,892,964	267%
Hotel current assets	979,717,047	1,107,268,658	(127,551,611)	(12)%
Prepaid expenses and other debit balances	10,444,099,260	5,772,494,689	4,671,604,571	81%
Financial assets valued at fair value through profit and loss	309,634,506	242,974,595	66,659,911	27%
Cash and bank balances	7,501,393,941	5,829,807,839	1,671,586,102	29%
Total	163,783,564,267	127,232,472,166	36,551,092,101	29%

Current Liabilities

The current Liabilities on 31 December 2023 amounted to EGP 129,183,990,299 as follows:

Statement	31/12/2023	31/12/2022	Change	%Change
Facilities and the current loans	1,559,631,687	1,670,237,688	(110,606,001)	(7)%
Current portion of Sukuk		350,000,000	(350,000,000)	(100)%
Current lease liabilities	9,945,792	0	9,945,792	100%
Suppliers, contractors and notes payable	13,471,610,038	16,197,742,386	(2,726,132,348)	(17)%
Customers' advance payments	48,929,217,775	36,467,835,179	12,461,382,596	0
Liabilities against cheques received from customers on undelivered units	37,479,203,176	33,186,047,687	4,293,155,489	13%
Dividends payable	102,536,656	98,402,635	4,134,021	4%
Provisions for expected liabilities	804,355,399	306,014,918	498,340,481	163%
Income tax payable	1,569,524,198	1,057,570,763	511,953,435	48%
Hotels current liabilities	842,550,947	710,345,439	132,205,508	19%
Accrued expenses and other credit balances	24,415,414,631	14,711,633,171	9,703,781,460	66%
Total	129,183,990,299	104,755,829,866	24,428,160,433	23.3%

Equity

The equity on 31 December 2023 amounted to EGP 38,348,813,122 as follows:

Statement	31/12/2023	31/12/2022	Change	%Change
Issued and paid-up capital	20,635,622,860	20,635,622,860	-	-
Legal Reserve	398,039,965	364,990,669	33,049,296	9%
General Reserve	61,735,404	61,735,404	-	-
Foreign currency translation reserve	208,161,064	111,954,850	96,206,214	86%
Valuation differences on financial assets through other comprehensive income	85,846,680	19,918,673	65,928,007	331%
Retained Earning	13,612,124,850	12,394,699,482	1,217,425,368	10%
Net profit for the year	3,347,282,299	2,304,506,654	1,042,775,645	45%
Total	38,348,813,122	35,893,428,592	2,455,384,530	6.8%

Non-current Liabilities

The non-current Liabilities on 31 December 2023 amounted to EGP 33,834,732,936 as follows:

Statement	31/12/2023	31/12/2022	Change	%Change
Long-term loans and credit facilities	9,585,544,247	5,423,811,519	4,161,732,728	77%
Other long-term commitments	23,309,662,984	14,046,661,991	9,263,000,993	66%
Long term leasing liabilities	61,388,463	-	61,388,463	100%
Obligations against advance payments under factoring account	338,708,785	470,585,399	(131,876,614)	(28)%
Sukuk	-	1,400,000,000	(1,400,000,000)	(100)%
Deferred tax liabilities	539,428,457	351,853,244	187,575,213	53%
Total	33,834,732,936	21,692,912,153	12,141,820,783	56%

Consolidated Income Statement for the Financial Period Ended on 31 December 2023.

	31/12/2023	%	31/12/2022	%	Value of the variation	% change
Real estate development revenue	21,578,730,465		14,671,464,755		6,907,265,710	47%
Real estate development costs	(15,665,631,650)	(73)%	(10,446,379,120)	(71)%	(5,219,252,530)	50%
Gross profit from real estate development business	5,913,098,815	27%	4,225,085,635	29%	1,688,013,180	40%
Hospitality revenue	3,540,936,070		2,565,557,386		975,378,684	38%
Hospitality costs	(2,001,820,412)	(57)%	(1,403,595,953)	(55)%	(598,224,459)	43%
Gross profit from hospitality business	1,539,115,658	43%	1,161,961,433	45%	377,154,225	32%
Revenues from activities with periodic yield and service activities	3,311,733,995		2,633,428,629		678,305,366	26%
Costs of activities with periodic yield and service activities	(2,126,616,776)	(64)%	(1,781,830,927)	(68)%	(344,785,849)	19%
Gross profit of activities with periodic yield and service activities	1,185,117,219	36%	851,597,702	32%	333,519,517	39%
Gross profit	8,637,331,692	30%	6,238,644,770	31%	2,398,686,922	38%
Net profit before depreciation, financing expenses and taxes	6,275,682,930	22%	4,353,485,023	22%	1,922,197,907	44%
Net profit before tax for the year	5,022,386,265	18%	3,372,831,918	17%	1,649,554,347	49%
income tax	(1,675,103,966)	(5.9)%	(1,142,814,919)	(5.8)%	(532,289,047)	47%
Net profit for the year after taxes and non-controlling interests	3,347,282,299	12%	2,230,016,999	11%	1,117,265,300	50%

Third: Investment and activities of the subsidiaries

3/1 Arab Company for Projects and Urban Development

The company's total investments in Arab Company for Projects and Urban Development amounted to EGP14,520,326,932, and the net profit after taxes and non-controlling interests achieved by the company in 2023 amounted to EGP3.2bn.

Projects of Arab Company for Projects and Urban Development and its subsidiaries

Madinaty – New Cairo

Madinaty is an integrated city on an area of 8,000 feddans in New Cairo, on the Cairo-Suez Road. The city can accommodate more than 600,000 people, boasting about 120,000 housing units. The city includes all services, including but not limited to commercial, educational, administrative, medical, and other residential services and activities.

Noor Project – Capital Gardens – New Administrative Capital

The city of Noor, which covers an area of 5,000 feddans, will include about 121,000 housing units, in addition to many non-residential services such as commercial spaces, a five-star hotel, schools, an international university and other services. The city's design focuses on environmental sustainability and utilizing the terrain to create a natural experience for the city's residents, increasing pedestrian, cycle lanes and focusing on health and fitness.

Rehab City – New Cairo

Rehab City is the first large integrated residential city established by the private sector in the Arab Republic of Egypt, developed on an area of 2,310 feddans, the project is divided into ten main neighborhoods, including residential areas (apartments, villas), commercial and administrative areas, schools, commercial and medical centers, combined with green spaces, and the Al-Rehab sporting Club.

Celia Project – New Administrative Capital

Celia project, is located in the New Administrative Capital on an area of 2,100,000 SQM. It enjoys a unique location in the center of the Capital, in the middle of the Green River area. It is the largest private housing project launched in the New Administrative Capital until today, also offering commercial and administrative services, while ensuring the calm and privacy for its residents.

3/2 Alexandria Real Estate Investment Company

The total investments of the holding company in Alexandria Real Estate Investment Company amounted to EGP2,498,432,399, and EGP63,905,241 in Alexandria Urban Projects Company, one of the subsidiaries of Alexandria Real Estate Investment Company. Alexandria Real Estate Investment Company directly and indirectly owns the group of companies holding the Group's hotels.

The total revenues of the company's hotels, namely Four Seasons Nile Plaza, Sharm El Sheikh, San Stefano and Nile Kempinski, reached EGP3.54bn in 2023, compared to EGP2.56bn during the same period last year, with a growth rate of 38%.

The hotels also achieved a net operating profit of approximately EGP1.54bn in 2023 compared to EGP1.16bn during the same period the previous year, growing by 32%, on the back of the continued efforts taken by the Company's management to control costs and operating expenses.

The Group, through its hotel arm, ICON, has completed the procedures for the acquisition of a majority stake of 51% with full management rights in Legacy Hotels and Tourism Projects Company ("Legacy Hospitality"), the owner of 7 unique hotels in Cairo, Alexandria, Luxor and Aswan. The Group submitted an offer to acquire a majority stake in the ownership and management rights of those hotels during July 2023, through the Arab Company for Hotel and Tourism Investments (ICON). Final agreements were signed in January 2024.

Projects of Alexandria Real Estate Investment Company

- **Virginia Project**

It is the company's first project, which was sold and delivered in full.

- **"Rabwa – Phase I" Project**

The company has developed its second project (Rabwa project), which is an integrated project with facilities and services consisting of 651 villas built on an area of 315 feddans in Sheikh Zayed City, with a wonderful design, the project was developed over three phases. The first and second phases have been completed in full, with villas and facilities, and the third phase is being completed. The project includes a sports and social club, with a golf course, a health club, various halls, swimming pools, open playgrounds and sports training schools. Rabwa also includes a commercial mall built on an area of 12,776 SQM.

As a complement to "Rabwa – Phase I" project, the company has started in 2006 "Rabwa Phase II" project, which is built on an area of 195 feddans and includes 391 villas.

3/3 Alexandria Urban Projects Company

The company's total shareholding in Alexandria Urban Projects Company is EGP63.90mn and Alexandria Urban Projects Company has a diversified investment portfolio that includes the Port Venice project in Marsa Alam in the Red Sea, which is a hotel tourism project on an area of about 3 million SQM that includes hotel rooms and a group of chalets and villas.

3/4 San Stefano Real Estate Investment Company

The company's total investments in San Stefano Real Estate Investment Company amounted to EGP933,598,687. San Stefano Real Estate Investment Company owns the San Stefano project in Alexandria, which is a real estate edifice and a landmark of the city. In addition, the company contributes 62.5% of the capital of Alexandria Project Management Company.

Fourth: Standalone Financial Results for the Financial Year Ended on 31 December 2023.

The following are the most important financial indicators of the standalone financial statements of Talaat Moustafa Holding Group:

Value in EGP

Statement	31/12/2023	31/12/2022	Change	%Change
Total long-term assets	19,128,264,587	18,068,484,882	1,059,779,705	5.9%
Working Capital	3,468,713,510	4,254,247,120	(785,533,610)	(18)%
Total Investment	22,596,978,097	22,322,732,002	274,246,095	1.2%
Total Shareholders' Equity	22,591,228,476	22,315,967,780	275,260,696	1.2%
Net profit after tax	682,460,696	660,985,912	21,474,784	3.2%

Non- current assets

The long-term assets on 31 December 2023 amounted to EGP 19,128,264,587 as follows:

Statement	31/12/2023	31/12/2022	Change	% change
Fixed assets	73,614,927	50,751,622	22,863,305	45%
Investments in subsidiaries*	19,053,179,660	18,016,263,260	1,036,916,400	6%
Investments in sister companies	1,470,000	1,470,000	-	0%
Total	19,128,264,587	18,068,484,882	1,059,779,705	6%

* The capital of the Arab Company for Projects and Urban Development has been increased

Current assets

The current assets on 31 December 2023 amounted to EGP 3,539,420,271, as follows:

Statement	31/12/2023	31/12/2022	Change	% Change
Financial assets at fair value through profit or loss	131,422,600	106,319,354	25,103,246	24%
Financial investments at amortized cost	3,007,584	0	3,007,584	100%
Notes receivable	2,484,102,406	2,484,076,060	26,346	0%
Dividends receivable	513,350,767	618,048,949	(104,698,182)	(17)%
Due from Related Parties	402,475,983	1,123,472,480	(720,996,497)	(64)%
Prepaid expenses and other debit balances	2,181,663	2,253,623	(71,960)	(3)%
Cash on hand and at banks	2,879,268	2,142,974	736,294	34%
Total	3,539,420,271	4,336,313,440	(796,893,169)	(18)%

Current Liabilities

The current liabilities on 31 December 2023 amounted to EGP 70,706,761, as follows:

Statement	31/12/2023	31/12/2022	Change	% Change
Short-term notes payables	242,010	407,163	(165,153)	(41)%
Income taxes due	60,622,290	73,060,036	(12,437,746)	(17)%
Accrued expenses and other credit balances	9,842,461	8,599,121	1,243,340	14%
Total	70,706,761	82,066,320	(11,359,559)	(14)%

Equity

The equity on 31 December 2023 amounted to EGP 21,908,767,780, as follows:

Statement	31/12/2023	31/12/2022	Change	% change
Issued and paid-up capital	20,635,622,860	20,635,622,860	.	٪.
Legal reserve	398,039,965	364,990,669	33,049,296	9%
General Reserve	61,735,404	61,735,404	-	0%
Retained earnings	813,369,551	592,632,935	220,736,616	37%
Net profit for the year	682,460,696	660,985,912	21,474,784	3%
Total	21,908,767,780	21,654,981,868	253,785,912	1%

Standalone Income Statement for the Financial Period Ended on 31 December 2023

Figures in EGP	For the fiscal year ended 31 Dec 2023	For the fiscal year ended 31 Dec 2022
Dividends from subsidiaries	767,497,478	751,004,302
Financing income	2,631,060	312,425
Profit Valuation of financial assets valued at fair value through profit or loss	23,093,234	37,099,345
Total Revenue	793,221,772	788,416,072
General and administrative expenses	(35,049,998)	(24,562,698)
Depreciation	(2,618,042)	(2,520,557)
Bank expenses	(36,145)	(22,357)
Expected credit losses	2,549,904.	(5,489,234)
(Losses) Currency Valuation Differences	163,284.	(166,325)
Board Members Allowances	(1,740,000)	(980,000)
Treasury bills yield	54,976.	0.
Tax on treasury bills yield	(10,995)	0.
Net profit for the year before tax	756,534,756	754,674,901
Income taxes	(74,074,060)	(93,688,989)
Net profit for the year after tax	682,460,696	660,985,912
Net profit per share	0.33	0.32

With the greetings of Talaat Moustafa Group Holding

Hesham Talaat Mustafa

Chief Executive Officer & Managing Director

