

**ALLIED FOR ACCOUNTING &
AUDITING
(EY)**

**CHARTERED ACCOUNTANTS
(RSM EGYPT)**

**TALAAT MOSTAFA GROUP HOLDING COMPANY
"TMG HOLDING" (S.A.E) AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2025
TOGETHER WITH THE REVIEW REPORT**

**Interim Consolidated Financial Statements
For The Three- and Nine Months Ended 30 September 2025**

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**REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF TALAT MOUSTAFA GROUP HOLDING
COMPANY "TMG HOLDING" (S.A.E)**

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of TALAAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E) "The Company" and its subsidiaries "The Group" as of 30 September 2025 as well as the interim consolidated statements of profit or loss and comprehensive income for the three and nine months periods ended on 30 September 2025, and the related interim consolidated statements of changes in equity and the cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes, Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian Laws, and the decision and interpretations issued by Financial Regulatory Authority (FRA) . Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

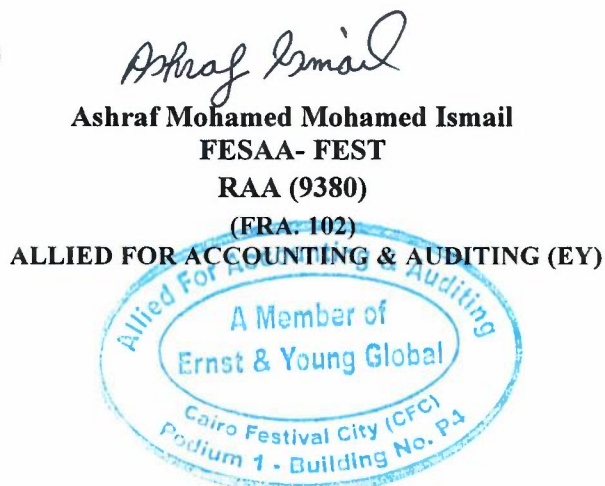
We conducted our review in accordance with the Egyptian Standards on Review Engagement no. (2410) "Review of interim Financial Information performed by the independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements does not give a true and fair view, in all material respects, of the interim consolidated financial position of the company as of 30 September 2025, and of its interim consolidated financial performance for the three and nine months periods ended on 30 September 2025 and its interim consolidated cash flows for the nine months period then ended in accordance with Egyptian Accounting Standards and applicable Egyptian Laws, and the decision and interpretations issued by Financial Regulatory Authority (FRA).



Auditors



Cairo: 11 November 2025

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 September 2025

	Note	30 September 2025	31 December 2024
		LE	(Restated)
		LE	LE
Assets			
Non-current assets			
Property, plant and equipment	(4)	71,930,033,135	75,812,139,564
Investment properties	(5)	19,871,643,187	14,259,983,098
Assets under construction	(6)	14,872,433,923	11,166,992,701
Intangible assets	(7)	32,717,801	43,848,438
Right of use assets	(8)	310,427,794	196,322,206
Goodwill	(9)	12,603,098,204	12,743,456,676
Investments in associates	(10)	690,583,628	623,605,610
Financial assets at fair value through other comprehensive income	(11)	1,285,191,033	1,748,816,386
Time deposits and financial assets at amortized cost – non current	(12-1)	9,750,061,515	4,442,204,028
Other non-current financial assets	(13-1)	1,989,073,998	229,008,953
Deferred tax assets	(32)	240,159,954	194,221,364
Total non-current assets		133,575,424,172	121,460,599,024
Current assets			
Properties under development	(14)	127,458,553,408	104,117,856,511
Work in progress	(15)	34,561,051	37,201,840
Inventories	(16)	10,251,667,573	3,440,526,055
Trade and notes receivables	(17)	20,077,268,632	17,786,055,837
Notes receivable for undelivered units	(18-1)	18,579,924,058	27,648,152,656
Other current assets	(19)	48,801,160,061	24,792,981,062
Financial assets at fair value through profit or loss	(20)	572,625,458	517,425,254
Time deposits and financial assets at amortized cost - current	(12-2)	15,316,799,444	10,462,621,831
Cash and cash equivalents	(21)	43,865,683,267	44,909,587,972
Total current assets		284,958,242,952	233,712,409,018
Total assets		418,533,667,124	355,173,008,042
Equity and liabilities			
Equity			
Authorized capital	(22)	30,000,000,000	30,000,000,000
Issued and paid-up capital	(22)	20,606,537,860	20,635,622,860
Legal reserve	(23)	472,261,033	432,163,000
General reserve	(24)	-	61,735,404
Foreign currency translation reserve		(352,898,897)	1,167,370,358
Financial assets at fair value through other comprehensive income reserve		997,203,522	1,213,593,330
Treasury shares	(22,24)	-	(152,235,725)
Retained earnings		54,891,448,685	45,795,587,523
Equity attributable to shareholders of the Holding company		76,614,552,203	69,153,836,750
Non-controlling interests		71,938,877,726	60,725,976,943
Total equity		148,553,429,929	129,879,813,693

The attached notes from (1) to (45) are an integral part of these interim consolidated financial statements.

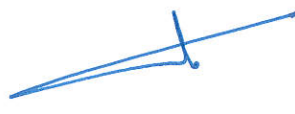
Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 September 2025 (CONTINUED)

	Note	30 September 2025	31 December 2024
		LE	(Restated) LE
Non-current liabilities			
Other non-current liabilities	(25)	50,917,264,716	45,194,793,934
Loans non-current portion	(26)	8,985,158,064	6,757,172,011
Lease liability non-current portion	(8)	280,769,812	183,083,764
Other non - current financial liabilities	(13-3)	117,911,902	225,477,105
Deferred tax liabilities	(32)	2,834,164,338	1,990,572,661
Total non-current liabilities		63,135,268,832	54,351,099,475
Current liabilities			
Credit facilities	(26)	1,475,658,698	1,189,880,894
Loans - current portion	(26)	688,767,665	962,318,948
Lease liability - current portion	(8)	46,655,343	18,456,306
Suppliers, contractors, and notes payable	(27)	34,622,766,322	29,529,602,683
Advance payments from customers	(28)	116,851,864,982	81,000,925,177
Obligations against notes receivable for undelivered units	(18-2)	18,579,924,058	27,648,152,656
Dividends payable	(29)	36,603,793	59,915,020
Provisions	(30)	1,140,493,319	1,106,272,259
Income tax payable	(32)	2,652,776,786	2,816,999,525
Creditors and other credit balances	(31)	30,749,457,397	26,609,571,406
Total current liabilities		206,844,968,363	170,942,094,874
Total liabilities		269,980,237,195	225,293,194,349
Total equity and liabilities		418,533,667,124	355,173,008,042

- Post-dated checks starting from year 2023 amounting EGP 167,620,187,357 for sold and undelivered units are retained by the company and are not included in the statement of financial position.

 Executive Vice President of Financial Sector Tarek Al-Naggar	 Chief Executive Officer & Managing Director Hesham Talaat Moustafa	 Chairman Tarek Talaat Moustafa
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Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three- and nine months ended 30 September 2025

	Notes	For The three Months Ended 30 September		For The Nine Months Ended 30 September	
		2025	2024	2025	2024
		LE	(Restated) LE	LE	(Restated) LE
Real estate development revenue	(33)	8,874,557,065	6,918,866,230	21,496,404,641	16,052,934,278
Real estate development costs	(33)	(6,263,388,587)	(5,006,545,669)	(15,269,941,096)	(11,717,818,461)
Gross profit from real estate development activity		2,611,168,478	1,912,320,561	6,226,463,545	4,335,115,817
Hospitality revenue	(33)	2,700,754,052	2,625,375,598	9,872,330,460	7,771,515,997
Hospitality costs	(33)	(1,512,574,232)	(1,649,665,619)	(4,924,181,901)	(3,993,014,278)
Gross profit from hospitality activity		1,188,179,820	975,709,979	4,948,148,559	3,778,501,719
Revenues from activities with periodic yield and service activities	(33)	2,349,347,906	1,389,059,571	6,947,840,136	4,133,608,955
Activities with periodic yield and service activities costs	(33)	(1,664,761,415)	(832,405,706)	(5,031,734,989)	(2,817,142,064)
Gross profit from activities with periodic yield and service activities		684,586,491	556,653,865	1,916,105,147	1,316,466,891
Gross profit		4,483,934,789	3,444,684,405	13,090,717,251	9,430,084,427
Gains from revaluation of investment properties at fair value	(5)	1,016,177,178	-	3,375,574,692	-
Other income	(34)	1,262,664,861	840,496,200	2,474,862,768	1,278,480,046
General and administrative expenses		(331,343,119)	(387,888,641)	(1,243,247,931)	(908,335,022)
Marketing expenses		(158,320,816)	(87,268,371)	(404,831,005)	(293,981,537)
Foreign currency revaluation differences		(83,040,712)	117,080,751	14,161,128	2,062,079,105
Governmental, donations and other expenses	(35)	(259,872,470)	(285,656,193)	(894,851,901)	(1,068,787,849)
Provisions and expected credit losses	(38)	(12,046,266)	2,964,188	21,421,060	(248,104,377)
Operating Income		5,918,153,445	3,644,412,339	16,433,806,062	10,251,434,793
Finance income	(36)	657,866,992	605,039,073	1,722,787,740	1,033,506,726
Finance cost	(37)	(466,727,815)	(500,004,327)	(904,932,388)	(937,097,243)
Finance income (cost) - net		191,139,177	105,034,746	817,855,352	96,409,483
Share in profit of associates	(10)	14,572,323	(868,060)	32,119,277	15,669,658
Depreciation and amortization	(4,7,8)	(352,898,559)	(307,730,316)	(1,023,527,932)	(687,507,775)
Profit for the period before tax		5,770,966,386	3,440,848,709	16,260,252,759	9,676,006,159
Income tax expense	(32)	(1,020,886,976)	(810,263,583)	(2,685,479,843)	(1,845,360,477)
Deferred tax expense	(32)	(229,128,365)	(18,900,621)	(942,575,749)	(417,525,914)
Net profit for the period		4,520,951,045	2,611,684,505	12,632,197,167	7,413,119,768
Attributable to:					
Shareholders of the Parent Company		4,066,210,092	2,375,078,554	10,471,642,668	4,700,028,466
Non-controlling interests		454,740,953	236,605,951	2,160,554,499	2,713,091,302
		4,520,951,045	2,611,684,505	12,632,197,167	7,413,119,768
Earnings per Share	(39)	2.26	1.26	5.08	2.28

Executive Vice President of
Financial Sector

Tarek Al-Naggar

Chief Executive Officer &
Managing Director

Hesham Talaat Moustafa

Chairman

Tarek Talaat Moustafa

The attached notes from (1) to (45) are an integral part of these interim consolidated financial statements.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the three- and nine months ended 30 September 2025

	For The three Months Ended 30 September		For The Nine Months Ended 30 September	
	2025	2024	2025	2024
	LE	(Restated) LE	LE	(Restated) LE
Profit for the period	4,520,951,045	2,611,684,505	12,632,197,167	7,413,119,768
Other comprehensive income				
Foreign currency translation differences from translation of foreign operations	(883,565,091)	(30,711,302)	(1,526,650,895)	950,865,634
Income tax related to other comprehensive income	-	1,159,228,519	-	1,159,228,519
Total comprehensive income for the period	3,637,385,954	3,740,201,722	11,105,546,272	9,523,213,921
Attributable to:				
Shareholders of the Parent Company	3,209,381,898	3,496,428,325	8,951,373,413	6,759,519,705
Non-controlling interests	428,004,056	243,773,397	2,154,172,859	2,763,694,216
	3,637,385,954	3,740,201,722	11,105,546,272	9,523,213,921

The attached notes from (1) to (45) are an integral part of these interim consolidated financial statements.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2025

	Issued and paid-up capital LE	Legal reserve LE	General reserve LE	Foreign currency translation reserve LE	Financial assets at fair value through other comprehensive income reserve LE	Treasury Shares	Retained earnings LE	Total LE	Non-controlling Interests LE	Total Equity LE
Balance as of 31 December 2024 before adjustments	20,635,622,860	432,163,000	61,735,404	1,071,775,265	1,213,593,330	(152,235,725)	47,493,595,935	70,756,250,069	60,725,976,943	131,482,227,012
Adjustments on Retained Earnings	-	-	-	95,595,093	-	-	(1,698,008,412)	(1,602,413,319)	-	(1,602,413,319)
Balance as of 31 December 2024 after adjustments	20,635,622,860	432,163,000	61,735,404	1,167,370,358	1,213,593,330	(152,235,725)	45,795,587,523	69,153,836,750	60,725,976,943	129,879,813,693
Acquisition results	-	-	-	-	(216,389,808)	-	(402,495,859)	(618,885,667)	(61,159,111)	(680,044,778)
Transferred to legal reserve	-	40,098,033	-	-	-	-	(40,098,033)	-	-	-
Total comprehensive income	-	-	-	(1,520,269,255)	-	-	10,471,642,668	8,951,373,413	2,154,172,859	11,105,546,272
Treasury Stock	(29,085,000)	-	(61,735,404)	-	-	152,235,725	(61,415,321)	-	-	-
Changes in non-controlling interest	-	-	-	-	-	-	(259,966,027)	(259,966,027)	9,119,887,035	8,859,921,008
Dividends *	-	-	-	-	-	-	(611,806,266)	(611,806,266)	-	(611,806,266)
Balance as of 30 September 2025	20,606,537,860	472,261,033	-	(352,898,897)	997,203,522	-	54,891,448,685	76,614,552,203	71,938,877,726	148,553,429,929

* The holding company distributed dividends amounted EGP 525 million in accordance with the decision of the ordinary general assembly held on 26 March 2025.

The attached notes from (1) to (45) are an integral part of these interim consolidated financial statements.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2025

	Issued and paid-up capital	Legal reserve	General reserve	Foreign currency translation reserve	Financial assets at fair value through other comprehensiv e income reserve	Treasury Shares	Retained earnings	Total	Non- controlling Interests	Total Equity
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as of 1 January 2024 before adjustment	20,635,622,860	398,039,965	61,735,404	208,161,064	85,846,680	-	16,959,407,149	38,348,813,122	666,961,664	39,015,774,786
Impact of applying Accounting Standard No. (34)	-	-	-	-	-	-	3,047,666,708	3,047,666,708	-	3,047,666,708
Balance as of 1 January 2024 after adjustment	20,635,622,860	398,039,965	61,735,404	208,161,064	85,846,680	-	20,007,073,857	41,396,479,830	666,961,664	42,063,441,494
Transferred to legal reserve	-	34,123,035	-	-	-	-	(34,123,035)	-	-	-
Total comprehensive income	-	-	-	975,230,600	1,159,228,519	-	6,349,021,439	8,483,480,558	2,763,694,216	11,247,174,774
Result of investment acquisition	-	-	-	-	-	-	14,906,300,797	14,906,300,797	-	14,906,300,797
non-controlling interest shares resulting from acquisition	-	-	-	-	-	-	-	-	54,465,334,623	54,465,334,623
Treasury Stock*	-	-	-	-	-	(152,235,725)	-	(152,235,725)	-	(152,235,725)
Dividends **	-	-	-	-	-	-	(522,799,186)	(522,799,186)	-	(522,799,186)
Balance as of 30 September 2024	20,635,622,860	432,163,000	61,735,404	1,183,391,664	1,245,075,199	(152,235,725)	40,705,473,872	64,111,226,274	57,895,990,503	122,007,216,777

* The holding company purchased treasury stock for an amounted EGP 152 million in accordance with the decision of the Board of Directors held on 28 April 2024.

** The holding company distributed dividends to shareholders with an amount of EGP 462 million in accordance with the decision of the ordinary general assembly held on 23 March 2024.

The attached notes from (1) to (45) are an integral part of these interim consolidated financial statements.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2025

	Note	30 September 2025	30 September 2024 (Restated)
		LE	LE
Cash flows from operating activities			
Net profit for the period before tax and non-controlling interest		16,260,252,759	9,676,006,159
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and Amortization	(4,7,8)	1,064,144,618	727,451,944
Impairment of inventories		1,590,097	-
(Gain) from revaluation of investment properties	(5)	(3,375,574,694)	-
Finance income	(36)	(1,722,787,740)	(1,033,506,726)
Finance cost	(37)	904,932,388	937,097,244
Income from financial assets at amortized cost	(34)	(1,201,922,212)	(180,044,982)
Income from share in profit of associates	(10)	(21,411,351)	(15,669,658)
Provisions and expected credit losses	(38)	(21,421,060)	248,104,377
Finance lease interest	(8)	12,677,127	11,321,865
Gain on sale of fixed assets	(4)	(875,578)	(1,331,062)
Foreign currency rvaluation differences		(14,161,128)	(2,062,079,105)
		11,885,443,226	8,307,350,056
Working capital changes:			
Change in properties under development		(24,303,604,217)	(13,561,112,976)
Change in work in process		2,640,789	-
Change in inventories		(6,812,731,615)	(2,067,224,075)
Change in trade and notes receivables		(2,231,016,245)	(5,715,956,456)
Change in other current assets		(21,332,343,959)	(13,320,604,809)
Change in suppliers, contractors, and notes payable		5,093,163,639	10,810,609,300
Change in advance payments from customers		35,850,939,805	23,042,430,372
Change in other non-current liabilities		5,722,470,783	16,843,342,985
Change in financial asset at fair value through profit or loss		(55,134,143)	(359,984,238)
Change in creditors and other credit balances		1,944,586,223	(5,786,822,814)
Change in other non-current financial assets		(1,867,630,247)	35,450,409
Provisions used	(30)	4,997,009	(33,091,068)
Income tax paid	(32)	(2,849,702,582)	(1,509,116,872)
Net cash flows from operating activities		1,052,078,466	16,685,269,814
Cash flows from investing activities			
Purchase of fixed assets, investment properties, intangible assets, assets under construction and goodwill		(5,825,206,434)	(61,842,099,103)
Proceeds from sale of fixed assets	(4)	11,561,728	7,098,720
(Payments in) investments in associates		(45,566,667)	(21,000,000)
(Payments in)financial assets at fair value through other comprehensive income		(8,187,305)	(880,193,353)
(Payments in)time deposits and financial assets at amortized cost		(10,162,097,072)	(9,477,428,613)
Proceeds from finance income and yields of financial assets and treasury bills		2,423,864,657	1,078,129,648
Net cash flows used in investing activities		(13,605,631,093)	(71,135,492,701)
Cash flows from financing activities			
Proceeds from (repayment) of loans and credit facilities		2,240,212,572	(3,081,294,242)
Finance cost paid		(904,932,388)	(937,097,244)
Dividends paid to the shareholders of the parent		(588,495,039)	(569,337,813)
Dividends paid to non-controlling interest		(443,061,073)	(337,543,484)
Change in non-controlling interest		11,655,961,856	57,566,572,323
(Payments in) treasury shares		-	(152,235,725)
Net cash flow from financing activities		11,959,685,928	52,489,063,815
Net change in cash and cash equivalents during the period		(593,866,699)	(1,961,159,072)
Acquisition adjustment		471,812,658	18,815,350,924
Net foreign currency valuation differences		14,161,128	2,062,079,105
Net foreign currency translation differences from translation of foreign operations		(936,011,792)	(1,428,899,620)
Cash and cash equivalent at the beginning of the period		44,909,587,972	7,495,940,619
Cash and cash equivalents at the end of the period	(21)	43,865,683,267	24,983,311,956

The attached notes (1) to (45) are an integral part of these interim consolidated financial statements.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As of 30 SEPTEMBER 2025

1 Overview of the Company and its activities

- Talaat Mostafa Group Holding TMG Holding S.A.E. ("Company" or "Parent Company") was established on 13 February 2007 under the provisions of law 95 of 1992 and its executive regulation.
- The Company was registered with the commercial register number 187398 on April 3, 2007. The Company has a term of 25 years.
- The main objective of the Company is participating in the incorporation of shareholding companies or participating in the capital increase of such companies.
- The Company's headquarters and legal domicile is 36, Mosadek St., Dokki – Giza – Arabic Republic of Egypt.
- The interim consolidated financial statements of the Company and its subsidiaries ("Group") for the three months ended 30 September 2025 were issued on 11 November 2025 according to the Board of Directors' resolution issued at that date.

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED

- The interim consolidated financial statements are prepared under the historical cost basis, except for the valuation at fair value for investments and investment properties at fair value through other comprehensive income, and financial assets at fair value through profit or loss.
- The interim consolidated financial statements are presented in Egyptian Pound which is the holding functional currency.

Compliance with the Egyptian accounting standards and the instructions of the Financial Supervisory Authority:

- The interim consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards considering the Egyptian laws and regulations as well as the instructions of the Financial Regulatory Authority issued in January 2022 regarding "Notes receivable for undelivered units", and the authority's instructions over securitization treatments.
- The Financial Regulatory Authority issued and declared a statement for some accounting treatments that address real estate development activity in January 2022. The Supreme Committee for Accounting and Auditing Standards decided to take into consideration the various implementations of real estate development companies to grant an option for a specific transitional year of time, authorizing the accounting treatment for real estate developers recognizing cheques received from customers before delivering the property to the customer based on the sales contracts entered into till 31 December 2023, until the delivery of those properties to the customers, under the following conditions:
 - Allocating a separate account, at the date of receiving the cheques from clients before the delivery of the property, which is to be presented within the financial assets in the consolidated statement of financial position as "Notes receivable for undelivered units" and recognizing financial liabilities within the consolidated statement of financial position as "Liabilities against cheques received from customers".
 - Recognizing the collected amounts by reducing the cheque balance in "Notes receivable for undelivered units" and transferring an equivalent amount from "Liabilities against cheques received from customers" account to "advances from customers" account.
 -
- The provisions of Articles (41) bis to (41) bis 8 of the Capital Markets Law No. 95 of 1992 are applied to securitization treatments within the consolidated financial statements

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.1 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements For The year Ended 31 December2024 .

2.2 BASIS OF CONSOLIDATION

The interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at and for the period ended 30 September 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Voting rights and potential voting rights are considered in assessing whether the group has power over another entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in the loss of control by the Holding Company are treated as transactions with the equity holders of the group. If a non-controlling interest is purchased, any difference between the amount paid and this non-controlling interest is recorded in equity, and any profits or losses resulting from the disposal of non-controlling interests are also recorded in equity.

Business combination

Business combination shall apply in accordance with EAS (29) only when "business" is acquired. The acquisition accounting method is used for accounting for business combination when subsidiaries are acquired by the Group. The acquisition cost is measured as the fair value of assets, liabilities, equity, and contingent liabilities at the acquisition date. The value of assets, liabilities, and contingent liabilities are determined at fair value regardless of the non-controlling interest share. While excess of the acquisition cost over the Group's share is recognized in the fair value of the net assets as goodwill. In case the acquisition cost is less than the fair value of net assets, the difference is directly recognized in the consolidated statement of profit or loss.

The following steps are followed in preparing the consolidated financial statements:

- a) The investment book value of the Parent Company in each subsidiary is eliminated against the parent company's share in the equity of each subsidiary.
- b) Identifying the non-controlling interest in the net consolidated profit or loss of the subsidiaries during the reported period.
- c) The non-controlling interest is identified within the net assets of the consolidated subsidiaries and separately presented in shareholders' equity of the Holding Company, that is composed of the non-controlling interests' rights in net assets from:
 - (1) The amount of non-controlling interests as at the original date of consolidation.
 - (2) The non-controlling interests' share in the changes in equity since the date of the consolidation.
- d) Intergruop balances and transactions, revenues and expenses are eliminated.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

The financial statements of the Parent Company and its subsidiaries used in the preparation of the consolidated financial statements are prepared as at the same date.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events with similar circumstances.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Parent Company, and the non-controlling interests' share in the Group's profit or loss is presented separately.

Subsidiary Name	Nationality	30 September 2025	31 December 2024
Companies Under Direct Control			
1- Arab Company For Projects And Urban Development*	Egypt	99.99%	%99.99
2- Alex For Real Estate Investments**	Egypt	99.58%	%99.58
3- San Stefano For Real Estate Investments*****	Egypt	100.00%	%100.00
*Subsidiaries Of Arab Company For Projects And Urban Development			
El Rehab For Management	Egypt	91.00%	%91.00
Engineering Company For Development Building	Egypt	83.36%	%83.36
El Rehab For Securitization	Egypt	100.00%	%100.00
Arab Egyptian Company For Entertainment Projects	Egypt	50.00%	%50.00
Madinaty For Electromechanical Energy	Egypt	85.00%	%85.00
Madinaty For Management	Egypt	88.00%	%88.00
Celia For Management	Egypt	100.00%	%100.00
Alex For Coordination And Maintenance Of Gardens	Egypt	93.95%	%93.95
Atrium For Quality Contractors	Egypt	100.00%	%100.00
Atrium For Projects Management	Egypt	99.00%	%99.00
Arab For Urban Investment	Egypt	100.00%	%100.00
Arab International Investment	Cayman Islands	100.00%	%100.00
Atrium For Advanced Building	Egypt	100.00%	%100.00
Orion Facilities Management And Services	Egypt	100.00%	%100.00
Newton For Advanced Technology Systems	Egypt	100.00%	%100.00
Saini Blues For Diving Centres And Marine Activities	Egypt	95.00%	%95.00
Talaat Moustafa For Trade And Distribution	Egypt	100.00%	%100.00
Madinaty Medical Centre	Egypt	100.00%	%100.00
International Projects Investments	Egypt	100.00%	%100.00
Talaat Moustafa Group Saudi Arabia For Real Estate Development	Saudi Arabia	60.00%	%60.00
Atrium For Quality Contractors Saudi Arabia	Saudi Arabia	100.00%	%100.00
Talaat Moustafa Group Muscat For Urban Development	Oman	60.00%	-
**Subsidiaries Of Alex For Real Estate Investments			
El Rabwa For Entertainment Services	Egypt	95.50%	%95.50
May Fair For Entertainment Services	Egypt	95.50%	%95.50
Alex For Urban Projects	Egypt	100.00%	%100.00
TCA Real Estate	Egypt	82.00%	-
Talaat Moustafa Group For International Investment***	Cayman Islands	96.24%	%96.24

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Subsidiary Name	Nationality	30 September 2025	31 December 2024
***Subsidiaries Of Talaat Moustafa Group For International Investment			
TMG For Hotel Investment	Cayman Islands	100.00%	100.00%
Icon For Hotel Investment Limited (ADGM)*****	UAE	59.50%	%59.50
Icon International For Hotel Investment	Cayman Islands	59.50%	%59.50
****Subsidiaries Of Icon International For Hotel Investment			
Arab Company For Hotel And Tourism Investments	Egypt	99.99%	%99.99
Atrium For Tourism Investment	Egypt	99.99%	%99.99
Legacy For Hotels	Egypt	51.00%	%51.00
*****Subsidiaries Of Arab Company For Hotel And Tourism Investments			
Nile Hotels	Egypt	80.00%	%80.00
San Stefano For Tourism Investment	Egypt	50.36%	%50.36
Luxor Company For Urban And Tourism Development	Egypt	99.72%	%99.72
Egyptian Company For Real Estate Development	Egypt	99.83%	%99.83
Alexandria And Saudi Company For Tourism Projects	Egypt	97.90%	%97.90
Nova Park Cairo	Egypt	99.99%	%99.99
Madinty For Tourism And Urban Projects	Egypt	96.84%	%96.84
*****Subsidiaries Of San Stefano For Real Estate Investments			
Alex For Projects Management	Egypt	62.50%	%62.50

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the consolidated statement of financial position date. All differences are recognized in the consolidated statement of profit or loss.

Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the date of the initial recognition.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

The financial statements of the subsidiaries denominated in foreign currency are translated to the Parent Company's functional currency which is the Egyptian pound as follows:

- Assets and liabilities for each financial position presented are translated at the closing rate at the date of that financial position.
- Income and expenses for each statement of profit or loss presented are translated at exchange rates at the dates of the transactions or using average rate for the year, when more practical.
- All resulting exchange differences on exchange changes are included as a separate line item within equity, as foreign currency translation differences.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed assets and depreciation

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss when they arise.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

Asset description	Years
Premises & constructions	20-80
Means of transport and transportation	5
Tools & equipment	3 - 8
Furniture and fittings	5- 10
Computers	3 - 8

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the asset is included in the consolidated statement of profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end.

The Company assesses at each financial position date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

On 23 May 2024, a Prime Minister's resolution was issued to amend certain Egyptian Accounting Standards by the addition of annex (H), attached to the resolution, to the Egyptian Accounting Standard No. (13) on the impact of changes in foreign exchange rates included in the Egyptian Accounting Standards accompanying the resolution of Minister of Investment No. (110) of 2015.

The annex aims to establish a special accounting treatment to deal with the consequences of the exceptional economic decision related to moving exchange rate by establishing a temporary additional option to Paragraph No. (28) of the amended Egyptian Accounting Standard No. (13). The paragraph requires currency differences to be recognized in the statement of profit or loss for the year during which these differences arise. Instead, the entity, which has outstanding liabilities in foreign currency at the date of unpegging the exchange rates related to fixed assets, real estate investments, intangible assets (except for goodwill), exploration and valuation assets acquired during the year from the beginning of January 2020 until the date of unpegging the exchange rate, is allowed to recognize the receivable currency differences resulting from the translation of such liabilities in the cost of these assets, at the date of unpegging the exchange rate.

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As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)
2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally generated intangible assets are not capitalized, and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets represent computer programs and related licenses and are amortized using the straight-line method over their estimated useful lives.

Goodwill

Goodwill is recognized as an asset at the acquisition date of a business combination. Goodwill is initially measured at cost, which represents the excess of the consideration transferred in the business combination over the Company's interest in the fair value of the assets, liabilities and contingent liabilities recognized.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Assets under construction

Assets under construction represent the amounts that are paid for the purpose of constructing or purchasing a fixed asset until it is ready to be used in the operation, upon which it is transferred to a "fixed asset" item. Assets under construction are valued at cost net of impairment loss (if any).

Investment properties

Policy applicable from January 1, 2024

Real estate investments represent lands and buildings that are held to achieve rent or increase in value, or both, and are initially measured at cost. The cost includes the purchase price and any direct expenses related to it.

Transfers

Transfers to and from investment property occur when—and only when—there is a change in use. A change in use occurs when the property meets or ceases to meet the definition of investment property, and there is evidence of a change in use. Management's intention to change the property's use alone does not constitute evidence of a change in use. For a transfer from inventory to investment property, which will be carried at fair value, any difference between the fair value of the property at that date and its carrying amount is recognized in profit or loss.

When an entity completes the construction or development of a self-constructed investment property carried at fair value, the difference between the asset's fair value at that date and its previous carrying amount is recognized in profit or loss.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2.3 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disposals

Investment real estate is derecognized (removed from the statement of financial position) upon disposition or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains and losses resulting from the discontinuation of use or disposal are determined as the difference between the net disposal proceeds and its net book value and are recognized in profit or loss during the period of discontinuation or disposal.

Measurement after first recognition

The company chose the fair value model for all real estate investments that support obligations that pay a return that is directly linked to the fair value of specific assets or returns from them, including real estate investment, on the basis of their evaluation by experts specialized in evaluation and valuation among those registered in a register designated for that purpose at the General Authority for Financial Supervision at the end of each quarter. The profit or loss arising from the change in the fair value of the real estate investment is recognized in the profit or loss for the period in which this change arises.

Real estate investment is excluded from the books when it is disposed of or when it is withdrawn from use and there are no expected economic benefits from its disposal.

The profits or losses resulting from cessation of use of the property or disposal are determined by the difference between the net proceeds of disposal of the property and its net book value and are recognized in profits or losses during the period of cessation of use or disposal of the asset.

Investments in associates

Associates are those companies over which the Company has a significant influence and are not subsidiaries or joint ventures, except for when the investment is classified as non-current asset held for sale according to the Egyptian accounting standard No. 32. Significant influence is assumed when the Company owns, directly or indirectly through its subsidiaries, 20% or more of the voting rights in the investee, unless it can be clearly demonstrated that this ownership does not represent significant influence.

Investments in associates are accounted for, in the consolidated financial statements, using the equity method. At the initial recognition, the investment is recognized at cost and to be adjusted in the subsequent year with the change of the group's share in the net assets of the associate. The Group's profit or loss includes its share of the associates' profit or loss, and the group's comprehensive income includes its share of the associate's other comprehensive income.

Financial instruments

A financial instrument is any contract that creates a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

Initial recognition and measurement

Upon initial recognition, the financial assets are classified according to both the Company's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. The Company initially measures the financial assets at fair value in addition to transaction costs if they are financial assets that are not classified at fair value through profit or loss, except for customer balances, which do not include a significant financing component.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- 1- Financial assets at amortized cost (debt instruments)
- 2- Financial assets at fair value through other comprehensive income with recycling accumulated profits and losses (debt instruments)
- 3- Financial assets classified at fair value through other comprehensive income without recycling accumulated profits and losses on derecognition (equity instruments)
- 4- Financial assets at fair value through profit or loss.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2.3 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business model assessment

The Company's management assesses the objectives of holding financial assets, which reflects the way the management evaluates the performance of financial investments. The information to be obtained to assess the business model includes the following:

- The Company's investment policy, which is based on achieving returns on investment in the form of interests or selling profits
- The investment year that is commensurate with the management's need for the necessary liquidity
- Reports needed to evaluate investment performance
- The risks that affect the performance of the business model and how to manage it
- The Company's previous experience in dealing with these investments, the duration of their holding and cash flows.
- How to reward investment managers and whether it is based on the fair value of the investment, or the cash flows collected

Financial assets at amortized cost (debt instruments)

The Company classifies financial assets at amortized cost if each of the following two conditions is met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortized cost using the effective interest rate method and are subject to impairment. Gains and losses are recognized in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets that are measured at amortized cost include receivables, notes receivable, Company's investments in treasury bills and governmental bonds, other debit balances and due from related parties.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of profit or loss and are computed in the same manner as for financial assets measured at amortized cost. The remaining changes in fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its investments in equity instruments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under EAS 25 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses from these financial assets are never recycled to profit or loss. Dividends are recognized as income in the consolidated statement of profit or loss when the right to payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. The Group has elected to classify irrevocably its non-listed equity investments under this category.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are included in the consolidated statement of financial position at fair value with the recognition of net changes in fair value in the profit or loss.

Expected credit losses

The Company recognizes the expected credit losses for the following financial assets:

- Financial assets that are measured at amortized cost
- Investments in debt instruments that are measured at fair value through other comprehensive income.

The Company measures the expected credit losses over the lifetime of the financial asset, except for the following financial assets, which are measured as 12-month expected credit losses:

- Debt instruments that have low credit risk at the reporting date.
- Bank balances and debt instruments whose credit risk have not changed since the initial recognition.

The Company assumes that an increase in the expected credit risk is associated with a delay in debt collection for more than 30 days from the maturity date, that the financial asset has failed to pay when the debt is more than 90 days past due, and that it is not expected to pay the financial dues without resorting to liquidation of the collateral.

The expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted approximately to the original effective interest rate.

For receivables and contract assets, the Company applies the simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk but instead recognizes a loss provision based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix based on its historical experience of credit loss while adjusting for looking forward factors specific to the customers and economic environment.

The allowance for credit losses for financial assets is presented in the consolidated financial statements by deducting it from the balance of the financial asset.

Derecognition

A financial asset (as applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The contractual rights to the cash flows from the financial asset expire; or
- The Company transfers its rights to receive cash flows from the asset or has accepted an obligation to pay the received cash flows in full without material delay to a third party through a pass-through arrangement; and either (a)

the Company has transferred substantially all of the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company transfers its rights to receive cash flows from an asset or enters a pass-through arrangement, it assesses whether, and to what extent, it has retained the risks and benefits of ownership. When it neither transfers nor retains substantially all the risks and rewards of the asset, or transfers control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Company also recognizes a corresponding liability. The transferred asset and the corresponding liabilities are measured on a basis that reflects the rights and obligations that the Company has retained

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Initial recognition and measurement

On initial recognition, the financial liabilities are designated at fair value through profit or loss, loans and facilities, suppliers, notes payables or other liabilities.

All financial liabilities are initially recognized at fair value and in the case of loans, borrowings, and credit balances, net of directly attributable transaction costs.

The Company's financial liabilities include suppliers, notes payable, other credit balances, loans, facilities including bank overdraft and other financial liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification as shown below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities classified upon initial recognition at fair value through profit or loss.

Financial liabilities at amortized cost (loans)

The most relevant category to the Company. After initial recognition, loans and advances are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognised and through the effective interest rate amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is recognized as a finance cost in the consolidated statement of profit or loss. This category generally applies to loans and facilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability. The difference in the related carrying amounts is recognized in the consolidated statement of profit or loss.

Notes receivable for undelivered units and liabilities on cheques received from customers

The Company recognizes notes receivable for undelivered units within its financial assets at the total undiscounted value of those cheques, and in return, it recognizes a liability for cheques received from customers with the same undiscounted value within its financial liabilities.

When cheques are collected before the property is delivered, the collected amounts are recognized by reducing the

balance of cheques receivable for undelivered units against the cash collected and transferring part of the liability corresponding for the cheques in the account of liabilities for cheques with the same value of the collected amounts to the account of advances from customers.

When real estate revenue is established, the receipts related to the recognized revenues are recognized by reducing the balance of cheque receivables for undelivered units with the value of the receivables related to the recognized units, closing part of the liability corresponding to the cheques in the account of liabilities for cheques of the same value.

Securitization

The Company excludes notes receivable that are sold during securitization transactions from the accounting books and recognizes the difference between the present value and the cash value received through securitization transactions within the financing expenses in the consolidated statement of profit and loss.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Finished units

Finished units are stated at the lower of cost or net realizable value. The net realizable value is estimated at the selling price under normal circumstances less the expected cost of selling expenses for that inventory, and any decrease in the selling value from the book cost is charged to the consolidated statement of profit or loss.

Inventories

Inventories are stated at the lower of cost or net realizable value, The net realizable value is estimated at the selling price in normal conditions, less the expected cost of selling expenses for that inventory.

The inventory of supplies for hotels bought since the opening of the hotel and required for operation is to be measured at fair value and the decrease of the fair value to be recorded in the consolidated statement of profit or loss.

Receivables, sundry receivables and notes receivable

Receivables and sundry receivables are stated at amortized cost less any impairment losses.

Suppliers and accrued expenses

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the suppliers to the Company or not.

Related party transactions

Related parties are represented in major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Pension scheme for workers

The Company makes contributions to the General Authority for Social Insurance scheme under the provisions of social insurance law 79 of 1975. The Company's contribution is charged to the consolidated statement of income according to the accrual basis, and according to this scheme, the Company's obligation is limited to the value of that contribution.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past

event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting (present value) is used, the increase in the provision due to the passage of time is recognized in the consolidated statement of profit or loss as a finance cost.

Legal reserve

Referring to the provisions of Law 159 of year 1981 and according to the Company's Articles of Association, 5% of the net profits of the year is to be transferred to the legal reserve until this reserve reaches 50% of the issued capital. The reserve is not distributable.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company recognizes revenues from contracts with customers by applying a five-step model as depicted within EAS no. 48:

Step 1: Identify the contract(s) with a customer. The contract is defined as an agreement between two or more parties that creates enforceable rights and obligation, and set the criteria that should be satisfied for each contract,

Step 2: Identify the performance obligations in the contract. Performance obligation is a promise in a contract with a customer to transfer to the customer either: a good or service

Step 3: Determine the transaction price. Transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract. If the contract contains more than one performance obligation, the Company will allocate the transaction price to each obligation at an amount reflecting the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

- The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) the entity's performance does not create an asset with an alternative use and the entity has an enforceable right to payment for performance completed to date

b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

- As for performance obligations, the Company recognizes revenues over time, if one of the above criteria is met.

- When the Company satisfies a performance obligation by transferring a promised service, it is originally established based on the contract against the amount of the contract corresponding to the performance obligation, when the amount against the contract received from the client exceeds the amount of revenue generated resulting in payments from the client (contract obligation).

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, when appropriate, can be measured reliably

Satisfaction of performance obligations

- For each performance obligation, an entity shall determine whether it satisfies the performance obligation over time or at a point in time, requiring professional judgement, to determine the most appropriate method to recognize revenue.

Determining the transaction prices

- The Company should determine the transaction prices related to its contracts with customers. The Company estimates the impact of any variable consideration in the contract.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfer of control in contract with customers

-If the Company satisfies the performance obligation at a point in time, revenue is recognized when the customer obtains a control over the asset

Significant financing component

-The Company must adjust an amount against the promised contract against the time value of money if the contract includes a significant financing component.

Revenue recognition

Real estate sales - sale of completed units

-Revenue from the sale of contracted residential, professional, commercial and administrative units is recognized when control is transferred to customers, whether these units have been fully or partially implemented at a value that reflects the expected value of the Company against those units. Revenue for these units is recognized at a point in time, net, for units over which control has been transferred to customers.

Sales of lands

-The Company recognises revenue on sale of lands when the control of ownership has been transferred to the buyer which occurs when the units are actually delivered, provided the completion of utility works. Revenue from lands is recognized at a point in time for lands for which the control has been transferred to customers.

Investment revenues

Revenue from share dividends is recorded when there is right to receive it.

Finance income

Finance income is recognised as it accrues using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the net carrying amount of the financial asset or liability.

Income from services rendered to customers

Income arising from providing services to customers is recognised when services are rendered. Income from services provided to customers is included in the periodic yield revenues in the consolidated statement of profit or loss.

Recognition of real estate activity costs

The minutes of handing over saleable units to customers and realizing activity revenues for those units are the basis on which the activity costs related to them are recognized, which are as follows:

Direct and indirect costs

The construction costs of the saleable units according to the payment certificates of the contractors and suppliers that are approved by the Company's department of technical affairs are recoded in "work in progress" item and the costs to be distributed to the sold units according to the following basis:

- A villa's share in the land cost and the unit's share in the land cost which were distributed based on land area of each unit to the total area of the units in the project.
- The unit's share in the actual and estimated costs that were distributed based on the contracts and invoices of each sector of units, villas and shops in each phase.
- The unit's share in the indirect actual and estimated costs which was distributed based on the direct costs of each sector in each phase.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases:

The Company assesses at the inception of the contract whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of a specific asset for a year of time in exchange for consideration.

The Company as a lessee

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- **Lease liabilities:** At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term using the implicit interest rate in the lease if readily determinable, or the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

- **Right-of-use assets:** The Company recognizes right-of-use assets at the commencement date of the lease. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received (if any) , in addition to an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, a lessee shall measure the right-of-use asset at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on the lease term, if ownership of the leased asset transferred to the Company at the end of the lease term or if the Company will exercise the purchase option. Otherwise, Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

-The Company elected not to apply the standard for leases of 'low-value' assets or short-term year contracts.

The Company as a lessor

The Company classifies each of its leases as either an operating lease or finance lease.

A lease is classified as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Finance lease: the Company recognizes assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease

The Company shall use the interest rate implicit in the lease to measure the net investment in the lease.

The net investment in the lease comprises the payments for the right to use of the underlying asset during the lease term that are not received at the commencement date.

The Company shall recognise finance income over the lease term, based on a pattern reflecting a constant year rate of return on the lessor's net investment in the lease.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating lease: the Company shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

All the Company's leases are currently classified as operating leases.

Impairment

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Treasury shares

Treasury shares are recorded with the acquisition cost and deducted from the owners' equity in the balance sheet; any gain or loss proceeds of buying or selling these treasury shares are being recorded in the owner's equity.

Significant accounting judgements and estimates

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

Estimates and their associated assumptions are reviewed on a regular basis. Amendments to these estimates are recognized in the year during which these estimates are reviewed.

Significant judgements and estimates that have a significant effect on the consolidated financial statements of the Company are discussed below.

Judgements

Revenue recognition of selling completed units and lands

When making its judgements, the management took into consideration the detailed requirements of recognizing revenue arising from selling goods as stated in Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers", including deciding whether significant risks and rewards have been transferred.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Impairment of receivables and other receivables

An estimate of the collectible number of receivables, notes receivables and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Useful lives of fixed assets

The Company's management determines the estimated useful lives fixed assets for calculating amortization. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the estimated useful lives and amortization method on a regular basis to ensure that the amortization method and year are consistent with the expected pattern of future economic benefits arising from these assets.

Taxes

The Company is subject to income tax imposed in Egypt. Significant judgements must be made in order to determine the total current and deferred tax provisions. The Company based its provisions upon reasonable estimates, taking into consideration the potential consequences of inspection operations conducted by Egyptian tax authorities. The amount of this provision is based on a number of factors including experience in previous tax inspections and varying interpretations of tax regulations by the Company and the tax authority responsible. Such differences in interpretation may arise on several topics in accordance with the circumstances prevailing in Egypt at the time.

Deferred tax assets for unused and retained tax losses are recognized so that they are expected to be offset by taxable profits that could be covered using such losses. Significant management judgements must determine the amount of deferred tax assets that could be recognized, based on the potential timing and level of future taxable profits, besides future tax planning strategies.

Income tax

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and it is carrying amount in the financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the consolidated statement of profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different year, directly in equity.

Borrowing

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within a year are classified as current liabilities, unless the Company has the right to postpone the settlement for a year exceeding one year after the financial position date, then the loan balance should be classified as long-term liabilities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale are capitalised as part of the cost of the assets. All other borrowing costs are expensed in the year in which they are incurred. The borrowings costs are represented in interest and other finance costs that Company pay to obtain the funds.

Expenses

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the consolidated statement of income in the financial year in which these expenses were incurred.

Cash and cash equivalent

For preparing the consolidated cash flow statement, cash and cash equivalent consist of cash at banks and cash on hand, time deposits and treasury bills that will be due within three months and bank cheques under collection, payable upon request which are considered a complementary part of the Company's assets management system less bank overdrafts.

Dividends

Dividends are recognized as an obligation for the year when the general assembly issues the decision to make distributions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

2 BASIS OF PREPARATION FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3 - Segment information

The major segments in the Company are real estate, tourism and periodic-yield income sectors (Note 40). Profit and investments related to other segments are currently insignificant and not required to be reported in accordance with accounting standard No. 41 and are not disclosed separately in the consolidated financial Statement.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As of 30 September 2025

4 – PROPERTY, PLANT AND EQUIPMENT

	Lands	Premises & constructions	Transportation	Tools & equipment	Furniture & fittings	Computers	Total
	LE	LE	LE	LE	LE	LE	LE
Cost							
On 1 January 2025	48,567,386,583	24,495,587,134	914,131,792	2,112,539,474	3,012,595,401	568,253,919	79,670,494,303
Additions during the period	-	61,248,187	89,882,987	195,464,562	200,569,376	62,812,797	609,977,909
Transfer from assets under construction	-	36,036,410	-	25,358,934	29,047,335	1,166,025	91,608,704
Disposals	-	-	(3,940,518)	(8,089,016)	(8,859,310)	(886,470)	(21,775,314)
Transfer to Development properties	(4,695,886)	(190,652)	-	-	-	-	(4,886,538)
CTA	(2,717,266,642)	(743,398,034)	(379,608)	(41,870,443)	(92,240,777)	(2,478,230)	(3,597,633,734)
On 30 September 2025	45,845,424,055	23,849,283,045	999,694,653	2,283,403,511	3,141,112,025	628,868,041	76,747,785,330
Accumulated depreciation							
On 1 January 2025	-	(1,491,025,298)	(468,904,112)	(676,722,177)	(850,112,184)	(371,590,968)	(3,858,354,739)
Depreciation for the period	-	(425,792,687)	(94,025,821)	(219,086,174)	(219,486,838)	(66,077,610)	(1,024,469,130)
Accumulated depreciation of disposals	-	-	3,940,510	3,147,134	3,251,540	749,980	11,089,164
Accumulated depreciation of Assets transferred	-	125,770	-	-	-	-	125,770
CTA	-	28,469,890	49,328	12,663,397	12,225,330	448,795	53,856,740
On 30 September 2025	-	(1,888,222,325)	(558,940,095)	(879,997,820)	(1,054,122,152)	(436,469,803)	(4,817,752,195)
Net book value on 30 September 2025	45,845,424,055	21,961,060,720	440,754,558	1,403,405,691	2,086,989,873	192,398,238	71,930,033,135
Net book value on 31 December 2024	48,567,386,583	23,004,561,836	445,227,680	1,435,817,297	2,162,483,217	196,662,951	75,812,139,564
	LE	LE					
Proceeds from sale of fixed assets		11,561,728					
Cost of disposed fixed assets	(21,775,314)						
Accumulated depreciation of disposed assets	11,089,164						
Net book value of fixed assets disposed		(10,686,150)					
Fixed Assets Disposal Gain		875,578					

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 September 2025

4 – PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

	Lands	Premises & constructions	Transportation	Tools & equipment	Furniture & fittings	Computers	Total
	LE	LE	LE	LE	LE	LE	LE
Cost							
On 1 January 2024	1,022,239,960	5,243,116,351	647,226,048	983,991,757	1,089,547,996	194,888,096	9,181,010,208
Additions	28,841,761,464	8,093,062,768	214,851,237	410,600,171	1,455,716,470	356,019,449	39,372,011,559
Transfer from projects under construction	-	6,062,088,771	56,399,628	471,788,215	158,631,338	10,380,429	6,759,288,381
Disposals	-	(45,077)	(4,345,121)	(22,443,530)	(7,173,062)	(8,466,846)	(42,473,636)
Transfer to Development properties	-	(1,537,116)	-	-	-	-	(1,537,116)
Reclassification from intangible assets (Note 7)	-	-	-	-	-	15,432,791	15,432,791
CTA	18,703,385,159	5,098,901,437	-	268,602,861	315,872,659	-	24,386,762,116
On 31 December 2024	48,567,386,583	24,495,587,134	914,131,792	2,112,539,474	3,012,595,401	568,253,919	79,670,494,303
Accumulated depreciation							
On 1 January 2024	-	(975,336,920)	(374,680,462)	(584,791,153)	(635,804,404)	(145,094,525)	(2,715,707,464)
Depreciation for the year	-	(477,718,021)	(98,403,620)	(86,988,681)	(206,042,943)	(223,643,479)	(1,092,796,744)
Accumulated depreciation of disposals	-	8,051	4,198,923	15,478,684	6,104,368	8,371,111	34,161,137
Accumulated depreciation to transfer assets	-	1,082,683	-	-	-	-	1,082,683
Reclassification from intangible assets (Note 7)	-	-	-	-	-	(13,917,240)	(13,917,240)
CTA	-	(39,061,091)	(18,953)	(20,421,027)	(14,369,205)	2,693,165	(71,177,111)
On 31 December 2024	-	(1,491,025,298)	(468,904,112)	(676,722,177)	(850,112,184)	(371,590,968)	(3,858,354,739)
Net book value on 31 December 2024	48,567,386,583	23,004,561,836	445,227,680	1,435,817,297	2,162,483,217	196,662,951	75,812,139,564
Net book value on 31 December 2023	1,022,239,960	4,267,779,431	272,545,586	399,200,604	453,743,592	49,793,571	6,465,302,744
			LE	LE			
Proceeds from sale of fixed assets				12,354,373			
Cost of disposed fixed assets			(42,473,636)				
Accumulated depreciation of disposed assets			34,161,137				
Net book value of fixed assets disposed				(8,312,499)			
Fixed Assets Disposal Gain				4,041,874			

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

5 INVESTMENT PROPERTIES

	Land	Premises & constructions	30 September 2025	31 December 2024
	LE	LE	LE	LE
Beginning balance	511,318,882	13,748,664,216	14,259,983,098	6,473,244,313
Additions during the period	718,862,180	1,038,039,386	1,756,901,566	17,229,252
Transferred from Development Properties (note 14)	65,394,184	902,273,904	967,668,088	2,845,369,064
Disposals	(255,524,721)	(232,959,536)	(488,484,257)	-
Fair value of investment property	-	3,375,574,692	3,375,574,692	4,924,140,469
Net book value	1,040,050,525	18,831,592,662	19,871,643,187	14,259,983,098

The company has applied the provisions of the Egyptian Accounting Standard No. (34); modified 2024 The Real Estate Investment issued on 3 March 2024 by Prime Minister No. (636) for year 2024 using the fair value model for the financial period starting 1 January 2024. The amendments shall be applied retroactively in accordance with the Egyptian Accounting Standard No. (5) Accounting policies and changes in accounting estimates and errors while demonstrating the cumulative effect of the application of the fair value model by adding it to the balance of the retained earnings at the beginning of the financial period starting 1 January 2024.

6 ASSETS UNDER CONSTRUCTION

	30 September 2025	31 December 2024
	LE	LE
Four Seasons Madinaty Hotel Project	7,616,764,544	5,400,314,431
Four Seasons Sharm El-Sheikh Hotel Extension Project	1,248,550,424	1,247,493,525
Four Seasons Nile Plaza Hotel Project	1,204,893,190	1,134,216,607
Four Seasons San Stefano Hotel Project	174,702,610	156,952,086
Four Seasons Luxor Hotel Project	1,090,834,134	708,237,036
Radison Marsa Alam Hotel Project	1,431,925,259	1,102,288,140
Mariott Mena House Hotel Project	238,498,683	222,709,930
Mariott Al-Zamalek Hotel Project	22,550,009	-
Nille Kempinski Hotel Project	86,462,960	80,943,969
Steigenberger Al-Tahrir Hotel Project	-	8,355,148
Sofitel Winter Palace Hotel Project	1,796,360	9,883,887
Sofitel Old Cataract Aswan Hotel Project	3,138,244	-
Movenpick Aswan Hotel Project	29,643,436	-
Madinaty Medical Centre Project	758,281,882	457,750,027
Mamsha Ahl Masr Project	10,306,270	6,924,686
Elevator Factory Project	19,387,803	-
Administrative Premises	791,378,122	597,195,288
Software	143,319,993	33,727,941
	14,872,433,923	11,166,992,701

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

7 INTANGIBLE ASSETS

	30 September 2025	31 December 2024
	LE	LE
Cost		
Beginning balance period / year	67,298,424	38,394,489
Additions During the period / year	3,479,564	44,336,726
Reclassification to fixed assets (Note 4)	-	(15,432,791)
FCTA	(1,889,406)	-
	68,888,582	67,298,424
Accumulated amortization at the beginning of the period / year	(23,449,986)	(27,942,935)
Reclassification to fixed assets (Note 4)	-	13,917,240
Amortization for the period / year	(13,255,666)	(8,901,721)
FCTA	534,871	(522,570)
	(36,170,781)	(23,449,986)
Balance at the end of the period / year	32,717,801	43,848,438

8 RIGHT OF USE ASSETS

	30 September 2025	31 December 2024
	LE	LE
Cost		
Beginning balance	216,022,892	81,513,931
Additions during the period / year	146,281,725	134,508,961
FCTA	(7,638,046)	-
Total cost at the period / year	354,666,571	216,022,892
Accumulated Amortization		
Accumulated depreciation on 1 January 2025	(19,700,686)	(135,857)
Amortization during the period / year	(26,419,822)	(17,592,132)
FCTA	1,881,731	(1,972,697)
Accumulated Amortization at the period / year	(44,238,777)	(19,700,686)
	310,427,794	196,322,206

* On 15 November 2023, the Company signed a contract with the Armed Forces Land Projects Agency to exploit a plot of land with an area of 10,360 square meters, in the area of the first phase of the Mamsha Ahl Masr project, facing the Four Seasons Nile Plaza Hotel for a fifty years starting from 15 November 2023 and ending on 14 November 2073, the plot of land was received by Nova Park Cairo Company on 4 December 2023, in order to start the above-mentioned objective.

** On 22 October 2024, the company signed a contract with El-Shamla Holding company (Saudi company) for using an administrative premises for 10 years ending on 31 August 2033 by Talaat Mustafa Saudi for real estate development.

***On 1 April 2025 Talaat Mustafa Saudi for real estate development company signed a contract with Al-Eskan International For Real Estate Development Company (Saudi company) for using an administrative premises for 5 years ending on 30 March 2030 -

**** On 11 June 2025, Talaat Moustafa Group – Muscat Real Estate Development Company leased a building located in the Wilayat of Bousher, Muscat – Sultanate of Oman, to be used as an administrative headquarters. The lease agreement spans five years, ending on 31 December 2030, and includes a six-month rent, with a grace period commencing from the contract start date.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

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8 RIGHT OF USE ASSETS (CONTINUED)

The carrying values of lease liabilities during the year

	30 September 2025	31 December 2024
	LE	LE
Balance at beginning of period / year	201,540,070	71,334,255
Additions	146,281,725	134,508,961
Interests on finance leases	12,677,127	32,323,510
Payments during the period / year	(25,977,994)	(35,576,249)
CTA	(7,095,773)	(1,050,407)
	327,425,155	201,540,070
	30 September 2025	31 December 2024
	LE	LE
Lease liability – current	46,655,343	18,456,306
Lease liability – non-current	280,769,812	183,083,764
	327,425,155	201,540,070

9 GOODWILL

	30 September 2025	Goodwill impairment	31 December 2024
	LE	LE	LE
Arab Company for Projects and Urban Development	10,565,254,608	-	10,565,254,608
Alexandria Company for Real Estate Investment	2,043,149,242	-	2,043,149,242
CTA	(5,305,646)	-	135,052,826
	12,603,098,204	-	12,743,456,676

Impairment test for goodwill

The Group performed its annual impairment test for goodwill in December 2024. The recoverable amount of goodwill has been determined based on a value in use calculation of the cash generating unit (CGU), using cash flow projections approved by senior management covering a ten-year period. The pre-tax discount rate of 27.14% applied to cash flow projections beyond the ten-year year are extrapolated using a terminal growth rate of 5%. The Group has also performed a sensitivity analysis by varying these input factors by a reasonable possible margin. The Group recorded an impairment of goodwill amounting to LE 557,134,823.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

- ▶ Annual revenue growth rate during the forecast period
- ▶ Discount rate
- ▶ Long-term growth rates (terminal value) used to extrapolate cash flows beyond the forecast period

Annual revenue growth rate during the forecast period

Annual revenue growth rate assumptions are based on average growth rates achieved in the year preceding the start of the budget period. These are increased over the budget year for anticipated market conditions.

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9 GOODWILL (CONTINUED)

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and the timing of the future tax flows to reflect a pre-tax discount rate.

Growth rate estimates

Assumptions are based on published industry research.

Sensitivity to changes in assumptions

With respect to management's assessment of value in use of the cash generating unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

10 INVESTMENT IN ASSOCIATES

	Contribution percentage		30 September 2025	31 December 2024
	30 September 2025	31 December 2024	LE	LE
Thabat Company For Limited Constructions	50%	50%	339,000,000	339,000,000
Bedaya For Mortgage Finance Co.	33,3%	33,3%	148,822,012	113,855,056
Alex For Tourism Development Company	40%	40%	94,538,634	94,538,633
Beyman Egypt Retail And Trading	16,66%	16,66%	47,643,423	44,532,362
Atrium For Real Estate Projects Co.	25%	25%	28,635,596	28,635,596
Hill / TMG For Projects And Construction Management*	49%	49%	3,036,463	3,036,463
Orion For Consumer Financing	32%	-	24,000,000	-
Arab Switzerland Company	49%	-	4,900,000	-
Cairo Medical City Co.**	10%	10%	7,500	7,500
			690,583,628	623,605,610

	1 January 2025	Additions	Company's share in Equity	Dividends	30 September 2025
	LE	LE	LE	LE	LE
Investments in associates	623,605,610	45,566,667	32,119,277	(10,707,926)	690,583,628

*The Board of directors approved the liquidation of Hill /TMG for Constructions and Projects Management. The liquidation process is still in progress through judicial liquidators.

** Although the Company owns less than 20% of certain companies, the management considers classifying this investment within investments in associates due to the significant influence the Company has over these companies, in addition to the Group's representation in the company's Board of Directors.

***Although the company owns 50% in Thabat Company For Limited Constructions , the management classified this investment within investments in associates due to existence of significant influence with no control.

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11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2025	31 December 2024
	LE	LE
TMG For Real Estate And Tourism Investment	1,200,467,120	1,200,467,120
Tca Real Estate *	-	471,812,658
Or For Financial Investment	25,994,000	25,994,000
Eskan For Insurance	24,504,414	24,504,414
Tameer For Real Estate Financing	33,656,220	25,468,915
Egyptian Company For Marketing And Distribution	500,000	500,000
Rockland	26,496	26,496
Tansy Financial	26,496	26,496
East Port Said Free Industrial Zone Development Company	16,287	16,287
	1,285,191,033	1,748,816,386

The Group acquired an additional 37% stake in TCA Real Estate Company from Commercial International Bank (CIB), increasing its ownership to 82%.

12 TIME DEPOSITS AND FINANCIAL ASSETS AT AMORTIZED COST

	30 September 2025	31 December 2024
	LE	LE
Short-term investments in treasury bills and governmental bonds and time deposits	15,317,396,783	10,463,560,019
Long-term investments in governmental bods, and time deposits	9,750,792,531	4,442,532,223
ECL	(1,328,355)	(1,266,383)
	25,066,860,959	14,904,825,859

12-1 Non-Current Time Deposits and Financial assets at Amortized Cost

	30 September 2025	31 December 2024
	LE	LE
Governmental bonds	7,881,331,321	2,370,043,583
Time deposits	1,869,461,210	2,072,488,640
ECL	(731,016)	(328,195)
	9,750,061,515	4,442,204,028

12-2 Current Time Deposits and Financial assets at Amortized Cost

The account balance amounted LE 15,316,799,444 on 30 September 2025 and it consists of treasury bills with a maturity date of maximum 30 September 2026.

	30 September 2025	31 December 2024
	LE	LE
Treasury bills	14,396,264,838	6,026,043,694
Governmental bonds	449,042,095	341,491,052
Time deposits	472,089,850	4,096,025,273
ECL	(597,339)	(938,188)
	15,316,799,444	10,462,621,831

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

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12 TIME DEPOSITS AND FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

Governmental bonds

The account balance amounted to LE 8,305,749,000 on 30 September 2025 as follows:

No.	Nominal Value	Yield	Maturity
54003	69,749,000	15%: 16%	2025
956010	1,147,500,000	14%: 25%	2026
673515	807,500,000	14%: 34%	2027
4320006	5,890,000,000	18%: 34%	2028
351000	351,000,000	14%	2029
40000	40,000,000	14%	2030
6394534	8,305,749,000		

	30 September 2025	31 December 2024
	LE	LE
Face value	8,305,749,000	2,712,749,000
Issuance Premium / (Discount)	24,624,417	(1,214,365)
Governmental bonds balance	8,330,373,417	2,711,534,635

Time Deposits

Maturity	30 September 2025	31 December 2024
	LE	LE
2025	-	4,096,025,273
2026	472,089,850	203,163,840
2027	4,461,210	4,324,800
2032	373,000,000	373,000,000
2033	373,000,000	373,000,000
2034	373,000,000	373,000,000
2035	373,000,000	373,000,000
2036	373,000,000	373,000,000
Total	2,341,551,060	6,168,513,913

13 OTHER NON – CURRENT FINANCIAL ASSETS AND LIABILITIES

On 6 June 2021, Arab Urban Investment Company, one of the subsidiaries, signed a contractual agreement with Banque Misr, National Bank of Egypt and Banque du Caire. The Company demanded to fix the interest rate to obtain the present value of the commercial papers withdrawn to the buyers of the project units sold by factoring the commercial papers of its project clients.

13-1 Other non - current financial– Assets

	30 September 2025	31 December 2024
	LE	LE
Advance payments to banks on factoring	229,008,954	381,681,591
Amortization of advance payments for the period / year	(114,504,477)	(152,672,638)
	114,504,477	229,008,953

13-2 Other non - current financial– Assets

	30 September 2025	31 December 2024
	LE	LE
Non – current other advanced payment	1,874,569,521	-
	1,989,073,998	229,008,953

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13 OTHER NON – CURRENT FINANCIAL ASSETS AND LIABILITIES

13-3 Other non-current financial liabilities

	30 September 2025	31 December 2024
	LE	LE
Obligations against advances on factoring	334,772,460	468,314,190
Discounted present value	(109,296,357)	(129,605,405)
Accrued interest during the period / year	(22,424,999)	20,310,051
Payments during the period / year	(85,139,202)	(133,541,731)
	117,911,902	225,477,105

14 PROPERTIES UNDER DEVELOPMENT

	30 September 2025	31 December 2024
	LE	LE
Beginning balance for the period / year	104,117,856,511	89,847,247,605
Additions during the period / year	39,275,651,703	39,649,905,137
Transferred from fixed assets (note 4)	4,760,768	454,433
Transferred to Investment properties (note 5)	(967,668,088)	(2,845,369,064)
Transferred to Projects under constructions	-	(4,271,410,657)
Realized costs for delivered units charged to the profits or losses	(14,458,283,696)	(17,563,691,282)
Realized costs of activities with recurring returns charged to the profits or losses	-	(699,279,661)
CTA	(513,763,790)	-
Balance at the end of the period / year	127,458,553,408	104,117,856,511

It includes the following costs:

- Lands.
 - Amounts paid to contractors, including infrastructure costs.
 - Capitalized borrowing costs, designs, planning, site preparation, professional legal fees indirect and other costs.
- Infrastructure costs are allocated on the projects and represent a portion of the project's estimated cost to complete, for determining the cost of the recognized revenue.

15 WORK IN PROGRESS

	30 September 2025	31 December 2024
	LE	LE
Balance at the beginning of the period / year	37,201,840	-
Additions	354,206,249	482,034,999
Realized costs from delivered units charged to the statement of profits or losses (service returns cost)	(356,847,038)	(444,833,159)
Balance at the end of the period / year	34,561,051	37,201,840

16 INVENTORIES

	30 September 2025	31 December 2024
	LE	LE
Units (Commercial and residential)	9,042,969,602	2,202,842,265
Supplies and operating equipment	1,038,748,588	1,089,077,149
Inventory - Hotels	169,949,383	148,606,641
	10,251,667,573	3,440,526,055

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17 TRADE AND OTHER RECEIVABLES

	30 September 2025	31 December 2024
	LE	LE
Trade receivable	2,447,089,101	2,570,289,854
Notes Receivable	18,299,536,267	15,723,700,684
Accounts and Notes Receivable - Hotels	475,549,866	255,392,061
	21,222,175,234	18,549,382,599
Less: Present value for notes receivable	(1,019,136,701)	(577,360,312)
Expected credit losses for trade receivable	(9,189,265)	(47,229,986)
Expected credit losses for notes receivable	(116,580,636)	(138,736,464)
	20,077,268,632	17,786,055,837

The maturity date analysis of receivables and notes receivable are as follows:

	Total	One year	More than one year	More than two years	More than three years	More than four years	More than five years
	LE	LE	LE	LE	LE	LE	LE
30 September 2025	21,222,175,234	8,332,505,726	3,814,924,189	3,392,247,520	2,212,502,923	1,464,330,982	2,005,663,894
31 December 2024	18,549,382,599	6,890,601,218	3,175,651,694	2,996,777,903	2,265,294,842	1,228,780,004	1,992,276,938

18 NOTES RECEIVABLE FOR UNDELIVERED UNITS AND ITS OBLIGATIONS

18/1 NOTES RECEIVABLE FOR UNDELIVERED UNITS

The maturity date analysis of notes receivable for undelivered units is as follows:

	Total	One year	More than one year	More than two years	More than three years	More than four years	More than five years
	LE	LE	LE	LE	LE	LE	LE
30 September 2025	18,579,924,058	549,806,470	2,311,866,400	1,507,635,787	1,449,341,740	2,248,532,536	10,512,741,125
31 December 2024	27,648,152,656	2,375,296,654	3,387,817,230	3,048,497,931	2,394,914,908	2,638,626,571	13,802,999,362

18/2 OBLIGATIONS AGAINST NOTES RECEIVABLE FOR UNDELIVERED UNITS

	30 September 2025	31 December 2024
	LE	LE
Customers advances (Al Rehab Project)	49,393,450	212,212,625
Customers advances (Madinaty Project)	6,529,519,007	12,225,830,414
Customers advances (Celia Project)	1,040,305,548	1,282,122,097
Customers advances (Noor Project)	10,960,706,053	13,927,987,520
	18,579,924,058	27,648,152,656

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**18 NOTES RECEIVABLE FOR UNDELIVERED UNITS AND ITS OBLIGATIONS
(CONTINUED)**

18/3 POST-DATED CHECKS (OFF BALANCE SHEET)

The Company maintains post-dated checks amounted to EGP 167,620,187,357 which represent post-dated checks of undelivered units and not included in statement of financial position starting from 2023. These checks represent future instalments according to payment schedule of each customer according to Company's policies.

	Total	One year	More than one year	More than two years	More than three years	More than four years	More than five years
	LE	LE	LE	LE	LE	LE	LE
30 September 2025	167,620,187,357	9,910,082,577	15,301,155,292	16,002,608,005	21,215,286,795	19,829,776,033	85,361,278,655

19 OTHER CURRENT ASSETS

	30 September 2025	31 December 2024
	LE	LE
Advance payments - contractors and suppliers	17,303,240,029	9,944,628,994
Deposits with others	10,974,166,448	3,145,006,838
Prepaid expenses	3,286,151,125	2,274,441,966
Accrued revenues	2,973,514,361	277,369,324
Tax Authority	2,271,236,993	678,612,578
Letters of credit	621,549,256	378,628,923
Amounts paid for Investments of Companies Under Incorporation"	4,001,746	43,361,746
Sundry receivables	9,269,211,789	6,059,658,847
Other debit balances -hotels	2,213,186,565	2,082,763,794
	48,916,258,312	24,884,473,010
Expected credit losses	(115,098,251)	(91,491,948)
	48,801,160,061	24,792,981,062

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2025	31 December 2024
	LE	LE
Investments in Funds	219,021,307	227,706,581
Investments in Shares	88,843,178	52,661,703
Investment Certificates	264,760,973	237,056,970
	572,625,458	517,425,254

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21 CASH AND CASH EQUIVALENTS

	Local Currency	Foreign Currency	30 September 2025	31 December 2024
	LE	LE	LE	LE
Cash on hand	122,476,865	40,473,994	162,950,859	197,532,686
Current accounts	5,504,539,652	12,584,391,457	18,088,931,109	21,861,624,015
Time deposits-Less than 3 months	7,596,045,746	14,692,547,960	22,288,593,706	21,827,602,779
Treasury bills-Less than 3 months	847,734,614	-	847,734,614	257,422,271
Cash and cash equivalents - hotels	1,138,383,068	1,430,358,247	2,568,741,315	798,721,996
	15,209,179,945	28,747,771,658	43,956,951,603	44,942,903,747
Expected credit losses	(11,678)	(83,919,528)	(83,931,206)	(27,388,338)
Bank overdrafts	(3,948,576)	(3,388,554)	(7,337,130)	5,927,437))
Cash and cash equivalents	15,205,219,691	28,660,463,576	43,865,683,267	44,909,587,972

* Time deposits and treasury bills that have maturity dates of less than 3 months are recognized in the cash and cash equivalents balances

22 CAPITAL

The Company's authorized capital amounts to LE 50,000,000 (Fifty million Egyptian pounds) and the issued and paid-up capital amounted to LE 6,000,000 (Six million Egyptian pounds) of LE 10 (Ten Egyptian pounds) par value each, on 3 April 2007.

According to the Extraordinary General Assembly Meeting dated on 6 October 2007, the Company's authorized capital was increased by LE 29,950,000,000 to become LE 30,000,000,000 and the issued and paid-up capital was increased to become LE 18,152,035,500 divided over 1,815,203,550 shares of LE 10-par value each, through shares swap with the subsidiaries. It was recorded in the commercial register on 28 October 2007.

According to the Extraordinary General Assembly Meeting dated on 28 October 2007, the Company's issued, and paid-up capital was increased through a public and private placement to become LE 20,302,035,500 divided over 2,030,203,550 shares. The increased amount of LE 2,150,000,000 was paid with a premium share amounted to LE 1,6 per share by total premium amount of LE 344,000,000, recorded in the commercial register on 25 November 2007.

According to the Extraordinary General Assembly Meeting dated on 24 March 2010, the issued capital was reduced by the treasury stocks amounted of LE 169,720,520-par value, and 1 year has elapsed since its acquisition. Issued capital becomes LE 20,132,314,980 (Twenty billion and one hundred and thirty-two million and fourteen thousand and nine hundred and eighty pound) distributed over 2,013,231,498 shares. It was recorded in the commercial register on 18 May 2010.

The Extraordinary General Assembly Meeting dated 30 September 2011 approved to increase the issued and paid-up capital through issuing bonus shares, deducted from the retained earnings, to become LE 20,635,622,860 dividends over 2,063,562,286 shares. It was recorded in the commercial register on 24 May 2011.

According to the decision of the extraordinary general assembly dated 26 March 2025, the issued capital was reduced by the value of the treasury shares, whose nominal value EGP 29,085,000, so that the issued capital became EGP 20,606,537,860 distributed over 2060653786 shares and this was recorded in the commercial register on 25 May 2025.

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23 LEGAL RESERVE

Legal reserve amounted LE 472,261,033 at 30 September 2025 represented in the transferred amount of the share's premium resulting from the company capital increase amounting LE 344,000,000, with LE 1,6-share premium per share. Part of the premium amounted to LE 185,880,702 was used to cover the IPO expenses, and the remaining balance of LE 158,119,298 was transferred to the legal reserve, as well 5% of the realized profits according to the law.

24 GENERAL RESERVE

The General Reserve balance amounted to Nil at 30 September 2025, compared to EGP 61,735,404 at 31 December 2024. The entire other reserve balance of EGP 61,735,404 was utilized pursuant to the resolution of the Extraordinary General Assembly dated 26 March 2025, to offset a portion of the value of treasury shares that were written off in May 2025. The utilized General Reserve balance is EGP 25,747,613, resulting from share swaps pursuant to the resolution of the Extraordinary General Assembly held on 6 October 2007, to form a General Reserve with the difference in the increase resulting from the exchange of the company's shares with its subsidiaries, in addition to EGP 35,987,791, representing the difference between the nominal value and the book value of the treasury shares that were written off, pursuant to the resolution of the Extraordinary General Assembly dated 24 March 2010, to add the difference to the General Reserve.

25 OTHER NON-CURRENT LIABILITIES

	30 September 2025	31 December 2024
	LE	LE
Notes Payable	20,540,181,836	17,344,625,772
Maintenance deposits and units guarantees	25,663,801,685	22,324,748,891
EGOTH Company*	1,928,770,521	3,168,505,393
New Urban Communities Authority	6,237,219,063	6,237,219,063
Less: present value	(3,452,708,389)	(3,880,305,185)
	50,917,264,716	45,194,793,934

* The liability resulting from the acquisition of historical hotels due to EGOTH amounted USD 100 million, payable over 4 years; and the present value were calculated and recorded in the books, where the company paid the first installment of 25 million USD at 5 February 2025.

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26 LOANS AND CREDIT FACILITIES

	Current portion	Non-current portion	30 September 2025	31 December 2024
	LE	LE	LE	LE
Facilities	1,475,658,698	-	1,475,658,698	1,189,880,894
Loans	688,767,665	8,985,158,064	9,673,925,729	7,719,490,959
	2,164,426,363	8,985,158,064	11,149,584,427	8,909,371,853

The loans and credit facilities are analysed as follows as at 30 September 2025:

	Facilities	Loans	Borrowing / Facility in original currency
	LE	LE	
Qatar National Bank Al Ahli	417,512,631	-	-
Attijariwafa Bank	3,845,358	-	-
Arab Bank	9,068,373	-	-
Abu Dhabi Islamic Bank	324,981,509	-	-
Banque Misr	5,067,325	5,518,420,496	-
Export Development Bank	235,345,615	-	-
Emirates Dubai Bank	13,539,302	-	-
Arab African	-	1,486,946,684	-
Arab African	368,554,969	-	\$ 7,683,030
Arab African – Dubai	-	959,400,000	\$ 20,000,000
First Abu Dhabi Bank	-	1,186,489,388	-
Commercial International Bank	97,743,616	522,669,161	-
	1,475,658,698	9,673,925,729	

*The instalments of loans and bank facilities which are due within a year from the date of issuing the financial statements are recognized in the current liabilities and those loans are guaranteed with commercial papers and financial securities.

The average effective interest rate on loans and facilities in EGP is 2% above the corridor borrowing rate which was 23% as at 30 September 2025.

The average effective interest rate on loans and facilities in USD is 0.9% above SOFR 180 days which was 4.369% as at 30 September 2025.

27 TRADE AND OTHER PAYABLES

	30 September 2025	31 December 2024
	LE	LE
Suppliers and contractors	6,470,535,155	7,172,697,443
Notes payables	30,965,117,148	24,448,186,639
Trade and notes payable - hotels	1,956,984,353	1,223,315,149
	39,392,636,656	32,844,199,231
Less: present value	(4,769,870,334)	(3,314,596,548)
	34,622,766,322	29,529,602,683

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

28 ADVANCE PAYMENTS FROM CUSTOMERS

	30 September 2025	31 December 2024
	LE	LE
Customers advances (Al Rehab Project)	1,597,339,038	698,247,812
Customers advances (Madinaty Project)	53,177,882,727	40,680,473,255
Customers advances (Celia Project)	13,804,430,346	10,347,809,893
Customers advances (Noor Project)	26,815,636,193	14,555,209,524
Customers advances (Banan Project) Saudi	19,472,575,927	13,243,747,458
Customers advances (Four Season Madinaty)	1,970,917,941	1,458,123,060
Others	13,082,810	17,314,175
	116,851,864,982	81,000,925,177

29 DIVIDENDS PAYABLE

	30 September 2025	31 December 2024
	LE	LE
Shareholders and employees share	34,581,320	58,029,490
Non – Controlling interest share	136,943	-
Board of directors' remuneration	1,885,530	1,885,530
	36,603,793	59,915,020

30 PROVISIONS

	30 September 2025	31 December 2024
	LE	LE
Beginning balance of the period / year	1,106,272,259	804,355,399
Balance resulting from the acquisition	403,259	-
Created during the period / year	616,290	336,174,259
No longer required	(856,242)	-
Transferred to provision	39,064,886	833,669
Used during the period / year	(4,997,009)	(35,091,068)
CTA	(10,124)	-
Ending balance of the period / year	1,140,493,319	1,106,272,259

31 CREDITORS AND OTHER CREDIT BALANCES

	30 September 2025	31 December 2024
	LE	LE
Membership insurance	2,343,544,769	2,030,370,164
Retention guarantees	3,131,142,326	3,782,831,210
Customers - credit balances	3,481,517,801	1,869,720,366
Accrued expenses and creditors	13,073,261,451	9,555,365,335
EGOTH Company (historical hotels deal)	1,128,883,642	1,252,759,163
Clubs' subscriptions	4,797,005,188	5,297,705,862
Creditors and other credit balances – hotels	2,794,102,220	2,820,819,306
	30,749,457,397	26,609,571,406

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

32 CURRENT INCOME TAX AND DEFERRED TAX

INCOME TAX

	30 September 2025	30 September 2024
	LE	LE
Net accounting profit before tax	16,260,252,759	9,676,006,159
Adjustments to net accounting profit to reach net taxable profit	(4,324,786,790)	(1,474,404,039)
Net taxable profit	11,935,465,969	8,201,602,120
Tax at 22.5%	2,685,479,843	1,845,360,477
	30 September 2025	30 September 2024
	LE	LE
Current income tax	2,685,479,843	1,845,360,477
Deferred tax assets expense (revenue)	42,360,923	(136,604,430)
Deferred tax liability expense (revenue)	900,214,826	554,130,344
	3,628,055,592	2,262,886,391

THE CHANGE IN PAYABLE INCOME TAX DURING THE PERIOD / YEAR IS AS FOLLOWS:

	30 September 2025	31 December 2024
	LE	LE
Beginning balance of the period / year	2,816,999,525	1,569,524,198
Created during the period / year	2,685,479,843	2,262,723,904
Transferred to Provisions	-	(833,669)
Due income tax paid	(2,784,084,585)	(1,014,414,908)
CTA	(65,617,997)	-
Ending balance of the period / year	2,652,776,786	2,816,999,525

MOVEMENT OF THE DEFERRED TAX ASSETS / LIABILITIES DURING THE PERIOD / YEAR IS AS FOLLOWS:

The deferred tax liabilities amounted L.E 2,834,164,338 and the deferred tax assets amounted LE 240,159,954 as of 30 September 2025, as follows:

DEFERRED TAX LIABILITIES

	30 September 2025	31 December 2024
	LE	LE
Beginning balance of the period / year	(1,990,572,661)	(539,428,457)
Balance resulting from the acquisition	43,334,277	-
Income tax related to OCI	-	(48,292,676)
Deferred tax revenue during the period / year	(900,214,826)	(1,381,692,419)
CTA	13,288,872	(21,159,109)
Ending balance of the period / year	(2,834,164,338)	(1,990,572,661)

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

32 CURRENT INCOME TAX AND DEFERRED TAX (CONTINUED)

DEFERRED TAX ASSETS

	30 September 2025	31 December 2024
	LE	LE
Beginning balance of the period / year	194,221,364	258,612,096
Balance resulting from the acquisition	96,580,445	-
Deferred tax expense during the period / year	(42,360,923)	(76,242,044)
CTA	(8,280,932)	11,851,312
Ending balance of the period / year	240,159,954	194,221,364

33 REVENUE AND COST OF ACTIVITY

	30 September 2025	30 September 2024
	LE	LE
Revenue from sold units	21,496,404,641	16,052,934,278
Revenue from hotels' operation	9,872,330,460	7,771,515,997
Revenue from activities with periodic yields and service activities	6,947,840,136	4,133,608,955
Total Revenue	38,316,575,237	27,958,059,230
Cost of sold units	15,269,941,096	11,717,818,461
Cost of hotels' operation	4,924,181,901	3,993,014,278
Cost of activities with periodic yields and service activities	5,031,734,989	2,817,142,064
Total cost of revenue	25,225,857,986	18,527,974,803

SEGMENTS REPORT

	Real Estate & Recuring & Services	Tourism	30 September 2025	30 September 2024
	LE	LE	LE	LE
Revenues	28,444,244,777	9,872,330,460	38,316,575,237	27,958,059,230
Cost of sales	(20,301,676,085)	(4,924,181,901)	(25,225,857,986)	(18,527,974,803)
Business result	8,142,568,692	4,948,148,559	13,090,717,251	9,430,084,427
Depreciation & Amortization	(304,105,506)	(719,422,426)	(1,023,527,932)	(687,507,775)
Other income	3,627,313,444	565,749,996	4,193,063,440	933,429,506
Income taxes	(2,642,644,262)	(985,411,330)	(3,628,055,592)	(2,262,886,391)
Net Profit	8,823,132,368	3,809,064,799	12,632,197,167	7,413,119,769
	Real Estate & Recuring & Services	Tourism	30 September 2025	31 December 2024
Assets	280,878,385,429	112,588,420,735	393,466,806,165	344,192,960,956
Financial investments	25,066,860,960	-	25,066,860,960	10,980,047,086
Total group's assets	305,945,246,389	112,588,420,735	418,533,667,124	355,173,008,042
Liabilities	248,740,762,939	21,239,474,256	269,980,237,195	225,293,194,349
Total group's liabilities	248,740,762,939	21,239,474,256	269,980,237,195	225,293,194,349

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

34 OTHER INCOME

	30 September 2025	30 September 2024
	LE	LE
Commissions and Sundry revenue	1,255,309,868	1,010,080,792
Gain from sale of fixed assets (note 4)	875,578	1,331,062
Income from financial investment at fair value through profits or losses	15,070,318	86,544,726
Income from investment at amortized cost	1,201,922,212	180,044,982
Income from financial investments at fair value through OCI	1,684,792	478,484
	2,474,862,768	1,278,480,046

35 GOVERNMENTAL EXPENSES, DONATIONS

	30 September 2025	30 September 2024
	LE	LE
Governmental expenses, donations	(603,769,759)	(695,863,423)
Takaful contribution	(97,501,385)	(76,383,527)
Board of director's allowances	(2,624,600)	(2,414,293)
Investment acquisition costs	(189,300,000)	(291,552,518)
Loss on sale of investments	(66,060)	(2,574,088)
Impairment of inventory	(1,590,097)	-
	(894,851,901)	(1,068,787,849)

36 FINANCE INCOME

	30 September 2025	30 September 2024
	LE	LE
Credit interest – Current Account	942,117,197	449,316,287
Time deposits interest	650,869,191	521,961,600
Other	129,801,352	62,228,839
	1,722,787,740	1,033,506,726

37 FINANCE COST

	30 September 2025	30 September 2024
	LE	LE
Finance expenses	(820,119,633)	(865,497,811)
Bank charges	(84,812,755)	(71,599,432)
	(904,932,388)	(937,097,243)

38 PROVISIONS AND EXPECTED CREDIT LOSSES

	30 September 2025	30 September 2024
	LE	LE
Expected credit losses (expense) reversal	21,181,108	40,252,264
Provisions no longer required	856,242	-
Provisions created	(616,290)	(288,356,641)
	21,421,060	(248,104,377)

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

39 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to the ordinary shareholders of the Company by the weighted average number of shares outstanding during the period.

	30 September 2025	30 September 2024 (Restated)
	LE	LE
Profit for the period	10,471,642,668	4,700,028,466
Weighted average number of shares outstanding during the period / year	2,060,653,786	2,062,331,361
Basic and diluted earnings per share	5.08	2.28

* Since there are no diluted instruments outstanding, basic and diluted earnings per share are identical.

40 RELATED PARTIES

Related parties represent major shareholders, directors and key management personnel of the Company, and also entities controlled, jointly controlled or which the company has significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

To accomplish the Company's objectives, the Company deals with the related parties by the same terms adopted with the other parties through delegating the implementation of some assignments and contracts in the projects for subsidiaries, as well as paying some amounts on behalf of those companies and settling some amounts paid by or to other parties. The balances resulting from these transactions are shown within the assets and liabilities in the consolidated statement of financial position. Alexandria Company for Construction S.A.E is the main contractor for the projects of the subsidiaries according to the contracts signed with the companies.

The amount paid to senior executives charged to general and administrative expenses in the consolidated statement of profits of losses amounted to LE 225.4 million, other than what was capitalized within the work under progress. Non-executive board members receive LE 1.3 million, in addition to the amounts disbursed to companies or offices in which some non-executive members of the Board of Directors contribute in return for performing some advisory, legal and financial services to the group of companies, amounting to LE 22.3 million in exchange for these services.

Alexandria for Construction Company was presented among related parties, due to the presence of joint members in the senior management of the two companies.

TMG Company for Real Estate and Tourism Investment – a company owned by some of the Board Members of Talaat Mostafa Holding Group – owns, approximately, 43.16% of the company shares.

Transactions with related parties

Significant related party balances that are included in the consolidated statement of financial position are as follows:

	Contractors	Guarantees	Advance payments	Due from	Due to
	LE	LE	LE	LE	LE
Alexandria for Construction Company – 30 September 2025	1,655,587,526	1,317,523,267	1,926,952,677	-	-
Thabat company for construction Alexandria for Construction Company – 31 December 2024	-	-	-	-	319,750,000
	1,076,440,058	2,282,347,542	1,773,914,467	8,723,936	-

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION

Talaat Mostafa Group Holding Company

a. Corporate tax

- The tax return was presented on time, and inspection has carried out till year 2019. The following years are still under tax inspection.

b. Salary tax

- The Company pays the deducted income tax of the employees monthly and the quarterly income tax returns are presented to the tax authority on time and inspection has carried out till year 2020. The following years are still under tax inspection.

c. Stamp tax

- The Company pays the stamp tax due including the notifications made on time to the tax authority, inspection has carried out till year 2021.

Arab Company for Projects and Urban Development

a. Corporate tax

- The Company provides tax declaration regularly and on legal dates to the competent authority, and the inspection and settlement were made for the years from the beginning of the activity until 2019.

b. Salary tax

- The Company pays taxes deducted from wage and salary check workers regularly and the declarations and payments are submitted on the official dates.
- Company's records of the years till 2022 were inspected, assessed and paid.

c. Stamp tax

- Company's records were inspected for the years till 2019 and the taxes due were paid.
- Inspection for the years from 2020 to 2023 is still in progress.

d. VAT

- The Company submits tax declarations on time and payments are made on time.
- Inspection and payment have been carried out from the value-added law release year on 2016 to 2022.

San Stefano Company for real estate investments

a. Corporate tax

- The Company provides tax approval regularly and on legal dates to the competent authority.
- The Company's records were inspected for the years from 2009 to 2019.
- Years of 2020/2022 are under inspection.

b. Salary tax

- The company pays taxes deducted from wages and salary check workers regularly and the declaration and payments are submitted on the official dates.
- The Company's records for the years till 2022 were inspected and taxes were paid.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

c. Stamp tax

- The Company's records for the years till 2022 were inspected, assessed and taxes were paid.

d. VAT

- The company is registered with VAT as of March 26, 2024.

Alexandria for Projects Management

a. Corporate tax

- The Company provides tax approval regularly and on legal dates to the competent authority.
- The Company's records for the years till 2016 were inspected, assessed and taxes were paid.
- Inspection for the years 2019 / 2022 still in progress.

b. Salary tax

- The inspection and settlement until 2016 were carried out by the tax authority.
- The years 2017/2022 are under inspection.

c. Stamp tax

- The inspection and payment of taxes until 2012 have been completed.
- Years from 2013/2022 under inspection.

d. VAT

- The Company submits tax declarations on time and payments are made on time.
- Inspection and payment have been carried out since the issuance of the value-add tax law in 2015.
- The years 2016-2021 are under inspection.

Alexandria Company for Real Estate Investments

a. Corporate tax

- The Company submits its tax declarations regularly and in a timely manner.
- Inspection of the Company's records for years 2013-2019 has been completed and taxes were settled.
- Years of 2020/2022 are under inspection.

b. Salary tax

- Inspection of the Company's records for years 2017 -2022 has been carried out and taxes were settled.

c. Stamp tax

- Inspection of the Company's records until 2020 was carried out and taxes were settled.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

Arab Company for Hotels and Tourism Investments

a. Corporate tax

- The Company submits its tax declarations before the end of April of each year, as sanctioned by the Income Tax Law no. 91 of 2005 and tax expenses are annually paid based on the business results.
- Company's records of the years till 2016 were inspected and paid.
- Years of from 2017 until 2020 are under inspection.

b. Salary tax

- The Company deducts income tax on employee salaries on a monthly basis and settles the amounts before the 15th day of each month in which the tax is incurred as per forms approved by the Tax Authority and submits its annual tax declarations accompanied by payroll records and adjustments.
- Inspection of the Company's records until 2020 was carried out and taxes were settled.

c. Stamp tax

- The Company settles stamp tax in accordance with law no. 111 of 1980 and its amendments.
- Inspection of the Company's records until year 2019 was carried out and the due taxes were settled.

d. VAT

- The company isn't subject to VAT.

Alexandria for Urban Projects Co.

a. Corporate tax

- The Company submits its tax declarations regularly and in a timely manner.
- Inspection of the Company's records until 2021 was carried out and due taxes were settled.

b. Salary tax

- The Company deducts income tax on employee salaries in a regular timely manner and has been inspected for the years till 2021.

c. VAT

- The Company's records were inspected for the years till 2014.
- Years of 2015/2022 are under inspection.

d. Stamp Tax

- The Company's records till 2021 were inspected and assessed, and the taxes were paid.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

Al Rabwa for Entertainment Services Co.

a. Corporate tax

- The Company submits its tax declarations regularly and in a timely manner.
- Inspection of the Company's records until 2016 was carried out.
- The Company enjoys a tax exemption under the New Urban Communities law.
- Years of 2017- 2018 are under inspection.

b. Salary tax

- The Company deducts income tax on employee salaries in a timely manner.
- The Company's records were inspected for the years till 2010.
- Years of 2011/2021 are under inspection.

c. Stamp tax

- The Company's records were inspected for the years till 2006, and the due taxes were paid as per the assessment.
- Years of 2007/2021 are under inspection

d. VAT

- The Company submits its tax declarations and settles taxes regularly and in a timely manner. The Company's records were inspected for the years till 2013, and tax assessment was received for years till 2013.
- Years of 2014/2021 are under inspection.

Al Masria for Development and Real Estate Projects Co.

a. Corporate tax

- The Company submits its income tax returns regularly and at the legal period to the competent tax authority.
- The Company submits its income tax returns before the end of April of each year, as per by the Corporate Tax Law no. 91 of 2005 and tax is accrued and paid on annual basis for the Company's activities.
- The Tax Authority has inspected the Company for the years 2010 till 2016 and the settlement was made with the Tax Authority.

b. Salary tax

- The Company deducts payroll tax from employees' salaries subject to payroll tax monthly and pays the tax before the 15th day of each following month in which the tax is accrued as per forms approved by the Tax Authority. The Company submits annual payroll tax returns accompanied with payroll settlement. The Company is inspected from 2005 to 2019, and tax dues were settled.

c. Stamp tax

- The Company pays stamp tax for subject amounts in accordance with law no. 111 of 1980 and its amendments, The tax inspection was performed by Tax Authority from 2005 till the year 2019 and the settlement was reached with the Authority.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

Al Misria for Development and Real Estate Projects Co. (CONTINUED)

d. VAT

- The Company is not subject to Value Added Tax (Previously Sales Tax).

e. Withholding Tax

- The Company pays withholding tax that was deducted from all entities dealing with the Company and subject to the tax in due legal period according to the law. Any due tax is recognized in the statement of profit and loss with provisions made if needed against any liabilities.

El Nile for Hotels company

a. Corporate tax

- The Company submits its income tax returns before the end of April of each year, as per by the Corporate Tax Law no, 91 of 2005 and tax is accrued and paid on annual basis for the company's activities.
The Tax Authority have inspected the company for the years 2009 till 2019. The inspection results were approved.

b. Salary tax

- The Company deducts payroll tax from employees' salaries subject to payroll tax on a monthly basis and pays the tax before the 15th day of each following month in which the tax is accrued as per forms approved by the Tax Authority. The Company submits annual payroll tax returns accompanied with payroll settlement. The hotel was inspected till 2020.

c. Stamp tax

- The company pays stamp tax for subject amounts in accordance with law no. 111 of 1980 and its amendments, The company was inspected by Tax Authority till 2010.
- The company has been inspected by estimate for the years 2011/2020 , the inspected has been appealed within the legal dates and the actual inspection in progress.

d. VAT

- The Company is subject to Value Added Tax (VAT), previously Sales Tax, and submits its monthly tax return with the form prepared for this by the authority, and the tax is supplied, if any, with the monthly declaration of the competent tax office. Hotel is inspected till 2021 and settlement was reached with the authority.

e. Withholding Tax

- The Company pays withholding tax that was deducted from all entities dealing with the company and subject to the tax in due legal period according to the law. The Company charges a list of profits or losses with any tax
- claims or differences that may be due and creates the necessary allocations to meet those obligations, if any.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

San Stefano for Tourism Investment Co.

a. Corporate tax

The company submits its income tax returns before the end of April of each year, as per by the Corporate Tax Law no, 91 of 2005 and tax is accrued and paid on annual basis for the company's activities. The Company was inspected from the activity commencement till 2020.

b. Salary tax

The Company deducts payroll tax from employees' salaries subject to payroll tax monthly and pays the tax before the 15th day of each following month in which the tax is accrued as per forms approved by the Tax Authority. The Company submits annual payroll tax returns accompanied with payroll settlement. The Tax Authority have inspected the Company for the years till 2022, and the tax was paid and settled with the concerned authority.

c. Stamp tax

The Company pays stamp tax for subject amounts in accordance with law no. 111 of 1980 and its amendments.

Tax Authority had inspected the company for stamp tax till the years 2020 with due settlement till that date.

d. VAT

The Company is subject to Value Added Tax (VAT), previously Sales Tax, and submits its monthly tax return with the form prepared for this by the authority, and the tax is supplied, if any, with the monthly declaration of the competent tax office. The company was inspected by Tax Authority until the year 2015 and the tax due was paid and settled with the tax authority from 2016 till 2022.

e. Withholding Tax

The Company pays withholding tax that was deducted from all entities dealing with the company and subject to the tax in due legal period according to the law. Any due tax is recognized in the statement of profit and loss with due reserve accrued if needed against any liabilities.

Nova Park Cairo Company

a. Corporate tax

The company submits its income tax returns before the end of April of each year, as per by the Corporate Tax Law no. 91 of 2005 and tax is accrued and paid on annual basis for the company's activities.

The Tax Authority have inspected the company for the years 2011 till 2014 and the tax due was paid and settled with the Tax Authority, for the years of the period from 2015 till 2019 and appealed within the legal period.

b. Salary tax

The Company deducts the tax from employees and those subject to tax on wages, salaries and the like monthly and pays the tax due according to the form approved by the Tax Authority, before the fifteenth of the month following the tax due. The Company submits annual payroll tax returns accompanied with payroll settlement. The Company was inspected by the tax authority till 2022 and the tax due was paid.

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41 TAX POSITION (CONTINUED)

Nova Park Cairo Company (CONTINUED)

c. Stamp tax

The Company pays stamp tax for subject amounts in accordance with law no. 111 of 1980 and its amendments. Tax Authority had inspected the Company for stamp tax till the year 2022 and due tax was paid by the Company to the competent authority.

d. VAT

The Company is subject to Value Added Tax (VAT), previously Sales Tax, and submits its monthly tax return with the form prepared for this by the Authority, and the tax is supplied, if any, with the monthly declaration of the competent tax office. The Company was inspected by Tax Authority until the year 2020.

e. Withholding Tax

The Company pays withholding tax that was deducted from all entities dealing with the Company and subject to the tax in due legal period according to the law. The Company was inspected by Tax Authority till 2017, and settlement and due tax was paid.

Alexandria Saudi Company for Tourism Projects

a. Corporate tax

The Company submits its income tax returns before the end of April of each year, as per by the Corporate Tax Law no. 91 of 2005 and tax is accrued and paid on annual basis for the Company's activities.

The Tax Authority have inspected the Company for the years 2011 till 2018.

b. Salary tax

The Company deducts income tax on employee salaries on monthly basis and settles the amounts before the Company deducts payroll tax from employees' salaries subject to payroll tax on a monthly basis and pays the tax before the 15th day of each following month in which the tax is accrued as per forms approved by the Tax Authority, the company submits annual payroll tax returns accompanied with payroll settlement. The inspection was carried out till 2022 and the settlement with the tax authority in progress.

c. Stamp tax

The Company pays stamp tax for subject amounts in accordance with law no. 111 of 1980 and its amendments. The inspection was carried out till year 2020 and the amount is under settlement with the tax authority.

d. VAT

The Company is subject to Value Added Tax (VAT), previously Sales Tax, and submits its monthly tax return with the form prepared for this by the authority, and the tax is paid, if any, with the monthly declaration of the competent tax office. The Company was inspected by Tax Authority till year 2020 and the amount is under settlement with the tax authority.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

Alexandria Saudi Company for Tourism Projects (Continued)

e. Withholding Tax

The Company pays withholding tax that was deducted from all entities dealing with the company and subject to the tax in due legal period according to the law. The Company charges statement of profits or losses with any tax claims or differences that may due and creates the necessary allocations to meet those obligations, if any. The Company was inspected by Tax Authority from year 2008 till year 2017 and settlement was paid with the tax Authority.

Luxor for Urban and Touristic Development Company

a. Corporate tax

- The Company submits its income tax returns before the end of April of each year, as per by the Corporate Tax Law no, 91 of 2005 and tax is accrued and paid on annual basis for the company's activities. The Company was inspected till year 2019.

b. Salary tax

- The Company deducts payroll tax from employees' salaries subject to payroll tax monthly and pays the tax before the 15th day of each following month in which the tax is accrued as per forms approved by the Tax Authority. The Company submits annual payroll tax returns accompanied with payroll settlement. The Company is inspected till 2019, and tax dues were paid.

c. Stamp tax

- The company pays stamp tax for subject amounts in accordance with law no. 111 of 1980 and its amendments. No tax inspection was performed by Tax Authority.

d. VAT

- The Company is not subject to Value Added Tax (Previously Sales Tax).

e. Withholding Tax

- The Company pays withholding tax that was deducted from all entities dealing with the company and subject to the tax in due legal period according to the law. The Company charges statement of profits or losses with any tax claims or differences that may due and creates the necessary allocations to meet those obligations, if any.

Mayfair Company for Entertainment Services

a. Corporate tax

- The Company commenced operations in 2005, and no tax inspection was carried out until now. The Company enjoys a tax exemption under the New Urban Communities Law. The inspection till 2016 was carried out. The Company's taxes have been paid.

b. Salary tax

- The Company settles income tax deducted from employee salaries in a timely manner and no inspection of the Company's records has been carried out to that date.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

41 TAX POSITION (CONTINUED)

Mayfair Company for Entertainment Services (Continued)

c. Stamp tax

- No tax inspection was carried out till the date of the financial position.

d. VAT

- The Company submits its tax declarations in the specified monthly dates and settles taxes regularly.
- The tax inspection was carried out until year 2016.

Port Venice for Tourism Development

a. Corporate tax

- The Company has not yet commenced operations and enjoys a tax exemption under the provisions of Investments Guarantees and Incentives Law, however, the Company submits its annual tax declaration in accordance with the Income Tax Law no. 91 of 2005 and amendments thereto.

b. Salary tax

- There are no amounts subject to salary tax as the company has not commenced operations yet, and no tax inspection was carried out.

c. VAT

- The Company has been registered with VAT starting from March 2022. It is committed to submitting monthly declarations on the legal timelines.

d. Stamp tax

- No tax inspection was carried out up to the date of issuing the financial statements.

Madinaty for Urban and Tourism Projects

a. Corporate Tax

- The Company submits its income tax returns before the end of April of each year, as per the Corporate Tax Law no. 91 of 2005 and tax shall be payable and paid on annual basis for the Company's activities.

b. Payroll Tax and its equivalents

- The Company deducts payroll tax from employees' salaries subject to payroll tax on a monthly basis and pays the tax before the 15th day of each following month in which the tax is accrued as per forms approved by the Tax Authority. The Company submits annual payroll tax returns accompanied with payroll settlement.

c. Stamp Tax

- The Company pays stamp tax for tax bases in accordance with law no. 111 of 1980 and its amendments,

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41 TAX POSITION (CONTINUED)

Madinaty for Urban and Tourism Projects (Continued)

d. Value Added Tax (VAT)

- The Company submitted the tax return within the legal deadlines and didn't receive any notifications requesting an inspection.

e. Withholding Tax

- The Company pays withholding tax that was deducted from all entities dealing with the Company and subject to the tax in due legal period according to the law. Any due tax is recognized in the statement of profit and loss with due reserve accrued if needed against any liabilities.

42 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk.
- b) Market risk.
- c) Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors of the Company has full responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management is responsible for setting and monitoring the risk management policies.

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its receivables from customers, notes receivables, prepaid expenses, sundry receivables, other receivables, due from related parties and from its financing activities, including deposits with banks and financial institutions.

Receivables and notes receivable

The Company has entered contracts for the sale of residential and commercial units on an instalment basis. The instalments are specified in the contracts. The Company is exposed to credit risk in respect of due instalments. However, the legal ownership of residential and commercial units is transferred to the buyer only after all the instalments are settled. In addition, due instalments are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, the demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Company earns its revenues from many customers.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

42 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of the Company, which comprise bank balances and cash, financial assets at amortised cost, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. The Company limits its exposure to credit risk by depositing balances with local banks of good reputation. Given the profile of its bankers, the Company's management does not expect any counterparty to default to meet its obligations.

Due from related parties

Due from related parties relates to transactions arising in the normal course of business with a minimal credit risk, with the maximum exposure equal to the carrying amount of these balances.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include interest-bearing loans, and interest-bearing deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest-bearing time deposits. Interest on financial instruments having floating rates is re-priced at intervals of less than one year. Since the interest rate on most of the financial liabilities and loans due by the Group is a floating interest rate, accordingly, the effect of the change in the interest rate is displayed on the financial statements of the Group.

	30 September 2025		31 December 2024	
	Change in interest rate	Effect on profits before tax LE	Change in interest rate	Effect on profits before tax LE
Financial Assets	+1%	23,415,510	%1+	165,473,367
	-1%	(23,415,510)	%1-	(165,473,367)

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

42 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

Exposure to foreign currency risk

The Company are exposed to the risk of changes in the foreign currency generally from the financial assets and the liabilities and mainly for the long-term liabilities, i.e., loan balances in US dollars.

	30 September 2025		31 December 2024	
	Change in interest rate %	Effect on profits before tax LE	Change in interest rate %	Effect on profits before tax LE
USD	+10%	1,731,930,721	%10+	799,931,241
	-10%	(1,731,935,894)	%10-	(799,931,241)
Euro	+10%	8,717,549	%10+	4,604,834
	-10%	(8,717,549)	%10-	(4,604,834)
SAR	+10%	45,434	%10+	2,621,647
	-10%	(45,434)	%10-	(2,621,646)
CHF	+10%	185,382	%10+	642,437
	-10%	(185,382)	%10-	(642,437)
AED	+10%	110,775	%10+	784,295
	-10%	(110,775)	%10-	(784,300)
GBP	+10%	-	%10+	34,080
	-10%	-	%10-	(34,080)

Equity price risk

The Group's exposure to equity securities price risk arises from an investment held by the Group and classified as at fair value through profit or loss (FVTPL). The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's senior management reviews and approves all major equity investment decisions.

At the reporting date, there is no material impact resulting from the exposure to risks for investments in shares at fair value listed on a stock market.

c) Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by the Company's management. The Company's objective is to maintain a balance between continuity of funding and flexibility using bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing and facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company currently has sufficient cash on demand to meet expected operational expenses, including the expenses of financial liabilities.

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

43 FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The financial instruments are represented in financial assets and financial liabilities. The financial assets of the Group include cash on hand and at banks, accounts receivable and notes receivable, and certain other debit balances, investments designated at amortized cost, and due from related parties. The financial liabilities of the Group include credit facilities, loans, accounts payable, creditors and other credit balances, land purchase liability, due to related parties and guarantee payment. The fair value of the financial assets and financial liabilities are not substantially different from the recorded book value unless it is mentioned.

The approaches and assumptions used to determine the fair value of assets are presented under the fair value section in Note 3-2: Summary of Significant Accounting Policies.

The Group holds the following financial assets at fair value through other comprehensive income:

Note (11)	Level 1	Level 2	Level 3	Total
	LE	LE	LE	LE
30 September 2025	1,200,467,120	84,154,634	569,279	1,285,191,033
31 December 2024	1,200,467,120	547,779,987	569,279	1,748,816,386

The Group holds the following financial assets at fair value through profit or loss:

Note (20)	Level 1	Level 2	Total
	LE	LE	LE
30 September 2025			
Investments in investment funds	-	219,021,307	219,021,307
Investments in shares	88,843,178	-	88,843,178
Investments in policies	-	264,760,973	264,760,973
	88,843,178	483,782,280	572,625,458
31 December 2024			
Investments in investment funds	-	227,706,581	227,706,581
Investments in shares	52,661,703	-	52,661,703
Investments in policies	-	237,056,970	237,056,970
	52,661,703	464,763,551	517,425,254

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

44 SIGNIFICANT AND SUBSEQUENT EVENTS

- On 6 March 2024, the Central Bank agreed to continue its hedging efforts towards a flexible inflation-targeting framework by amending the interest rates on deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to the market mechanisms, including the consequent significant future financial impacts on the Company's financial position, future business results, and equity.
- On 23 May 2024, a decision was issued by the Prime Minister to amend certain provisions of the Egyptian Accounting Standards by adding Annex (E) attached to the decision to the Egyptian Accounting Standard No. (13) concerning the effects of changes in foreign exchange rates, as stated in the Egyptian Accounting Standards accompanying the Minister of Investment's Decision No. 110 for year 2015.
- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided, in its meeting on Thursday, 17 April 2025, to reduce the overnight deposit and lending rates, as well as the rate of the central bank's main operation, by 225 basis points to 25%, 26%, and 25%, respectively, as well as, reducing the credit and discount rates by 225 basis points to 25%.
- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided, in its meeting held on Thursday, May 22, 2025, to reduce the overnight deposit and lending rates as well as the main operation rate of the Central Bank by 100 basis points to 24%, 25%, and 24.5%, respectively. It also decided to cut the credit and discount rate by 225 basis points to reach 24.5%.
- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided, in its meeting on Thursday, 28 August 2025, to reduce the overnight deposit and lending rates, as well as the rate of the central bank's main operation, by 200 basis points to 22%, 23%, and 22.5%, respectively, as well as, reducing the credit and discount rates by 200 basis points to 22.5%.
- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided, in its meeting on Thursday, 2 October 2025, to reduce the overnight deposit and lending rates, as well as the rate of the central bank's main operation, by 100 basis points to 21%, 22%, and 21.5%, respectively, as well as, reducing the credit and discount rates by 100 basis points to 21.5%.
- On 1 July 2025, the Arab Company for Projects and Urban Development sold a plot of land with an area of 2.1 million square meters in the Madinaty project for 67.12 billion Egyptian pounds to a joint company with an investor whose share in the company is 24.5% and valued at 16.9 billion Egyptian pounds. This value was determined by certified real estate appraisers approved by the Egyptian Financial Regulatory Authority and the Central Bank of Egypt, appointed by the investor, and it was approved by the investor who paid their share accordingly. The group did not recognize any revenues in the consolidated interim financial statements as of 30 September 2025, according to Egyptian accounting standards.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

45 ADJUSTMENTS ON THE FAIR VALUE FOR THE ASSETS AND LIABILITIES ACQUIRED ON THE ACQUISITION OF LEGACY HOTELS AND TOURISM PROJECTS

During the fiscal year ended 31 December 2024, Talaat Moustafa Holding Group indirectly acquired and gained control of Legacy Hotels and Tourism Projects Company that owns the historical hotels. The acquisition was accounted for based on the temporary value allocated to the acquired company's assets and liabilities as of the acquisition date.

An intangible asset of EGP 4,056,516,092 was also recognized during the business combination process related to the acquisition of Legacy. The intangible asset arose from contractual and legal rights in exchange for one of the current shareholders of Legacy transferring to one of the subsidiaries of Talaat Moustafa Holding Group the right to manage and financially consolidate Legacy Company if Talaat Moustafa Group retains not less than 39% of Legacy's capital. In exchange of the right, an amount of USD 100 million will be paid to one of the shareholders in four equal annually instalments starting from 2025 until 2029, to be paid by a subsidiary of Talaat Moustafa Group. The legal right pertains only to the subsidiary of Talaat Moustafa Group and Talaat Moustafa Holding Group company (Parent Company) only.

Fair Value adjustments

During the period ended 30 June 2025, the management determined the fair value of the assets and liabilities at the date of the acquisition and that through the 12 months from the acquisition date (measurement period) as per Egyptian accounting standard number (29) business combinations, and the cost of acquiring the intangible asset was considered as a part of the cost of the acquisition that resulted the following adjustments on the temporary value and the assets acquired:

	Profits resulting from the consolidation
	LE
Total fixed assets of hotels	57,588,309,937
Projects under progress (related to hotels)	202,737,260
Operating working capital	35,521,449
Operating working capital for hotel activities from 1-7-2023 to the date of acquisition (resulting profits for the period from 1-7-2023 to the date of acquisition)	1,775,088,022
Net asset value as of the acquisition date	59,601,656,668
Less: purchasing price (date of acquisition)	(61,883,084,738)
Goodwill	2,281,428,070

Accordingly, the comparative figures for the fiscal year ended 31 December 2024 has been adjusted to reflect the fair value of the acquired asset as shown below:

	31 December 2024		
Statement of financial position	Balance before adjustments	Adjustments	Balance after adjustments
	LE	LE	LE
Intangible Assets	4,100,364,530	(4,056,516,092)	43,848,438
Goodwill	10,289,353,903	2,454,102,773	12,743,456,676
Retained Earning	47,493,595,935	(1,698,008,412)	45,795,587,523
Foreign currency translation reserve	1,071,775,265	*95,595,093	1,167,370,358

*The comparative figures resulting from translate the foreign companies were adjusted due to change in the value of the acquired assets and liabilities.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 30 SEPTEMBER 2025

**45 ADJUSTMENTS ON THE FAIR VALUE FOR THE ASSETS AND LIABILITIES ACQUIRED
ON THE ACQUISITION OF LEGACY HOTELS AND TOURISM PROJECTS**

Statement of profit or loss	30 September 2024		
	Balance before adjustments	Adjustments	Balance after adjustments
	LE	LE	LE
Change resulting from consolidating the historical hotels	1,340,885,737	(1,340,885,737)	-
Foreign currency exchange	2,370,186,348	(308,107,243)	2,062,079,105
Earnings per share	2.74	0.46	2.28