

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

**CHARTERED ACCOUNTANTS
(RSM EGYPT)**

**TALAAAT MOSTAFA GROUP HOLDING COMPANY
"TMG HOLDING" (S.A.E) AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 March 2026
TOGETHER WITH REVIEW REPORT**

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

Interim Consolidated Financial Statements For The Three Months Ended 31 March 2026

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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 **TALAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)** ("The Company") and its subsidiaries ("The Group") as of 31 March 2026 as well as the interim consolidated statements of profit or loss and comprehensive income and the related interim consolidated statements of changes in equity and the cash flows for the three 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 group as of 31 March 2026, and of its interim consolidated financial performance and its interim consolidated cash flows for the three 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


Tarek Hashish
FESAA-EEST
(RAA 9473)
(FRA 118)
(RSM EGYPT) CHARTERED ACCOUNTANTS



Amr Waheed Bayoumi
FESAA- FEST
RAA (17555)
(FRA. 358)
ALLIED FOR ACCOUNTING & AUDITING (EY)


Cairo: 12 May 2026

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2026

	Note	31 March 2026 LE	31 December 2025 LE
Assets			
Non-current assets			
Property, plant and equipment	(4)	78,690,781,123	71,519,687,997
Investment properties	(5)	26,770,228,828	23,636,141,834
Assets under construction	(6)	18,824,951,642	16,370,515,348
Intangible assets	(7)	94,268,184	96,899,410
Right of use assets	(8)	324,303,533	305,717,443
Goodwill	(9)	12,879,474,164	12,592,486,910
Investments in associates	(10)	1,466,923,408	1,426,797,845
Financial assets at fair value through other comprehensive income	(11)	1,802,785,911	1,802,785,911
Time deposits and financial assets at amortized cost – non current	(12-1)	9,546,202,146	8,978,073,992
Other non-current financial assets	(13-1)	38,168,159	76,336,317
Deferred tax assets	(31)	123,211,395	224,047,904
Total non-current assets		150,561,298,493	137,029,490,911
Current assets			
Properties under development	(14)	140,596,793,078	130,058,872,016
Work in progress	(15)	26,810,611	19,186,855
Inventories	(16)	4,800,227,538	7,372,154,387
Trade and notes receivables	(17)	21,986,508,494	21,716,321,258
Notes receivable for undelivered units	(18-1)	14,964,891,562	15,925,586,014
Other current assets	(19)	63,490,450,134	57,596,016,203
Financial assets at fair value through profit or loss	(20)	1,632,612,602	1,572,451,019
Time deposits and financial assets at amortized cost - current	(12-2)	25,143,445,646	20,085,613,712
Cash and cash equivalents	(21)	52,017,960,220	44,846,514,337
Total current assets		324,659,699,885	299,192,715,801
Total assets		475,220,998,378	436,222,206,712
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	20,606,537,860
Legal reserve	(23)	514,253,908	472,261,033
Foreign currency translation reserve		10,924,366,522	97,455,508
Financial assets at fair value through other comprehensive income reserve		903,466,257	903,466,257
Retained earnings		62,382,882,178	58,967,855,362
Equity attributable to shareholders of the Holding company		95,331,506,725	81,047,576,020
Non-controlling interest		75,330,749,417	76,660,564,745
Total equity		170,662,256,142	157,708,140,765

The attached notes from (1) to (43) 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 31 March 2026 (CONTINUED)

Liabilities	Note	31 March 2026 LE	31 December 2025 LE
Non-current liabilities			
Other non-current liabilities	(24)	44,559,169,863	46,096,201,350
Loans non-current portion	(25)	12,315,872,435	9,737,728,639
Lease liability non-current portion	(8)	294,406,698	274,305,998
Other non - current financial liabilities	(13-2)	40,503,677	79,345,918
Deferred tax liabilities	(31)	3,325,500,399	3,018,529,349
Total non-current liabilities		60,535,453,072	59,206,111,254
Current liabilities			
Credit facilities	(25)	1,728,967,210	1,273,374,323
Loans - current portion	(25)	746,067,665	791,101,496
Lease liability - current portion	(8)	52,758,813	46,571,846
Suppliers, contractors, and notes payable	(26)	46,757,948,053	41,142,948,322
Advance payments from customers	(27)	125,883,366,184	117,676,166,566
Obligations against notes receivable for undelivered units	(18-2)	14,964,891,562	15,925,586,014
Dividends payable	(28)	702,786,346	65,936,335
Provisions	(29)	1,193,481,329	1,190,005,525
Creditors and other credit balances	(30)	46,438,615,502	36,859,191,499
Income tax payable	(31)	5,554,406,500	4,337,072,767
Total current liabilities		244,023,289,164	219,307,954,693
Total liabilities		304,558,742,236	278,514,065,947
Total equity and liabilities		475,220,998,378	436,222,206,712

Post-dated checks starting from year 2023 amounting EGP 180,409,440,729 for sold and undelivered units are retained by the company and are not included in the statement of financial position (note 18/3).

Executive Vice President
of Financial Sector



Tarek Al-Naggar

Chief Executive Officer
& Managing Director



Hesham Talaat
Moustafa

Chairman



Tarek Talaat
Moustafa

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

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Three Months Ended 31 March 2026

		Three months ended 31 March 2026	Three months ended 31 March 2025
	Note	LE	LE
Real estate development revenue	(32)	6,148,594,192	3,804,212,648
Real estate development costs	(32)	<u>(4,635,420,497)</u>	<u>(2,829,617,283)</u>
Gross profit from real estate development activity		1,513,173,695	974,595,365
Hospitality revenue	(32)	4,252,946,542	3,507,318,897
Hospitality costs	(32)	<u>(1,973,198,243)</u>	<u>(1,900,951,308)</u>
Gross profit from hospitality activity		2,279,748,299	1,606,367,589
Revenues from activities with periodic yield and service activities	(32)	2,669,349,090	2,115,035,661
Activities with periodic yield and service activities costs	(32)	<u>(1,831,841,825)</u>	<u>(1,307,699,464)</u>
Gross profit from activities with periodic yield and service activities		837,507,265	807,336,197
Gross profit		4,630,429,259	3,388,299,151
Gains from revaluation of investment properties at fair value	(5)	654,222,284	2,359,397,514
Other income	(33)	2,522,920,565	596,749,040
General and administrative expenses		<u>(693,345,499)</u>	<u>(568,700,094)</u>
Marketing expenses		<u>(100,332,705)</u>	<u>(82,890,504)</u>
Foreign currency revaluation differences		630,337,104	(9,490,506)
Governmental, donations and other expenses	(34)	<u>(351,420,058)</u>	<u>(304,564,390)</u>
Provisions and expected credit losses	(37)	<u>(152,048,053)</u>	<u>78,531,069</u>
Operating Income		7,140,762,897	5,457,331,280
Finance income	(35)	496,482,637	571,269,773
Finance cost	(36)	<u>(489,263,533)</u>	<u>(239,957,021)</u>
Finance income (cost) - net		7,219,104	331,312,752
Share of profit of associates	(10)	(5,623,969)	29,855,819
Depreciation and amortization	(4,7,8)	<u>(123,425,290)</u>	<u>(105,906,766)</u>
Profit for the period before tax		7,018,932,742	5,712,593,085
Income tax expense	(31)	<u>(1,151,954,006)</u>	<u>(672,226,243)</u>
Deferred tax expense	(31)	<u>(378,975,734)</u>	<u>(620,912,898)</u>
Net profit for the period		5,488,003,002	4,419,453,944
Attributable to:			
Shareholders of the Parent Company		4,159,583,599	3,693,603,495
Non-controlling interests		<u>1,328,419,403</u>	<u>725,850,449</u>
		5,488,003,002	4,419,453,944
Earnings per Share	(38)	2.01	1.79

Executive Vice President of
Financial Sector



Tarek Al-Naggar

Chief Executive Officer &
Managing Director



Hesham Talaat Moustafa

Chairman



Tarek Talaat Moustafa

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

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Three Months ended 31 March 2026

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Profit for the period	5,488,003,002	4,419,453,944
Other comprehensive income		
Translation differences from foreign operations	11,213,823,551	(126,395,913)
Total comprehensive income for the period	16,701,826,553	4,293,058,031
Attributable to:		
Shareholders of the Parent Company	14,986,494,613	3,529,560,327
Non-controlling interests	1,715,331,940	763,497,704
	16,701,826,553	4,293,058,031

The attached notes from (1) to (43) 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 Three Months Ended 31 March 2026

	Issued and paid-up capital	Legal reserve	Foreign currency translation reserve	Financial assets at fair value through other comprehensive income reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at 1 January 2026	20,606,537,860	472,261,033	97,455,508	903,466,257	58,967,855,362	81,047,576,020	76,660,564,745	157,708,140,765
Transferred to legal reserve	-	41,992,875	-	-	(41,992,875)	-	-	-
Total comprehensive income	-	-	10,826,911,014	-	4,159,583,599	14,986,494,613	1,715,331,940	16,701,826,553
Changes in non-controlling interest	-	-	-	-	-	-	(2,194,691,727)	(2,194,691,727)
Dividends *	-	-	-	-	(702,563,908)	(702,563,908)	(850,455,541)	(1,553,019,449)
Balance as of 31 March 2026	20,606,537,860	514,253,908	10,924,366,522	903,466,257	62,382,882,178	95,331,506,725	75,330,749,417	170,662,256,142

* The holding company distributed dividends amounted LE 630 million in accordance with the decision of the ordinary general assembly held on 30 March 2026.

The attached notes from (1) to (43) 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 Three Months Ended 31 March 2025

	Issued and paid-up capital	Treasury shares	Legal reserve	General reserve	Foreign currency translation reserve	Financial assets at fair value through other comprehensive income reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at 1 January 2025	20,635,622,860	(152,235,725)	432,163,000	61,735,404	1,071,775,264	1,213,593,332	47,493,595,933	70,756,250,068	60,725,976,943	131,482,227,011
Transferred to legal reserve	-	-	40,098,033	-	-	-	(40,098,033)	-	-	-
Total comprehensive income	-	-	-	-	(164,043,167)	-	3,693,603,495	3,529,560,327	763,497,704	4,293,058,031
Change in no-controlling interest	-	-	-	-	-	-	(259,966,027)	(259,966,027)	(591,846,483)	(851,812,510)
Shareholders' dividends	-	-	-	-	-	-	(515,163,447)	(515,163,447)	(626)	(515,164,073)
Dividends*	-	-	-	-	-	-	(62,862,019)	(62,862,019)	-	(62,862,019)
Balance as at 31 March 2025	20,635,622,860	(152,235,725)	472,261,033	61,735,404	907,732,097	1,213,593,332	50,309,109,902	73,447,818,903	60,897,627,538	134,345,446,441

* The Holding Company has distributed dividends to shareholders with an amount of LE 525 million in accordance with the resolution of the ordinary general assembly meeting held on 26 March 2025.

The attached notes from (1) to (43) 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 Three Months ended 31 March 2026

	Note	Three months ended 31 March 2026 LE	Three months ended 31 March 2025 LE
Cash flows from operating activities			
Net profit for the period before tax and non-controlling interest		7,018,932,742	5,712,593,085
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and Amortization	(4,7,8)	390,570,529	350,574,811
Inventory Impairment		-	82,240
Gain from revaluation of investment properties	(5)	(654,222,284)	(2,359,397,514)
Finance income	(35)	(496,482,637)	(571,269,773)
Finance cost	(36)	481,600,268	239,957,021
Income from financial assets at amortized cost	(33)	(1,355,739,856)	(329,398,657)
Share of profit of associates	(10)	5,623,969	(29,855,819)
Provisions		1,909,337	279,294
Expected credit losses	(37)	150,138,716	(17,976,959)
Finance lease interest	(8)	7,663,265	7,771,921
Gain on sale of Property, plant and equipment	(4)	(2,336,048)	(2,351,085)
Foreign currency revaluation differences		(630,337,104)	9,490,503
		4,917,320,897	3,010,499,068
Working capital changes:			
Change in properties under development		(10,225,946,267)	(7,079,973,154)
Change in work in process		(7,623,756)	(13,463,900)
Change in inventories		92,062,139	29,126,643
Change in trade and notes receivables		(253,194,498)	(2,281,442,673)
Change in other current assets		(5,455,958,331)	(8,653,967,504)
Change in suppliers, contractors, and notes payable		5,614,999,731	(987,833,765)
Change in advance payments from customers		8,207,199,618	10,210,584,630
Change in other non-current liabilities		(1,537,031,487)	2,565,519,327
Change in financial asset at fair value through profit or loss		(60,161,583)	(5,779,443)
Change in creditors and other credit balances		9,579,424,003	1,839,874,841
Change in Financial derivatives – advance payments under factoring		(674,083)	3,850,155
Provisions used	(29)	(490,665)	(2,023,648)
Income tax paid	(31)	(53,268,661)	-
Net cash flows from/ (Used in) operating activities		10,816,657,057	(1,365,029,423)
Cash flows from investing activities			
Purchase of fixed assets, investment properties, intangible assets, assets under construction and goodwill		(2,768,038,724)	(2,468,574,660)
Proceeds from sale of fixed assets	(4)	8,720,940	6,393,895
Proceeds from dividends from associations		58,993,787	-
(Payments in) investments in associates		(104,743,319)	-
(Payments in) investments at fair value through OCI		-	(8,187,327)
(Payments in) time deposits and financial assets at amortized cost		(5,625,960,088)	(2,707,800,649)
Proceeds from finance income and yields of financial assets and treasury bills		1,246,390,557	438,010,933
Net cash flows used in investing activities		(7,184,636,847)	(4,740,157,808)
Cash flows from financing activities			
Proceeds from (payments in) loans and credit facilities		2,988,702,852	1,903,596,154
Finance cost paid		(481,600,268)	(239,957,021)
Dividends paid to parent shareholders		(65,936,335)	(59,048,658)
Dividends paid to non-controlling interest		(850,455,541)	-
Change in non-controlling interest		386,912,537	171,650,595
(Payments in) lease liabilities		(12,180,999)	(11,387,344)
Net cash flow from financing activities		1,965,442,246	1,764,853,726
Net change in cash and cash equivalents during the period		5,597,462,456	(4,340,333,505)
Net foreign currency valuation differences		630,337,104	(9,490,503)
Net foreign currency translation differences from translation of foreign operations		943,646,323	(564,326,874)
Cash and cash equivalent at the beginning of the period		44,846,514,337	44,909,587,972
Cash and cash equivalents at the end of the period	(21)	52,017,960,220	39,995,437,090

The attached notes (1) to (43) are an integral part of these consolidated financial statements.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

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 consolidated financial statements of the Company and its subsidiaries ("Group") for three months ended 31 March 2026 were issued on 12 May 2026 according to the Board of Directors' resolution issued at that date.

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

- The 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 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 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 31 March 2026

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 December 2025.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at and for the three months ended 31 March 2026.

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) Intergroup 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 31 March 2026

2 BASIS OF PREPARATION FOR THE 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	Country of Incorporation	31 March 2026	31 December 2025
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	Cayman Islands	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%	60.00%
Orion Urban Development Company	Egypt	75.5%	75.5%
**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%
Talaat Moustafa Group For International Investment***	Cayman Islands	96.24%	96.24%
TCA Real Estate	Egypt	82.00%	82.00%

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

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

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Subsidiary Name	Country of Incorporation	31 March 2026	31 December 2025
***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%

- Arab Company For Projects And Urban Development opened a new branch in Kingdom of Saudi Arabia under the name " TMG Egypt Company" under commercial register number 7052494569 dated 11/11/2025.

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:

- A) Assets and liabilities for each financial position presented are translated at the closing rate at the date of that financial position.
- B) 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.
- C) All resulting exchange differences on exchange changes are included as a separate line item within equity, as foreign currency translation differences.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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2 BASIS OF PREPARATION FOR THE 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
Improvements on leased buildings	7
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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2 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

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

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 are reflected in the consolidated statement of profit or loss in the period in which the expenditure were 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.

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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

2.3 BASIS OF PREPARATION FOR THE 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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2.3 BASIS OF PREPARATION FOR THE 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

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2 BASIS OF PREPARATION FOR THE 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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2 BASIS OF PREPARATION FOR THE 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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2 BASIS OF PREPARATION FOR THE 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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2 BASIS OF PREPARATION FOR THE 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.

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2 BASIS OF PREPARATION FOR THE 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, based on the Group's assessment of its contracts with customers to identify the performance obligations.

Real Estate Sales – Units Under Construction

For contracts related to real estate projects under development in the Kingdom of Saudi Arabia, revenue is recognized over time using the percentage of completion method, when the criteria for over-time revenue recognition in accordance with Egyptian Accounting Standard (EAS). The Group has assessed its contracts with customers and determined that the Group has an enforceable right to payment for performance completed to date, and that the assets being constructed do not have an alternative use to the Company.

The Group determines the percentage of completion based on the proportion of costs incurred to total estimated project costs, in a manner that reliably reflects the progress made in satisfying the performance obligation. Revenue is recognized in the financial periods based on this percentage.

The Group reviews the estimates of total project costs and completion percentages on a periodic basis to ensure the accuracy of measurement and compliance with the recognition and presentation requirements under Egyptian Accounting Standards.

Sales of lands

The Group 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:

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recorded 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.

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.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 its 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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2 BASIS OF PREPARATION FOR THE 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).

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

2 BASIS OF PREPARATION FOR THE 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 32). 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 31 March 2026

4 – PROPERTY, PLANT AND EQUIPMENT

	Lands LE	Buildings and Constructions LE	Transportation LE	Tools & equipment LE	Furniture & fittings LE	Improvements on leased buildings LE	Computers LE	Total LE
Cost								
On 1 January 2026	45,629,502,873	23,465,818,237	1,103,619,514	2,426,401,051	2,529,337,968	762,536,555	661,629,726	76,578,845,924
Additions during the period	-	15,266,216	37,740,305	63,319,161	165,359,514	-	29,797,831	311,483,027
Transfer from assets under construction	-	-	-	-	1,444,203	-	-	1,444,203
Disposals	-	-	(3,639,500)	(17,044,010)	(3,138,240)	-	(492,490)	(24,314,240)
CTA	5,555,923,200	1,527,850,551	1,936,432	101,267,206	118,697,812	91,537,360	5,324,569	7,402,537,130
On 31 March 2026	51,185,426,073	25,008,935,004	1,139,656,751	2,573,943,408	2,811,701,257	854,073,915	696,259,636	84,269,996,044
Accumulated depreciation								
On 1 January 2026	-	(1,963,794,511)	(586,271,740)	(943,563,593)	(1,046,726,254)	(60,996,092)	(457,805,737)	(5,059,157,927)
Depreciation for the period	-	(138,457,278)	(37,018,209)	(85,227,189)	(74,116,399)	(12,005,935)	(24,577,407)	(371,402,417)
Accumulated depreciation of disposals	-	-	694,498	14,586,971	2,189,414	-	458,465	17,929,348
FCTA	-	(84,470,806)	(329,234)	(38,410,551)	(32,685,255)	(8,740,705)	(1,947,374)	(166,583,925)
On 31 March 2026	-	(2,186,722,595)	(622,924,685)	(1,052,614,362)	(1,151,338,494)	(81,742,732)	(483,872,053)	(5,579,214,921)
Net book value								
on 31 March 2026	51,185,426,073	22,822,212,409	516,732,066	1,521,329,046	1,660,362,763	772,331,183	212,387,583	78,690,781,123
on 31 December 2025	45,629,502,873	21,502,023,726	517,347,774	1,482,837,458	1,482,611,714	701,540,463	203,823,989	71,519,687,997
		LE	LE					
Proceeds from sale of fixed assets			8,720,940					
Cost of disposed fixed assets		(24,314,240)						
Accumulated depreciation of disposed assets		17,929,348						
Net book value of fixed assets disposed			(6,384,892)					
Fixed Assets Disposal Gain			2,336,048					

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

4 – PROPERTY, PLANT AND EQUIPMENT – (CONTINUED)

	Lands LE	Buildings and Constructions LE	Transportation LE	Tools & equipment LE	Furniture & fittings LE	Improvements on leased buildings LE	Computers LE	Total LE
Cost								
On 1 January 2025	48,567,386,583	24,495,587,134	914,131,792	2,112,539,474	2,306,749,263	705,846,138	568,253,919	79,670,494,303
Additions during the period	4,244,448	83,629,362	199,959,672	288,948,250	224,883,999	74,871,340	89,549,812	966,086,883
Transfer from assets under construction	-	91,024,112	-	101,883,875	88,166,391	25,023,524	10,303,038	316,400,940
Disposals	(10,492,090)	(277,611,630)	(10,062,760)	(32,870,374)	(34,506,671)	-	(3,817,950)	(369,361,475)
Transfer to development properties (note 14)	(8,940,334)	(11,213,472)	-	-	-	-	-	(20,153,806)
Transferred to investment properties (note 5)	-	(115,997,323)	-	-	-	-	-	(115,997,323)
CTA	(2,922,695,734)	(799,599,946)	(409,190)	(44,100,174)	(55,955,014)	(43,204,447)	(2,659,093)	(3,868,623,598)
On 31 December 2025	45,629,502,873	23,465,818,237	1,103,619,514	2,426,401,051	2,529,337,968	762,536,555	661,629,726	76,578,845,924
Accumulated depreciation								
On 1 January 2025	-	(1,491,025,298)	(468,904,112)	(676,722,177)	(832,466,027)	(17,646,157)	(371,590,968)	(3,858,354,739)
Depreciation for the year	-	(557,095,830)	(127,384,348)	(298,736,087)	(252,037,463)	(45,931,175)	(90,332,860)	(1,371,517,763)
Accumulated depreciation of disposals	-	44,419,392	9,946,596	18,484,704	26,676,420	-	3,581,287	103,108,399
Accumulated depreciation of assets transferred to development properties (note 14)	-	3,315,147	-	-	-	-	-	3,315,147
Accumulated depreciation of assets transferred to development properties	-	5,896,760	-	-	-	-	-	5,896,760
FCTA	-	30,695,318	70,124	13,409,967	11,100,816	2,581,240	536,804	58,394,269
On 31 December 2025	-	(1,963,794,511)	(586,271,740)	(943,563,593)	(1,046,726,254)	(60,996,092)	(457,805,737)	(5,059,157,927)
Net book value								
on 31 December 2025	45,629,502,873	21,502,023,726	517,347,774	1,482,837,458	1,482,611,714	701,540,463	203,823,989	71,519,687,997
on 31 December 2024	48,567,386,583	23,004,561,836	445,227,680	1,435,817,297	1,474,283,236	688,199,981	196,662,951	75,812,139,564
		<u>LE</u>	<u>LE</u>					
Proceeds from sale of fixed assets			282,476,062					
Cost of disposed fixed assets		(369,361,475)						
Accumulated depreciation of disposed assets		103,108,399						
Net book value of fixed assets disposed			(266,253,076)					
Fixed Assets Disposal Gain			16,222,986					

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

5 INVESTMENT PROPERTIES

	<u>Land</u>	<u>Premises & constructions</u>	<u>31 March 2026</u>
	LE	LE	LE
Beginning balance	1,149,132,226	22,487,009,608	23,636,141,834
Transferred from Inventory	-	2,479,864,710	2,479,864,710
Revaluation gains for the period	5,897,987	648,324,297	654,222,284
Net book value as at 31 March 2026	<u>1,155,030,213</u>	<u>25,615,198,615</u>	<u>26,770,228,828</u>
	<u>Land</u>	<u>Premises & constructions</u>	<u>31 December 2025</u>
	LE	LE	LE
Beginning balance	511,318,882	13,748,664,216	14,259,983,098
Additions during the year	363,089,256	4,401,673,892	4,764,763,148
Transferred from Development Properties (note 14)	130,490,346	1,068,481,864	1,198,972,210
Transferred to Development Properties (note 14)	(271,404)	(286,353,509)	(286,624,913)
Transferred from Fixed Assets (note 4)	-	115,997,323	115,997,323
Disposals during the year	(7,750,869)	(361,727,418)	(369,478,287)
Revaluation gains for the year	152,256,015	3,800,273,240	3,952,529,255
Net book value as at 31 December 2025	<u>1,149,132,226</u>	<u>22,487,009,608</u>	<u>23,636,141,834</u>

6 ASSETS UNDER CONSTRUCTION

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Four Seasons Madinaty Hotel Project	9,750,224,285	8,491,909,279
Four Seasons Sharm El-Sheikh Hotel Extension Project	1,242,181,196	1,243,625,399
Four Seasons Nile Plaza Hotel Project	1,122,752,951	1,098,033,748
Four Seasons San Stefano Hotel Project	202,439,091	193,861,329
Four Seasons Luxor Hotel Project	1,663,728,808	1,343,811,743
Radison Marsa Alam Hotel Project	1,711,816,859	1,534,240,953
Mariott Mena House Hotel Project	317,416,362	253,436,087
Nille Kempinski Hotel Project	87,546,814	86,476,060
Marriot El-Zamalek Project	153,650,119	99,533,499
Steigenberger Sisil Project	3,863,294	-
Sofitel Winter Palace Hotel Project	14,796,821	2,987,527
Sofitel Old Kataract Aswan Project	52,472,343	4,580,930
Movenpick Aswan Project	24,855,921	6,086,581
Madinaty Medical Centre Project	991,454,668	850,472,822
Mamsha Ahl Masr Project	13,972,479	10,306,270
Four Seasons El-Haram Project	28,523,754	-
Elevator Factory Project	56,142,367	56,142,367
Administrative Premises	1,016,803,814	839,090,368
Software	370,309,696	255,920,386
	<u>18,824,951,642</u>	<u>16,370,515,348</u>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

7 INTANGIBLE ASSETS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
<u>Cost</u>		
Beginning balance	138,458,524	67,298,424
Additions During the period / year	495,200	73,196,734
FCTA	8,434,455	(2,036,634)
	<u>147,388,179</u>	<u>138,458,524</u>
<u>Accumulated amortization</u>		
Accumulated amortization at the beginning of the period / year	(41,559,114)	(23,449,986)
Amortization for the period / year	(8,941,673)	(18,786,123)
FCTA	(2,619,208)	676,995
	<u>(53,119,995)</u>	<u>(41,559,114)</u>
Balance at the end of the period / year	<u><u>94,268,184</u></u>	<u><u>96,899,410</u></u>

8 RIGHT OF USE ASSETS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
<u>Cost</u>		
Beginning balance of the period / year	360,150,008	216,022,892
Additions during the period / year	1,929,846	152,360,334
FCTA	34,076,665	(8,233,218)
Total cost at the period / year	<u>396,156,519</u>	<u>360,150,008</u>
<u>Accumulated Amortization</u>		
Accumulated depreciation	(54,432,565)	(19,700,668)
Amortization during the period / year	(10,226,439)	(36,933,330)
FCTA	(7,193,982)	2,201,433
Accumulated Amortization at the period / year	<u>(71,852,986)</u>	<u>(54,432,565)</u>
	<u><u>324,303,533</u></u>	<u><u>305,717,443</u></u>

- On 15 November 2023, Nova Park Company (a subsidiary) 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, Talaat Moustafa Saudi Arabia For Rela Estate Development 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 TMG Saudi for real estate development.
- On 1 April 2025 Talaat Moustafa Saudi Arabia For Rela 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 May 18, 2025, Orion Facility Management and Services S.A.E. entered into a lease agreement with Misr Finance for Financial Services S.A.E. for the leasing of vehicles. The lease term spans five years, commencing on May 20, 2025, and maturing on May 20, 2030.
- On 11 June 2025, Talaat Moustafa Group Muscat For Real Estate Development Company leased a building located in the State 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 grace period commencing from the contract start date.
- On 7 January 2026, Orion for urban development company leased a building located in Mossadak – Dokki – Giza , to be used as an administrative headquarters , the lease agreement spans three years , ending on 6 January 2029.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

8 RIGHT OF USE ASSETS (CONTINUED)

	31 March 2026	31 December 2025
	LE	LE
Balance at beginning of period / year	320,877,844	201,540,070
Additions	1,749,846	152,360,334
Interests on finance leases	7,663,265	19,923,525
Payments during the period / year	(12,180,999)	(45,297,399)
CTA	29,055,555	(7,648,686)
	347,165,511	320,877,844
Lease liability – current	52,758,813	46,571,846
Lease liability – non-current	294,406,698	274,305,998
	347,165,511	320,877,844

9 GOODWILL

	31 March 2026	31 December 2025
	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	271,070,314	(15,916,940)
	12,879,474,164	12,592,486,910

Impairment test for goodwill

The Group performed its annual impairment test for goodwill in December 2025. 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 20-year period. The pre-tax discount rate of 33.9% applied to cash flow projections beyond the 10 years 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.

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 INVESTMENTS IN ASSOCIATES

	Contribution percentage		31 March	31 December
	31 March	31 December	2026	2025
	2026	2025	LE	LE
Thabat Company For Limited Constructions***	50%	50%	425,534,123	339,000,000
Bedaya For Mortgage Finance Co.	33,3%	33,3%	157,142,731	153,012,658
Alex For Tourism Development Company****	40%	40%	4,000,000	94,538,633
Beyman Egypt Retail And Trading**	16,66%	16,66%	44,827,021	44,827,021
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%	32%	64,000,000	24,000,000
Arab Switzerland Company	49%	49%	4,900,000	4,900,000
Real state investment returns fund company	49%	49%	7,350,000	7,350,000
Cairo Medical City Co.**	10%	10%	7,500	7,500
Sharm ElSheikh for real estate and hotels project company***	50,76%	50,76%	727,489,974	727,489,974
			1,466,923,408	1,426,797,845
	1 January 2026	Additions	Dividends	31 March 2026
	LE	LE	LE	LE
Investments in associates	1,426,797,845	104,743,319	(58,993,787)	1,466,923,408

*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% or more for these companies, the management classified this investment within investments in associates due to existence of joint control.

****The capital of Alexandria Tourism Development and Investment Company consists of two categories of shares: preferred shares, which allow their holders to receive 1.65 ordinary shares' worth of profits, and ordinary shares. The group owns 40% of the company's capital, all of which are ordinary shares.

The group provides services to the company, including licensing work, in exchange for a percentage of the project's revenue. The amount received for the services provided by the group is deducted from the distributed profits.

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11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
TMG For Real Estate And Tourism Investment	1,707,826,977	1,707,826,977
Eskan For Insurance	34,530,315	34,530,315
Tameer For Real Estate Financing	33,885,340	33,885,340
Or For Financial Investment	21,974,000	21,974,000
Egyption sporting fund	4,000,000	4,000,000
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
	<u>1,802,785,911</u>	<u>1,802,785,911</u>

12 TIME DEPOSITS AND FINANCIAL ASSETS AT AMORTIZED COST

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Short-term investments and time deposits	25,143,754,859	20,086,147,807
Long-term investments, and time deposits	9,546,483,562	8,978,838,569
ECL	(590,629)	(1,298,672)
	<u>34,689,647,792</u>	<u>29,063,687,704</u>

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

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Governmental bonds	7,674,341,462	7,110,496,069
Time deposits	1,872,142,100	1,868,342,500
ECL	(281,416)	(764,577)
	<u>9,546,202,146</u>	<u>8,978,073,992</u>

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

The account balance amounted LE 25,143,445,646 on 31 March 2026 and it consists of treasury bills with a maturity date of maximum 31 March 2027, as follows:

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Treasury bills	23,794,323,242	18,238,869,114
Governmental bonds	1,237,705,617	1,147,642,693
Time deposits	111,726,000	699,636,000
ECL	(309,213)	(534,095)
	<u>25,143,445,646</u>	<u>20,085,613,712</u>

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12 TIME DEPOSITS AND FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)
12-2 Current Time Deposits and Financial assets at Amortized Cost (Continued)

Governmental bonds

The carrying amount of LE 8,912,047,079 on 31 March 2026 is as follows:

<u>No.</u>	<u>Carrying Value</u>	<u>Yield</u>	<u>Maturity</u>
1046010	1,237,705,617	14% - 25%	2026
583515	719,038,363	16% - 35%	2027
4761332	6,562,840,627	%24 - %23	2028
351000	352,730,088	14%	2029
40000	39,732,384	14%	2030
6,781,857	8,912,047,079		

	<u>31 March 2026</u>	<u>31 December 2025</u>
	<u>LE</u>	<u>LE</u>
Nominal value	8,907,413,061	8,236,000,000
Issuance Premium	4,634,018	22,138,762
Governmental bonds carrying value	8,912,047,079	8,258,138,762

Time Deposits

<u>Maturity</u>	<u>31 March 2026</u>	<u>31 December 2025</u>
	<u>LE</u>	<u>LE</u>
2026	107,967,000	695,243,000
2027	4,994,100	7,735,500
2029	5,907,000	-
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
	1,983,868,100	2,567,978,500

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

	<u>31 March 2026</u>	<u>31 December 2025</u>
	<u>LE</u>	<u>LE</u>
Advance payments to banks on factoring	76,336,317	229,008,953
Amortization of advance payments for the period / year	(38,168,158)	(152,672,636)
	38,168,159	76,336,317

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13 -OTHER NON - CURRENT FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

13-2 Other non-current financial liabilities

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Obligations against advances on factoring	226,319,640	334,772,460
Discounted present value	(146,973,722)	(109,296,357)
Accrued interest during the period / year	(19,112,841)	(37,677,365)
Payments during the period / year	(19,729,400)	(108,452,820)
	<u>40,503,677</u>	<u>79,345,918</u>

14 PROPERTIES UNDER DEVELOPMENT

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Beginning balance for the period / year	130,058,872,016	104,117,856,511
Additions during the period / year	12,308,610,450	49,936,801,682
Transferred from fixed assets (note 4)	-	16,838,659
Capitalized finance cost	2,466,755,457	3,096,718,884
Transferred from investment properties (note 5)	-	286,624,913
Transferred to Investment properties (note 5)	-	(1,198,972,210)
Transferred to Other debit balance	-	(1,343,838)
Transferred from Projects under constructions	-	18,085,571
Transferred to Projects under constructions	-	-
Realized costs for delivered units charged to the profits or losses	(4,338,361,636)	(25,415,733,138)
Realized costs of activities with recurring returns charged to the profits or losses	(211,058,001)	(776,174,078)
FCTA	311,974,792	(21,830,940)
Balance at the end of the period / year	<u>140,596,793,078</u>	<u>130,058,872,016</u>

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.

- During the financial year ended 31 March 2026, the Group capitalized borrowing costs amounting to EGP 2,466,755,457 at an average borrowing rate of 28.16%, comprising an average corridor rate of 25.16% plus an average margin of 3%.

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15 WORK IN PROGRESS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Balance at the beginning of the period / year	19,186,855	37,201,840
Additions	102,039,320	453,461,944
Realized costs from delivered units charged to the statement of profits or losses (service returns cost)	<u>(94,415,564)</u>	<u>(471,476,929)</u>
Balance at the end of the period/year	<u>26,810,611</u>	<u>19,186,855</u>

16 INVENTORIES

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Commercial and residential units	3,397,941,188	6,165,214,932
Supplies and operating equipment	<u>1,402,286,350</u>	<u>1,206,939,455</u>
	<u>4,800,227,538</u>	<u>7,372,154,387</u>

17 TRADE AND NOTES RECEIVABLES

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Trade receivable	4,778,143,630	3,832,788,534
Notes Receivable	<u>18,894,620,042</u>	<u>19,454,798,724</u>
	<u>23,672,763,672</u>	<u>23,287,587,258</u>
Less: Present value for notes receivable	(1,497,188,208)	(1,365,206,292)
Expected credit losses for trade receivable	(22,955,396)	(27,392,680)
Expected credit losses for notes receivable	<u>(166,111,574)</u>	<u>(178,667,028)</u>
	<u>21,986,508,494</u>	<u>21,716,321,258</u>

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

	<u>Total</u>	<u>One year</u>	<u>More than one year</u>	<u>More than two years</u>	<u>More than three years</u>	<u>More than four years</u>	<u>More than five years</u>
	LE	LE	LE	LE	LE	LE	LE
31 March 2026	<u>23,672,763,672</u>	<u>10,247,686,193</u>	<u>3,835,688,643</u>	<u>3,449,818,792</u>	<u>2,398,377,716</u>	<u>1,638,709,489</u>	<u>2,102,482,839</u>
31 December 2025	<u>23,287,587,258</u>	<u>8,893,943,091</u>	<u>4,183,786,445</u>	<u>3,389,681,630</u>	<u>2,262,121,175</u>	<u>1,760,995,978</u>	<u>2,797,058,939</u>

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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
31 March 2026	14,964,891,562	1,311,443,020	1,239,349,588	1,137,157,265	1,417,944,130	1,726,094,770	8,132,902,789
31 December 2025	15,925,586,014	1,760,676,557	1,242,454,279	1,131,556,071	1,361,608,158	1,871,649,487	8,557,641,462

18/2 OBLIGATIONS AGAINST NOTES RECEIVABLE FOR UNDELIVERED UNITS

	31 March 2026	31 December 2025
	LE	LE
Customers advances (Al Rehab Project)	48,731,855	50,828,505
Customers advances (Madinaty Project)	4,942,152,633	5,368,931,042
Customers advances (Celia Project)	805,425,574	863,335,122
Customers advances (Noor Project)	9,168,581,500	9,642,491,345
	14,964,891,562	15,925,586,014

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

The Company maintains post-dated checks amounted to EGP 180,409,440,729 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
31 March 2026	180,409,440,729	16,065,004,389	17,331,795,071	21,840,629,487	21,082,797,699	19,555,042,422	84,534,171,661

19 OTHER CURRENT ASSETS

	31 March 2026	31 December 2025
	LE	LE
Advance payments - contractors and suppliers	20,964,315,033	18,932,516,723
Deposits with others	11,440,604,787	11,085,667,869
Deals debit balance	7,341,228,212	6,626,786,852
Prepaid expenses	6,348,454,670	6,200,312,760
Accrued revenues	4,080,720,243	3,474,888,307
Tax Authority	3,515,347,231	3,287,925,150
Advance payments - for buy real estate unites	3,011,188,454	1,154,799,960
Due from related parties	2,099,274,607	2,451,465,006
Letters of credit	609,597,655	444,726,898
Investments in Companies Under Incorporation	13,422,774	2,640,000
Other debit balances	4,216,166,968	4,047,252,537
	63,640,320,634	57,708,982,062
Expected credit losses	(149,870,500)	(112,965,859)
	63,490,450,134	57,596,016,203

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20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Investments in Funds	252,516,386	224,541,835
Investments in Shares	98,060,399	87,209,431
Investment Certificates	1,282,035,817	1,260,699,753
	<u>1,632,612,602</u>	<u>1,572,451,019</u>

21 CASH AND CASH EQUIVALENTS

	<u>Local Currency</u>	<u>Foreign Currency</u>	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE	LE	LE
Cash on hand	190,537,316	50,996,734	241,534,050	144,320,890
Current accounts	11,848,729,371	14,204,839,125	26,053,568,496	18,879,405,372
Time deposits-Less than 3 months	6,572,721,300	19,434,771,767	26,007,493,067	24,883,078,755
Treasury bills-Less than 3 months	-	-	-	1,047,974,945
	<u>18,611,987,987</u>	<u>33,690,607,626</u>	<u>52,302,595,613</u>	<u>44,954,779,962</u>
Expected credit losses	(253,096,793)	(16,040,451)	(269,137,244)	(103,339,131)
Bank overdrafts	(1,873,415)	(13,624,734)	(15,498,149)	(4,926,494)
Cash and cash equivalents	<u>18,357,017,779</u>	<u>33,660,942,441</u>	<u>52,017,960,220</u>	<u>44,846,514,337</u>

* 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 514,253,908 at 31 March 2026 included the transferred amount of the share's premium resulting from the company capital increase at 28 October 2007 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 OTHER NON-CURRENT LIABILITIES

	<u>31 March 2026</u>	<u>31 December 2025</u>
	<u>LE</u>	<u>LE</u>
Notes Payable	4,435,140,193	5,167,620,391
Financial Lease notes payable **	19,853,135,960	19,317,938,403
Maintenance deposits and units guarantees	27,402,309,722	26,460,615,361
EGOTH Company*	1,045,901,421	1,919,924,795
Less: present value	<u>(8,177,317,433)</u>	<u>(6,769,897,600)</u>
	<u>44,559,169,863</u>	<u>46,096,201,350</u>

* The liability resulting from the acquisition of historical hotels due to EGOH 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 2026.

** Financial Lease notes payable balance represents the balance of checks issued to lease companies for sale and leaseback transactions carried out on some of the assets owned by the group companies, which consisted of parts of assets, or some assets classified under fixed assets or investment properties.

The group companies have continued to recognize the transferred assets within their items and recognize the financial obligation arising from those contracts in accordance with the Egyptian Accounting Standard No. 49 on lease contracts.

These rental amounts are due over 2 to 7 years, where the companies have the right to exercise the purchase option on these assets at the end of the lease term agreed upon in the contracts.

The balance of notes payable of the rental amounts due under those contracts amounted EGP 39,574,774,712 as of 31 March 2026, as follows:

	<u>31 March 2026</u>	<u>31 December 2025</u>
	<u>LE</u>	<u>LE</u>
Notes payable-noncurrent	19,853,135,960	19,317,938,403
Notes payable-current (note 26)	<u>19,721,638,752</u>	<u>15,082,173,056</u>
	<u>39,574,774,712</u>	<u>34,400,111,459</u>

*** Total unrecognized off balance sheet notes payable for not ready and undelivered units amounted LE 8,445,494,685.

	<u>Total</u>	<u>Year</u>	<u>More than a year</u>	<u>More than two years</u>	<u>More than three years</u>	<u>More than four years</u>	<u>More than five years</u>
	LE	LE	LE	LE	LE	LE	LE
31 March 2026	<u>8,445,494,685</u>	<u>661,686,680</u>	<u>680,319,225</u>	<u>715,129,730</u>	<u>720,210,115</u>	<u>1,058,885,400</u>	<u>4,609,263,535</u>

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25 LOANS AND CREDIT FACILITIES

	<u>Current portion</u>	<u>Non-current portion</u>	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE	LE	LE
Facilities	1,728,967,210	-	1,728,967,210	1,273,374,323
Loans	746,067,665	12,315,872,435	13,061,940,100	10,528,830,135
	<u>2,475,034,875</u>	<u>12,315,872,435</u>	<u>14,790,907,310</u>	<u>11,802,204,458</u>

The loans and credit facilities are analysed as follows as at 31 March 2026:

	<u>Facilities</u>	<u>Loans</u>	<u>Borrowing / Facility in original currency</u>
	LE	LE	
Qatar National Bank Al Ahli	137,106,694	-	-
Attijariwafa Bank	115,301,887	-	-
Misr Iran Bank	5,324,904	-	-
Suez Canal Bank	4,120,001	-	-
Arab Bank	11,213,942	-	-
Abu Dhabi Islamic Bank	381,196,488	-	-
Banque Misr	10,197,398	8,039,450,078	-
Export Development Bank	186,953,788	-	-
Emirates Dubai Bank	394,632,778	-	-
Arab African	412,435,209	-	-
Arab African	-	2,003,808,805	\$ 7,680,357
Arab African – Dubai	-	1,074,000,000	\$ 20,000,000
Next Bank	9,250,000	-	-
First Abu Dhabi Bank	-	1,735,613,553	-
Commercial International Bank	61,234,121	209,067,664	-
	<u>1,728,967,210</u>	<u>13,061,940,100</u>	

*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 20% as at 31 March 2026.

The average effective interest rate on loans and facilities in USD is 0.9% above SOFR 180 days which was 3.68% as at 31 March 2026.

26 SUPPLIERS, CONTRACTORS, AND NOTES PAYABLE

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Suppliers and contractors	14,545,431,159	15,404,355,749
Notes payables	17,365,344,360	16,117,624,424
Financial lease notes payable (note 24)	19,721,638,752	15,082,173,056
	<u>51,632,414,271</u>	<u>46,604,153,229</u>
Less: present value	(4,874,466,218)	(5,461,204,907)
	<u>46,757,948,053</u>	<u>41,142,948,322</u>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

27 ADVANCE PAYMENTS FROM CUSTOMERS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Customers advances (Al Rehab Project)	602,317,398	1,393,311,001
Customers advances (Madinaty Project)	55,230,628,471	54,842,176,848
Customers advances (Celia Project)	12,748,702,487	12,773,227,462
Customers advances (Noor Project)	34,764,230,304	30,974,737,740
Customers advances (Banan Project) Saudi	18,134,907,264	14,623,956,239
Customers advances (Four Season Madinaty)	3,488,213,361	2,732,625,307
Customers advances (Guod & Yamal Project)	901,284,088	323,049,158
Others	13,082,811	13,082,811
	<u>125,883,366,184</u>	<u>117,676,166,566</u>

28 DIVIDENDS PAYABLE

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Shareholders' share	618,196,135	-
Employees share	78,366,676	62,894,433
Non - Controlling interest share	738,005	1,156,372
Board of directors' remuneration	5,485,530	1,885,530
	<u>702,786,346</u>	<u>65,936,335</u>

29 PROVISIONS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Beginning balance of the period / year	1,190,005,525	1,106,272,259
Balance resulting from the acquisition	-	403,259
Created during the period / year (NOTE 37)	1,909,337	319,610,666
No longer required	-	(428,014)
Transferred to provision	-	38,101,612
Used during the period / year	(490,665)	(273,817,820)
CTA	2,057,132	(136,437)
Ending balance of the period / year	<u>1,193,481,329</u>	<u>1,190,005,525</u>

30 CREDITORS AND OTHER CREDIT BALANCES

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Clubs subscriptions	7,158,863,618	7,689,227,477
Customers - credit balances	5,530,873,581	4,229,363,855
Retention guarantees	5,171,543,128	4,466,059,483
Accrued revenues	4,765,008,587	626,403,618
New Urban Communities Authority-short term	4,554,473,776	4,554,473,776
Accrued expenses	2,984,073,938	1,196,330,113
Membership insurance	2,304,871,210	2,373,774,505
Due to related parties	1,225,782,563	341,547,164
EGOTH Company (historical hotels deal)	1,113,260,075	1,158,728,176
Other creditors	11,629,865,026	10,223,283,332
	<u>46,438,615,502</u>	<u>36,859,191,499</u>

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

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As of 31 March 2026

31 CURRENT INCOME TAX AND DEFERRED TAX

INCOME TAX

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Net accounting profit before tax	7,018,932,742	5,712,593,085
Adjustments to net accounting profit to reach net taxable profit	<u>(1,899,137,159)</u>	<u>(2,724,920,894)</u>
Net taxable profit	5,119,795,583	2,987,672,191
Tax at 22.5%	<u>1,151,954,006</u>	<u>672,226,243</u>
	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Current income tax	1,151,954,006	672,226,243
Deferred tax expense / liability	<u>378,975,734</u>	<u>620,912,898</u>
	<u>1,530,929,740</u>	<u>1,293,139,141</u>

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

	31 March 2026	31 December 2025
	LE	LE
Beginning balance of the period / year	4,337,072,767	2,816,999,525
Created during the period / year	1,151,954,006	4,334,189,365
Transferred to Provisions	-	(8,101,612)
Due income tax paid	(53,268,661)	(2,724,275,328)
CTA	118,648,388	(81,739,183)
Ending balance of the period / year	<u>5,554,406,500</u>	<u>4,337,072,767</u>

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

The deferred tax liabilities amounted L.E 3,325,500,399 and the deferred tax assets amounted LE 123,211,395 as of 31 March 2026, as follows:

DEFERRED TAX LIABILITIES

	31 March 2026	31 December 2025
	LE	LE
Beginning balance of the period / year	(3,018,529,349)	(1,990,572,661)
Balance resulting from the acquisition	-	43,334,311
Income tax related to OCI	-	(1,402,879)
Deferred tax expense	(265,143,756)	(1,063,240,728)
CTA	(41,827,294)	(6,647,392)
Ending balance of the period / year	<u>(3,325,500,399)</u>	<u>(3,018,529,349)</u>

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

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As of 31 March 2026

31 CURRENT INCOME TAX AND DEFERRED TAX (CONTINUED)

DEFERRED TAX ASSETS

	<u>31 March 2026</u>	<u>31 December 2025</u>
	LE	LE
Beginning balance of the period / year	224,047,904	194,221,364
Balance resulting from the acquisition	-	96,580,445
Deferred tax expense	(113,831,978)	(54,145,568)
CTA	12,995,469	(12,608,337)
Ending balance of the period / year	<u>123,211,395</u>	<u>224,047,904</u>

32 REVENUE AND COST OF ACTIVITY

	<u>Three months ended</u>	<u>Three months ended</u>
	<u>31 March 2026</u>	<u>31 March 2025</u>
	LE	LE
Revenue from sold units	6,148,594,192	3,804,212,648
Revenue from hotels' operation	4,252,946,542	3,507,318,897
Revenue from activities with periodic yields and service activities	2,669,349,090	2,115,035,661
Total Revenue	<u>13,070,889,824</u>	<u>9,426,567,206</u>
Cost of sold units	(4,635,420,497)	(2,829,617,283)
Cost of hotels' operation	(1,973,198,243)	(1,900,951,308)
Cost of activities with periodic yields and service activities	(1,831,841,825)	(1,307,699,464)
Total cost of revenue	<u>(8,440,460,565)</u>	<u>(6,038,268,055)</u>

SEGMENTS REPORT

	<u>Real Estate & Recuring & Services</u>	<u>Tourism</u>	<u>31 March 2026</u>	<u>31 March 2025</u>
	LE	LE	LE	LE
Revenues	8,817,943,282	4,252,946,542	13,070,889,824	9,426,567,206
Cost of sales	(6,467,262,322)	(1,973,198,243)	(8,440,460,565)	(6,038,268,055)
Business result	<u>2,350,680,960</u>	<u>2,279,748,299</u>	<u>4,630,429,259</u>	<u>3,388,299,151</u>
Depreciation & Amortization	(116,603,421)	(6,821,869)	(123,425,290)	(105,906,766)
Other income	2,553,007,840	(41,079,067)	2,511,928,773	2,430,200,700
Income taxes	(979,972,103)	(550,957,637)	(1,530,929,740)	(1,293,139,141)
Net Profit	<u>3,807,113,276</u>	<u>1,680,889,726</u>	<u>5,488,003,002</u>	<u>4,419,453,944</u>
	<u>Real Estate & Recuring & Services</u>	<u>Tourism</u>	<u>31 March 2026</u>	<u>31 December 2025</u>
Assets	306,044,746,021	129,374,166,971	435,418,912,992	403,098,324,188
Financial investments	37,904,628,498	1,897,456,888	39,802,085,386	33,123,882,524
Total group's assets	<u>343,949,374,519</u>	<u>131,271,623,859</u>	<u>475,220,998,378</u>	<u>436,222,206,712</u>
Liabilities	275,093,668,534	29,465,073,702	304,558,742,236	278,514,065,947
Total group's liabilities	<u>275,093,668,534</u>	<u>29,465,073,702</u>	<u>304,558,742,236</u>	<u>278,514,065,947</u>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

33 OTHER INCOME

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Commissions and Sundry revenue	1,179,466,894	264,494,398
Capital gains	2,336,048	2,351,085
Income from investment at fair value through profits or losses	4,428,993	-
Income from investment at amortized cost	1,335,739,856	329,398,657
Income from financial investments at fair value through OCI	948,774	504,900
	<u>2,522,920,565</u>	<u>596,749,040</u>

34 GOVERNMENTAL, DONATIONS AND OTHER EXPENSES

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Governmental expenses, donations	(263,894,297)	(212,942,016)
Takaful contribution	(19,435,889)	(26,620,446)
Board of director's allowances	(996,800)	(1,114,000)
Investment acquisition costs	(63,100,000)	(63,100,000)
Losses from revaluation of investments through P&L	(3,993,072)	(639,628)
Loss on sale of investments	-	(66,060)
Impairment of supplies and operating equipment inventory	-	(82,240)
	<u>(351,420,058)</u>	<u>(304,564,390)</u>

35 FINANCE INCOME

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Credit interest – Current Account	193,796,808	401,678,992
Time deposits interest	253,685,033	104,930,439
Other finance income	424,422	463,503
Present value discount	48,576,374	64,196,839
	<u>496,482,637</u>	<u>571,269,773</u>

36 FINANCE COST

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Finance expenses	446,255,455	209,449,369
Bank charges	43,008,078	30,507,652
	<u>489,263,533</u>	<u>239,957,021</u>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

37 PROVISIONS AND EXPECTED CREDIT LOSSES

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Expected credit losses (expense) reversal	(150,138,716)	78,810,363
Provisions created (note 29)	(1,909,337)	(279,294)
	(152,048,053)	78,531,069

38 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.

	Three months ended 31 March 2026	Three months ended 31 March 2025
	LE	LE
Profit for the period	4,159,583,599	3,693,603,495
Employee shares and board of directors (Estimate)	(11,600,000)	(9,600,000)
	4,147,983,599	3,684,003,495
Weighted average number of shares outstanding during the period	2,060,653,786	2,061,172,046
Basic and diluted earnings per share	2.01	1.79

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

39 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 179.4 million, other than what was capitalized within the work under progress. Non-executive board members receive LE 0.52 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 1.32 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, 43.22% 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:

31 March 2026	Contractors LE	Other Credit LE	Guarantees LE	Advance payments LE	Due from LE
Alexandria for Construction Company	4,817,939,485	1,280,582,805	2,087,106,856	6,680,092,827	-
Alex For Tourism Development Company	-	4,307,000,000	-	-	-
Sharm Elsheikh for real estate and hotels project company	-	-	-	-	1,238,633,632
Thabat for construction	1,064,776,863	-	311,805,613	2,023,388,909	-

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

39 RELATED PARTIES (CONTINUED)

31 December 2025	Contractors	Guarantees	Advance payments	Due from
	LE	LE	LE	LE
Alexandria for Construction Company	5,034,815,064	2,084,124,691	2,424,984,642	852,975,190
Alex For Tourism Development Company	-	-	-	1,110,520,791
Sharm Elsheikh for real estate and hotels project company	-	-	-	1,263,973,350
Thabat for construction	1,364,952,606	-	1,976,960,132	-

40 TAX POSITION

Talaat Mostafa Group Holding Company

a. Corporate tax

- The tax return was presented on time, and inspection has carried out till year 2020. 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. Tax declarations for the years from 2020 to 2024 have been submitted and the corresponding taxes have been paid.
- The Company is currently coordinating with the tax authority regarding the examination of these years.

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.
- Tax returns for the years from 2023 to 2025 have been submitted and paid within the statutory deadlines.

c. Stamp tax

- Company's records were inspected for the years till 2022 and the taxes due were paid.
- No notifications have been received from the tax authority regarding the examination of the years from 2023 to 2025.
- The Company provides tax declaration, and pays tax dues regularly and on legal dates to the competent authority, with no liabilities till that date.

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.
- Declarations for the years from 2023 to 2025 have been submitted and paid within the statutory deadlines.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 TAX POSITION (CONTINUED)

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 2022

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.

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 25 March 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 2019 were inspected, assessed and taxes were paid.
- Inspection for the years 2020 till 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 till year 2022

b. Salary tax

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

c. Stamp tax

- Inspection of the Company's records until 2023 was carried out and taxes were settled.

d. Withholding tax

- The company was registered in the withholding tax system starting 25 March 2024.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 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 records was inspected for the year 2016 and tax due was paid.
- Company's records of the years from year 2017 till 2018 were inspected and paid.
- Years of from 2019 until 2020 are under inspection.

b. Salary tax

- The Company deducts income tax on employee salaries monthly 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.
- Years of 2022 and 2023 are under inspection.

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, and all tax due was paid.

c. VAT

- The Company's records were inspected for the years till 2022, and all tax due was paid.

d. Stamp Tax

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

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 2019 was carried out.

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 2023.

c. Stamp tax

- The Company's records were inspected for the years till 2006, and the due taxes were paid as per the assessment.

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.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 TAX POSITION (CONTINUED)

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.

Al Masria for Development and Real Estate Projects Co.

b. Salary tax

- The Company provides tax declaration regularly and on legal dates to the competent authority.
- The Company is inspected from 2010 to 2016, and tax dues were settled.
- The Company is inspected from 2017 to 2019, the company objected on the inspection results, and it will be re inspected.

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 till the year 2019 and the settlement was reached with the 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. 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 company was inspected till year 2022.

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 2012.

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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 TAX POSITION (CONTINUED)

El Nile for Hotels company (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 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.

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 2022 and the tax due was paid and settled with the tax 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. Any due tax is recognized in the statement of profit and loss with due reserve accrued if needed against any liabilities, and the company is under inspection for the years from 2012 till 2017.

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 till year 2019 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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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 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.

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. The Company was inspected by Tax Authority until the year 2023.

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.
- The company inspection was assessed for year 2019, and the company objected, and the inspection will be redone.

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 2022 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 2023 and the amount is under settlement with the tax 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 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 till year 2017 and settlement was paid with the tax Authority.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 TAX POSITION (CONTINUED)

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

e. The Company submits its tax declarations in the specified monthly dates and settles taxes regularly.

f. 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 company is under inspection for the years till 2019.
- The company is under inspection for the year from 2020 till 2022.

b. Salary tax

- The Company settles income tax deducted from employee salaries in a timely manner.
- The company was inspected till year 2023 and tax due was paid.

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.
- The company is under inspection for the years from 2017 till 2022.

Port Venice for Tourism Development

a. Corporate tax

- The company submits the annual tax report before the end of April each year, in accordance with the provisions of Income Tax Law No. 91 of 2005, and the tax is due and paid on an annual basis based on the results of the activity.
- The company was inspected for year 2012, an objection was filed and the inspection will be redone.
- The company was inspected for the years from 2014 till 2018, an objection was filed and the inspection will be redone.

b. Salary tax

- Tax reports are submitted on time, and the taxes deducted from employees are paid within the legal deadlines to the tax office
- The company is under inspected for the years since inception till year 2023.

c. VAT

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

40 TAX POSITION (CONTINUED)

Port Venice for Tourism Development (Continued)

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 equivalent

- 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,

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.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

41 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 31 March 2026

41 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.

	31 March 2026		31 December 2025	
	Change in interest rate	Effect on profits before tax	Change in interest rate	Effect on profits before tax
		LE		LE
Financial Assets	+1%	279,913,612	%1+	274,510,573
	-1%	(279,913,612)	%1-	(274,510,573)

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2026

41 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.

	31 March 2026		31 December 2025	
	Change in interest rate %	Effect on profits before tax LE	Change in interest rate %	Effect on profits before tax LE
USD	+10%	804,628,198	%10+	761,410,401
	-10%	(804,628,198)	%10-	(761,410,397)
Euro	+10%	10,402,807	%10+	9,204,127
	-10%	(10,402,807)	%10-	(9,204,127)
SAR	+10%	10,423,864	%10+	2,524,933
	-10%	(10,423,864)	%10-	(2,524,933)
CHF	+10%	207,863	%10+	192,552
	-10%	(207,863)	%10-	(192,552)
AED	+10%	1,663,714	%10+	127,650
	-10%	(1,663,826)	%10-	(127,650)
GBP	+10%	8,018	%10+	114,525
	-10%	(8,018)	%10-	(114,525)

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 31 March 2026

42 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 2-3: 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
31 March 2026	<u>1,707,826,977</u>	<u>90,389,655</u>	<u>4,569,279</u>	<u>1,802,785,911</u>
31 December 2025	<u>1,707,826,977</u>	<u>90,389,655</u>	<u>4,569,279</u>	<u>1,802,785,911</u>

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

Note (20)	Level 1	Level 2	Total
	LE	LE	LE
31 March 2026			
Investments in investment funds	-	252,516,386	252,516,386
Investments in shares	98,060,399	-	98,060,399
Investments in policies	-	1,282,035,817	1,282,035,817
	<u>98,060,399</u>	<u>1,534,552,203</u>	<u>1,632,612,602</u>
31 December 2025			
Investments in investment funds	-	224,541,835	224,541,835
Investments in shares	87,209,431	-	87,209,431
Investments in policies	-	1,260,699,753	1,260,699,753
	<u>87,209,431</u>	<u>1,485,241,588</u>	<u>1,572,451,019</u>

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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43 SIGNIFICANT AND SUBSEQUENT EVENTS

At its meeting on 12February 2026, the Monetary Policy Committee decided to cut the overnight deposit rate, the overnight lending rate, and the Central Bank's main operation rate by 100 basis points to 19%, 20%, and 19.5%, respectively. It also decided to reduce the credit and discount rate by 100 basis points to 19.5%.

During the period ended 31 March 2026, geopolitical tensions in parts of the Middle East have increased, which had economic implications for markets in the region and the Egyptian market, resulting in an increase in the official exchange rates of foreign currencies against the Egyptian pound

The company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

Management has also considered the impact of these events on the company's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate