

**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 2025  
TOGETHER WITH REVIEW REPORT**

**Interim Consolidated Financial Statements  
For The Three Months Ended 31 March 2025**

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

**Introduction**

We have reviewed the accompanying interim consolidated statement of financial position of **TALAAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)** ("The Company") and its subsidiaries ("The Group") as of 31 March 2025 as well as the related interim consolidated statements of profit or loss, comprehensive income for the three months ended on 31 March 2025, and its interim consolidated statements of changes in equity and 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 2025, and of its interim consolidated financial performance for the three months ended on 31 March 2025 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**

Samir Anas Abd Elghfar  
FESAA-FEST  
(RAA (10368)  
(EFSAR 282)

(RSM EGYPT) CHARTERED ACCOUNTANTS

Cairo: 18 May 2025



Ashraf Mohamed Mohamed Ismail

Ashraf Mohamed Mohamed Ismail  
FESAA- FEST  
RAA (9380)  
(EFSAR 102)

ALLIED FOR ACCOUNTING & AUDITING (EY)



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

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of 31 March 2025**

|  | Note   | 31 March 2025<br>LE    | 31 December 2024<br>LE |
|--|--------|------------------------|------------------------|
| <b>Assets</b>  |        |                        |                        |
| <b>Non-current Assets</b>  |        |                        |                        |
| Fixed assets   | (4)    | 75,310,658,854         | 75,812,139,564         |
| Intangible assets  | (5)    | 4,095,776,378          | 4,100,364,530          |
| Investment properties  | (6)    | 17,962,536,778         | 14,259,983,098         |
| Right of use assets  | (7)    | 191,967,492            | 196,322,206            |
| Fixed assets under construction  | (8)    | 12,124,255,895         | 11,166,992,701         |
| Advances on account of factoring   | (9-1)  | 190,840,795            | 229,008,953            |
| Goodwill   | (10)   | 10,289,353,903         | 10,289,353,903         |
| Investments measured by the equity method                                    | (11)   | 653,461,429            | 623,605,610            |
| Investments at fair value through other comprehensive income                 | (12)   | 1,757,003,713          | 1,748,816,386          |
| Time deposits and financial investments at amortized cost                    | (13)   | 9,527,808,095          | 4,442,204,028          |
| Deferred tax assets  | (32)   | 208,968,147            | 194,221,364            |
| <b>Total non-current assets</b>  |        | <b>132,312,631,479</b> | <b>123,063,012,343</b> |
| <b>Current assets</b>  |        |                        |                        |
| Development properties   | (14)   | 111,202,525,551        | 104,117,856,511        |
| Work in Progress   | (15)   | 50,665,740             | 37,201,840             |
| Inventory  | (16)   | 3,411,317,172          | 3,440,526,055          |
| Receivables and notes receivable   | (17)   | 20,084,054,475         | 17,786,055,837         |
| Notes receivable for units not yet delivered                                 | (18-1) | 25,295,196,162         | 27,648,152,656         |
| Other debit balances   | (19)   | 33,315,250,785         | 24,792,981,062         |
| Financial assets at fair value through profit or loss                        | (20)   | 523,204,697            | 517,425,254            |
| Time deposits and financial investments at amortized cost                    | (13)   | 8,414,077,005          | 10,462,621,831         |
| Cash on hand and bank balances   | (21)   | 39,995,437,090         | 44,915,515,409         |
| <b>Total current assets</b>  |        | <b>242,291,728,677</b> | <b>233,718,336,455</b> |
| <b>Total assets</b>  |        | <b>374,604,360,156</b> | <b>356,781,348,798</b> |
| <b>Equity and liabilities</b>  |        |                        |                        |
| <b>Equity</b>  |        |                        |                        |
| Authorized capital   | (22)   | 30,000,000,000         | 30,000,000,000         |
| Issued and paid-up capital   | (22)   | 20,635,622,860         | 20,635,622,860         |
| Legal reserve  | (23)   | 472,261,033            | 432,163,000            |
| General reserve  | (24)   | 61,735,404             | 61,735,404             |
| Foreign currency translation reserve   |        | 907,732,097            | 1,071,775,265          |
| Valuation differences on financial assets through other comprehensive income |        | 1,213,593,332          | 1,213,593,330          |
| Treasury Shares  | (22)   | (152,235,725)          | (152,235,725)          |
| Retained earnings  |        | 50,309,109,902         | 47,493,595,935         |
| <b>Equity attributable to shareholders of the Holding Company</b>            |        | <b>73,447,818,903</b>  | <b>70,756,250,069</b>  |
| Non-controlling interests  |        | 60,897,627,538         | 60,725,976,943         |
| <b>Total equity</b>  |        | <b>134,345,446,441</b> | <b>131,482,227,012</b> |

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

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

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**As of 31 March 2025**

|  | Note   | 31 March 2025<br>LE    | 31 December 2024<br>LE |
|--|--------|------------------------|------------------------|
| <b>Non-current Liabilities</b>   |        |                        |                        |
| Other long-term liabilities  | (25)   | 47,760,313,261         | 45,194,793,934         |
| Loans  | (26)   | 8,642,546,146          | 6,757,172,011          |
| Non-current lease liability  | (7)    | 178,588,872            | 183,083,764            |
| Liabilities against advances on account of factoring                     | (9-2)  | 191,159,102            | 225,477,105            |
| Deferred tax liabilities   | (32)   | 2,626,651,457          | 1,990,572,661          |
| <b>Total non-current liabilities</b>                                     |        | <b>59,399,258,838</b>  | <b>54,351,099,475</b>  |
| <b>Current liabilities</b>   |        |                        |                        |
| Bank overdrafts  |        | 6,679,667              | 5,927,437              |
| Credit facilities  | (26)   | 1,418,671,417          | 1,189,880,894          |
| Loans Current Portion  | (26)   | 745,070,777            | 962,318,948            |
| Current lease liability  | (7)    | 18,665,755             | 18,456,306             |
| Suppliers, contractors and notes payable                                 | (27)   | 28,541,768,918         | 29,529,602,683         |
| Customers' advance payments  | (28)   | 91,211,509,807         | 81,000,925,177         |
| Liabilities against Cheques received from customers on undelivered units | (18-2) | 25,295,196,162         | 27,648,152,656         |
| Dividends payable  | (29)   | 1,124,889,108          | 59,915,020             |
| Provisions for expected liabilities                                      | (30)   | 1,104,527,905          | 1,106,272,259          |
| Income tax payable   | (32)   | 3,489,225,768          | 2,816,999,525          |
| Creditors other credit balances  | (31)   | 27,903,449,593         | 26,609,571,406         |
| <b>Total current liabilities</b>   |        | <b>180,859,654,877</b> | <b>170,948,022,311</b> |
| <b>Total liabilities</b>   |        | <b>240,258,913,715</b> | <b>225,299,121,786</b> |
| <b>Total equity and liabilities</b>                                      |        | <b>374,604,360,156</b> | <b>356,781,348,798</b> |

- The Company maintains post-dated checks amounted to EGP 162,675,376,336 which represent post-dated checks of undelivered units and not included in statement of financial position starting from 2023 (Note 18/3).

Executive Vice President of  
Financial Sector

  
Tarek Al-Naggar

Chief Executive Officer &  
Managing Director

  
Hesham Talaat Moustafa

Chairman

  
Tarek Talaat Moustafa

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



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

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
For The Three Months Ended 31 March 2025**

|   | Note    | 31 March 2025        | 31 March 2024        |
|---|---------|----------------------|----------------------|
|   |         | LE                   | LE                   |
| Real estate development revenue   | (33)    | 3,804,212,648        | 3,475,121,987        |
| Real estate development costs   | (33)    | (2,829,617,283)      | (2,551,963,044)      |
| <b>Gross profit from real estate development business</b>                       |         | <b>974,595,365</b>   | <b>923,158,943</b>   |
| Hospitality revenue   | (33)    | 3,507,318,896        | 2,337,869,190        |
| Hospitality costs   | (33)    | (1,667,718,834)      | (1,044,827,462)      |
| <b>Gross profit from hospitality business</b>                                   |         | <b>1,839,600,062</b> | <b>1,293,041,728</b> |
| Revenues from activities with periodic yield and service activities             | (33)    | 2,115,035,661        | 979,156,208          |
| Costs of activities with periodic yield and service activities                  | (33)    | (1,307,699,464)      | (557,133,977)        |
| <b>Gross profit of activities with periodic yield and service activities</b>    |         | <b>807,336,197</b>   | <b>422,022,231</b>   |
| <b>Gross profit</b>   |         | <b>3,621,531,624</b> | <b>2,638,222,902</b> |
| Gain from The Hotels new acquisition  | (44)    | -                    | 1,062,346,219        |
| Investment Properties revaluation surplus                                       | (6)     | 2,359,397,514        | -                    |
| Other income  | (34)    | 596,749,040          | 493,617,949          |
| Other Expenses  | (35)    | (288,627,893)        | (228,405,419)        |
| General and administrative expenses   |         | (584,636,591)        | (354,102,022)        |
| Marketing expenses  |         | (82,890,504)         | (56,412,279)         |
| Foreign currency evaluation differences   |         | (9,490,503)          | 2,131,325,346        |
| Provisions formed and ECL   |         | 78,531,069           | (279,815,331)        |
| <b>Operating Income</b>   |         | <b>5,690,563,756</b> | <b>5,406,777,365</b> |
| Financing revenues  | (36)    | 571,269,773          | 189,503,609          |
| Financing expenses  | (37)    | (239,957,021)        | (226,093,293)        |
| <b>Net profit ( loss) from financing</b>  |         | <b>331,312,752</b>   | <b>(36,589,684)</b>  |
| The company's share in the profits of investments measured by the equity method |         | 29,855,819           | -                    |
| Depreciation and amortization   | (4,5,7) | (339,139,242)        | (200,966,714)        |
| <b>Net profit for the period before taxes</b>                                   |         | <b>5,712,593,085</b> | <b>5,169,220,967</b> |
| Income Tax  | (32)    | (672,226,243)        | (561,216,207)        |
| Deferred tax  | (32)    | (620,912,898)        | (471,979,067)        |
| <b>Net Profit for the period</b>  |         | <b>4,419,453,944</b> | <b>4,136,025,693</b> |
| <b>Attributable to:</b>   |         |                      |                      |
| Shareholders of the Parent Company  |         | 3,693,603,495        | 2,390,087,949        |
| Non-controlling interests   |         | 725,850,449          | 1,745,937,744        |
|   |         | <b>4,419,453,944</b> | <b>4,136,025,693</b> |
| <b>Earnings per Share</b>   | (38)    | <b>1.61</b>          | <b>1.04</b>          |

Executive Vice President  
of Financial Sector

Tarek Al-Naggar

Chief Executive Officer &  
Managing Director

Hesham Talaat Moustafa

Chairman

Tarek Talaat Moustafa

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

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

**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**For The Three Months Ended 31 March 2025.**

|   | <b>31 March 2025</b> | <b>31 March 2024</b> |
|---|----------------------|----------------------|
|   | <b>LE</b>            | <b>LE</b>            |
| <b>Profit for the Period</b>  | <b>4,419,453,944</b> | <b>4,136,025,693</b> |
| <b>Other comprehensive income</b>   |                      |                      |
| Foreign currency translation differences on translation of foreign operations | (126,395,913)        | 1,023,488,887        |
| Revaluation differences from investment through other comprehensive income    | -                    | -                    |
| Income tax related to other comprehensive income                              | -                    | (4,036,661)          |
| <b>Total comprehensive income for the period</b>                              | <b>4,293,058,031</b> | <b>5,155,477,919</b> |
| <b>Attributable to:</b>   |                      |                      |
| Holding Company   | 3,529,560,327        | 3,371,197,662        |
| Non-controlling interests   | 763,497,704          | 1,784,280,257        |
|   | <b>4,293,058,031</b> | <b>5,155,477,919</b> |

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

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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### For The Three Months Ended 31 March 2025

|   | Issued and paid-up capital | Treasury bills       | Legal reserve      | General reserve   | Foreign currency translation reserve | Valuation differences on investments through OCI | Retained earnings     | Total                 | Non-controlling Interests | Total Equity           |
|---|----------------------------|----------------------|--------------------|-------------------|--------------------------------------|--|-----------------------|-----------------------|---------------------------|------------------------|
|   | LE                         |                      | LE                 | LE                | LE                                   | LE   | LE                    | LE                    | LE                        | LE                     |
| <b>Balance as at 1 January 2025</b>   | 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          |
| Investment acquisition reserve.   | -                          | -                    | -                  | -                 | -                                    | -  | -                     | -                     | -                         | -                      |
| Changes in non-controlling interest shares as a result of the acquisition of the investment | -                          | -                    | -                  | -                 | -                                    | -  | (259,966,027)         | (259,966,027)         | (591,846,483)             | (851,812,510)          |
| Treasury Stock**  | -                          | -                    | -                  | -                 | -                                    | -  | -                     | -                     | -                         | -                      |
| Dividends – Shareholders*   | -                          | -                    | -                  | -                 | -                                    | -  | (515,163,447)         | (515,163,447)         | (626)                     | (515,164,073)          |
| Dividends   | -                          | -                    | -                  | -                 | -                                    | -  | (62,862,019)          | (62,862,019)          | -                         | (62,862,019)           |
| <b>Balance as at 31 March 2025</b>  | <b>20,635,622,860</b>      | <b>(152,235,725)</b> | <b>472,261,033</b> | <b>61,735,404</b> | <b>907,732,097</b>                   | <b>1,213,593,332</b>                             | <b>50,309,109,902</b> | <b>73,447,818,903</b> | <b>60,897,627,538</b>     | <b>134,345,446,441</b> |

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

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



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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### For The Three Months Ended 31 March 2024

|   | Issued and paid-up capital | Legal reserve      | General reserve   | Foreign currency translation reserve | Valuation differences on investments through OCI | Retained earnings     | Total                 | Non-controlling Interests | Total Equity           |
|---|----------------------------|--------------------|-------------------|--------------------------------------|--|-----------------------|-----------------------|---------------------------|------------------------|
|   | LE                         | LE                 | LE                | LE                                   | LE   | LE                    | LE                    | LE                        | LE                     |
| Balance as at 1 January 2024 before adjustment      | 20,635,622,860             | 398,039,965        | 61,735,404        | 208,161,064                          | 85,846,680                                       | 16,959,407,149        | 38,348,813,122        | 666,961,664               | 39,015,774,786         |
| The impact of applying Accounting Standard No. (34) | -                          | -                  | -                 | -                                    | -  | 3,047,666,708         | 3,047,666,708         | -                         | 3,047,666,708          |
| Balance as at 1 January 2024 after adjustment       | 20,635,622,860             | 398,039,965        | 61,735,404        | 208,161,064                          | 85,846,680                                       | 21,310,399,765        | 41,396,479,830        | 666,961,664               | 42,063,441,494         |
| Transferred to legal reserve                        | -                          | 34,123,035         | -                 | -                                    | -  | (34,123,035)          | -                     | -                         | -                      |
| Total comprehensive income                          | -                          | -                  | -                 | 1,023,488,887                        | (4,036,661)                                      | 2,351,745,436         | 3,371,197,662         | 1,784,280,257             | 5,155,477,919          |
| Increasing capital at subsidiaries.                 | -                          | -                  | -                 | -                                    | -  | 15,817,549,584        | 15,817,549,584        | -                         | 15,817,549,584         |
| Changes in non-controlling interest shares          | -                          | -                  | -                 | -                                    | -  | -                     | -                     | 53,895,265,056            | 53,895,265,056         |
| Dividends*  | -                          | -                  | -                 | -                                    | -  | (504,375,009)         | (504,375,009)         | -                         | (504,375,009)          |
| <b>Balance as at 31 March 2024</b>                  | <b>20,635,622,860</b>      | <b>432,163,000</b> | <b>61,735,404</b> | <b>1,231,649,951</b>                 | <b>81,810,019</b>                                | <b>37,637,870,833</b> | <b>60,080,852,067</b> | <b>56,346,506,977</b>     | <b>116,427,359,044</b> |

\* The Holding Company has distributed dividends to shareholders with an amount of LE 453 million in accordance with the resolution of the ordinary general assembly meeting held on 23 March 2024.

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

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

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For The Three Months Ended  
31 March 2025**

|  | Note      | 31 March 2025<br>LE    | 31 March 2024<br>LE     |
|--|-----------|------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |           |                        |                         |
| Net profit for the year before tax and non-controlling interest  |           | <b>5,712,593,085</b>   | <b>5,169,220,967</b>    |
| <b>Adjustments to:</b>   |           |                        |                         |
| Depreciation and Amortization  | (8-6,5,4) | 350,574,811            | 186,591,536             |
| Impairment of Inventory  |           | 82,240                 | -                       |
| Investment properties revaluation surplus  | (6)       | (2,359,397,514)        | -                       |
| Finance(income)  | (36)      | (571,269,773)          | (189,874,782)           |
| (Income) financial investments at amortized cost   | (35)      | (329,398,657)          | (72,391,848)            |
| Income from Investments measured by the equity method  | (11)      | (29,855,819)           | -                       |
| Provisions for contingent commitments  | (30)      | 279,294                | 286,000,000             |
| Financial leasing expenses   | (7)       | 7,771,921              | 3,773,955               |
| (Gain) on sale of fixed assets   | (4)       | (2,351,085)            | 487,535                 |
| Expected credit losses   |           | (17,976,959)           | (5,978,810)             |
| Foreign currency valuation differences   |           | 9,490,503              | (2,131,325,346)         |
|  |           | <b>2,770,542,047</b>   | <b>3,246,503,207</b>    |
| Change in development properties   |           | (7,079,973,154)        | (4,126,290,267)         |
| Change in Projects under construction  |           | (13,463,900)           | -                       |
| Change in inventory  |           | 29,126,643             | (1,193,967,648)         |
| Change in receivables and notes receivable   |           | (2,281,442,673)        | (6,978,805,258)         |
| Change in other debit balances   |           | (8,653,967,504)        | (8,594,237,435)         |
| Change in suppliers and notes payable  |           | (987,833,765)          | 1,836,018,691           |
| Change in advance payments from customers  |           | 10,210,584,630         | 6,294,373,403           |
| Change in long term liabilities  |           | 2,565,519,327          | 3,522,674,503           |
| Change in financial asset investments at fair value through profit or loss                                       |           | (5,779,443)            | (154,034,496)           |
| Change in creditors and other credit balances  |           | 1,839,874,841          | 11,780,839,404          |
| Change in Advances on account of factoring   |           | 3,850,155              | 15,566,621              |
| Provisions used  | (30)      | (2,023,648)            | (10,653,039)            |
| Income tax paid  | (32)      | -                      | (122,941,700)           |
| <b>Net cash flows from operating activities</b>  |           | <b>(1,604,986,444)</b> | <b>5,515,045,986</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |           |                        |                         |
| (Payment) to acquire fixed assets, real estate investment, intangible assets and fixed assets under construction |           | (2,468,574,660)        | (58,500,511,503)        |
| Proceeds from sale of fixed assets   | (4)       | 6,393,895              | 2,614,795               |
| (Payments) for investments at fair value through other comprehensive income                                      |           | (8,187,327)            | -                       |
| Proceeds/ (Payments) for time deposits and financial investments at amortized cost                               |           | (2,707,800,649)        | (12,308,116,754)        |
| Finance income and yields of financial investments and treasury bills received                                   | (22)      | 438,010,933            | 305,430,648             |
| <b>Net cash flows from Investing activities</b>  |           | <b>(4,740,157,808)</b> | <b>(70,500,582,814)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |           |                        |                         |
| Proceeds from loans and bank facilities  |           | 1,896,916,487          | (5,779,936,081)         |
| Dividends  |           | (59,048,658)           | (19,511,092)            |
| Change in non-controlling interest   |           | 171,650,595            | 55,679,545,313          |
| Payment for financing lease  | (7)       | (11,387,344)           | -                       |
| <b>Net cash flow from financing activities</b>   |           | <b>1,998,131,080</b>   | <b>49,880,098,140</b>   |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE Period</b>   |           | <b>(4,347,013,172)</b> | <b>(15,105,438,688)</b> |
| Acquisition adjustment   |           | -                      | 9,976,929,326           |
| Foreign currency valuation differences   |           | (9,490,503)            | 2,131,325,346           |
| Foreign currency translation differences from translation of foreign operations                                  |           | (564,326,874)          | 1,023,488,887           |
| Cash and cash equivalent at the beginning of the year  | (21)      | 44,909,587,972         | 7,495,940,619           |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE Period</b>  | (21)      | <b>39,988,757,423</b>  | <b>5,522,245,490</b>    |

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

**1 Overview of the Company and its activities**

- Talaat Mostafa Group Holding TMG Holding S.A.E. ("Company" or "Parent Company") was established on 13 February 2007 under the provisions of law 95 of 1992 and its executive regulation.
- The Company was registered with the commercial register number 187398 on April 3, 2007. The Company has a term of 25 years.
- 
- The main objective of the Company is participating in the incorporation of shareholding companies or participating in the capital increase of such companies.
- The Company's headquarters and legal domicile is 36, Mosadek St., Dokki – Giza – Arabic Republic of Egypt.
- The interim consolidated financial statements of the Company and its subsidiaries ("Group") for the three months ended 31 March 2025 were issued on 15 March 2025 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 Group's 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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.1 CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements For The year Ended 31 December 2024.

**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 Year Ended 31 December 2024.

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's 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

## 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.

| <b>Subsidiaries</b>  | <b>Nationality</b> | <b>Contribution rate</b> |
|--|--------------------|--------------------------|
| <b>Companies under direct control</b>  |                    |                          |
| - 1- Arab Company for Projects and Urban Development*                        | Egypt              | 99.99%                   |
| - 2- Alex for Real Estate Investments**                                      | Egypt              | 99.58%                   |
| -3- San Stefano for Real Estate Investments*****                             | Egypt              | 100.00%                  |
| <b>*Subsidiaries of Arab Company for Projects and Urban Development</b>      |                    |                          |
| - El Rehab for management  | Egypt              | 91.00%                   |
| - Engineering company for development building                               | Egypt              | 83.36%                   |
| - El rehab for securitization  | Egypt              | 100.00%                  |
| - Arab Egyptian company for entertainment projects                           | Egypt              | 50.00%                   |
| - Madinaty for electro mechanical energy                                     | Egypt              | 85.00%                   |
| - Madinaty for management  | Egypt              | 88.00%                   |
| - Celia for management   | Egypt              | 100.00%                  |
| - Alex for coordination and maintenance of gardens                           | Egypt              | 93.95%                   |
| - Atrium for quality contractors   | Egypt              | 100.00%                  |
| - Atrium for projects management   | Egypt              | 99.00%                   |
| - Arab for Urban Investment  | Egypt              | 100.00%                  |
| - Arab international investment  | Cayman Islands     | 100.00%                  |
| - Atrium for advanced building   | Egypt              | 100.00%                  |
| - Orion facilities management and Services                                   | Egypt              | 100.00%                  |
| - Newton for advanced technology systems                                     | Egypt              | 100.00%                  |
| - Saini Blues for diving centres and marine activities                       | Egypt              | 95.00%                   |
| - Talaat Moustafa for Trade and Distribution                                 | Egypt              | 100.00%                  |
| - Madinaty medical centre  | Egypt              | 100.00%                  |
| - International Projects Investments   | Egypt              | 100.00%                  |
| - Talaat Moustafa Group Saudi Arabia for Real Estate Development             | Saudi Arabia       | 60.00%                   |
| - Atrium for quality contractors Saudi Arabia                                | Saudi Arabia       | 100.00%                  |
| <b>**Subsidiaries of Alex for Real Estate Investments</b>                    |                    |                          |
| - El Rabwa for Entertainment Services  | Egypt              | 95.50%                   |
| - May Fair for Entertainment Services  | Egypt              | 95.50%                   |
| - Alex for Urban Projects  | Egypt              | 100.00%                  |
| - Talaat Moustafa Group for International Investment***                      | Cayman Islands     | 96.24%                   |
| <b>***Subsidiaries of Talaat Moustafa Group for International Investment</b> |                    |                          |
| - TMG for Hotel Investment   | Cayman Islands     | 100.00%                  |

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

**2.2 BASIS OF CONSOLIDATION (CONTINUED)**

|  |                |        |
|--|----------------|--------|
| - Icon for Hotel Investment Limited (ADGM)*****                              | UAE            | 59.50% |
| - Icon International for Hotel Investment                                    | Cayman Islands | 59.50% |
| <b>- ****Subsidiaries of Icon International for Hotel Investment</b>         |                |        |
| - Arab Company for Hotel and Tourism Investments                             | Egypt          | 99.99% |
| - Atrium for Tourism Investment  | Egypt          | 99.99% |
| - Legacy for Hotels  | Egypt          | 51.00% |
| <b>- *****Subsidiaries of Arab Company for Hotel and Tourism Investments</b> |                |        |
| - Nile Hotels  | Egypt          | 80.00% |
| - San Stefano for Tourism Investment   | Egypt          | 50.36% |
| - Luxor Company for Urban and Tourism Development                            | Egypt          | 99.72% |
| - Egyptian Company for Real Estate Development                               | Egypt          | 99.83% |
| - Alexandria and Saudi Company for Tourism Projects                          | Egypt          | 97.90% |
| - Nova Park Cairo  | Egypt          | 99.99% |
| - Madinty for Tourism and Urban Projects                                     | Egypt          | 96.84% |
| <b>- *****Subsidiaries of San Stefano for Real Estate Investments</b>        |                |        |
| - Alex for projects management   | Egypt          | 62.50% |

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Foreign currency translation**

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

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

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

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

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

- 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.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

**2.3 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (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:

| <b>Asset description</b>              | <b>Years</b> |
|---------------------------------------|--------------|
| Premises & constructions              | 20-80        |
| Means of transport and transportation | 5            |
| Tools & equipment                     | 3 - 8        |
| Furniture and fittings                | 5- 10        |
| Computers                             | 3 - 8        |
| Marine equipment                      | 2 - 10       |

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.

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.



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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**Intangible assets**

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

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

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

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

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

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

**Goodwill**

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

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

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

**Assets under construction**

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

**Investment properties**

Policy applicable from January 1, 2024

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

**Transfers**

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

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

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

**2.3 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (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.

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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

**2.3 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SIGNIFICANT ACCOUNTING POLICIES APPLIED (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.

**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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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

**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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.



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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Sales of lands**

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

**Investment revenues**

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

**Finance income**

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

**Income from services rendered to customers**

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

**Recognition of real estate activity costs**

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

**Direct and indirect costs**

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

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

**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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**The Company as a lessor**

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

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

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

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

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

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

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

**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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Treasury shares**

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

**Significant accounting judgements and estimates**

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

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

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

**Judgements**

**Revenue recognition of selling completed units and lands**

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

**Estimates**

**impairment of receivables and other receivables**

An estimate of the collectible amount 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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 responsible tax authority. 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.

**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 the purpose of 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.

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As of 31 March 2025**

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

**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account 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).

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 the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of 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 33). Profit and investments related to other segments are currently insignificant and not required to be reported in accordance to 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 2025**

**4 – FIXED ASSETS**

|  | <b>Lands</b>          | <b>Premises &amp; constructions</b> | <b>Means of transport and transportation</b> | <b>Tools &amp; equipment</b> | <b>Furniture &amp; fittings</b> | <b>Computers</b>     | <b>Total</b>           |
|--|-----------------------|-------------------------------------|--|------------------------------|---------------------------------|----------------------|------------------------|
|  | <b>LE</b>             | <b>LE</b>                           | <b>LE</b>                                    | <b>LE</b>                    | <b>LE</b>                       | <b>LE</b>            | <b>LE</b>              |
| <b>Cost</b>  |                       |                                     |  |                              |                                 |                      |                        |
| <b>At 1 January 2025</b>                               | <b>48,567,386,583</b> | <b>24,495,587,134</b>               | <b>914,131,792</b>                           | <b>2,112,539,474</b>         | <b>3,012,595,401</b>            | <b>568,253,919</b>   | <b>79,670,494,303</b>  |
| Additions during the period / year                     | -                     | 57,096,514                          | 26,135,446                                   | 39,673,543                   | 31,359,395                      | 13,890,402           | 168,155,300            |
| Transfer to Development properties                     | (4,695,886)           | -                                   | -  | -                            | -                               | -                    | <b>(4,695,886)</b>     |
| Disposals  | -                     | -                                   | (3,035,518)                                  | (676,793)                    | (5,301,891)                     | -                    | <b>(9,014,202)</b>     |
| Forex differences of companies with foreign currencies | (242,779,839)         | (66,420,445)                        | (34,507)                                     | (3,764,541)                  | (8,326,123)                     | (287,114)            | (321,612,569)          |
| <b>At 30 March 2025</b>                                | <b>48,319,910,858</b> | <b>24,486,263,203</b>               | <b>937,197,213</b>                           | <b>2,147,771,683</b>         | <b>3,030,326,782</b>            | <b>581,857,207</b>   | <b>79,503,326,946</b>  |
| <b>Accumulated depreciation</b>                        |                       |                                     |  |                              |                                 |                      |                        |
| <b>At 1 January 2025</b>                               | -                     | <b>(1,491,025,298)</b>              | <b>(468,904,112)</b>                         | <b>(676,722,177)</b>         | <b>(850,112,184)</b>            | <b>(371,590,968)</b> | <b>(3,858,354,739)</b> |
| Depreciation for the period / year                     | -                     | (141,724,068)                       | (30,599,756)                                 | (70,260,514)                 | (78,658,690)                    | (21,157,708)         | <b>(342,400,736)</b>   |
| Accumulated depreciation of disposals                  | -                     | -                                   | 3,035,510                                    | 128,823                      | 1,807,058                       | -                    | <b>4,971,391</b>       |
| Forex differences of companies with foreign currencies | -                     | 1,725,922                           | (189)  | 753,194                      | 594,660                         | 42,405               | <b>3,115,992</b>       |
| <b>At 31 March 2025</b>                                | -                     | <b>(1,631,023,444)</b>              | <b>(496,468,547)</b>                         | <b>(746,100,674)</b>         | <b>(926,369,156)</b>            | <b>(392,706,271)</b> | <b>(4,192,668,092)</b> |
| <b>Net book value at 31 March 2025</b>                 | <b>48,319,910,858</b> | <b>22,855,239,759</b>               | <b>440,728,666</b>                           | <b>1,401,671,009</b>         | <b>2,103,957,626</b>            | <b>189,150,936</b>   | <b>75,310,658,854</b>  |
| <b>Net book value at 31 December 2024</b>              | <b>48,567,386,583</b> | <b>23,004,561,836</b>               | <b>445,227,680</b>                           | <b>1,435,817,297</b>         | <b>2,162,483,217</b>            | <b>196,662,951</b>   | <b>75,812,139,564</b>  |
|  |                       | <b>LE</b>                           | <b>LE</b>                                    |                              |                                 |                      |                        |
| Proceeds from sale of fixed assets                     |                       |                                     |  | 6,393,895                    |                                 |                      |                        |
| Cost of disposed fixed assets                          |                       | (9,014,202)                         |  |                              |                                 |                      |                        |
| Accumulated depreciation of disposed assets            |                       | 4,971,391                           |  |                              |                                 |                      |                        |
| Net book value of fixed assets disposed                |                       |                                     |  | (4,042,810)                  |                                 |                      |                        |
| <b>Fixed Assets Disposal Gain</b>                      |                       |                                     |  | <b>2,351,085</b>             |                                 |                      |                        |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as of 31 December 2024**

**4 – FIXED ASSETS – (CONTINUED)**

|  | <b>Lands</b>          | <b>Premises &amp; constructions</b> | <b>Means of transport and transportation</b> | <b>Tools &amp; equipment</b> | <b>Furniture &amp; fittings</b> | <b>Computers</b>     | <b>Total</b>           |
|--|-----------------------|-------------------------------------|--|------------------------------|---------------------------------|----------------------|------------------------|
|  | <b>LE</b>             | <b>LE</b>                           | <b>LE</b>                                    | <b>LE</b>                    | <b>LE</b>                       | <b>LE</b>            | <b>LE</b>              |
| <b>Cost</b>  |                       |                                     |  |                              |                                 |                      |                        |
| <b>At 1 January 2024</b>                               | <b>1,022,239,960</b>  | <b>5,243,116,351</b>                | <b>647,226,048</b>                           | <b>983,991,757</b>           | <b>1,089,547,996</b>            | <b>194,888,096</b>   | <b>9,181,010,208</b>   |
| Additions  | 28,841,761,464        | 8,093,062,768                       | 214,851,237                                  | 410,600,171                  | 1,455,716,470                   | 356,019,449          | <b>39,372,011,559</b>  |
| Transfer from projects under construction              | -                     | 6,062,088,771                       | 56,399,628                                   | 471,788,215                  | 158,631,338                     | 10,380,429           | <b>6,759,288,381</b>   |
| Transfer to Development properties                     | -                     | (1,537,116)                         | -  | -                            | -                               | -                    | <b>(1,537,116)</b>     |
| Disposals  | -                     | (45,077)                            | (4,345,121)                                  | (22,443,530)                 | (7,173,062)                     | (8,466,846)          | <b>(42,473,636)</b>    |
| Reclassification from intangible assets (Note 5)       | -                     | -                                   | -  | -                            | -                               | 15,432,791           | <b>15,432,791</b>      |
| Forex differences of companies with foreign currencies | 18,703,385,159        | 5,098,901,437                       | -  | 268,602,861                  | 315,872,659                     | -                    | <b>24,386,762,116</b>  |
| <b>At 30 December 2024</b>                             | <b>48,567,386,583</b> | <b>24,495,587,134</b>               | <b>914,131,792</b>                           | <b>2,112,539,474</b>         | <b>3,012,595,401</b>            | <b>568,253,919</b>   | <b>79,670,494,303</b>  |
| <b>Accumulated depreciation</b>                        |                       |                                     |  |                              |                                 |                      |                        |
| <b>At 1 January 2024</b>                               | -                     | (975,336,920)                       | (374,680,462)                                | (584,791,153)                | (635,804,404)                   | (145,094,525)        | <b>(2,715,707,464)</b> |
| Depreciation for the year                              | -                     | (477,718,021)                       | (98,403,620)                                 | (86,988,681)                 | (206,042,943)                   | (223,643,479)        | <b>(1,092,796,744)</b> |
| Accumulated depreciation of disposals                  | -                     | 8,051                               | 4,198,923                                    | 15,478,684                   | 6,104,368                       | 8,371,111            | <b>34,161,137</b>      |
| Accumulated depreciation to transfer assets            | -                     | 1,082,683                           | -  | -                            | -                               | -                    | <b>1,082,683</b>       |
| Reclassification from intangible assets (Note 5)       | -                     | -                                   | -  | -                            | -                               | (13,917,240)         | <b>(13,917,240)</b>    |
| Forex differences of companies with foreign currencies | -                     | (39,061,091)                        | (18,953)                                     | (20,421,027)                 | (14,369,205)                    | 2,693,165            | <b>(71,177,111)</b>    |
| <b>At 31 December 2024</b>                             | -                     | <b>(1,491,025,298)</b>              | <b>(468,904,112)</b>                         | <b>(676,722,177)</b>         | <b>(850,112,184)</b>            | <b>(371,590,968)</b> | <b>(3,858,354,739)</b> |
| <b>Net book value at 31 December 2024</b>              | <b>48,567,386,583</b> | <b>23,004,561,836</b>               | <b>445,227,680</b>                           | <b>1,435,817,297</b>         | <b>2,162,483,217</b>            | <b>196,662,951</b>   | <b>75,812,139,564</b>  |
| <b>Net book value at 31 December 2023</b>              | <b>1,022,239,960</b>  | <b>4,267,779,431</b>                | <b>272,545,586</b>                           | <b>399,200,604</b>           | <b>453,743,592</b>              | <b>49,793,571</b>    | <b>6,465,302,744</b>   |
|  |                       |                                     | <b>LE</b>                                    | <b>LE</b>                    |                                 |                      |                        |
| Proceeds from sale of fixed assets                     |                       |                                     |  | 12,354,373                   |                                 |                      |                        |
| Cost of disposed fixed assets                          |                       |                                     | (42,473,636)                                 |                              |                                 |                      |                        |
| Accumulated depreciation of disposed assets            |                       |                                     | 34,161,137                                   |                              |                                 |                      |                        |
| Net book value of fixed assets disposed                |                       |                                     |  | (8,312,499)                  |                                 |                      |                        |
| <b>Fixed Assets Disposal Gain</b>                      |                       |                                     |  | <b>4,041,874</b>             |                                 |                      |                        |



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5 INTANGIBLE ASSETS

|  | 31 March 2025        | 31 December 2024     |
|--|----------------------|----------------------|
|  | LE                   | LE                   |
| Beginning balance  | 4,123,814,510        | 38,394,489           |
| Additions During the period / year                             | -                    | 44,336,726           |
| Reclassification to fixed assets (Note 4)                      | -                    | (15,432,791)         |
| Additions resulting from Consolidation process *               | -                    | 4,056,516,086        |
| CTA  | (171,764)            | -                    |
|  | <b>4,123,642,746</b> | <b>4,123,814,510</b> |
| Accumulated amortization at the beginning of the period / year | (23,449,980)         | (27,942,935)         |
| Reclassification to fixed assets (Note 4)                      | -                    | 13,917,240           |
| Amortization for the period / year                             | (4,431,979)          | (8,901,721)          |
| CTA  | <b>15,591</b>        | (522,564)            |
|  | <b>(27,866,368)</b>  | <b>(23,449,980)</b>  |
| <b>Balance at the end of the period / year</b>                 | <b>4,095,776,378</b> | <b>4,100,364,530</b> |

\* As shown in disclosure No. (44-B), an intangible asset was acquired during the compilation of the business related to the acquisition of Legacy Company. The intangible asset arose as a result of contractual and legal rights in exchange for the assignment by one of the current shareholders of Legacy Company to one of the companies affiliated with Talaat Mostafa Holding Group, the right to manage and financially consolidate the company. Legacy, as long as Talaat Moustafa Group maintains a shareholding percentage of no less than 39% of Legacy Company's capital, and in exchange for that right, an amount of 100 million US dollars will be paid in four equal annual installments to one of the shareholders, starting in 2025 and continuing until 2029, to be paid by a company affiliated with Talaat Moustafa Group. This legal right pertains to the company affiliated with Talaat Moustafa Group and Talaat Moustafa Holding Company (the parent company) only.

Management believes it is possible to separate the acquired intangible asset upon business combination based on the legal and contractual right with the other shareholder and the approval of the other shareholders. Management is in the process of determining the fair value of the assets and liabilities acquired during the business combination related to the acquisition of Legacy Company, within twelve months from the date of acquisition.

6 INVESTMENT PROPERTIES

|   | Land               | Premises & constructions | Total                 |
|---|--------------------|--------------------------|-----------------------|
|   | LE                 | LE                       | LE                    |
| <b>At 1 January 2025</b>                | <b>511,318,882</b> | <b>13,748,664,216</b>    | <b>14,259,983,098</b> |
| Additions during the period / year      | -                  | 375,488,077              | 375,488,077           |
| Transferred from Development Properties | -                  | 967,668,089              | 967,668,089           |
| Evaluation during the period / year     | -                  | 2,359,397,514            | 2,359,397,514         |
| <b>Net book value at 31 March 2025</b>  | <b>511,318,882</b> | <b>17,451,217,896</b>    | <b>17,962,536,778</b> |

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

7 RIGHT OF USE ASSETS

|  | 31 March 2025       | 31 December 2024    |
|--|---------------------|---------------------|
|  | LE                  | LE                  |
| <b><u>Cost</u></b>   |                     |                     |
| Beginning balance  | 216,022,892         | 81,513,931          |
| Additions at period / year                                 | -                   | 134,508,961         |
| CTA  | (694,368)           | -                   |
| <b>Total cost at the period / year</b>                     | <b>215,328,524</b>  | <b>216,022,892</b>  |
| <b><u>Accumulated depreciation</u></b>                     |                     |                     |
| Accumulated depreciation at 1 January 2025                 | (19,700,686)        | (135,857)           |
| Amortization expense period / year                         | (3,742,093)         | (17,592,132)        |
| CTA  | 81,747              | (1,972,697)         |
| <b>Total accumulated depreciation at the period / year</b> | <b>(23,361,032)</b> | <b>(19,700,686)</b> |
|  | <b>191,967,492</b>  | <b>196,322,206</b>  |

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

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

The carrying values of lease liabilities during the year

|  | 31 March 2025      | 31 December 2024   |
|--|--------------------|--------------------|
|  | LE                 | LE                 |
| Beginning balance                      | 201,540,070        | 71,334,255         |
| Additions                              | -                  | 134,508,961        |
| Interests on finance leases            | 7,771,921          | 32,323,510         |
| Payments during the period / year      | (11,387,344)       | (35,576,249)       |
| Refundable deposits with third parties | -                  | -                  |
| CTA                                    | (670,020)          | (1,050,407)        |
|  | <b>197,254,627</b> | <b>201,540,070</b> |

  

|                               | 31 March 2025      | 31 December 2024   |
|-------------------------------|--------------------|--------------------|
|                               | LE                 | LE                 |
| Lease liability – current     | 18,665,755         | 18,456,306         |
| Lease liability – non-current | 178,588,872        | 183,083,764        |
|                               | <b>197,254,627</b> | <b>201,540,070</b> |

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**8 FIXED ASSETS UNDER CONSTRUCTION**

|  | 31 March 2025         | 31 December 2024      |
|--|-----------------------|-----------------------|
|  | LE                    | LE                    |
| Four Seasons Madinty hotel project                   | 5,989,272,658         | 5,400,314,431         |
| Four Seasons Sharm El Sheikh hotel Extension project | 1,248,149,472         | 1,247,493,525         |
| Four Seasons Nile Plaza hotel project                | 1,175,402,298         | 1,141,141,293         |
| Four Seasons San Stefano hotel project               | 186,712,719           | 156,952,086           |
| Four Seasons Luxor hotel project                     | 775,972,585           | 708,237,036           |
| Radison Marsa Alam hotel project                     | 1,153,369,340         | 1,102,288,140         |
| Mariott Mena House hotel project                     | 223,546,402           | 222,709,930           |
| Mariott Al Zamalek hotel project                     | 1,451,673             | -                     |
| Nille Kempinski hotel project                        | 85,034,995            | 80,943,969            |
| Steigenberger Al Tahrir hotel project                | -                     | 8,355,148             |
| Steigenberger Cecil hotel project                    | 1,180,765             | -                     |
| Sofitel Winter Palace hotel project                  | -                     | 9,883,887             |
| Sofitel Old Cataract Aswan hotel project             | 2,543,309             | -                     |
| Movenpick Aswan hotel project                        | 11,443,348            | -                     |
| Madinty Medical Centre project                       | 540,389,566           | 457,750,027           |
| Administrative premises                              | 629,490,410           | 597,195,288           |
| Software   | 100,296,355           | 33,727,941            |
|  | <b>12,124,255,895</b> | <b>11,166,992,701</b> |

**9 ADVANCE AND LIABILITIES AGAINST FIXING FACTORING RATE**

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

**9-1 Advances on account of factoring – Assets**

|   | 31 March 2025      | 31 December 2024   |
|---|--------------------|--------------------|
|   | LE                 | LE                 |
| Advance payments to banks on account of factoring     | 229,008,953        | 381,681,591        |
| Amortization of advance payment for the period / year | (38,168,158)       | (152,672,638)      |
| <b>Advances on account of factoring</b>               | <b>190,840,795</b> | <b>229,008,953</b> |

**9-2 Liabilities against advances on account of factoring**

|  | 31 March 2025      | 31 December 2024   |
|--|--------------------|--------------------|
|  | LE                 | LE                 |
| Liabilities against advances on account of factoring                         | 334,772,460        | 468,314,190        |
| Discounted present value   | (109,296,357)      | (129,605,405)      |
| Accrued interest during the period / year                                    | (5,855,779)        | 20,310,051         |
| Payment during the period / year   | (28,461,222)       | (133,541,731)      |
| <b>Liabilities against advance payments to banks on account of factoring</b> | <b>191,159,102</b> | <b>225,477,105</b> |

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**10 GOODWILL**

|   | 31 March 2025         | Goodwill impairment | 31 December 2024      |
|---|-----------------------|---------------------|-----------------------|
|   | LE                    | LE                  | LE                    |
| Arab Company for Projects and Urban Development | 8,246,204,661         | -                   | 8,246,204,661         |
| Alexandria Company for Real Estate Investment   | 2,043,149,242         | -                   | 2,043,149,242         |
|   | <b>10,289,353,903</b> | <b>-</b>            | <b>10,289,353,903</b> |

**Impairment test for goodwill**

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

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

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

**10 GOODWILL (CONTINUED)**

***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.

***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 takes into account 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 timing of the future tax flows in order 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.

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**11 INVESTMENTS MEASURED BY THE EQUITY METHOD**

|  | Contribution<br>percentage | 31 March 2025<br>LE | 31 December 2024<br>LE |
|--|----------------------------|---------------------|------------------------|
| Hill / TMG for Projects and Construction Management* | 49%                        | 339,000,000         | 3,036,463              |
| Cairo Medical City Co.                               | 10%                        | 142,129,647         | 7,500                  |
| Bedaya for Mortgage Finance Co.                      | 33,3%                      | 94,538,634          | 113,855,056            |
| Atrium For Real estate Projects Co.                  | 25%                        | 46,113,589          | 28,635,596             |
| Beyman Egypt retail and trading                      | 16,66%                     | 28,635,596          | 44,532,362             |
| Alex for tourism development company                 | 40%                        | 3,036,463           | 94,538,633             |
| Thabat company for limited constructions             | 50%                        | 7,500               | 339,000,000            |
|  |                            | <b>653,461,429</b>  | <b>623,605,610</b>     |

|  | 1 January 2025<br>LE | Additions<br>LE | Company's share in<br>Equity<br>LE | 31 March 2025<br>LE |
|--|----------------------|-----------------|------------------------------------|---------------------|
| Investments measured by<br>the equity method | <b>623,605,610</b>   | -               | 29,855,819                         | <b>653,461,429</b>  |

\*The Board of directors approved on the liquidation of Hill /TMG for Constructions and Projects Management. Liquidation process still in progress through judicial liquidator.

\*\* Although the Company owns less than 20% in 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.

**12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

|   | 31 March 2025<br>LE  | 31 December 2024<br>LE |
|---|----------------------|------------------------|
| TCA Real estate *                                       | 1,200,467,120        | 471,812,658            |
| Tameer for real estate financing                        | 471,812,658          | 25,468,915             |
| Eskan for insurance                                     | 25,994,000           | 24,504,414             |
| TMG for real estate and tourism investment              | 24,504,414           | 1,200,467,120          |
| Or for financial investment                             | 33,656,242           | 25,994,000             |
| 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                 |
|   | <b>1,757,003,713</b> | <b>1,748,816,386</b>   |

\* Although the Company owns 45% of TCA Real Estate Co. with a value of LE 471,812,658, the management considers classifying this investment within investments at fair value through other comprehensive income due to the lack of any significant influence of the Company on TCA Real Estate Co. in addition to the absence of any representation of the Group within the in the company's Board of Directors.

**13 TIME DEPOSITS AND FINANCIAL INVESTMENTS AT AMORTIZED COST**

|   | 31 March 2025<br>LE   | 31 December 2024<br>LE |
|---|-----------------------|------------------------|
| Short-term investments in treasury bills and governmental bonds | 8,415,158,193         | 10,463,560,019         |
| Term deposits and long-term investments                         | 9,528,133,355         | 4,442,532,223          |
| Expected Credit Losses  | (1,406,448)           | (1,266,383)            |
|   | <b>17,941,885,100</b> | <b>14,904,825,859</b>  |

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**13 TIME DEPOSITS AND FINANCIAL INVESTMENTS AT AMORTIZED COST (CONTINUED)**

**Short Term Investment**

This item amounted to LE **8,414,077,005** at 31 March 2025 and it consists of treasury bills with a maturity date by maximum 31 March 2026.

|                                       | 31 March 2025        | 31 December 2024      |
|---------------------------------------|----------------------|-----------------------|
|                                       | LE                   | LE                    |
| Treasury bills and governmental bonds | 4,156,658,382        | 6,367,534,746         |
| Time deposits                         | 4,258,499,811        | 4,096,025,273         |
| Expected Credit Losses                | (1,081,188)          | (938,188)             |
|                                       | <b>8,414,077,005</b> | <b>10,462,621,831</b> |

**Long-term investments**

|                                       | 31 March 2025        | 31 December 2024     |
|---------------------------------------|----------------------|----------------------|
|                                       | LE                   | LE                   |
| Treasury bills and governmental bonds | 7,563,209,475        | 2,370,043,583        |
| Time deposits                         | 1,964,923,880        | 2,072,488,640        |
| Expected Credit Losses                | (325,260)            | (328,195)            |
|                                       | <b>9,527,808,095</b> | <b>4,442,204,028</b> |

**Governmental bonds**

This item amounted to **7,746,308,599** LE at 31 March 2025 as follows:

| No.     | Nominal Value | Yield    | Maturity |
|---------|---------------|----------|----------|
| 74013   | 183,249,000   | 15%:18%  | 2025     |
| 956100  | 1,147,500,000 | 14%: 25% | 2026     |
| 673515  | 807,500,000   | 14%: 35% | 2027     |
| 3620006 | 5,190,000,000 | 15%: 34% | 2028     |
| 351000  | 351,000,000   | 14%      | 2029     |
| 40000   | 40,000,000    | 14%      | 2030     |
| 5714634 | 7,719,249,000 |          |          |

|                                      | 31 March 2025        | 31 December 2024     |
|--------------------------------------|----------------------|----------------------|
|                                      | LE                   | LE                   |
| Face value                           | 7,719,249,000        | 2,712,749,000        |
| Issuance Premium / (Discount)        | 27,059,599           | (1,214,365)          |
| <b>Balance of governmental bonds</b> | <b>7,746,308,599</b> | <b>2,711,534,635</b> |

**Time Deposits**

|              | 31 March 2025        | 31 December 2024     |
|--------------|----------------------|----------------------|
|              | LE                   | LE                   |
| 2025         | 2,503,526,340        | 4,096,025,273        |
| 2026         | 1,850,189,691        | 203,163,840          |
| 2027         | 4,707,660            | 4,324,800            |
| 2032         | 373,000,000          | 373,000,000          |
| 2033         | 373,000,000          | 373,000,000          |
| 2034         | 373,000,000          | 373,000,000          |
| 2035         | 373,000,000          | 373,000,000          |
| 2036         | 373,000,000          | 373,000,000          |
| <b>Total</b> | <b>6,223,423,691</b> | <b>6,168,513,913</b> |

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**14 DEVELOPMENT PROPERTIES**

|   | <b>31 March 2025</b>   | <b>31 December 2024</b> |
|---|------------------------|-------------------------|
|   | <b>LE</b>              | <b>LE</b>               |
| Balance at the beginning of the period / year   | 104,117,856,511        | 89,847,247,605          |
| Additions during the period / year  | 8,787,800,191          | 35,241,741,973          |
| Transferred from fixed assets   | 4,695,886              | 454,433                 |
| Capitalized finance costs   | 1,935,254,485          | 4,408,163,164           |
| Transferred to Investment properties  | (967,668,089)          | (2,845,369,064)         |
| Transferred to Projects under constructions   | -                      | (4,271,410,657)         |
| Realized costs of delivered units charged to the consolidated statement of profit or loss                 | (2,675,413,433)        | (17,563,691,282)        |
| Realized costs of activities with periodic yields charged to the consolidated statement of profit or loss | -                      | (699,279,661)           |
| <b>Balance at the end of the period / year</b>  | <b>111,202,525,551</b> | <b>104,117,856,511</b>  |

**14 DEVELOPMENT PROPERTIES**

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, to determine the cost of the recognized revenue.

**15 WORK IN PROGRESS**

|   | <b>31 March 2025</b> | <b>31 December 2024</b> |
|---|----------------------|-------------------------|
|   | <b>LE</b>            | <b>LE</b>               |
| Balance at the beginning of the period / year   | 37,201,840           | -                       |
| Additions and transferred from fixed assets during the period / year                      | 123,172,764          | 482,034,999             |
| Realized costs of delivered units charged to the consolidated statement of profit or loss | (109,708,864)        | (444,833,159)           |
| <b>Balance at the end of the period / year</b>  | <b>50,665,740</b>    | <b>37,201,840</b>       |

**16 INVENTORY**

|                                  | <b>31 March 2025</b> | <b>31 December 2024</b> |
|----------------------------------|----------------------|-------------------------|
|                                  | <b>LE</b>            | <b>LE</b>               |
| Inventory of units               | 2,048,638,413        | 2,202,842,265           |
| operating equipment and supplies | 1,213,008,724        | 1,089,077,149           |
| Inventory - Hotels               | 149,670,035          | 148,606,641             |
|                                  | <b>3,411,317,172</b> | <b>3,440,526,055</b>    |



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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**17 RECEIVABLE AND NOTES RECEIVABLE**

|  | <b>31 March 2025</b>  | <b>31 December 2024</b> |
|--|-----------------------|-------------------------|
|  | <b>LE</b>             | <b>LE</b>               |
| Receivables                                  | 3,361,433,272         | 2,570,289,854           |
| Notes Receivables                            | 16,852,377,142        | 15,723,700,684          |
| Receivables and Notes Receivables - Hotels   | 635,505,604           | 255,392,061             |
|  | <b>20,849,316,018</b> | <b>18,549,382,599</b>   |
| Present value                                | (595,851,028)         | (577,360,312)           |
| Expected credit loss of notes receivable     | (50,344,774)          | (138,736,464)           |
| Expected credit loss of receivables          | (119,065,741)         | (47,229,986)            |
| Expected credit loss of receivables – Hotels | -                     | -                       |
|  | <b>20,084,054,475</b> | <b>17,786,055,837</b>   |

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

|                         | <b>Total</b>          | <b>One year</b> | <b>More than one year</b> | <b>More than two years</b> | <b>More than three years</b> | <b>More than four years</b> | <b>More than five years</b> |
|-------------------------|-----------------------|-----------------|---------------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|
|                         | <b>LE</b>             | <b>LE</b>       | <b>LE</b>                 | <b>LE</b>                  | <b>LE</b>                    | <b>LE</b>                   | <b>LE</b>                   |
| <b>31 March 2025</b>    | <b>20,849,316,018</b> | 8,382,019,536   | 3,347,326,306             | 3,245,706,175              | 2,269,309,455                | 1,399,954,117               | 2,205,000,429               |
| <b>31 December 2024</b> | <b>18,549,382,599</b> | 6,890,601,218   | 3,175,651,694             | 2,996,777,903              | 2,265,294,842                | 1,228,780,004               | 1,992,276,938               |

**18/1 NOTES RECEIVABLE FOR UNDELIVERED UNITS**

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

|                         | <b>Total</b>          | <b>One year</b> | <b>More than one year</b> | <b>More than two years</b> | <b>More than three years</b> | <b>More than four years</b> | <b>More than five years</b> |
|-------------------------|-----------------------|-----------------|---------------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|
|                         | <b>LE</b>             | <b>LE</b>       | <b>LE</b>                 | <b>LE</b>                  | <b>LE</b>                    | <b>LE</b>                   | <b>LE</b>                   |
| <b>31 March 2025</b>    | <b>25,295,196,162</b> | 1,873,015,598   | 3,055,088,936             | 2,733,188,602              | 2,132,048,536                | 2,443,508,957               | 13,058,345,533              |
| <b>31 December 2024</b> | <b>27,648,152,656</b> | 2,375,296,654   | 3,387,817,230             | 3,048,497,931              | 2,394,914,908                | 2,638,626,571               | 13,802,999,362              |

**18/2 LIABILITIES AGAINST CHEQUES RECEIVED FROM CUSTOMERS FOR UNDELIVERED UNITS**

| <b>liabilities For Postponed Cheques</b>        | <b>31 March 2025</b>  | <b>31 December 2024</b> |
|---|-----------------------|-------------------------|
|   | <b>LE</b>             | <b>LE</b>               |
| Advance payments - customers (Al Rehab Project) | 161,808,360           | 212,212,625             |
| Advance payments - customers (Madinaty Project) | 11,555,574,519        | 12,225,830,414          |
| Advance payments - customers (Celia Project)    | 1,116,666,797         | 1,282,122,097           |
| Advance payments - customers (Noor Project)     | 12,461,146,486        | 13,927,987,520          |
|   | <b>25,295,196,162</b> | <b>27,648,152,656</b>   |

**18/3 POST-DATED CHECKS (NOT INCLUDED IN STATEMENT OF FINANCIAL POSITION)**

The Company maintains post-dated checks amounted to EGP **162,675,376,336** 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.

|                      | <b>Total</b>           | <b>One year</b> | <b>More than one year</b> | <b>More than two years</b> | <b>More than three years</b> | <b>More than four years</b> | <b>More than five years</b> |
|----------------------|------------------------|-----------------|---------------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|
|                      | <b>LE</b>              | <b>LE</b>       | <b>LE</b>                 | <b>LE</b>                  | <b>LE</b>                    | <b>LE</b>                   | <b>LE</b>                   |
| <b>31 March 2025</b> | <b>162,675,376,336</b> | 13,556,781,106  | 14,847,882,194            | 15,736,906,937             | 20,016,595,806               | 18,303,158,027              | 80,214,052,266              |

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**19 OTHER DEBIT BALANCES**

|   | 31 March 2025         | 31 December 2024      |
|---|-----------------------|-----------------------|
|   | LE                    | LE                    |
| Advance payments - contractors and suppliers                                  | 12,848,887,753        | 9,944,628,994         |
| Withholding taxes - Tax Authority   | 1,258,734,113         | 678,612,578           |
| Deposits with others  | 5,251,224,276         | 3,145,006,838         |
| Letters of credit   | 545,849,629           | 378,628,923           |
| Prepaid expenses  | 3,003,331,067         | 2,274,441,966         |
| Amounts paid on the account of "Investments of Companies Under Incorporation" | 282,692,639           | 43,361,746            |
| Sundry receivables  | 8,003,687,872         | 6,059,658,847         |
| Other debit balances -hotels  | 1,800,146,161         | 2,082,763,794         |
|   | <b>32,994,553,510</b> | <b>24,607,103,686</b> |
| Accrued revenues  | 410,628,164           | 277,369,324           |
| Expected credit losses for debit balances                                     | (89,930,889)          | (91,491,948)          |
|   | <b>33,315,250,785</b> | <b>24,792,981,062</b> |

**20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

|                         | 31 March 2025      | 31 December 2024   |
|-------------------------|--------------------|--------------------|
|                         | LE                 | LE                 |
| Investment in funds     | 227,988,855        | 227,706,581        |
| Investment in shares    | 52,393,194         | 52,661,703         |
| Investment certificates | 242,822,648        | 237,056,970        |
| <b>Total</b>            | <b>523,204,697</b> | <b>517,425,254</b> |

**21 CASH ON HAND AND BANK BALANCES**

|  | Local Currency        | Foreign Currency      | 31 March 2025         | 31 December 2024      |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | LE                    | LE                    | LE                    | LE                    |
| Banks - current accounts               | 7,777,695,439         | 12,869,164,699        | <b>20,646,860,138</b> | 21,861,624,015        |
| Cash on Hand                           | 100,993,636           | 36,488,913            | <b>137,482,549</b>    | 197,532,686           |
| Time deposits                          | 3,497,132,707         | 186,830,214           | <b>3,683,962,921</b>  | 257,422,271           |
| Treasury bills                         | 731,001,396           | 12,127,495,652        | <b>12,858,497,048</b> | 21,827,602,779        |
| Cash on hand and at banks - hotels     | 1,602,862,172         | 1,084,172,417         | <b>2,687,034,589</b>  | 798,721,996           |
| <b>Cash on hand and at banks</b>       | <b>13,709,685,350</b> | <b>26,304,151,895</b> | <b>40,013,837,245</b> | <b>44,942,903,747</b> |
| Expected credit losses                 | (1,056,339)           | (17,343,816)          | (18,400,155)          | (27,388,338)          |
| <b>Cash on hand and at banks - Net</b> | <b>13,708,629,011</b> | <b>26,286,808,079</b> | <b>39,995,437,090</b> | <b>44,915,515,409</b> |

For the purpose of preparing the consolidated statement of cash flows, the cash and cash equivalents consist of the following:

|                                  | 31 March 2025         | 31 December 2024      |
|----------------------------------|-----------------------|-----------------------|
|                                  | LE                    | LE                    |
| Cash on hand and at banks        | 39,995,437,090        | 44,915,515,409        |
| Bank overdrafts                  | (6,679,667)           | (5,927,437)           |
| <b>Cash and cash equivalents</b> | <b>39,988,757,423</b> | <b>44,909,587,972</b> |

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

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

#### 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 November 25, 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.

On 28 April 2024, the board decide to purchases 10 million share from TMG Holding share's ( Treasury Shares) from the company resources to be executed through open market according to the price published on April 29,2024.

The Extraordinary General Assembly held on March 26, 2025 decided to destroy the shares, and the necessary measures are being taken.

#### 23 LEGAL RESERVE

Legal reserve amounting to LE 432,163,000 at 31 December 2024 represents the transferred amount of the share's premium amounted to 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, the remaining balance of LE 158,119,298 was transferred to the legal reserve, as well 5% of the net profit of the retained earnings of the prior years was also transferred to the legal reserve.

#### 24 GENERAL RESERVE

The general reserve balance amounting LE 61,735,404 at 31 December 2024 represents the amount of LE 25,747,613 resulting from shares swap of the Company's shares in accordance with the Extra Ordinary General Assembly Meeting dated 6 October 2007 to transfer the difference on excess resulting from shares swap of the Company's shares with its subsidiaries to the general reserve, in addition, the amount of LE 35,987,791, which represents the difference between the par value and the book value of the treasury shares that were written off according to the extraordinary general assembly resolution dated 24 March 2010, was added to the General reserve.

#### 25 OTHER LONG-TERM LIABILITIES

|   | 31 March 2025         | 31 December 2024      |
|---|-----------------------|-----------------------|
|   | LE                    | LE                    |
| Notes Payable – more than one year        | 19,057,266,916        | 17,344,625,772        |
| Maintenance deposits and units guarantees | 23,946,539,041        | 22,324,748,891        |
| EGOTH*                                    | 2,035,321,321         | 3,168,505,393         |
| New Urban Communities Authority           | 6,237,219,063         | 6,237,219,063         |
| Less: present value                       | (3,516,033,080)       | (3,880,305,185)       |
|   | <b>47,760,313,261</b> | <b>45,194,793,934</b> |

\*The liability resulting from the acquisition of historical hotels due to EGOTH amounted 4 Billion EGP will be paid over 4 years and the present value calculated and recorded in the books and the company paid the first installment of 25 Million USD.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**26 LOANS AND CREDIT FACILITIES**

|            | Short Term           | Long Term            | 31 March 2025         | 31 December 2024     |
|------------|----------------------|----------------------|-----------------------|----------------------|
|            | LE                   | LE                   | LE                    | LE                   |
| Facilities | 1,418,671,417        | -                    | 1,418,671,417         | 1,189,880,894        |
| Loans      | 745,070,777          | 8,642,546,146        | 9,387,616,923         | 7,719,490,959        |
|            | <b>2,163,742,194</b> | <b>8,642,546,146</b> | <b>10,806,288,341</b> | <b>8,909,371,853</b> |

The loans and credit facilities are analysed as follows:

|                             | Facilities           | Loans                | Amount in original currency |
|-----------------------------|----------------------|----------------------|-----------------------------|
|                             | LE                   | LE                   |                             |
| Qatar National Bank Al Ahli | 15,119,188           | -                    | -                           |
| Faisal Islamic bank         | 500,000,000          | -                    | -                           |
| Wafa commercial bank        | 121,807              | -                    | -                           |
| Arab bank                   | 304,372              | -                    | -                           |
| Suez Canal bank             | 8,060,538            | -                    | -                           |
| Bank Masr Iran              | 16,741,193           | -                    | -                           |
| Abu Dhabi Islamic bank      | 484,110,125          | 1,958,356            | -                           |
| Misr bank                   | 7,371,108            | 4,606,607,000        | -                           |
| Arab African                | 386,843,086          | -                    | \$ 7,642,100                |
| Arab African                | -                    | 1,024,293,860        | -                           |
| Arab African – Dubai        | -                    | 1,518,600,000        | \$ 30,000,000               |
| NXT bank                    | -                    | 1,646,368,248        | -                           |
| FAB                         | -                    | 589,789,459          | -                           |
|                             | <b>1,418,671,417</b> | <b>9,387,616,923</b> |                             |

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

The average effective interest rate on loans and facilities was 50 points above the corridor.

**27 SUPPLIERS, CONTRACTORS AND NOTES PAYABLE**

|   | 31 March 2025         | 31 December 2024      |
|---|-----------------------|-----------------------|
|   | LE                    | LE                    |
| Contractors and suppliers                         | 5,954,477,751         | 7,172,697,443         |
| Notes payable                                     | 24,146,715,731        | 24,448,186,639        |
| Suppliers, Contractors and Notes payable - hotels | 2,001,701,031         | 1,223,315,149         |
|   | <b>32,102,894,513</b> | <b>32,844,199,231</b> |
| Less: present value                               | (3,561,125,595)       | (3,314,596,548)       |
|   | <b>28,541,768,918</b> | <b>29,529,602,683</b> |

**28 CUSTOMERS' ADVANCE PAYMENTS**

|   | 31 March 2025         | 31 December 2024      |
|---|-----------------------|-----------------------|
|   | LE                    | LE                    |
| Advance payments - customers (Al Rehab Project) | 831,707,854           | 698,247,812           |
| Advance payments - customers (Madinaty Project) | 44,122,522,213        | 40,680,473,255        |
| Advance payments - customers (Celia Project)    | 10,029,056,709        | 10,347,809,893        |
| Advance payments - customers (Noor Project)     | 18,925,553,362        | 14,555,209,524        |
| Advance payments – customers, (Banan)           | 15,409,128,585        | 13,243,747,458        |
| Advance payments – customers, others            | 1,893,541,084         | 1,475,437,235         |
|   | <b>91,211,509,807</b> | <b>81,000,925,177</b> |

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**29 DIVIDENDS PAYABLE**

|   | <b>31 March 2025</b> | <b>31 December 2024</b> |
|---|----------------------|-------------------------|
|   | <b>LE</b>            | <b>LE</b>               |
| Dividends payable to shareholders and employees | 573,101,954          | 58,029,490              |
| Directors' remuneration                         | 546,301,624          | 1,885,530               |
|   | <b>5,485,530</b>     | <b>59,915,020</b>       |

**30 PROVISION FOR EXPECTED LIABILITIES**

|   | <b>31 March 2025</b> | <b>31 December 2024</b> |
|---|----------------------|-------------------------|
|   | <b>LE</b>            | <b>LE</b>               |
| Balance at the beginning of the period / year | 1,106,272,259        | 804,355,399             |
| Provision formed period / year                | 279,294              | 336,174,259             |
| Transferred to provision period / year        | -                    | 833,669                 |
| Provision Used                                | (2,023,648)          | (35,091,068)            |
| Balance at the end of the period / year       | <b>1,104,527,905</b> | <b>1,106,272,259</b>    |

**31 CREDITORS AND OTHER CREDIT BALANCES**

|  | <b>31 March 2025</b>  | <b>31 December 2024</b> |
|--|-----------------------|-------------------------|
|  | <b>LE</b>             | <b>LE</b>               |
| Maintenance deposits and units guarantees    | 2,265,318,853         | 2,030,370,164           |
| Retention guarantees                         | 2,671,924,686         | 3,782,831,210           |
| Customers - credit balances                  | 2,695,890,778         | 1,869,720,366           |
| Accrued expenses and creditors               | 11,658,909,973        | 9,555,365,335           |
| EGOTH  | 1,116,992,810         | 1,252,759,163           |
| Clubs' subscriptions (deferred revenues)     | 4,963,396,311         | 5,297,705,862           |
| Creditors and other credit balances - hotels | 2,531,016,182         | 2,820,819,306           |
|  | <b>27,903,449,593</b> | <b>26,609,571,406</b>   |

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**32 CURRENT INCOME TAX AND DEFERRED TAX**

**Income tax**

|  | 31 March 2025      | 31 March 2024      |
|--|--------------------|--------------------|
|  | LE                 | LE                 |
| Net accounting profit before tax                                 | 5,712,593,085      | 5,169,220,967      |
| Adjustments to net accounting profit to reach net taxable profit | (2,724,920,894)    | (2,674,926,714)    |
| Net taxable profit   | 2,987,672,191      | 2,494,294,253      |
| Tax at 22.5%   | <b>672,226,243</b> | <b>561,216,207</b> |

|                      | 31 March 2025        | 31 March 2024        |
|----------------------|----------------------|----------------------|
|                      | LE                   | LE                   |
| Current income tax   | 672,226,243          | 561,216,207          |
| Deferred tax revenue | (15,767,238)         | 92,042,726           |
| Deferred tax expense | 636,680,135          | 379,936,341          |
|                      | <b>1,293,139,140</b> | <b>1,033,195,274</b> |

The movement in payable income tax during the year is as follows:

|   | 31 March 2025        | 31 December 2024     |
|---|----------------------|----------------------|
|   | LE                   | LE                   |
| Balance at the beginning of the period / year | 2,816,999,525        | 1,569,524,198        |
| Provided during the period / year             | 672,226,243          | 2,262,723,904        |
| Transferred to Provisions                     | -                    | (833,669)            |
| Income tax paid                               | -                    | (1,014,414,908)      |
| Balance at the end of the period / year       | <b>3,489,225,768</b> | <b>2,816,999,525</b> |

**Movement of deferred tax assets / liabilities during the year is as follows:**

The balance of deferred tax liabilities is LE **2,626,651,457** and the deferred tax assets amount is L.E **208,968,147** at March 31, 2025, as follows:

**Deferred tax liabilities**

|   | 31 March 2025          | 31 December 2024       |
|---|------------------------|------------------------|
|   | LE                     | LE                     |
| Balance at the beginning of the period / year | (1,990,572,661)        | (539,428,457)          |
| Income tax related to OCI                     | -                      | (48,292,676)           |
| Deferred tax expense during the period / year | (636,680,135)          | (1,381,692,419)        |
| CTA   | 601,339                | (21,159,109)           |
| Balance at the end of the period / year       | <b>(2,626,651,457)</b> | <b>(1,990,572,661)</b> |

**Deferred tax assets**

|   | 31 March 2025      | 31 December 2024   |
|---|--------------------|--------------------|
|   | LE                 | LE                 |
| Balance at the beginning of the period / year | 194,221,364        | 258,612,096        |
| Deferred tax revenue during the period / year | 15,767,238         | (76,242,044)       |
| CTA   | (1,020,455)        | 11,851,312         |
| Balance at the end of the period / year       | <b>208,968,147</b> | <b>194,221,364</b> |

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

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**33 REVENUE AND COST OF ACTIVITY**

|   | 31 March 2025        | 31 March 2024        |
|---|----------------------|----------------------|
|   | LE                   | LE                   |
| Revenue from sold units   | 3,804,212,648        | 3,475,121,987        |
| Revenue from hotels' operation                                      | 3,507,318,896        | 2,337,869,190        |
| Revenue from activities with periodic yields and service activities | 2,115,035,661        | 979,156,208          |
| <b>Total Revenue</b>  | <b>9,426,567,205</b> | <b>6,792,147,385</b> |
| Cost of sold units  | 2,829,617,283        | 2,551,963,044        |
| Cost of hotels' operation   | 1,667,718,834        | 1,044,827,462        |
| Cost of activities with periodic yields and service activities      | 1,307,699,464        | 557,133,977          |
| <b>Total cost of revenue</b>  | <b>5,805,035,581</b> | <b>4,153,924,483</b> |

**Below is the sectors' analysis:**

|                                  | Real Estate & Service  | Tourism                | 31 March 2025          | 31 March 2024          |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                  |                        | LE                     | LE                     | LE                     |
| Revenues                         | 5,919,248,309          | 3,507,318,896          | 9,426,567,205          | 6,792,147,392          |
| Cost of sales                    | (4,137,316,748)        | (1,667,718,834)        | (5,805,035,582)        | (4,153,924,483)        |
| <b>Business result</b>           | <b>1,781,931,561</b>   | <b>1,839,600,062</b>   | <b>3,621,531,623</b>   | <b>2,638,222,909</b>   |
| Depreciation & amortization      | (101,824,737)          | (237,314,502)          | (339,139,239)          | (200,966,714)          |
| Other income                     | 2,430,200,699          | -                      | 2,430,200,699          | 2,731,964,772          |
| Income taxes                     | (365,907,971)          | (392,032,765)          | (757,940,736)          | (1,033,195,274)        |
| <b>Net Profits</b>               | <b>3,209,201,149</b>   | <b>1,210,252,795</b>   | <b>4,419,453,944</b>   | <b>4,136,025,693</b>   |
| Assets                           | 237,611,754,806        | 110,526,407,722        | 348,138,162,528        | 346,318,726,961        |
| Financial investments            | 25,962,335,778         | 503,861,849            | 26,466,197,627         | 10,462,621,837         |
| <b>Total Group's assets</b>      | <b>263,574,090,584</b> | <b>111,030,269,571</b> | <b>374,604,360,155</b> | <b>356,781,348,798</b> |
| Liabilities                      | 223,744,992,060        | 16,513,921,649         | 240,258,913,709        | 225,299,121,786        |
| <b>Total Group's liabilities</b> | <b>223,744,992,060</b> | <b>16,513,921,649</b>  | <b>240,258,913,709</b> | <b>225,299,121,786</b> |

**34 OTHER INCOME**

|   | 31 March 2025      | 31 March 2024      |
|---|--------------------|--------------------|
|   | LE                 | LE                 |
| Commissions and Sundry revenue                          | 264,494,398        | 351,868,097        |
| Gain from sale of fixed assets (4)                      | 2,351,085          | (487,535)          |
| Income from financial investment through Profit or Loss | -                  | 68,995,881         |
| Income from financial investment at amortized cost      | 329,398,657        | 72,763,022         |
| Income from financial investment through OCI            | 504,900            | 478,484            |
|   | <b>596,749,040</b> | <b>493,617,949</b> |

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**35 OTHER EXPENSES**

|  | 31 March 2025        | 31 March 2024        |
|--|----------------------|----------------------|
|  | LE                   | LE                   |
| Donations , governmental expenses and consultants fees         | (197,005,519)        | (211,294,847)        |
| Takaful contribution   | (26,620,446)         | (13,477,884)         |
| Board of director's allowances                                 | (1,114,000)          | (1,058,600)          |
| Investment acquisition Costs                                   | (63,100,000)         | -                    |
| Impairment of Inventory  | (82,240)             | -                    |
| Gain (Loss) from Revaluation investment through Profit or Loss | (639,628)            | -                    |
| Gain (Loss) from selling investment                            | (66,060)             | (2,574,088)          |
|  | <u>(287,922,205)</u> | <u>(225,831,331)</u> |

**36 FINANCING REVENUES**

|                                   | 31 March 2025      | 31 March 2024      |
|-----------------------------------|--------------------|--------------------|
|                                   | LE                 | LE                 |
| Credit interest – Current Account | 401,678,992        | 97,751,743         |
| Credit interest – Time Deposits   | 104,930,439        | 77,023,532         |
| Other                             | 64,660,342         | 14,728,334         |
|                                   | <u>571,269,773</u> | <u>189,503,609</u> |

**37 FINANCING EXPENSES**

|                    | 31 March 2025        | 31 March 2024        |
|--------------------|----------------------|----------------------|
|                    | LE                   | LE                   |
| Financing expenses | (209,449,368)        | (210,498,123)        |
| Bank charges       | (30,507,653)         | (15,595,170)         |
|                    | <u>(239,957,021)</u> | <u>(226,093,293)</u> |

**38 EARNING PER SHARE**

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

|  | 31 March 2025               | 31 March 2024               |
|--|-----------------------------|-----------------------------|
|  | LE                          | LE                          |
| Profit for the period / year   | <b>3,693,603,495</b>        | <b>2,390,087,949</b>        |
| <b>Less:</b>   |                             |                             |
| Staff's share in profits   | (369,360,350)               | (239,008,795)               |
| Board of Directors' remuneration                                       | (3,600,000)                 | (3,600,000)                 |
|  | <u><b>3,320,643,145</b></u> | <u><b>2,147,479,154</b></u> |
| Weighted average number of shares outstanding during the period / year | 2,061,172,046               | 2,063,562,286               |
| Basic and diluted earnings per share                                   | <u><b>1.61</b></u>          | <u><b>1.04</b></u>          |

**The Weighted average number of shares outstanding during the year calculated as follows:**

|  |                             |
|--|-----------------------------|
| Shares at the beginning of the period / year                           | 2,063,562,286               |
| Treasury Shares  | 2,390,240                   |
| Weighted average number of shares outstanding during the period / year | <u><b>2,061,172,046</b></u> |

\* The earnings per share have been calculated assuming the calculation of the staff's share in profits and the Board of Directors' remuneration in a discretionary manner in accordance with the Company's Articles of Association.

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



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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**39 RELATED PARTIED**

Related parties represent major shareholders, directors and key management personnel of the Company, and represent also entities controlled, jointly controlled or 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 at 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 for subsidiaries according to the contracts signed with the companies.

The amount charged by senior executives charged to general and administrative expenses on the consolidated statement of income amounted to LE 69.2 million, other than what was capitalized within the work under progress. Non-executive board members receive LE 0.62 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 Group Holding - owns 43.16% of the shares of the company.

**Transactions with related parties**

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

|   | Contractors<br>LE | Guaranties<br>LE | Contractors'<br>"Storage"<br>LE | Advance<br>payments<br>LE | Due to<br>LE   |
|---|-------------------|------------------|---------------------------------|---------------------------|----------------|
| Alexandria for Construction<br>Company – 31 March 2025    | 2,134,786,659     | 1,381,389,235    | 555,527,364                     | 3,861,419,029             | -              |
|   | Contractors<br>LE | Guaranties<br>LE | Contractors'<br>"Storage"<br>LE | Advance<br>payments<br>LE | Due from<br>LE |
| Alexandria for Construction<br>Company – 31 December 2024 | 1,076,440,058     | 2,282,347,542    | -                               | 1,773,914,467             | 8,723,936      |

**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 2019. The following years are still under tax inspection.

**b. Salary tax**

- The Company pays the deducted income tax of the employees on a monthly basis 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.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

#### 40 TAX POSITION (CONTINUED)

##### **Arab Company for Projects and Urban Development**

###### **a. Corporate tax**

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

###### **b. Salary tax**

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

###### **c. Stamp tax**

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

###### **d. VAT**

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

##### **San Stefano Company for real estate investments**

###### **a. Corporate tax**

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

###### **b. Salary tax**

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

###### **c. Stamp tax**

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

###### **d. VAT**

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
2025

**40 TAX POSITION (CONTINUED)**

**Alexandria for Projects Management**

**a. Corporate tax**

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

**b. Salary tax**

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

**c. Stamp tax**

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

**d. VAT**

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

**Alexandria Company for Real Estate Investments**

**a. Corporate tax**

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

**b. Salary tax**

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

**c. Stamp tax**

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
2025

**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's records of the years till 2016 were inspected and paid.
- Years of from 2017 until 2020 are under inspection.

**b. Salary tax**

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

**c. Stamp tax**

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

**d. VAT**

- The company isn't subject to VAT.

**Alexandria for Urban Projects Co.**

**a. Corporate tax**

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

**b. Salary tax**

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

**c. VAT**

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

**d. Stamp Tax**

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
2025

#### 40 TAX POSITION (CONTINUED)

##### **Al Rabwa for Entertainment Services Co.**

###### **a. Corporate tax**

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

###### **b. Salary tax**

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

###### **c. Stamp tax**

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

###### **d. VAT**

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

##### **Al Masria for Development and Real Estate Projects Co.**

###### **a. Corporate tax**

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

###### **b. Salary tax**

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

###### **c. Stamp tax**

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
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**40 TAX POSITION (CONTINUED)**

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

**d. VAT**

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

**e. Withholding Tax**

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

**El Nile for Hotels company**

**a. Corporate tax**

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

**b. Salary tax**

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

**c. Stamp tax**

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

**d. VAT**

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

**e. Withholding Tax**

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
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**40 TAX POSITION (CONTINUED)**

**San Stefano for Tourism Investment Co.**

**a. Corporate tax**

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

**b. Salary tax**

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

**c. Stamp tax**

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

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

**d. VAT**

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

**e. Withholding Tax**

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

**Nova Park Cairo Company**

**a. Corporate tax**

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

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

**b. Salary tax**

The Company deducts the tax from employees and those subject to tax on wages, salaries and the like on a monthly basis 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.

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
2025

**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 to the competent authority.

**d. VAT**

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

**e. Withholding Tax**

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

**Alexandria Saudi Company for Tourism Projects**

**a. Corporate tax**

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

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

**b. Salary tax**

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

**c. Stamp tax**

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

**d. VAT**

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



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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
2025

#### **40 TAX POSITION (CONTINUED)**

##### **Alexandria Saudi Company for Tourism Projects (Continued)**

###### **e. Withholding Tax**

The Company pays withholding tax that was deducted from all entities dealing with the company and subject to the tax in due legal period according to the law. The Company charges 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. The Company was inspected by Tax Authority from 2008 till 2017 and settlement was paid with the tax Authority.

##### **Luxor for Urban and Touristic Development Company**

###### **a. Corporate tax**

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

###### **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 15<sup>th</sup> day of each following month in which the tax is accrued as per forms approved by the Tax Authority. The Company submits annual payroll tax returns accompanied with payroll settlement. The Company is inspected till 2019 and tax dues were paid.

###### **c. Stamp tax**

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

###### **d. VAT**

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

###### **e. Withholding Tax**

- The Company pays withholding tax that was deducted from all entities dealing with the company and subject to the tax in due legal period according to the law. The Company charges 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.

##### **Mayfair Company for Entertainment Services**

###### **a. Corporate tax**

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

###### **b. Salary tax**

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**40 TAX POSITION (CONTINUED)**

**Mayfair Company for Entertainment Services (Continued)**

**c. Stamp tax**

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

**d. VAT**

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

**Port Venice for Tourism Development**

**a. Corporate tax**

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

**b. Salary tax**

- There are no amounts subject to salary tax as the company is inactive, and no tax inspection was carried out yet.

**c. VAT**

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

**d. Stamp tax**

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

**Madinaty for Urban and Tourism Projects**

**a. Corporate Tax**

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

**b. Payroll Tax and its equivalents**

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

**c. Stamp Tax**

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**40 TAX POSITION (CONTINUED)**

**Madinaty for Urban and Tourism Projects (Continued)**

**d. Value Added Tax (VAT)**

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

**e. Withholding Tax**

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

**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 into 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**41 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)**

**Receivables and notes receivable (continued)**

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 a large number of customers.

**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.

**a) 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 the majority 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 2025              |                                       | 31 December 2024           |                                       |
|-----------|----------------------------|---------------------------------------|----------------------------|---------------------------------------|
|           | Change in<br>interest rate | Effect on profits<br>before tax<br>LE | Change in<br>interest rate | Effect on profits<br>before tax<br>LE |
| Financial | +1%                        | 62,234,237                            | % 1+                       | 165,473,367                           |
| Assets    | -1%                        | (62,234,237)                          | % 1-                       | (165,473,367)                         |

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

#### 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.

##### b) Market Risk

|      | 31 March 2025                   |                                       | 31 December 2024                |                                       |
|------|---------------------------------|---------------------------------------|---------------------------------|---------------------------------------|
|      | Change in<br>interest rate<br>% | Effect on profits<br>before tax<br>LE | Change in<br>interest rate<br>% | Effect on profits<br>before tax<br>LE |
| USD  | +10%                            | 785,965,246                           | % 10+                           | 799,931,241                           |
|      | -10%                            | (785,965,758)                         | % 10-                           | (799,931,241)                         |
| Euro | +10%                            | 5,377,815                             | % 10+                           | 4,604,834                             |
|      | -10%                            | (5,377,822)                           | % 10-                           | (4,604,834)                           |
| SAR  | +10%                            | 129,757                               | % 10+                           | 2,621,647                             |
|      | -10%                            | (129,747)                             | % 10-                           | (2,621,646)                           |
| CHF  | +10%                            | 575,497                               | % 10+                           | 642,437                               |
|      | -10%                            | (575,497)                             | % 10-                           | (642,437)                             |
| AED  | +10%                            | 5,821,834                             | % 10+                           | 784,295                               |
|      | -10%                            | (5,821,966)                           | % 10-                           | (784,300)                             |
| GBP  | +10%                            | 127,719                               | % 10+                           | 34,080                                |
|      | -10%                            | (127,719)                             | % 10-                           | (34,080)                              |

##### Equity price risk

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

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

##### c) Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by the Company's management. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of 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

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**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 payable. The fair value of the financial assets and financial liabilities are not substantially different from the recorded book value unless it is mentioned.

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

**Financial instruments**

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

|                              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|------------------------------|----------------|----------------|----------------|----------------------|
| <b>31 March 2025</b>         | <b>LE</b>      | <b>LE</b>      | <b>LE</b>      | <b>LE</b>            |
| Equity investments (Note 12) | 1,200,467,120  | 555,967,314    | 569,279        | <b>1,757,003,713</b> |

|                              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|------------------------------|----------------|----------------|----------------|----------------------|
| <b>31 December 2024</b>      | <b>LE</b>      | <b>LE</b>      | <b>LE</b>      | <b>LE</b>            |
| Equity investments (Note 12) | 1,200,467,120  | 547,779,987    | 569,279        | <b>1,748,816,386</b> |

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

|                                     | <b>Level 1</b>    | <b>Level 2</b>     | <b>Total</b>       |
|-------------------------------------|-------------------|--------------------|--------------------|
| <b>31 March 2025</b>                | <b>LE</b>         | <b>LE</b>          | <b>LE</b>          |
| Investments in securities (Note 20) | -                 | 227,988,855        | 227,988,855        |
| Investments in shares (Note 20)     | 52,393,194        | -                  | 52,393,194         |
| Investments in policies (Note 20)   | -                 | 242,822,648        | 242,822,648        |
|                                     | <b>52,393,194</b> | <b>470,811,503</b> | <b>523,204,697</b> |

|                                   | <b>Level 1</b>    | <b>Level 2</b>     | <b>Total</b>       |
|-----------------------------------|-------------------|--------------------|--------------------|
| <b>31 December 2024</b>           | <b>LE</b>         | <b>LE</b>          | <b>LE</b>          |
| Investments in funds (Note 20)    | -                 | 227,706,581        | 227,706,581        |
| Investments in shares (Note 20)   | 52,661,703        | -                  | 52,661,703         |
| Investments in policies (Note 20) | -                 | 237,056,970        | 237,056,970        |
|                                   | <b>52,661,703</b> | <b>464,763,551</b> | <b>517,425,254</b> |

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**43 SIGNIFICANT AND SUBSEQUANT EVENTS**

**A) SIGNIFICANT EVENTS**

- Some major global events occurred, which included the Arab Republic of Egypt as well, where coronavirus spread, and the World Health Organization “WHO” announced that the outbreak of the virus can be characterized as a global pandemic. The government has imposed various measures to combat the spread of the virus, including travel restrictions, quarantines, closure of business and other locations. These governmental measures and their corresponding impact are still evolving and are expected to impact the economic climate which in turn, could expose the Company to various risks, including a significant drop in revenues, and impairment of assets and other risks.
- The impact of these events was considered in the consolidated financial statements of the Company at 30 September 2024 and may affect the consolidated financial statements for future financial years. It is difficult to determine the extent of the impact of these events on the Company’s activity during the this year. However, the impact will occur in future financial statements. The magnitude of the impact varies according to the expected term, the time year during which those events are expected to end.
- The Group's revenues comprise of three main sectors: real estate sector, hotels sector, activities with year yield and service activity sector, (e.g., malls, clubs’ memberships, as well as infrastructure and public transportation activity).
- During the subsequent year , Standard & Poor’s agency Lowered Egypt’s Sovereign rating in foreign and local currencies to “B-“ from “B “ with a stable outlook, in addition Moody’s Credit rating agency Lowered Egypt’s rating from B3 to CAA1, with a stable outlook . the company has reviewed the potential impacts resulted from lowered Egypt’s rating, and the effects on Company Financial statements, and The company's management believes that there is no potential material impact on Financial statements.
- The impact of the current uncertain economic environment is judgmental, and management will keep assessing the current position and its related impact. It should also consider that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual outcome may significantly different from the forecasted information. The Company has considered the potential impacts of the current economic volatility in determination of the reported amounts offered for the Company's financial and non-financial assets, and these considered to represent the management's best assessment based on the observable information. However, markets remain volatile, and the recorded amounts remain sensitive to market fluctuations.
- On February 1, 2024, the CBE decided to increase the overnight deposit and gearing rates, and the price of the CBE main operation by 200 basis points, to reach 21.25%, 22.25% and 21.75% respectively. The credit and discount rate were also raised by 200 basis points, to reach 21.75%. The Company is studying the impact on the subsequent consolidated financial statements.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

**43 SIGNIFICANT AND SUBSEQUANT EVENTS (CONTINUED)**

- On 6 March 2024, and proceeding in the policy of monetary compliance adopted by the Central Bank, the Monetary Policy Committee has resolved in its extraordinary meeting to increase its overnight deposit and lending rates along with the price of the main operation of the Central Bank by 600 basis points, to be 27.25%, 28.25%, and 27.75%, respectively. The credit and debit rates have been also raised by 600 basis points, to be 27.75%.
- On 6 March 2024, the Central Bank agreed to continue its hedging efforts towards a flexible inflation-targeting framework by amending the interest rates on deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to the market mechanisms, including the consequent significant future financial impacts on the Company's financial position, future business results, and equity.
- On May 23, 2024, the Prime Minister issued a decision to amend certain provisions of the Egyptian Accounting Standards by adding Annex (E) attached to the decision to Egyptian Accounting Standard No. (13) concerning the effects of changes in foreign exchange rates, as stated in the Egyptian Accounting Standards accompanying the Minister of Investment's Decision No. 110 of 2015.
- The Extraordinary General Assembly held on March 26, 2025 decided to destroy the shares, and the necessary measures are being taken.

**B) SUBSEQUANT EVENTS**

- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided, in its meeting on Thursday, April 17, 2025, to reduce the overnight deposit and lending rates, as well as the rate of the central bank's main operation, by 225 basis points to 25%, 26%, and 25.5%, respectively. It also decided to reduce the credit and discount rates by 225 basis points to 22.5%.

**44 ACQUISITION DEAL**

**44-1- Subscription agreement with the Emirati investor**

During the year ending on December 31, 2023, Talaat Mostafa Holding Group (TMG Holding) (S.A.E) signed a non-binding governing terms agreement with an Emirati investor and its subsidiary and sister companies (the Emirati Investor) to agree on the general terms and conditions related to the proposed subscription of 40.5% in a new company to be held. It was later established (the Abu Dhabi Global Market ADGM is a company that was established later) after completing the following steps by Talaat Mustafa Holding Group:

1- The new company, Abu Dhabi Global Market (ADGM), directly or indirectly owns 100% of the Arab Hotel Investments Company and Atrium Tourism Investment Company (companies under the control of Talaat Mustafa Holding Group).

2- ADGM subscribed (directly or indirectly) to 51% of Legacy Hotels and Tourism Projects Company (a new company established later), which owns the seven historical hotels (Sofitel Legend Old Cataract Aswan - Sofitel Winter Palace Luxor - Steinberger Cecil Alexandria - Steinberger Tahrir - Cairo Marriott and Omar Khayyam Casino - Movenpick Resort Aswan - Marriott Mena House) within the framework of the acquisition deal to acquire the seven historic hotels shown below. (Note 2-41)

Within the framework of implementing the governing terms agreement, Talaat Mostafa Group Holding (TMG Holding) took the following measures:



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

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**44 ACQUISITION DEAL (CONTINUED)**

- 1- Establishment of Icon International Limited for Hotel Investments, which is 100% owned by Abu Dhabi Global Market (ADGM).
- 2- Talaat Mostafa Holding Group (TMG Holding) has restructured so that Icon International Limited for Hotel Investments owns 100% of the Arab Hotel Investments Company and Atrium Tourism Investment Company.
- 3- On February 5, 2024, Icon International Hotel Investments Company completed the acquisition of 51% of Legacy Hotels and Tourism Projects Company (the company that owns the historic hotels) as shown below (Note 2-41)

During the financial period ending on March 31, 2024, the subscription agreement was signed between Talaat Mustafa Holding Group (TMG Holding) and the Emirati investor, whereby the Emirati investor increased ADGM's capital by \$890 million (the value of the deal) in exchange for 40.5% of the shares of Icon Hotel Investment Company Limited Souq. Abu Dhabi Global ADGM.

Accordingly, as a result of the deal described above, Talaat Mustafa Group's ownership percentage in ICON Hotel Investment Company Limited, Abu Dhabi Global Market (ADGM), decreased to 59.5%, which resulted in the following:

- 1- A decrease in indirect ownership in both the Arab Hotel Investments Company and Atrium Tourism Investment Company to 59.5% compared to 100% ownership percentages as of December 31, 2023, without losing control over the subsidiaries, which led to a change in the ownership rights of Talaat Moustafa Holding Company (The parent company) in subsidiaries, which are considered equity transactions in accordance with Egyptian Accounting Standard No. 29 Consolidated Financial Statements.

|  | EGP                   |
|--|-----------------------|
| The book value of the change in minority interests resulting from the deal (decrease in ownership of Talaat Moustafa Holding Group by 40.5%) | (8,410,131,724)       |
| The fair value of the consideration received   | 25,193,986,095        |
| Change in equity (increase in retained earnings)   | <u>16,783,854,371</u> |

2- Talaat Mostafa Holding Group indirectly acquired and controlled Legacy Hotels and Tourism Projects Company, which owns historical hotels. The acquisition process was accounted for on the basis of the temporary value distributed over the assets and liabilities of the purchased company as of the date of the acquisition, and management is in the process of determining the fair value of the assets and liabilities that were acquired.

The following is the estimated value of the net business assets of the seven hotels, including fixed assets, projects under implementation, and operating working capital of the hotels as of the acquisition date:

**44 ACQUISITION DEAL (CONTINUED)**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March 2025

|  | <b>Profits resulting<br/>from the<br/>consolidation<br/>EGP</b> |
|--|---|
| Total fixed assets of hotels   | 57,588,309,937  |
| Projects under progress (related to hotels)  | 202,737,260   |
| Operating working capital  | 35,521,449  |
| Translation differences  | 421,022,810   |
| Operating working capital for hotel activities from 1-7-2023 to the date of acquisition (resulting in profits for the period from 1-7-2023 to the date of acquisition) | 1,340,885,730   |
| <b>Net asset value as of the acquisition date</b>  | <b>59,588,477,186</b>   |
| <b>Less:</b> Non-controlling interests in the company purchased at temporary value   | (58,247,591,456)  |
| Minority shares in the purchased company   | -   |
| Profits resulting from the consolidation process*  | <b>1,340,885,730</b>  |
|  | <b>EGP</b>  |
| Profits resulting from the consolidation process   | 1,340,885,730   |
| Cost of the Acquisition  | (278,539,511)   |
| <b>Net Profit from the consolidation Process</b>   | <b>1,062,346,219</b>  |

#### 44-2- Acquisition of historic hotels

On September 27, 2023, the governing terms agreement approved by the Council of Ministers, including the value of the deal, was concluded in accordance with the decision adopted at Session No. (258) held on September 27, 2023 between each of the following parties:

- a. The Arab Hotel and Tourism Investments Company SAE, through any subsidiary or owner, directly or indirectly ("ICON Company" or "The Investor"), is a subsidiary of Talaat Moustafa Group.
- b. The Egypt Sub-Fund for Tourism, Real Estate Investment and Antiquities Development (wholly owned by the Egypt Sovereign Fund for Investment and Development ("the Sovereign Fund") and/or any other wholly owned subsidiary ("the Sub-Fund").
- c. The Egyptian General Company for Tourism and Hotels ("EGOTH").
- d. The Egyptian Hotels Company, ("The First Project Company"), is a subsidiary company being converted into a joint stock company subject to Law 159 of 1981, owned by the sovereign fund and the Holding Company for Tourism and Hotels ("the Holding Company").
- e. The Arab Company for Projects and Urban Development ("The Investor") is a subsidiary of Talaat Mostafa Group

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS As of 31 March  
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#### 44 ACQUISITION DEAL (CONTINUED)

The governing terms contained in this agreement are considered a binding contract for the parties from the date of signing it. The scope of the deal includes the following:

- The sale of the seven hotels (Sofitel Legend Old Cataract Aswan - Cairo Marriott and Omar Khayyam Casino - Marriott Mena House - Movenpick Resort Aswan - Steinberger Cecil Alexandria - Steinberger Tahrir - Sofitel Winter Palace Luxor) owned by the "Egyptian Hotels Company" is being sold to a new company subject to According to the Investment Law and owned by the sub-fund and EGOH (Legacy Hotels and Tourism Projects Company was established later as shown below) for a purchase price of 1.222 billion US dollars, including the ownership rights of the seven hotels with all their elements and components, with the hotels free of any debts. An amount of US\$550 million US dollar of the purchase price will be paid to the Egyptian Hotels Company in cash, while the remaining balance due to Legacy Hotels and Tourism Projects Company, amounting to US\$673 million, will be used to cover the subscription of the sub-fund and EGOH in increasing the capital of Legacy Hotels and Tourism Projects Company.

Ownership of the seven hotels will be transferred to Legacy Hotels and Tourism Projects Company without any reduction or decrease in assets, except for operational requirements within the normal course of business.

- The "investor" is committed to investing \$700 million (the "deal value") Payment is made as follows:  
A) An amount of 620 million US dollars, to increase the capital of Legacy Hotels and Tourism Projects Company.

B) An amount of 80 million US dollars ("additional investment amount") from ICON Company to complete the second capital increase of Legacy Hotels and Tourism Projects Company.

- An amount of 100 million US dollars will be paid in four equal annual instalments to a shareholder starting in 2025 and continuing until 2029. It will be paid by a company affiliated with Talaat Moustafa Group. This legal right pertains to the affiliated company of Talaat Moustafa Group and Talaat Moustafa Holding Company (the parent company) only as shown. In clarification No. (7), this is in exchange for the right to manage and the right to financial consolidation for Legacy Company, as long as Talaat Mostafa Group maintains a shareholding percentage of no less than 39% of Legacy Company's capital.
- On December 13, 2023, Legacy Hotels and Tourism Projects Company was established in accordance with the Egyptian Investment Law with an issued and paid-up capital of 10,000 (ten thousand) US dollars, and its current shareholders own 1,000 (one thousand) shares, representing 100% of the company's capital shares.
- On December 14, 2023, Legacy Hotels and Tourism Projects Company ("the Company") concluded hotel sales contracts, according to which the Company acquired all seven hotels and their assets free of debt from the Egyptian Hotels Company.

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

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**44 ACQUISITION DEAL (CONTINUED)**

- On December 20, 2023, the subscription agreement was signed between the above-mentioned parties, amended on February 4, 2024, in accordance with the terms and conditions of the deal contained in this agreement. After the company acquires and owns the seven hotels, with the hotels free of any debts, the investor subscribes to a total of 70,000,000 (seventy million) A share of Legacy Hotels and Tourism Projects Company ("the Company") representing 51% of the company's total issued shares in the amount of 700,000,000 US dollars (seven hundred million US dollars) through subscription to the company's capital increase ("Subscription Amount").
- The capital increase was completed on February 12, 2024 and was registered in the commercial registry on February 14, 2024, so that the issued and paid-up capital amounted to 1,372,549,020 US dollars and 1,332,549,020 US dollars, respectively, distributed into 137,250,902 shares, the value of each share being 10 US dollars, distributed as follows:

|   | <i><b>Paid up<br/>capital<br/>USD</b></i> | <i><b>Issued capital<br/>USD</b></i> | <i><b>No# of<br/>Shares</b></i> | <i><b>Share %</b></i> |
|---|---|--------------------------------------|---------------------------------|-----------------------|
| Egypt Sub-Fund for<br>Tourism, Real Estate<br>Investment and Antiquities<br>Development | 349,725,480                               | 349,725,480                          | 34,972,548                      | 25.48%                |
| Egyptian General<br>Company for Tourism and<br>Hotels (EGOTH) "S.A.E."                  | 322,823,530                               | 322,823,530                          | 32,282,353                      | 23.52%                |
| ICON International Hotel<br>Investment Limited*   | 660,000,000                               | 700,000,010                          | 70,000,001                      | 51%                   |
|   | <b><u>1,332,549,010</u></b>               | <b><u>1,372,549,020</u></b>          | <b><u>137,254,902</u></b>       | <b><u>100%</u></b>    |

\* ICON International Hotel Investment Limited is a subsidiary of Talaat Moustafa Group. The increase in paid-up capital was paid in the amount of 1,332,539,020 US dollars, where the amount of 660,000,000 US dollars (cash increase) was paid via bank deposit, and the amount of 672,539,020 US dollars was paid as a deduction from the credit balances due to the Egyptian General Company for Tourism and Hotels "EGOTH" S.A.E. M and the Egypt Sub-Fund for Tourism, Real Estate Investment and Antiquities Development in accordance with the approval of the Economic Performance Sector of the General Authority for Investment and Free Zones issued No. 57 on January 15, 2024.

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

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**45 NEW VERSIONS AND AMENDMENTS TO THE EGYPTIAN ACCOUNTING STANDARDS**

On March 6, 2023, Prime Minister Decision No. (883) of 2023 was issued to amend some of the accounting standards, and the following is a summary of the most important of these amendments:

| New or reissued standards   | Summary of the most significant amendments   | Potential impact on the financial statements  | Effective date   |
|---|--|---|--|
| <b>Egyptian Accounting Standard No. (50) "Insurance Contracts".</b>   | <p><b>1-</b> This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows.</p> <p><b>2-</b> Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p><b>3-</b> Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p><b>4-</b> The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (10) "Fixed Assets".</li> <li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li> <li>- Egyptian Accounting Standard No. (34) "Investment property".</li> </ul> | Management is currently evaluating the potential impact on the financial statements from the application of the standard. | Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <b>on or after July 1, 2024</b> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.     |
| <b>Egyptian Accounting Standard No. (34) "Investment properties".</b> | Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, modifying the application mechanism of the fair value model. The revision included the requirement to recognize the profit or loss arising from changes in the fair value of investment property in the income statement for the   | The company has applied the provisions of Egyptian Accounting Standard No. (34) amended 2023 Real                         | The amendment regarding the option to use the fair value model applies to financial periods beginning on or after January 1, 2024, and early adoption is permitted with retrospective effect. The cumulative effect of initially applying the fair value model |

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|  |   |   |   |
|--|---|---|---|
|  | period in which the change occurs or through the statement of other comprehensive income.   | Estate Investment issued on 3 March 2024 by the Prime Minister No. (636) For the year 2024 using the fair value model for the financial period beginning 1 January 2024. (Note 5)   | should be added to the retained earnings balance at the beginning of the financial period in which the company applies this model for the first time.   |
| <b>Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"</b>                | Egyptian Accounting Standard No. (17) "Standalone Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in subsidiaries, sister companies and jointly controlled companies.  | Management is currently studying the possibility of changing the accounting policy followed and using the equity method when accounting for investments in subsidiaries, sister companies and joint control, and assessing the potential impact on the financial statements if this method is used. | The amendments shall apply to financial periods commencing <b><u>on or after January 1, 2024, and early application shall be allowed retroactively</u></b> , with proof of the cumulative effect of the application of the equity method <b>by adding it to the calculation of the balance of profits or losses carried forward at the beginning of the financial period in which the Company applies this method for the first time.</b> |
| <b>Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"</b> | This standard was reissued in 2024, adding how to determine the intraday rate when it is difficult to exchange between two currencies and the conditions that must be met in the real-time exchange rate on the measurement date.<br><br>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability. | Management is currently assessing the potential impact on the financial statements of the application of amendments to the standard.  | Adjustments to determine the instantaneous rate when it is difficult to exchange between two currencies shall apply to financial periods commencing on or after January 1, 2024, and early application is allowed, and if the entity makes early application, this must be disclosed.<br><br>Upon application, the entity may not modify the comparison information, instead:   |

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|   |   |   | <ul style="list-style-type: none"> <li>• When the entity reports foreign currency transactions in its currency of dealing, any effect of the initial application is recognized as an adjustment to the opening balance of the profits carried forward on the date of the initial application.</li> <li>• When an entity uses an offer currency other than its own currency of dealing or translates the results and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative amount of translation differences - accumulated in the equity side - on the date of initial application.</li> </ul> |
| <b>Accounting Interpretation No. (2) "Carbon Emission Reduction Certificates"</b> | <p>Carbon Credits Certificates: These are negotiable financial instruments that represent against greenhouse gas emission reduction units, and each unit represents a ton of carbon dioxide equivalent emissions, and is issued to the benefit of the developer of the reduction project (owner/non-owner), after approval and verification in accordance with internationally recognized carbon emission reduction standards and methodologies, carried out by the verification and certification bodies, whether local or international, registered in the list prepared by the Financial Supervisory Authority for this purpose. Companies can use emission reduction certificates To meet voluntary emission reduction targets (for companies) to achieve carbon exchange or other targets that are traded in the voluntary carbon market. (Voluntary Carbon Market "VCM")</p> <p>Accounting treatments vary according to the nature of the arrangement and the commercial purpose of purchasing or issuing certificates by project developers, and therefore companies must identify facts and identify different circumstances to determine the appropriate accounting treatment and accounting standard to be applied.</p> <p>The interpretation deals with the accounting treatment of different cases in terms of initial measurement and Subsequent measurement and exclusion from books and necessary disclosures.</p> | <p>The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.</p> | <p>The application starts on or after the first of January 2025 and allows early application.</p>   |