ALLIED FOR ACCOUNTING & AUDITING (EY) **(RSM EGYPT) CHARTERED ACCOUNTANTS**

TALAAT MOUSTAFA GROUP HOLDING COMPANY
"TMG HOLDING" (S.A.E)
INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2025
TOGETHER WITH THE REVIEW REPORT

Interim Separate Financial Statements
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

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

Introduction

We have reviewed the accompanying separate statement of financial position of **TALAAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E) ("The Company")** as of 31 March 2025 as well as the related interim separate statements of profit or loss, comprehensive income for the three months ended on 31 March 2025 and its interim separate 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 separate 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 separate 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 Financial Information performed by the independent Auditor of the Entity". A review of 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 separate financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the company as of 31 March 2025, and of its interim separate financial performance for the three months ended on 31 March 2025 and its interim separate 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).

Emphasis of a matter

As indicated in note (4), the company has investments in subsidiaries and prepared interim consolidated financial statements as of 31 March 2025 in accordance with Egyptian Accounting standards, for a better understanding of the company's financial position as of 31 March 2025 and its interim separate financial performance for the three months ended on 31 March 2025 and its interim separate cash flows for the three months period then ended, the matter necessitates reference to the consolidated financial statements.

Auditors

Samir Anas Abd Elghfar FESAA-FEST (RAA. (10368) (EFSAR. 282) (RSM EGYPT) CHARTERED ACCOUNTANTS	Ashraf Mohamed Mohamed Ismail FESAA- FEST RAA (9380) (EFSAR. 102) ALLIED FOR ACCOUNTING & AUDITING (EY)

Cairo: 18 May 2025

Translation of separate financial statements
originally issued in Arabic

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

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION
As of 31 March 2025

	Notes	31 March 2025 LE	31 December 2024 LE
Assets			
Non-current assets			
Fixed Assets	(3)	**68,736,654**	69,711,599
Investments in subsidiaries	(4)	**19,059,562,160**	19,059,562,160
Investments in associates	(5)	**1,470,000**	1,470,000
Total non-current Assets		**19,129,768,814**	19,130,743,759
Current assets			
Financial assets at fair value through profit or loss	(6)	**221,809,825**	224,854,462
Notes receivable	(17)	**2,475,080,743**	2,471,830,208
Dividends receivable	(15)	**801,927,779**	540,212,876
Due from Related Parties	(17)	**459,996,803**	473,926,520
Prepaid expenses and other debit balances	(7)	**2,689,220**	6,959,860
Cash on hand and at banks	(8)	**12,836,700**	15,118,433
Total current assets		**3,974,341,070**	3,732,902,359
Total assets		**23,104,109,884**	22,863,646,118
Equity and liabilities			
Equity			
Issued and paid-up capital	(10)	**20,635,622,860**	20,635,622,860
Legal reserve	(11)	**472,261,033**	432,163,000
General reserve	(12)	**61,735,404**	61,735,404
Treasury Stock	(13)	**(152,235,725)**	(152,235,725)
Retained earning		**1,453,493,771**	1,801,584,160
Total Equity		**22,470,877,343**	22,778,869,699
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**18,034,775**	18,276,260
Total Non - current liabilities		**18,034,775**	18,276,260
Current liabilities			
Dividends Payable		**524,763,447**	-
Notes payable		**201,917**	80,925
Income tax payable	(16)	**80,299,806**	54,299,869
Accrued expenses and other credit balances	(9)	**9,932,596**	12,119,365
Total current liabilities		**615,197,766**	66,500,159
Total liabilities		**633,232,541**	84,776,419
Total equity and liabilities		**23,104,109,884**	22,863,646,118

Executive Vice President of the Financial Sector	Chief Executive Officer & Managing Director	Chairman
Tarek El Naggar	Hesham Talaat Moustafa	Tarek Talaat Moustafa

The attached notes (1) to (21) are an integral part of these interim separate financial statements.

Translation of separate financial statements
originally issued in Arabic

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

INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS
For The Three Months Period Ended 31 March 2025

	Notes	**For the three months ended 31 March 2025 LE**	For the three months ended 31 March 2024 LE
Dividends from subsidiaries	(15)	259,999,374	182,853,510
Finance income		1,683,967	1,197,058
Revaluation gains of financial assets at fair value through profit or loss	(7)	(944,642)	68,439,572
Total revenue		260,738,699	252,490,140
Administrative expenses		(21,415,643)	(15,043,282)
Depreciation charges	(3)	(974,944)	(1,917,702)
Bank charges		(26,162)	(14,619)
Expected Credit losses		(43,325)	(521,565)
Expected Credit losses return		5,285,485	-
Foreign currency exchange Gains		(54,568)	436,624
Board of directors' allowances		(980,000)	(630,000)
Treasury Bills Return		-	199,733
Treasury Bills Tax		-	(12,459)
NET PROFIT FOR THE PERIOD BEFORE TAX		242,529,542	234,986,870
Income taxes	(16)	(25,758,452)	(28,146,243)
NET PROFIT FOR THE PERIOD AFTER TAX		216,771,090	206,840,627
EARNINGS PER SHARE	(14)	0.10	0.096

Executive Vice President of the Financial Sector	**Chief Executive Officer & Managing Director**	**Chairman**
Tarek El Naggar	**Hesham Talaat Moustafa**	**Tarek Talaat Moustafa**

The attached notes (1) to (21) are an integral part of these separate financial statements.

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

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME
For The Three Months Period Ended 31 March 2025

	For the three months ended 31 March 2025 LE	For the three months ended 31 March 2024 LE
Net Profit for the period	**216,771,090**	206,840,627
Total comprehensive income for the Period	**216,771,090**	206,840,627

The attached notes (1) to (21) are an integral part of these interim separate financial statements.

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

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
For The Three Months Period Ended 31 March 2025

	Issued and paid-up capital LE	**Legal reserve LE**	**General reserve LE**	**Treasury Stock LE**	**Retained earnings LE**	**Total LE**
Balance as at 1 January 2025	20,635,622,860	432,163,000	61,735,404	(152,235,725)	1,801,584,160	22,778,869,699
Transferred to legal reserve	-	40,098,033	-	-	(40,098,033)	-
Total comprehensive income for the period	-	-	-	-	216,771,090	216,771,090
Dividends*	-	-	-	-	(524,763,447)	(524,763,447)
Balance as of 31 March 2025	20,635,622,860	432,163,000	61,735,404	(152,235,725)	1,453,493,770	22,470,877,342

	Issued and paid-up capital LE	**Legal reserve LE**	**General reserve LE**	**Treasury Stock LE**	**Retained earnings LE**	**Total LE**
Balance as of 1 January 2024	20,635,622,860	398,039,965	61,735,404	-	1,495,830,247	22,591,228,476
Transferred to legal reserve	-	34,123,035	-	-	(34,123,035)	-
Total comprehensive income for the period	-	-	-	-	206,840,627	206,840,627
Dividends	-	-	-	-	(462,083,703)	(462,083,703)
Balance as of 31 March 2024	**20,635,622,860**	**432,163,000**	**61,735,404**	**-**	**1,206,464,136**	**22,335,985,400**

* The holding company distributed dividends to shareholders with amount of 524 million in accordance with the decision of the ordinary general assembly held on March 26, 2025.

The attached notes (1) to (21) are an integral part of these separate financial statements.

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

INTERIM SEPARATE STATEMENT OF CASH FLOWS
For The Three Month Periods Ended 31 March 2025

	Notes	**For the period ended 31 March 2025** **LE**	For Periods Ended 31 March 2024
CASH FLOW FROM OPERATING ACTIVITIES			LE
Net profit for the period before tax		**242,529,542**	234,986,870
Depreciation charges	(3)	**974,944**	1,917,702
Dividends from subsidiaries	(15)	**(259,999,374)**	(182,853,510)
Finance income		**(1,683,967)**	(1,396,791)
Expected Credit losses return		**(5,285,485)**	521,565.
Change in the net market value of investments	(6)	**944,642**	(68,439,572)
Foreign currency exchange losses		**54,568**	(436,624)
Operating (loss) before changes in working capital		**(22,465,130)**	(15,700,360)
Change in due from related parties		**14,241,303**	19,865,698
Change in Prepaid expenses and other debit balances	(7)	**4,278,476**	12,463
Change in notes payable		**120,993**	(50,327)
Change in accrued expenses and other credit balances	(9)	**(2,186,769)**	(1,650,769)
Income tax paid	(16)	**-**	(20,910)
Net cash flows provided from (used in) operating activities		**(6.011.127)**	2,455,795
CASH FLOW FROM INVESTING ACTIVITIES			
(Payments) Receivables from Financial assets at fair value through profit or loss	(6)	**2.099.955**	(1,153,393)
(Payments) Receivables from Financial investments at amortized cost		**-**	(149,391)
Finance income received		**1.683.967**	1,396,791
Net cash flows provided from investing activities		**3,783,962**	94,007
Foreign currency exchange		**(54,568)**	436,624
NET CHANGE IN CASH AND CASH EQUIVALENT DURING THE PERIOD		**(2,227,165)**	2,549,802
Cash and cash equivalent at the beginning of period		**15,118,433**	2,879,268
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	(8)	**12,836,700**	5,865,694

The attached notes (1) to (21) are an integral part of these interim separate financial statements.

1 BACKGROUND

- Talaat Mostafa Group Holding TMG Holding S.A.E **("The Company")**, was established on 13 February 2007 under the provisions of law 95 of 1992 and its executive regulations.
- 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 those companies.
- The company's headquarter and legal place is 36, Mosadek St, Dokki – Giza – Arabic republic of Egypt,
- The separate financial statements for the period ended 31 March 2025 were approved on May 15, 2025, according to the board of directors' resolution issued on the same date.

2- Basis of preparing the financial statements and the significant accounting policies

- The separate financial statements have been prepared according to the historical cost principle, except for investments at fair value through other comprehensive income and financial assets valued at fair value through profit or loss, which are measured at fair value.
- The separate financial statements are presented in Egyptian Pound, it is the company's functional currency.

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

- The financial statements have been prepared in accordance with Egyptian accounting standards considering the Egyptian laws and regulations and the instructions of the Financial Regulatory Authority issued in January 2022 regarding "Notes receivable for units not yet delivered.

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 implementation of real estate development companies to grant an option for a specific transitional period of time authorizing the accounting treatment for real estate developers recognizing checks received from clients before delivering the property to the client based on the sales contracts entered into till 31 December 2023, until the delivery of those properties to the clients, under the following conditions:

- Allocating a separate account to be presented within the financial assets of statement of the financial position at the date of receiving the checks from clients and before delivery of properties delivery "*Notes receivable for units not yet delivered*" and recognizing financial liabilities within the statement of financial position "*Liabilities against checks received from customers*".
- Recognizing the collected amounts by reducing the balance of "*Notes receivable for units not yet delivered"* and transferring an equivalent amount from "*Liabilities against checks received from customers*" account to "*advances from customers"* account.

The provisions of Articles (41) to (41) 8 of the Capital Market Law No. 95 of 1992 are applied to securitization treatments within the financial statements.

2.1 CHANGES IN ACCOUNTING POLICIES

The accounting policies followed in preparing the standalone financial statements are similar to those followed in preparing the standalone financial statements for the year ending December 31, 2024 .

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

The financial statements are prepared and presented in Egyptian pound that represents the functional currency of the company.
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 financial position date. All differences are recognized in the statement of profit or loss.
Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.
Nonmonetary 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.

Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment 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 the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

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:

	Years
Building	20
Motor Vehicles	5
Computers & Software	3-8
Furniture & Fixtures	5-10
Tools and Equipment	3-5

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 of the asset is included in the statement of profit or loss when the asset is derecognized.
The residual value of the assets, its economic useful life, and its method of depreciation is revised annually by the end of each fiscal year.

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 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 statement of profit or loss.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investment in subsidiaries

Investments in subsidiaries are investments in entities over which the company has control. Control is achieved when the company 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 company controls an investee if, and only if, the company 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.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Right arising from other contractual arrangements
- The company voting rights and potential voting rights

The company re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Investments in subsidiaries are accounted for in the separate financial statements at cost including acquisition cost. In the event of impairment of the investment, the carrying amount is adjusted to the amount of that impairment and included in the statement of income or losses for each investment separately.

Investments in associates

Investments in associates are those companies over which the Company has a significant influence and are not subsidiaries or join ventures, except for when the investment is classified as a non-current asset held for sale according to the Egyptian accounting standards No, 32. Significant influence is assumed when the company owns directly or indirectly through its subsidiaries companies 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 separate financial statements, at cost including the acquisition cost, and in case the investment is impaired, the carrying amount is adjusted by the amount of this impairment and is charged to the statement of profit or loss for each investment separately. Impairment losses are reversed in the period when occurred and to the extent of the amount of book value that was previously reduced.

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**

Upon initial recognition, the financial assets are classified according to each of the company's business models for managing the financial assets; and 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 profits or losses, with the exception of customer balances, which do not include a significant financing component, which is measured by the practical means applied by the company.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

• Post-measurement

For the purposes of post-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 reinvesting of accumulated profits and losses (debt instruments)

3- Financial assets classified at fair value through other comprehensive income with un-reinvesting of accumulated profits and losses on disposal (equity instruments)

4- Financial assets at fair value through profit or loss.

Business Model Evaluation

The company's management conducts an assessment of the objectives of retaining financial assets, which reflects the way the management evaluates the performance of financial investments. The information to be obtained to evaluate the business model includes the following:

- The company's investment policy, is based on achieving returns on investment in the form of interest or selling profits
- The investment period that is commensurate with the administration'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 retention, and cash flows.
- How to reward investment managers and whether it is based on the fair value of the investment, or the cash flows received

Financial assets at amortized cost (debt instruments)

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

• The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows only.

• 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 statement of profit or loss when the asset is disposal, modified, or impaired.

The company's financial assets that are measured at amortized cost include customer and 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 currency revaluation, and impairment losses or impairment losses are recognized in the statement of profit or loss and are computed in the same way for financial assets measured at amortized cost. remaining changes in fair value are recognized in other comprehensive income. On disposal, the cumulative change in fair value recognized in other comprehensive income is reinvesting to profit or loss.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

On initial recognition, the Group may elect to irrevocably classify its investment in equity instruments as equity instruments designated at fair value through other comprehensive income when it meets the definition of equity under IAS 25 Financial Instruments: Presentation and is not held. for trading. The rating is determined on an instrument-by-tool basis. Profits and losses from these financial assets are un-reinvesting to profit or loss. Dividends are recognized as income in the statement of profit or loss when the right to payment is established, except when the Group benefits from these returns as a recovery of part of the cost of the financial asset.

Equity instruments at fair value through other comprehensive income are not subject to impairment assessment. The Group has elected to classify its fully unlisted equity investments in this category.

Financial assets at fair value through Profit or losses

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

Expected credit losses

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

- Financial assets that are measured at amortized cost
- Investments in debt instruments that are measured at fair value through 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 instrument whose credit risk has not changed since the first recognition.

The company assumes that an increase in the expected credit risk is associated with a delay in debt collection 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 the liquidation of the guarantee.

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.

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disposal

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

• the contractual rights to the cash flows from the financial asset have expired; or

• the Company transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party through a pass-through contract; 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 into a pass-through contract, 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

Financial obligations

First recognition and measurement

On initial recognition, the financial liabilities are designated at fair value through profit or loss or loans and advances, suppliers, or derivatives designated as hedging instruments in an effective hedge transaction, as applicable. All financial liabilities are initially recognized at fair value and in the case of loans and advances and suppliers, direct transaction costs are deducted.

The Company's financial obligations include suppliers, funds raised from the Group's treasury, amounts due to related parties, and derivative financial instruments.

Post measurement

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

Financial obligations 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 obligations 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 statement of profit or loss when the liabilities are derecognised and through the effective interest rate amortization process.
Amortized cost is calculated by taking into account 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 statement of profit or loss. This category generally applies to loans and facilities.

Disposal

A financial liability is a disposal when the obligation under the obligation 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 the derecognition of the original liability and the recognition of a new liability. The difference in the related carrying amounts is recognized in the statement of profit or loss.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable and other debit balances

Accounts receivable and other debit balances are stated at book less any impairment losses.

Cash and cash equivalent

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits and treasury bills with an original maturity of three months less bank overdraft balances (if any).

Trade payables and accrued expenses

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

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 is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Revenue recognition

Revenue from the share of results in the subsidiaries to be recognised to the extent of the company's share of dividend of the investees after the acquisition date and from the date of declaring dividend by the general assembly of those companies,

The interest income of the financial instruments is recorded by the effective rate methods except for the financial instruments classified as trade investments or at fair value throughs statement of profit and loss.

Legal reserve

According to the Company's article of association, 5% of the net profits of The Nine-Months are to be transferred to the legal reserve until this reserve reaches 50 % of the issued capital, the reserve is used upon a decision from the General Assembly Meeting based on the proposal of the Board of Directors.

Leases:

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

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.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-use assets
The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets. 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.

Impairment of assets

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 asset or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

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

Treasury shares

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

Employees' / directors' compensation and motivation

Employees and manager's compensation and motivation system is according to the company's articles of association and applied with the proposal of the board of directors by one of the following methods**:**

- Giving the employees free shares
- Giving the employees shares with special price
- Giving promise of sale of the shares after specific period and according to certain conditions that stated in the company promise of sale

The compensation and motivation system is not affected

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred income tax
Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and it is carrying amount in the financial position (accounting base) using the applicable tax rate.
Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.
Current and deferred tax shall be recognized as income or an expense and included in the statement of profit or loss for The Nine-Months, 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.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits and treasury bills with an original maturity of three months less bank overdraft balances (if any).

Related party transactions
Related parties represent in the parent company, associated companies, 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 boards of directors.

Social Insurance
The Company makes contributions to the General Authority for Social Insurance under the provisions of social insurance law 79 of the year 1975. The Company's obligations are limited to these contributions, which are expensed when due.

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 period 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 period 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 twelve -Months in which they are incurred. The borrowing costs are represented in interest and other finance costs that the company pays to obtain the funds.

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

Dividends
Dividends are recognized as an obligation for the period when the general assembly issues the decision.

Earnings per share
Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period (if any).

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 separate 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 period.

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 FIXED ASSETS

	Land	Building	Transportation and Motor Vehicles	Computers & Software	Furniture	Tools	Total
	LE	LE	LE	LE	LE	LE	LE
Cost							
As of 1 January 2025	10,043,066	75,135,403	875,000	1,010,276	16,010	25,834	87,105,589
As of 31 March 2025	**10,043,066**	**75,135,403**	**875,000**	**1,010,276**	**16,010**	**25,834**	**87,105,589**
Accumulated depreciation							
As of 1 January 2024	-	(15,637,720)	(874,998)	(844,364)	(11,076)	(25,832)	(17,393,990)
Depreciation for the period	-	(939,192)	-	(35,012)	(740)	-	(974,944)
As of 31 March 2025	**-**	**(16,576,912)**	**(874,998)**	**(879,376)**	**(11,816)**	**(25,832)**	**(18,368,934)**
Net book value as of 31 March 2025	**10,043,066**	**58,558,491**	**2**	**130,900**	**4,194**	**2**	**68,736,655**

- There is no collaterals on the fixed assets

3 FIXED ASSETS (CONTINUED)

	Land	Building	Transportation and Motor Vehicles	Computers & Software	Furniture	Tools	Total
	LE	LE	LE	LE	LE	LE	LE
Cost							
As of 1 January 2024	10,043,066	75,135,403	875,000	1,055,741	16,010	25,834	87,151,054
Disposals	-	-	-	(45,465)	-	-	(45,465)
As of 31 December 2024	10,043,066	75,135,403	875,000	1,010,276	16,010	25,834	87,105,589
Accumulated depreciation							
As of 1 January 2024	-	(11,880,949)	(874,998)	(746,232)	(8,116)	(25,832)	(13,536,127)
Depreciation for the year	-	(3,756,771)	-	(143,593)	(2,960)	-	(3,903,324)
Disposals	-	-	-	45,461	-	-	45,461.
As of 31 December 2024	-	(15,637,720)	(874,998)	(844,364)	(11,076)	(25,832)	(17,393,990)
Net book value as of 31 December 2024	10,043,066	59,497,683	2	165,912	4,934	2	69,711,599

- There are no collaterals on the fixed assets

4- INVESTMENT IN SUBSIDIARIES

In October 2007, The company acquired 99.9% of the share capital of Arab Company For Projects And Urban Development, 96.9% of the share capital of Alexandria for Real Estate Investment, 72.18% of the share capital of San Stefano for Real Estate Investment, and 40% of Alexandria for Urban Projects through shares swap against the capital increase of Talaat Moustafa Group Holding “TMG Holding”, the company participated in the capital increase of Alexandria Company for Real Estate Investment by LE 543,768,900, San Stefano for Real Estate Company by LE 243,000,000 and Alexandria for Urban Projects Company by LE 145,583,000

The following are the subsidiaries:

No	Company	Capital share LE	No, of issued shares	No, of acquired shares	Ownership percentage
1	Arab Company For Projects and Urban Development (S.A.E) *	3.657.079.000	36570790	36570702	99.99%
2	Alexandria Company For Real Estate Investment (S.A.E) *	925,451,950	18,509,039	18125500	97.92%
3	San Stefano Company For Real Estate Investment (S.A.E) **	878,000,000	8,780,000	6337565	72.18%
4	Alexandria For Urban Projects Company (S.A.E)***	133,500,000	1,335,000	533770	40%
5	Talaat Mostafa Real Estate Development Company****	638,000,000	-	-	0.5%

*Arab Company for Projects and Urban Development owns 1 .68% of Alexandria Company for Real Estate Investment.

** The company indirectly owns 27.82% of San Stefano Company for Real Estate Investment through its subsidiary (Arab Company for Projects and Urban Development (S.A.E), Alexandria Company for Real Estate Investment (S.A.E), Alexandria for Urban Projects Company (S.A.E).

*** Alexandria Company For Real Estate Investment (S.A.E) owns 60% of Alexandria for Urban Projects Company.

**** Talaat Mostafa Group Holding owns 0.5% and Arab Company for Projects and Urban Development owns 59.5 % of Talaat Mostafa Real Estate Development Company in Saudi Arabia

The total cost of the investments in the subsidiaries amounted to LE 19,059,562,160 as follows:

	31 March 2025 LE	31 December 2024 LE
Arab Company for Projects and Urban Development (S.A.E)	**15,557,243,333**	15,557,243,333
Alexandria Company for Real Estate Investment (S.A.E)	**2,498,432,399**	2,498,432,399
San Stefano Company for Real Estate Investment (S.A.E)	**933,598,687**	933,598,687
Alexandria Company for Urban Projects (S.A.E)	**63,905,241**	63,905,241
Talaat Mostafa Real Estate Development Company	**6,382,500**	-
	19,059,562,160	19,053,179,660

The study of the extent of impairment of investments in subsidiaries Companies is measured annually.

5 INVESTMENTS IN ASSOCIATES

	Percentage	No. of shares	31 March 2025	31 December 2024
			LE	LE
Hill /TMG for Constructions and Projects Management (under liquidation) *	49%	147000	**1,470,000**	1,470,000
			1,470,000	1,470,000

* The Board of Directors agreed on the liquidation of Hill /TMG for Constructions and Projects Management. The liquidation process is still under progress.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss amounted to LE 221,809,825 reflecting the market price as of 31 March 2025 as follows:

Investments Type	Amount	Net change on 31 March 2025	Addition / (Exclusions) during the period	**Fair value 31 March 2025**	Fair value 31 December 2024
	LE	LE	LE	**LE**	LE
UPS Investment	180,559,993	(919,360)	1,400,279	**181,040,911**	180,559,993
Investments in EFG HERMES Fund III	38,873,254	(198,645)	-	**38,674,609**	38,873,254
Mutual investment fund –Juman Fund	5,421,215	173,363	(3,500,273)	**2,094,305**	5,421,215
	224,854,462	(944,642)	(2,099,995)	**221,809,825**	224,854,462

7 PREPAID EXPENSES AND OTHER DEBIT BALANCES

	31 March 2025	31 December 2024
	LE	LE
Deposit with Others - Financial Regulatory Authority	**2,063,562**	2,063,562
Prepaid expenses	**-**	12,540
Other debit balances	**628,408**	4,894,345
ECL for Debit Balances	**(2,750)**	(10,587)
	2,689,220	6,959,860

8 CASH ON HANDS AND AT BANKS

	31 March 2025	31 December 2024
	LE	LE
A- Local Currency		
Cash on hand	**36,115**	13,705
Banks - current accounts	**2,552,905**	9,623,164
Time deposits	**30,000**	30,000
	2,619,020	9,666,869
B- Foreign Currency		
Banks - current accounts	**10,325,031**	5,515,590
Total cash and balances at banks	**12,944,051**	15,182,459
Expected Credit loss	**(107,351)**	(64,026)
Total cash and balances at banks - Net	**12,836,700**	15,118,433

9 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 March 2025	31 December 2024
	LE	LE
Accrued expenses	**8,623,684**	5,066,473
Vendors – services	**28,890**	6,031,869
Other credit balances	**1,280,023**	1,021,023
	9,932,596	12,119,365

10 CAPITAL

The company's authorized capital amounted 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 Pound) par value each.

According to the Extraordinary General Assembly Meeting dated on 6 October 2007, the Company's authorized capital was increased to be 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 the 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 to 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 pounds) 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 June 2011 approved to increase the issued and paid-up capital through issuing bonus shares, deducted from the retained earnings, to be LE 20,635,622,860- dividend over 2,063,562,286 shares through issuing free shares deducted from the retained earnings. It was recorded in the commercial register on 24 May 2011.

11 LEGAL RESERVES

Legal reserve amounted to LE 432,163,000 as of 31 March 2025 represents the transferred amount of the shares Premium amounted to LE 344,000,000, and LE 1.6 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, this in accordance with law no 159 of 1981.

12 GENERAL RESERVES

The general reserve balance amounted to LE 61,735,404 as of 31 March 2025 includes amount of LE 25,747,613 represents the different results from shares swap of the company with the subsidiaries amounted according to the Extra Ordinary General Assembly Meeting dated 6 October 2007 to transfer the difference to general reserve.

In addition to the amount of LE 35,987,791 represent the difference between the par value and the book value of the treasury stocks that were redeemed according to the extraordinary general assembly resolution dated 24 March 2010.

13 Treasury Stock

The Treasury Stock balance amounted to LE 152,235,725 as of 31 March 2025, resulted of share purchases in accordance with the decision of the Board of Directors held on April 28, 2024, according to the trading price at the time of implementation. According to the decision of the Extraordinary General Assembly held on March 26, 2025, the execution of treasury shares was approved and is awaiting the decision of the Financial Regulatory Authority in this regard.

14 EARNINGS PER SHARE

Earnings per share for the period are EGP 0.10 the basic earnings per share are calculated by dividing the net profit of the period on the total number of outstanding shares during the period as follows:

	31 March 2025 **LE**	31 March 2024 LE
Net profit for the period before deducting employees' dividends share and boards of directors' remuneration	**216,771,089**	206,840,627
employees' dividends share and Boards of directors' remuneration (estimated)	**(9,600,000)**	(8,100,000)
Net profit for the period, excluding employees' dividends share and Boards of directors' remuneration	**207,171,089**	198,740,627
Weighted average of outstanding shares	**2062331361**	2063562286
Earnings per share (L.E/share)	**0.10**	0.096

* Dividends per share were calculated assuming that profits are distributed to employees and members of the Board of Directors on an estimated basis in accordance with the company's bylaws.

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

15 DIVIDENDS RECEIVABLE

The balance of dividends from subsidiaries on 31 March 2025 amounted to EGP 801,927,779, which is represented in the dividends from *Arab Company for Projects and Urban Development* that is paid in accordance with the decision of the General Assembly meeting of *Arab Company for Projects and Urban Development* during 2025. The following is a statement of distributions and receipts during the period/year:

	31 March 2025 **LE**	31 December 2024 LE
Beginning balance period / year	**542,998,694**	514,998,762
Dividend Declared	**259,999,374**	860,851,879
Dividends paid during the period / year	**-**	(832,851,947)
Ending balance period / year	**802,998,068**	542,998,694
Expected Credit loss	**(1,070,289)**	(2,785,818)
Ending balance - Net	**801,927,779**	540,212,876

16 INCOME TAX AND DEFFERED TAX

	31 March 2025	31 March 2024
	LE	LE
Net Profits for the period before tax	**242,529,542**	234,986,871
Adjustments on the profits to reach to taxable profits	**(236,969,772)**	(231,393,806)
Net taxable profit	**5,559,770**	3,593,065
Income tax at 22,5%	**-**	808,440
Tax on dividends 5% / 10%	**25,999,937**	18,285,351
Current income tax	**25,999,937**	19,093,791

The accrued income tax movement throughout the period / year :

	31 March 2025	31 December 2024
	LE	LE
Balance at the beginning of the period / year	**54,299,869**	60,622,290
Additions during the period / year	**25,999,937**	77,033,867
Tax paid during the period / year	**-**	(83,356,288)
Balance at the end of the period / year	**80,299,806**	54,299,869

Deferred tax assets on 31 March 2025, amounted to LE 18,034,774 represented in the difference between accounting basis and tax basis, and is calculated as follows:
-The value of deferred taxes for the fixed assets item and the associated differences between tax depreciation and accounting depreciation (Note 3)
- The value of exchange rate change differences resulting from the evaluation of financial investments in the UBS portfolio (Note 6)

	31 March 2025	31 March 2024
	LE	LE
Accounting basis (note 3,6)	**263,871,914**	253,375,510
Tax Basis	**(183,717,360)**	187,588,523
Temporary taxes differences	**80,154,554**	65,786,987
Tax rate	**22.50%**	22.50%
Deferred tax (asset)/ liability	**18,034,775**	14,802,072
Deferred tax liability/(asset) –at the beginning of the period	**18,276,260**	5,749,620
Deferred tax	**(241,485)**	(9,052,452)

	31 March 2025	31 March 2024
	LE	LE
Current income tax	**(25,999,937)**	(19,093,791)
Deferred income tax	**241,485**	(9,052,452)
	(25,758,452)	(28,146,243)

17 RELATED PARTY TRANSACTIONS

- To accomplish the company's objectives, the company deals with the related parties on the same terms with the other parties. The related parties' transactions represent paying on behalf or settling some balances between those parties, in addition to providing consulting services. These transactions balances appeared on the Assets and Liabilities sections of the statement of financial position.

Short term benefits paid, as salaries and rewards according to paragraph no, 17 of EAS no.15, amounted to EGP 8,232,843 on 31 March 2025

Related parties' transactions are included with the statement of financial positions as follows:

	Debit Balances 31 March 2025	Debit Balances 31 December 2024	**Nature of the transaction**
Arab Company for Projects and Urban Development	**460,402,904**	474,657,648	Dividends
Alexandra for Real estate	**213,645**	200,203	Current account
Expected Credit loss	**(619,746)**	(931,331)	
	459,996,803	473,926,520	

	Notes receivable 31 March 2025	Notes receivable 31 December 2024
Alexandria Company for Real Estate Investment	**1,715,121,326**	1,715,121,326
San Stefano for Real Estate Investment	**352,393,276**	352,393,276
Alexandria for Urban Projects	**417,457,544**	417,457,544
ECL For Notes receivables	**(9,891,403)**	(13,141,938)
	2,475,080,743	2,471,830,208

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 *Talaat Mostafa Group Holding*

18 TAX SITUATIONS

a. Corporate tax
Inspected and linked until 2020.
Tax returns were submitted regularly during the years up to 2022, with the tax due paid based on the tax returns submitted.

b. Value added tax
The company is not subject to and not registered in value-added tax, in accordance with the provisions of Law No. 67 of 2016.

c. Salary tax
Tax inspection and payment completed until 2020.
The company is regular in providing withheld taxes from employees first and foremost, and the periodic returns and annual settlements have been submitted on time at the Tax authority system.

d. Stamp tax
The stamp tax due is paid on the legal dates to the competent tax office.
The tax examination and assessment were carried out until 2021.

19 CONTINGENT LIABILITY

There are no contingent liabilities nor contractual commitments that are not included in the financial statements.

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 Company's senior management is responsible for setting and monitoring the risk management policies and reporting regularly to the Parent Company on their activities.

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
These are financial losses incurred by the company if the customer or counterparty fails to fulfill his obligations regulated by the financial instrument contract, and then the company is exposed to credit risks mainly from notes receivable, prepaid expenses, miscellaneous debtors, other debit balances, and what is due from related parties, as well as from its financial activities. Including deposits with banks and financial institutions.
This risk is considered limited because the company's main activity is acquiring companies.

Note Receivables balances
Credit risk arises based on the company's policy, procedures and control systems related to risk management. The customer's credit strength is measured, and the credit limit is determined based on this evaluation. The outstanding balances of notes receivable are constantly monitored. The company conducts an impairment study every fiscal year.

Other financial assets and cash deposits
Regarding credit risks arising from the company’s other financial assets, which include bank balances, cash, and financial assets at amortized cost, the entity is exposed to credit risk because of the counterparty’s default to a maximum amount equivalent to the book value of these assets.

The financial sector of the local company, with the support of the Board of Directors, is responsible for managing credit risks arising from balances with banks and financial institutions. The company limits its exposure to credit risk by depositing balances with only international banks or local banks with a good reputation. According to the information the company has about the bankers it deals with, management does not expect that any counterparty will fail to fulfill its obligations.

Due from related parties
Due from related parties relate to transactions that arise in the ordinary course of business with a minimum level of credit risk such that the maximum amount of exposure is equivalent to the book value of these balances.

B- Market risk

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

Exposure to foreign currency risk

The risk of changes in the exchange rate of foreign currencies, which affects payments and receipts in foreign currencies, as well as the revaluation of assets and liabilities in foreign currencies. Given that most of the company's transactions are in local currency, this risk is considered low.

Exposure to interest rate risk

Since the company does not currently have loans and facilities, hence this risk does not exist.

C- Liquidity risk

The cash flows, funding requirements, and liquidity of the Company are monitored by company management. The Company's objective is to maintain a balance between continuity of funding and flexibility.
The Company currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets and financial liabilities. The company's financial assets include cash balances on hand and at banks, notes receivable, some other debit balances, investments at amortized cost, and due from related parties. The company's financial liabilities include other credit balances and notes payable, and the fair values of financial assets and liabilities do not differ materially from their book value unless otherwise stated.
The methodologies and assumptions used to determine the fair value of assets are presented under the section on fair value in Note 2-3: Summary of significant accounting policies.

Financial instruments
The Group holds financial assets measured at fair value through the statement of profit or loss as follows:

31 March 2025	**First Level**	**Second Level**	Total
	LE	**LE**	LE
Investments in funds (Note 6)	-	**38,674,609**	**38,674,609**
Investments in investment instruments (Note 6)	-	**183,135,216**	**183,135,216**
	-	**221,809,825**	**221,809,825**

31 December 2024	**First Level**	**Second Level**	Total
	LE	**LE**	LE
Investments in funds (Note 6)	-	**38,873,254**	**38,873,254**
Investments in investment instruments (Note 6)	-	**185,981,208**	**185,981,208**
	-	**224,854,462**	**224,854,462**