TMG Holding announces remarkable 1Q 2025 results, achieving new performance milestones, including new sales of EGP 77 billion, maintaining the strong momentum and posting growth of 25% year-over-year. By 7th of May 2025, the Group already booked EGP 160 bn in sales, on the back of the record launch of SouthMed Phase 2, which achieved unprecedented EGP 70 bn in sales in one working day.

Talaat Moustafa Group Holding ("TMG Holding", "TMG", or "the Group") has delivered remarkable business results during first quarter ended March 31, 2025 (1Q 2025). Across all business segments, TMG has maintained its rapid growth trajectory, achieved new performance milestones and continued laying strong foundations for its ambitious expansion of all business segments locally and regionally, aiming to secure and expand new hard-currency revenues, capitalize on stable growth in neighbouring markets, and unlock new opportunities in the regional real estate landscape. In line with the Group's strategic guidance issued in 2017, on which the executive management team has consistently delivered since, TMG remains focused on:

- **Maintaining and growing sales momentum:** TMG demonstrated solid sales growth since 2017, achieving an extraordinary compound annual growth rate (CAGR) of 70% in value terms, culminating in a groundbreaking sales milestone achieved in FY 2024, with total sales exceeding a whopping EGP 504 billion (approximately USD 10 billion) that year. Subsequently, during 1Q 2025, the Group maintained this strong momentum and grew its sales by 25% year-over-year to EGP 77 billion, compared to EGP 62 billion booked in 1Q 2024, despite the absence of any new real estate project launches during the quarter. Importantly, TMG Holding targets to maintain its FY 2025 total sales at levels comparable to the groundbreaking result of FY 2024, driven by new project launches anticipated by year-end, such as the new mixed-use development Sharm Bay in Sharm El Sheikh. Subsequent to the reporting date, in mid-May 2025, the Group launched the second phase of its iconic SouthMed project, witnessing demand greater than that during its debut in 2024 (over EGP 70 billion in sales booked during the first working day), bringing the Group's total sales year-to-date to over EGP 160 billion, with a growth rate of 125% year-over-year.
- **Expanding the hotel arm and other recurring income lines:** Following the acquisition of the seven iconic historical hotels in Egypt, which added some 2,500 hotel rooms to the portfolio, reinforcing the stable and predictable revenue stream denominated in hard currencies, the Group continued to grow its recurring income streams during 1Q 2025, with total hospitality revenue growing by 50% year-over-year to EGP 3.5 billion, compared to EGP 2.3 billion booked in 1Q 2024, and bringing the total recurring revenues to an unprecedented EGP 5.6 billion in the quarter, marking a strong growth of almost 70% year-over-year. Importantly, recurring revenue represented some 60% of the total consolidated revenue in the period, compared to 49% during 1Q 2024.
- **Accelerating asset monetization:** TMG's strategic asset monetization efforts have further strengthened the Group's liquidity and financial stability, as evident in its solid cash balance of EGP 58 billion as of 31 March 2025, which enables reinvestment in high-growth opportunities. Importantly, the Group's total FX-denominated resources stood at USD 605 million as at end-1Q 2025, representing roughly a third of the Group's current market capitalization and providing a strong hedge against the local currency.
- **Expanding the land bank:** During 2025, the Group's management continued to focus on the aggressive regional expansion strategy, announcing that it has reached advanced stages of negotiations for a massive mixed-use project spanning approximately 14 million sqm in Iraq. This follows management's prudent strategy of expanding the land bank and project inventory, already implemented in 2024, with the successful entry into Saudi Arabia and Egypt's North Coast markets, through the 10 million square meters Banan project and the 23 million sqm development agreement of SouthMed. The Group is also exploring new lucrative expansion opportunities in the GCC and the broader Middle East region, to further enhance the Group's profitability and cash flows generation in hard currencies. It is also preparing for new growth opportunities on the North Coast, building on the stellar success of its SouthMed project, including destinations such as the recently inaugurated Ras El Hekma destination.
- **Preserving capital appreciation while hedging through the expansion of foreign currency income streams:** TMG has successfully developed unique high-value real estate asset portfolio, particularly through its hospitality investments and with its expansion in Saudi Arabia, generating substantial foreign currency income. Hospitality revenues alone in 1Q 2025 have reached USD 69 million, representing roughly a 37% of the Group's total revenues, in addition to over SAR 6.2 billion of sales booked in KSA to date and to be recognized as revenue within the coming four years. This strategic approach effectively hedges the Group from any currency risks in Egypt, while sustaining value appreciation and financial resilience. Moreover, the Group's real estate developments have been driven by modern and innovative technology concepts, with an

increased amount of business and operational processes delegated to artificial solutions and smart technology, ensuring significant savings in energy and water consumption, as well as streamlining and improving labour efficiency.

By meeting these objectives and through a series of unique partnerships and acquisitions, in 2024 and onwards the Group has successfully transformed into a major exporter of its successful real estate and tourism models in the broader Middle East region. This transformation generates substantial foreign currency income, effectively hedging TMG's operations against currency risk. The FX-generating assets not only preserve but also appreciate in value, providing a natural monetary upside in fluctuating economic conditions. This performance underscores the strength and resilience of TMG, reinforcing its position for rapid growth in both Egypt and international markets while further enhancing shareholder returns. The Group has consistently exceeded its strategic objectives, significantly surpassing initial expectations and securing sustained financial growth and stability for the years ahead. This success is underpinned by the Group's resilient, flexible and low-risk business model, designed to deliver strong investor returns.

Following is a summary of the business results and the executive management's efforts that led to these achievements during 1Q 2025.

Real estate sector

During 1Q 2025, the Group achieved outstanding real estate sales of EGP 77.2 billion, compared to EGP 61.8 billion during the same period last year, reflecting a 25% year-over-year growth. It is noteworthy that this result was achieved without any new real estate launches during the period and while relying solely on the organic volume and pricing growth in existing projects, delivered significant year-over-year growth. Subsequent to the reporting date, this performance was further bolstered by the exceptional success of the launch of the second phase of the flagship project, SouthMed, on May 4, 2025, which alone recorded sales of EGP 70 billion on the first day of release to the market, significantly stronger than the result witnessed on the first day of the project's debut in 2024. As a result, the Group's disclosed total real estate sales from the beginning of the year through May 7, 2025, reached EGP 160 billion. These figures underscore the strong confidence placed in the Group by its solid client base of over 200,000 customers, its deep understanding of market dynamics, and its ability to translate this insight into high-quality real estate developments and sustain strong growth in sales. The Group's offerings are further supported by innovative and attractive payment systems that cater to customer needs – setting new benchmarks in the Egyptian real estate market. As TMG remains the company of first choice for customers, its brand value and recognition fuel its sales irrespective of broader market dynamics, as evidenced by its unprecedented success in the SouthMed project, as well as others.

As of March 31, 2025, the Group's backlog of recorded and yet undelivered sales (sales backlog) amounted to EGP 350 billion, marking a massive growth rate of 94% compared to EGP 180 billion reported in 1Q 2024. This substantial increase is attributed to the significant surge in new sales achieved over the past 12 months by the Group, driven by new project launches as well as organic growth in volume and prices within already launched developments. The backlog remains stable and resilient, underpinned by a high-quality customer base driven by genuine end-user demand. It currently represents some 39.4 thousand residential and non-residential units to be delivered within the coming four to five years, excluding the SouthMed project where over 18 thousand units were sold to date. The backlog provides a strong revenue visibility and a clear trajectory for future profit recognition from this business segment alone. The Company expects to maintain and further enhance the profitability of its backlog, given the expenditures already incurred on-sites and the low historical cost of land, the potential cost efficiencies leveraging the Group's massive liquidity and purchasing power enabling potential savings in construction material costs and the robust financial position, ensuring the ability to optimize margins while maintaining high-quality project execution.

Hospitality sector

The hospitality sector recorded total revenues of EGP 3.5 billion equivalent to USD 69 million in 1Q 2025, compared to EGP 2.3 billion reported in the same period last year, growing by a remarkable 50% year-over year. Operating revenues during 1Q 2025 for the Four Seasons hotels - FS Nile Plaza, FS Sharm El Sheikh, and FS San Stefano, as well as the Nile Kempinski, reached EGP 1.32 billion, compared to EGP 869 million during the same period last year, reflecting a growth of 51.4% year-over-year. Operating revenues for the portfolio of Legacy Hotels and Tourism Projects Company-which owns the Marriott Omar Khayyam Zamalek, Marriott Mena House Cairo, Sofitel Legend Old Cataract Aswan, Mövenpick Resort Aswan, Sofitel Winter Palace Luxor, Steigenberger El Tahrir Hotel, and Steigenberger Cecil Alexandria-amounted to EGP 2.19 billion during the first quarter of 2025, compared to EGP 1.44 billion in the same period of the previous year, reflecting a 51.8% growth year-over-year.

It is worth mentioning that in 2024 the Group successfully completed the acquisition of Legacy Hotels and Tourism Projects Company (Legacy), owner of seven iconic historic hotels in Egypt. This transformative acquisition has expanded the Group's hospitality portfolio by some 2,500 rooms, bringing the total operating room count to some 3,500 rooms. The acquisition enhances

TMG's geographical and market diversification, further strengthening the stability of the Group's recurring income streams and reinforcing the Company's ability to generate high-margin foreign currency flows. The newly acquired hotels will undergo renovations and refurbishments in the coming years to unlock their full profitability potential and align them with the superior standard of TMG's original portfolio. These upgrades will enable operators to leverage the unique value of their prime locations while preserving their historical heritage for future generations of Egyptians. Importantly all renovations and improvements are fully funded as part of the acquisition price, ensuring that these investments will not burden the Group's future cash flows. Meanwhile, the Group is progressing with the organic expansion of the hospitality portfolio, with three properties under construction, namely Four Seasons Luxor, Four Seasons Madinaty and Marsa Alam resort. These properties are expected to be become operational starting 2026, further enhancing our presence in key destinations. Additionally, other new ultraluxury properties are in the planning and development phase which will bring the total number of rooms owned by TMG in excess of 5,000.

Recurring revenue and service sector

Recurring income activities and service-related operations generated revenues of EGP 2.1 billion during the first quarter of 2025, compared to EGP 979 million during the same period last year, reflecting a significant growth rate of 116%.

It is noteworthy that the significant diversification in the Group's revenues, driven by the expansion into projects outside Egypt, such as the Banan project in Saudi Arabia, as well as potential entry into other neighbouring markets, and the growth of the hotel portfolio, will maximize the Group's foreign currency revenues. Foreign currency-denominated revenues accounted for approximately one-third of the Group's total revenue in the 2024, reflecting the significant contribution of the hotel segment to the consolidated top line. This aligns with the Group's long-term strategy to reach approximately 60% of total revenues to be denominated in foreign currencies, thereby positively impacting the company's financial strength and hedging its returns against local currency fluctuations.

Income statement performance

The Group's total revenues during the first quarter of 2025 amounted to approximately EGP 9.43 billion, compared to EGP 6.79 billion recorded during the same period of the previous year, reflecting a growth rate of 39%. In absolute terms, the hospitality sector was the primary source of growth in the period, with a growth rate of 50% year-over-year, followed by other recurring income lines (malls, sporting clubs, utilities, contracting, and other services) and the development sector, growing by 116% year-over-year.

Consolidated gross profit reached approximately EGP 3.6 billion during the first quarter of 2025, compared to EGP 2.6 billion during the same period last year, reflecting a growth rate of 37% year-over-year. The hospitality segment was the key driver of growth in gross profit in absolute terms, increasing by 42% year-over-year, followed by other recurring income lines and the development segment, with growth rates of 91% and 6% year-over-year, respectively. Importantly, recurring income lines contributed a significant 73% to the Group's consolidated gross profit, further exceeding the announced strategic targets, diversifying and strengthening the Group's sources of stable annual income.

Total consolidated gross profit margin reached 38% and was sustained at its high levels year-over-year compared to the same period last year.

General and administrative expenses amounted to approximately EGP 584.6 million during 1Q of 2025, representing 6% of revenues, compared to EGP 354 million, or 5.2% of revenues, during the same period last year. The increase in expenses compared to the previous year is primarily attributed to the impact of inflation and the launch of new projects such as the Banan and SouthMed cities. Meanwhile, executive management continues to implement necessary cost-control measures and spending oversight, with these expenses being offset by other diversified income totalling EGP 597 million, mainly representing development, franchising and resale fees. This additional income is uniquely generated by management's innovative approach of extracting additional value from existing operations through unprecedented methods, which significantly reduce the Group's operational risks going forward.

Consolidated net profit after taxes amounted to approximately EGP 4.4 billion during the first quarter of 2025, compared to EGP 4.1 billion during the same period last year, reflecting a growth rate of 7% year-over-year. It is noteworthy, that the bottom-line in the comparable period last year was supported by significant FX gains on the back of EGP devaluation, as well as one-off gains on the Legacy acquisition transaction. The standalone net profit of the company (excluding the performance of subsidiaries) amounted to EGP 216.7 million during the first quarter of 2025, compared to approximately EGP 206.8 million during the same period last year, reflecting a growth rate of 4.8%.

The holding company's stand-alone net profit (excluding the results of its subsidiaries) for FY 2024 amounted to EGP 802 million. This represents a 18% year-over-year growth compared to EGP 682 million during the same period last year.

Balance sheet position

Total assets amounted to EGP 374.6 billion during the first quarter of 2025, compared to EGP 356.8 billion during the same period last year. Assets increased by approximately EGP 17.8 billion in Q1 2025, primarily due to the growth in the Development Properties and Investment Properties accounts.

Cash and cash equivalents, including deposits and treasury bills, amounted to approximately EGP 58 billion during the first quarter of 2025, compared to around EGP 59.8 billion as of December 31, 2024 as the Group's continues its expansion into new projects and equity contributions in both new and existing companies.

As a result of increased sales during the period and higher collections from customer advance payments, customer balances and other liabilities rose by EGP 15 billion, bringing total liabilities to approximately EGP 240 billion as of March 31, 2025, compared to EGP 225.3 billion as of December 31, 2024. These amounts will be recognized as revenue upon delivery of the sold units in accordance with their respective delivery schedule.

Outstanding loans and credit facilities amounted to approximately EGP 10.8 billion as of March 31, 2025, compared to EGP 8.9 billion as of December 31, 2024. This increase is attributed to the Group's expansion into new projects and its equity contributions to both new and existing companies. It is worth noting that the debt-to-equity ratio (based on the parent company's shareholders' equity) stands at 1 to 6.8.

More importantly, while the Group's loans and credit facilities total approximately EGP 10.8 billion, its cash, financial investments, and equivalents stood at EGP 58 billion as of March 31, 2025. This translates to a cash-to-debt ratio of 5.4 to 1, underscoring the Group's strong financial position and its strategy of maintaining minimal debt levels relative to both shareholders' equity and available liquidity.

Consolidated income statement

In EGPmn, unless otherwise stated

	1Q 2024	1Q 2025	Change
Development revenue	3,475.1	3,804.2	9%
Development cost	(2,552.0)	(2,829.6)	11%
Gross profit from development	**923.2**	**974.6**	**6%**
Hospitality revenue	2,337.9	3,507.3	50%
Hospitality cost	(1,044.8)	(1,667.7)	60%
Gross profit from hospitality operations	**1,293.0**	**1,839.6**	**42%**
Service revenue	979.2	2,115.0	116%
Service cost	(557.1)	(1,307.7)	135%
Gross profit from other recurring operations	**422.0**	**807.3**	**91%**
Total revenue	**6,792.1**	**9,426.6**	**39%**
Total gross profit	**2,638.2**	**3,621.5**	**37%**
Gross profit margin	38.8%	38.4%	-0.4pp
Gains from hotel companies combination	1,062.3	0.0	N/M
Marketing expenses	(56.4)	(82.9)	47%
General and administrative expenses	(354.1)	(584.6)	65%
Other expenses	(228.4)	(288.6)	26%
Provisions formed and ECL	(279.8)	78.5	N/M
Investment Properties revaluation surplus	0.0	2,359.4	N/M
Other income	493.6	596.7	21%
Foreign currency evaluation differences	2,131.3	(9.5)	N/M
Income before depreciation and financing expense	**5,406.8**	**5,690.6**	**5%**
Depreciation and amortisation	(201.0)	(339.1)	69%
Financing cost	(226.1)	(240.0)	6%
Financing revenues and share in profits of investments	189.5	601.1	217%
Net income before tax and minority interest expense	**5,169.2**	**5,712.6**	**11%**
Income tax	(561.2)	(672.2)	20%
Deferred tax	(472.0)	(620.9)	32%
Net income before minority interest	**4,136.0**	**4,419.5**	**7%**
Minority interest	(1,745.9)	(725.9)	-58%
Attributable net income	**2,390.1**	**3,693.6**	**55%**

Consolidated balance sheet

In EGPmn

	FY2024	1Q2025
Property, plant and equipment	75,812.1	75,310.7
Investment properties	14,260.0	17,962.5
Intangible assets	4,100.4	4,095.8
Projects under construction	11,167.0	12,124.3
Goodwill	10,289.4	10,289.4
Investment in associates	623.6	653.5
Financial investments available for sale	1,748.8	1,757.0
Financial investments held to maturity	4,442.2	9,527.8
Other financial assets	229.0	190.8
Deferred tax assets	194.2	209.0
Right of use assets	196.3	192.0
Total non-current assets	**123,063.0**	**132,312.6**
Development properties	104,117.9	111,202.5
Work in progress	37.2	50.7
Inventories	3,440.5	3,411.3
Notes receivable - for delivered units	17,786.1	20,084.1
Notes receivable - for undelivered units	27,648.2	25,295.2
Prepaid expenses and other debit balances	24,793.0	33,315.3
Financial investments held to maturity	10,462.6	8,414.1
Financial assets at fair value	517.4	523.2
Cash and cash equivalents	44,915.5	39,995.4
Total current assets	**233,718.3**	**242,291.7**
Total assets	**356,781.3**	**374,604.4**
Paid-in capital	20,635.6	20,635.6
Legal reserve	432.2	472.3
General reserve	61.7	61.7
FX reserve	1,071.8	907.7
Revaluation reserve	1,213.6	1,213.6
Retained earnings	47,493.6	50,309.1
Treasury shares	(152.2)	(152.2)
Shareholders' equity	**70,756.3**	**73,447.8**
Minority interest	60,726.0	60,897.6
Total equity	**131,482.2**	**134,345.4**
Bank loans	6,757.2	8,642.5
Long-term liabilities	45,194.8	47,760.3
Other financial obligations	225.5	191.2
Deferred tax liabilities	1,990.6	2,626.7
Long term lease liabilities	183.1	178.6
Total non-current liabilities	**54,351.1**	**59,399.3**
Bank overdrafts	5.9	6.7
Bank facilities	1,189.9	1,418.7
Current portion of bank loans	962.3	745.1
Notes payable	29,529.6	28,541.8
Advance payments - collected	81,000.9	91,211.5
Advance payments - checks	27,648.2	25,295.2
Dividends payable	59.9	1,124.9
Provisions	1,106.3	1,104.5
Accrued expenses and other credit balances	26,609.6	27,903.4
Current lease liabilities	18.5	18.7
Income tax payables	2,817.0	3,489.2
Total current liabilities	**170,948.0**	**180,859.7**
Total liabilities	**225,299.1**	**240,258.9**

Condensed cash flow statement

In EGPmn

	1Q2024	1Q2025
Net profit before taxes and non-controlling interest	5,169.2	5,712.6
Depreciation and amortization	186.6	350.6
Other adjustments	(2,109.3)	(3,292.6)
Gross operating cash flow	**3,246.5**	**2,770.5**
Net working capital changes	5,638.0	(1,605.0)
Change in accrued income tax	(122.9)	0.0
Net operating cash flow	**5,515.0**	**(1,605.0)**
Net investment cash flow	**(70,500.6)**	**(4,740.2)**
Net financing cash flow	**49,880.1**	**1,998.1**
Foreign currency valuation differences	2,131.3	(9.5)
Foreign currency translation differences from translation of foreign operations	1,023.5	(564.3)
Acquisition adjustment	9,976.9	0.0
Net change in cash	**(1,973.7)**	**(4,920.8)**

About the company

Talaat Moustafa Group Holding S.A.E. (TMG Holding) is a leading publicly held Egyptian developer of large-scale integrated communities and tourism investment projects. It has a total land of over 97 million square meters spread across Egypt and additional 10 million square meters in Riyadh, Saudi Arabia. Since its inception, has delivered residential units supporting formation of a community with some 1.2 million people in all of TMG Holding's projects, accompanied by high-quality amenities and infrastructure. Aside from other renowned projects, TMG Holding is the developer of Madinaty, its flagship community occupying 33.6mn square meters in East Cairo. Furthermore, the Group owns an unmatched portfolio of 11 luxury hospitality assets with a total room base of 3.5 thousand located in top-notch properties spread across Egypt, in addition to some 1.5 thousand of luxury rooms under development in Cairo, Luxor and Marsa Alam.

Note on forward-looking statements

In this communication, TMG Holding may make forward-looking statements reflecting management's expectations on business prospects and growth objectives as of the date on which they are made. These statements are not factual and represent beliefs regarding future events, many of which are uncertain and subject to changing conditions of the competitive landscape, macroeconomic and regulatory environment and other factors beyond management's control. Therefore, recipients of this communication are cautioned not to place undue reliance on these forward-looking statements.

Shareholder structure as of 31 March 2025