TMG

TMG Holding announces remarkable 1H 2025 results, achieving new performance milestones, including new sales of EGP 211 billion, maintaining the strong momentum and posting growth of 59% year-over-year. Consolidated net profit after taxes amounted to approximately EGP 8.1 billion during 1H 2025, reflecting a growth rate of 69% year-over-year.

Talaat Moustafa Group Holding (“TMG Holding”, “TMG”, or “the Group”) achieved unprecedented business results during first half of 2025 (1H 2025) across all business segments. TMG has maintained its rapid growth trajectory, achieved new performance milestones and progressed in its ambitious international expansion with the aim of securing and expanding new hard-currency revenues, capitalizing on the stable growth of neighboring markets, and unlocking new opportunities in the regional real estate sector. 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, culminating in a groundbreaking sales milestone achieved in FY 2024, with total sales exceeding a whopping EGP 0.5 trillion that year (equivalent to about USD 10 billion). The Group maintained this strong momentum throughout 1H 2025, achieving sales growth of 59% year-over-year reaching EGP 211 billion, compared to EGP 133 billion booked in 1H 2024, despite the absence of any new destination launches during the period. In early May 2025, the Group launched the second phase of its flagship project SouthMed, following strong demand, even stronger than the demand witnessed during its inauguration in 2024. Sales and reservations for the project reached approximately EGP 106 billion during the first half of 2025, bringing total accumulated sales to EGP 384 billion within just one year since its launch in early July 2024. Sales of the South Med project during the period from 1 January 2025 to 9 August 2025 amounted to approximately EGP 116 billion, bringing the project’s total cumulative sales to EGP 395 billion to date. This record performance underscores the solid strength of the TMG brand, customer trust, and the strong demand for its products both locally and internationally.
- **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 revenue stream denominated in hard currencies, the Group continued to grow its recurring income streams during 1H 2025. Total hospitality revenue grew by 39% year-over-year to EGP 7.17 billion, compared to EGP 5.15 billion booked in 1H 2024, bringing the total recurring revenues to an unprecedented EGP 11.77 billion in the current period, compared to EGP 7.89 billion achieved in the same period last year, marking a strong growth of 50.8% year-over-year.
- **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 59.6 billion as of 30 June 2025, which enables reinvestment in high-growth opportunities. Importantly, the Group’s total FX-denominated resources stood at USD 602.9 million as at end-1H 2025, representing roughly a third of the Group’s current market capitalization and providing a strong hedge against currency risks. Importantly, our cash and cash equivalents balance as of 30 June 2025 represents more than 50% of the company’s market capitalization.
- **Expanding the land bank:** During the first half of 2025, the Group’s management continued to focus on the aggressive regional expansion strategy, signing an agreement with the Ministry of Housing and Urban Planning of Oman to develop two real estate projects on approximately 5 million square meters (sqm) of prime land in Sultan Haitham City in Muscat, Oman. The Group also signed a Memorandum-of-Understanding with the National Investment Commission of Iraq for development of a massive mixed-use project spanning about 14 million sqm in Baghdad. This follows management’s prudent strategy of expanding the landbank and project inventory, already initiated in 2024, with the successful entry into Saudi Arabia and Egypt’s North Coast markets, through the 10 million square meters acquired for the Banan project and the 23 million sqm development agreement of SouthMed. The Group is also exploring other lucrative expansion opportunities in its existing markets, the GCC and the broader Middle East region, to further enhance the Group's profitability and cash flows generation in hard currencies. The Group is also preparing for new growth opportunities in the North Coast, following the remarkable success of the SouthMed project.
- **Preserving capital appreciation while hedging through the expansion of foreign currency income streams:** TMG has successfully developed high-value real estate assets, especially with its hospitality investments and with its expansion in Saudi Arabia through the Banan project, which are generating substantial and growing foreign currency income. Hospitality revenues alone in 1H 2025 reached USD 142.3 million, representing roughly 29.4% of the Group’s total revenues, in addition to over SAR 6.3 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 growth is sustained by the Group's flexible and low-risk business model, designed to deliver strong returns to investors. Moreover, the Group's real estate developments are 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 the streamlining of human activities.

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 generated 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.

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

Real estate sector

During 1H 2025, the Group achieved outstanding real estate sales of EGP 211 billion, compared to EGP 133 billion achieved during the same period last year, reflecting a 59% year-over-year growth. It is noteworthy that this result was achieved without any new destination launches during the period and despite relying solely on the organic volume and pricing growth in existing projects, delivered significant year-over-year growth. This performance was further bolstered by the exceptional success of the launch of the second phase of TMG's flagship project in the North Coast, SouthMed, on May 4, 2025.

These figures underscore the strong trust placed in the Group by over 200,000 high-spending clients. TMG's robust sales performance is driven by its deep understanding of market shifts and its ability to translate that insight into high-quality real estate developments, supported by innovative and market-shaping payment plans — setting new benchmarks across the Egyptian real estate landscape.

As TMG continues to be the top-ranked company in terms of customer trust, the strength of its brand and solid reputation continue to fuel its sales, regardless of broader market dynamics, as clearly demonstrated by the unprecedented success of SouthMed and other projects.

As of June 30, 2025, the Group's backlog of recorded and yet undelivered sales (sales backlog) amounted to EGP 363.8 billion, marking a massive growth rate of 48% compared to EGP 245 billion reported in 1H 2024. This substantial increase is attributed to the significant surge in core new sales achieved over the past 12 months by the Group, driven by the demand for new projects as well as organic growth in volume and prices of already established developments. The backlog remains stable and resilient, underpinned by a high-quality customer base driven by genuine end-user demand. This massive sales backlog enables the doubling of future annual real estate revenues and net profits from real estate activities upon recognition in revenues over the next five years driven by unit deliveries. It currently represents some 40.7 thousand residential and non-residential units to be delivered within the coming five years. The figure excludes the SouthMed project, approximately almost 19.6 thousand units were sold until 30 June 2025. Meanwhile, the number of units sold in SouthMed reached 20,212 units by August 9, 2025, with a value of EGP 395 billion. 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 expenditure already incurred on-sites, the low historical cost of land, and any potential future savings in construction material costs. These can be further enhanced by leveraging the Group's massive liquidity and purchasing power enabling potential cost efficiencies. Together, these offer strong future profitability, sustained income growth, and consistent project execution quality.

Hospitality sector

The hospitality sector recorded total revenues of EGP 7.17 billion in 1H 2025, compared to EGP 5.15 billion reported in the same period last year, growing by a remarkable 39% year-over-year. Operating revenues during 1H 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 2.96 billion, compared to EGP 2.15 billion during the same period last year, reflecting a growth of 37.4%. 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 4.22 billion during 1H 2025, compared to EGP 3.01 billion achieved in the same period of the previous year, reflecting a 40.3% 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 affect 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 become operational starting 2026, further enhancing our presence in key destinations and strengthening our position in the tourism sector. Additionally, other new ultra-luxury properties are in the planning and development phase which will bring the total number of rooms owned by TMG in excess of 5,000. The expansion of the hotel portfolio is expected to double the Group's foreign currency revenues. Foreign currency-denominated revenues accounted for about one-third of the group's total revenues in 2024, reflecting the significant contribution of the hospitality sector to the group's consolidated revenues. This aligns with the group's long-term strategy to achieve approximately 60% of its total revenues in foreign currencies, positively impacting the company's financial strength and providing protection and hedging against exchange rate fluctuation risks.

The hospitality segment alone achieved a net operating profit before taking the effect of foreign currency differences of EGP 3.4 billion in 1H 2025, compared to EGP 2.3 billion achieved during the same period of 2024, with a growth rate of 47%.

Recurring revenue and service sector

Recurring income activities and service-related operations generated revenues of EGP 4.60 billion during 1H 2025, compared to EGP 2.74 billion during the same period last year, reflecting a significant growth rate of 68%.

Income statement performance

The Group's total revenues during 1H 2025 amounted to approximately EGP 24.39 billion, compared to EGP 17.02 billion recorded during the same period of the previous year, reflecting a growth rate of 43% year-over-year.

Figures in EGP billion

Item	30/06/2025	30/06/2024	Change %
Real estate revenue	**12.62**	**9.13**	**38%**
Hospitality revenue	**5.15**	**7.17**	**39%**
Other recurring revenue	**4.6**	**2.7**	**68%**
Total revenues	**24.02**	**17.02**	**43%**

It is worth noting the annual growth in revenues and net profits from recurring income activities, with total revenues reaching EGP 4.6 billion for the six-month period ended 30 June 2025, compared to EGP 2.7 billion for the same period in 2024, reflecting a growth rate of 68%. The gross profit from these revenues also recorded a growth rate of 62%. This type of revenue is characterized by its regularity and continuity, coupled with low associated risks.

Consolidated gross profit reached approximately EGP 8.61 billion during 1H 2025, compared to EGP 5.99 billion during the same period last year, reflecting a growth rate of 44% year-over-year.

General and administrative expenses amounted to approximately EGP 912 million during 1H 2025, representing 3.7% of revenues, compared to EGP 520 million, or 3.1% of revenues, during the same period last year. The increase in expenses compared to the previous year is primarily attributed to:

- Expenses related to the Banan project in Riyadh, amounting to EGP 325 million, related to the sales and administrative operations in the project, and they are matched with the massive sales volume of EGP 82 billion recorded for the project until June 30, 2025. It is important to consider the future positive impact of these already recognized expenses on the project's gross profit margin, as real estate revenues are recognized upon the delivery of units to customers in accordance with International Financial Reporting Standard (IFRS) No. 15, which pertains to revenue recognition from contracts with customers.
- Additional EGP 50 million related to studies and consultancy services (marketing, financial, and legal), as well as travel, accommodation, and office rental expenses to support the Group's expansion into new markets in 2025, specifically in Baghdad, Iraq, and Muscat, Oman.
- Starting 2023, management has successfully implemented a new system to cover general and marketing expenses by increasing proceeds from other revenues, primarily generated through sales commissions earned on behalf of third parties. In 1H 2025, these revenues reached EGP 1.2 billion, compared to EGP 437 million. They fully covered general and administrative expenses and generating a 33% surplus. These revenues are recognized in the income statement.

- Management continues to take the necessary measures to control costs, monitor spending, and cover these expenses through various other revenues streams.

Financing income amounted to EGP 1,064 million as of 1H 2025, compared to EGP 428 million during the same period last year, reflecting a growth rate of 149%. This income is generated from interest earned on bank accounts, current accounts, and deposits. In contrast, financing expenses charged to the income statement amounted to EGP 438 million as of 30/06/2025, compared to EGP 437 million during the same period last year. These expenses are due to financing and banking interest costs.

Figures in EGP million

Item	30/06/2025	30/06/2024
Financing income (interest credited to banks, current accounts and deposits)	**1,064**	**428**
Financing Expenses (Financing and Bank Interest)	**438**	**437**

Consolidated net profit after taxes amounted to approximately EGP 8.1 billion during 1H 2025, compared to EGP 4.8 billion during the same period last year, reflecting a growth rate of 69% year-over-year.

Balance sheet position

Total assets amounted to EGP 388.7 billion during 1H 2025, compared to EGP 355 billion during the same period last year. Assets increased by approximately EGP 33.6 billion in 1H 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 59.6 billion during 1H 2025, compared to around EGP 59.8 billion as of December 31, 2024. The slight decline is due to the Group's expansion into new projects and equity contributions in both newly established and existing companies.

Increased sales during the period and higher collections from down payments resulted in an increase of EGP 25.4 billion in customer advance payments, out of EGP 29.7 billion increase recorded during the period, which brings total liabilities to EGP 255 billion as of 1H 2025, compared to EGP 225.3 billion as of end-December 2024. These amounts will be recognized as revenue upon the delivery of the sold units in accordance with their respective delivery schedules.

The loan and credit facilities balance amounted to approximately EGP 11.7 billion during the first half of 2025, compared to about EGP 8.9 billion as of 31 December 2024, as a result of expansion in the development of new hotels. Loans for these new hotels amounted to EGP 6.06 billion, representing more than 50% of the total. These loans are intended for the construction and development of the hotels and are repaid from the operating surpluses generated by the hotels.

It is noteworthy that the total shareholders' equity stood at EGP 133.7 billion as of June 30, 2025. Hence, the debt-to-equity ratio of the Group stood a minimal 1 to 11.4.

Moreover, the value of cash, time deposits, treasury bills, government bonds, and their equivalents amounts to EGP 59.6 billion, with the ratio of loans and credit facilities to total cash and equivalents standing at 1 to 5. These ratios reflect the strength of the company's financial position and the low level of debt relative to shareholders' equity and liquid assets.

TMG

Consolidated income statement

In EGPmn, unless otherwise stated

	1H 2024	1H 2025	Change
Development revenue	9,134.1	12,621.8	38%
Development cost	(6,711.3)	(9,006.6)	34%
Gross profit from development	**2,422.8**	**3,615.3**	**49%**
Hospitality revenue	5,146.1	7,171.6	39%
Hospitality cost	(2,343.3)	(3,411.6)	46%
Gross profit from hospitality operations	**2,802.8**	**3,760.0**	**34%**
Service revenue	2,744.5	4,598.5	68%
Service cost	(1,984.7)	(3,367.0)	70%
Gross profit from other recurring operations	**759.8**	**1,231.5**	**62%**
Total revenue	**17,024.8**	**24,391.9**	**43%**
Total gross profit	**5,985.4**	**8,606.8**	**44%**
Gross profit margin	35.2%	35.3%	0.1pp
Marketing expenses	(206.7)	(246.5)	19%
General and administrative expenses	(520.4)	(911.9)	75%
Other expenses	(783.1)	(635.0)	-19%
Foreign currency evaluation differences	1,945.0	97.2	-95%
Provisions formed and ECL	(251.1)	33.5	N/M
Investment Properties revaluation surplus	-	2,359.4	N/M
Other income	438.0	1,212.2	177%
Income before depreciation and financing expense	**6,607.0**	**10,515.7**	**59%**
Depreciation and amortisation	(379.8)	(670.6)	77%
Financing cost	(437.1)	(438.2)	0%
Financing revenues and share in profits of investments	445.0	1,082.5	143%
Net income before tax and minority interest expense	**6,235.2**	**10,489.3**	**68%**
Income tax	(1,035.1)	(1,664.6)	61%
Deferred tax	(398.6)	(713.4)	79%
Net income before minority interest	**4,801.4**	**8,111.2**	**69%**
Minority interest	(2,476.5)	(1,705.8)	-31%
Attributable net income	**2,324.9**	**6,405.4**	**176%**

Consolidated balance sheet

In EGPmn

	FY 2024	1H 2025
Property, plant and equipment	75,812.1	74,091.9
Investment properties	14,260.0	18,859.7
Intangible assets	43.8	37.9
Projects under construction	11,167.0	13,184.7
Goodwill	12,743.5	12,684.1
Investment in associates	623.6	665.2
Financial investments available for sale	1,748.8	1,285.2
Financial investments held to maturity	4,442.2	9,939.1
Other financial assets	229.0	2,148.1
Deferred tax assets	194.2	226.6
Right of use assets	196.3	219.4
Total non-current assets	**121,460.6**	**133,341.8**
Development properties	104,117.9	120,401.4
Work in progress	37.20184	32.491093
Inventories	3,440.5	7,583.8
Notes receivable - for delivered units	17,786.1	20,340.8
Notes receivable - for undelivered units	27,648.2	20,544.5
Prepaid expenses and other debit balances	24,793.0	36,353.2
Financial investments held to maturity	10,462.6	6,587.1
Financial assets at fair value	517.4	510.6
Cash and cash equivalents	44,915.5	43,095.2
Total current assets	**233,718.3**	**255,449.0**
Total assets	**355,178.9**	**388,790.8**
Paid-in capital	20,635.6	20,606.5
Legal reserve	432.2	472.3
General reserve	61.7	-
FX reserve	1,167.4	503.9
Revaluation reserve	1,213.6	997.2
Retained earnings	45,795.6	50,814.0
Treasury shares	(152.2)	-
Shareholders' equity	**69,153.8**	**73,394.0**
Minority interest	60,726.0	60,380.2
Total equity	**129,879.8**	**133,774.2**
Bank loans	6,757.2	9,460.4
Long-term liabilities	45,194.8	51,653.2
Other financial obligations	225.5	155.3
Deferred tax liabilities	1,990.6	2,594.8
Long term lease liabilities	183.1	209.4
Total non-current liabilities	**54,351.1**	**64,073.0**
Bank overdrafts	5.9	6.4
Bank facilities	1,189.9	1,467.3
Current portion of bank loans	962.3	804.4
Notes payable	29,529.6	31,658.9
Advance payments - collected	81,000.9	106,369.9
Advance payments - checks	27,648.2	20,544.5
Dividends payable	59.9	309.1
Provisions	1,106.3	1,140.4
Accrued expenses and other credit balances	26,609.6	26,920.5
Current lease liabilities	18.5	24.7
Income tax payables	2,817.0	1,697.7
Total current liabilities	**170,948.0**	**190,943.7**
Total liabilities	**225,299.1**	**255,016.7**

Condensed cash flow statement

In EGPmn

	1H 2024	1H 2025
Net profit before taxes and non-controlling interest	6,235.2	10,489.3
Depreciation and amortization	428.9	670.6
Other adjustments	(2,406.1)	(4,162.5)
Gross operating cash flow	**4,258.0**	**6,997.4**
Net working capital changes	20,162.8	4,128.3
Change in accrued income tax	(1,988.8)	(2,784.1)
Net operating cash flow	**18,173.9**	**1,344.2**
Net investment cash flow	**(80,376.8)**	**(3,542.6)**
Net financing cash flow	**52,666.3**	**1,724.4**
Foreign currency valuation differences	1,945.0	97.2
Foreign currency translation differences from translation of foreign operations	12.9	(1,444.0)
Acquisition adjustment	16,644.9	-
Net change in cash	**9,066.3**	**(1,820.8)**

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, additional 10 million square meters in Riyadh, Saudi Arabia and 4.9 million square meters in Muscat, Sultanate of Oman. 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 30 June 2025