



Executive Management Report on the Group's Business Results for the Financial Period Ended 30/6/2023

Talaat Moustafa Group Holding ("TMG Holding", "the Group") has achieved exceptional operational results during the first half of 2023 across all the Group's activities. **The executive management's efforts resulted in total contractual real estate sales achieved through the Group's sales offices** of EGP51.35bn. This is a historic and unprecedented sales figure in the real estate sector in Egypt. The Group's sales include the sales of its companies, amounting to EGP 32.88 billion, surpassing its achieved sales figure in the comparative half of 2022, which was EGP 11.30 billion, with a stellar growth rate of 191%, and sales conducted for third parties, amounting to EGP18.47bn, resulting in sales commissions for the Group, with which it finances its general and administrative expenses. This commission mechanism was carefully developed by the management team, successfully implementing the Group's long-term vision aimed at further developing and diversify the Group's sources of income.

Meanwhile, the Group, through its hotel arm - the Arab Company for Hotel and Tourism Investments (ICON), has submitted an offer to acquire a significant stake and management rights for a number of unique hotels in Cairo, Alexandria, Luxor and Aswan, and the completion of due diligence is underway.

The backlog of sold and yet undelivered units reached EGP102bn as of end of June 2023, compared to EGP67bn achieved in the same period last year, growing at a rate of 52%. The backlog is solid and represents customer base of good quality. These sold units will be delivered over the next five years without any delays. The company expects to maintain and further improve the backlog's profitability, based on the already incurred expenses on the sites and any future savings in the cost of construction materials. Future expenditures on backlog deliver will be fully funded by customers, thus providing a clear view of cash flows and future profits.

The **total revenues achieved by the Group** amounted to EGP10.71bn, compared to EGP7.09bn booked during the same period in the previous year, implying a growth rate of 51%.

Development revenues during the first half of 2023 amounted to EGP7.40bn, compared to EGP5.05bn achieved during the same period last year, at a growth rate of 45%.

The **total revenues generated by the Group's hotels - Four Seasons Nile Plaza, Four Seasons Sharm El Sheikh, Four Seasons San Stefano and Nile Kempinski**, reached EGP1.84bn, compared to EGP967mn achieved in the first half of last year, with a remarkable growth rate of 90%.

Other recurring and service revenues amounted to EGP1.47bn, compared to EGP1.07bn during the same period last year, with a growth rate of 37%.

The **total gross profit** reached some EGP3.39bn during the first half of 2023, compared to EGP2.33bn during the same period last year, with a growth rate of 45%.

The **consolidated net profit after taxes and non-controlling interests** reached EGP1.56bn during the first half of 2023, compared to EGP1.12bn during the same period last year, with a growth rate of 40%.

The **standalone net profit** (excluding the financial results of subsidiaries) amounted to some EGP175.2mn during the first half of 2023, compared to EGP173.6mn achieved during the same period last year, with a growth rate of 0.9%.

The **total assets** amounted to EGP187.4bn, according to the consolidated financial statements as of end of June 30, 2023. The **balance of cash, financial investments and equivalents** amounted to about EGP15.5bn, while the **balance of loans and debt facilities** amounted to about EGP10.85bn. The ratio of loans and debt facilities to the equity of the parent company (Debt to equity) was at 1 to 3.5. The low Debt to equity ratio indicates the strength of the company's financial position and the low level of loans against shareholders' rights and the company's assets.