
Orascom Development Holding AG

Condensed Consolidated
Interim Financial Statements
(unaudited)

1. Half-Year 2023



ORASCOM
DEVELOPMENT

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Unaudited condensed consolidated statement of comprehensive income

for the period ended 30 June 2023

CHF	Notes	Three months ended		Six months ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
CONTINUING OPERATIONS					
Revenue	7	134,962,712	128,523,157	265,919,038	270,470,109
Cost of sales		(107,350,735)	(104,103,891)	(203,176,796)	(208,019,209)
Impairment losses recognised on receivables		(92,841)	(405,222)	(361,779)	(1,435,609)
Gross profit		27,519,136	24,014,044	62,380,463	61,015,291
Investment income		4,305,395	4,177,175	8,417,973	8,633,372
Other gains	8	1,371,192	386,675	1,460,312	578,190
Administrative expenses		(7,983,604)	(11,367,678)	(17,804,222)	(22,393,554)
Finance costs	9	(12,325,343)	(8,526,840)	(22,968,244)	(17,576,855)
Share of gains/(losses) of associates	17	(3,593,076)	(2,222,902)	4,041,462	9,387,980
Other losses	10	4,406,444	2,170,362	(9,296,349)	(6,554,776)
Profit before tax		13,700,144	8,630,836	26,231,395	33,089,648
Income tax expenses	11	(6,568,497)	(5,456,832)	(8,569,888)	(12,358,268)
Profit for the period	7	7,131,647	3,174,004	17,661,507	20,731,380
Other comprehensive income, net of income tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net gain/(loss) on revaluation of financial assets at FVTOCI		294	42	2,432	(373)
Share of other comprehensive income of associates		(2,954)	-	(2,954)	-
		(2,660)	42	(522)	(373)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of foreign operations	24.2	(7,470,972)	5,584,841	(65,928,053)	(33,771,861)
		(7,470,972)	5,584,841	(65,928,053)	(33,771,861)
Total other comprehensive (loss)/income for the period, net of tax		(7,473,632)	5,584,883	(65,928,575)	(33,772,234)
Total comprehensive (loss)/income for the period		(341,985)	8,758,887	(48,267,068)	(13,040,854)

Unaudited condensed consolidated statement of comprehensive income - continued

for the period ended 30 June 2023

CHF	Notes	Three months ended		Six months ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Profit attributable to:					
Owners of the Parent Company		3,570,277	1,273,353	8,221,666	11,314,938
Non-controlling interests		3,561,370	1,900,651	9,439,841	9,416,442
		7,131,647	3,174,004	17,661,507	20,731,380
Total comprehensive (loss)/income attributable to:					
Owners of the Parent Company		(3,074,447)	5,631,788	(38,412,323)	(8,705,177)
Non-controlling interests		2,732,462	3,127,099	(9,854,745)	(4,335,677)
		(341,985)	8,758,887	(48,267,068)	(13,040,854)
Earnings per share from continuing operations					
Basic	12	0.07	0.03	0.17	0.28
Diluted	12	0.07	0.03	0.17	0.28



Naguib S. Sawiris
Chairman of the Board



Ashraf Nessim
Group CFO

Unaudited condensed consolidated statement of financial position

at 30 June 2023

CHF	Notes	30 June 2023	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	707,093,341	742,495,934
Investment property	15	33,773,518	36,895,453
Goodwill	16	1,484,751	1,908,454
Investments in associates	17	49,001,397	51,346,118
Non-current receivables	18	100,478,507	106,813,094
Deferred tax assets		17,992,755	13,526,260
Other financial assets		1,652	2,035
Total non-current assets		909,825,921	952,987,348
CURRENT ASSETS			
Inventories	19	476,730,900	437,025,570
Trade and other receivables	18	150,858,574	164,655,322
Current receivables due from related parties	20	36,650,313	21,833,394
Other current assets	21	69,589,279	67,249,217
Cash and bank balances	22	186,282,514	180,298,029
Total current assets		920,111,580	871,061,532
Total assets		1,829,937,501	1,824,048,880

Unaudited condensed consolidated statement of financial position - continued

at 30 June 2023

CHF	Notes	30 June 2023	31 December 2022
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Issued capital	23	299,111,830	202,968,745
Reserves	24	319,352,043	329,490,811
(Accumulated losses)		(239,439,838)	(247,650,476)
Equity attributable to owners of the Parent Company		379,024,035	284,809,080
Non-controlling interests		150,574,104	157,949,560
Total equity		529,598,139	442,758,640
NON-CURRENT LIABILITIES			
Borrowings	25	407,421,784	418,407,070
Trade and other payables	26	251,733,025	243,104,128
Contract liabilities		46,756,772	60,099,754
Notes payable		6,195	70,615
Provisions		24,243,373	20,613,065
Retirement benefit obligation		433,764	433,948
Deferred tax liabilities		22,224,131	24,512,092
Total non-current liabilities		752,819,044	767,240,672
CURRENT LIABILITIES			
Trade and other payables	26	36,531,029	37,896,237
Borrowings	25	82,814,897	49,287,553
Due to related parties		14,960,604	20,311,188
Current tax liabilities		20,611,919	40,304,227
Provisions		30,026,697	44,660,414
Other current liabilities	27	362,575,172	421,589,949
Total current liabilities		547,520,318	614,049,568
Total liabilities		1,300,339,362	1,381,290,240
Total equity and liabilities		1,829,937,501	1,824,048,880



Naguib S. Sawiris
Chairman of the Board



Ashraf Nessim
Group CFO

Unaudited condensed consolidated statement of changes in equity
for the period ended 30 June 2023

CHF	Issued Capital	Share premium	Treasury shares	Share-based payment reserve	PP&E revaluation reserve	Investments revaluation reserve	General reserve	Foreign currency translation reserve	Reserve from common control transactions	(Accumulated losses)	Attributable to owners of the Parent Company	Non-controlling interests	Total
Balance at 1 January 2022	202,968,745	836,750,750	(2,627,923)	684,208	4,638,989	(1,115,095)	4,916,868	(353,723,501)	(72,519,921)	(272,381,871)	347,591,249	171,197,040	518,788,289
Profit for the period	-	-	-	-	-	-	-	-	-	11,314,938	11,314,938	9,416,442	20,731,380
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(373)	-	(20,019,742)	-	-	(20,020,115)	(13,752,119)	(33,772,234)
Total comprehensive income for the period	-	-	-	-	-	(373)	-	(20,019,742)	-	11,314,938	(8,705,177)	(4,335,677)	(13,040,854)
Acquisition of treasury shares	-	-	(478,366)	-	-	-	-	-	-	-	(478,366)	-	(478,366)
Disposal of treasury shares due to Board of Directors distribution	-	-	421,450	-	-	-	-	-	-	270,443	691,893	-	691,893
Other disposal of treasury shares	-	-	451,334	-	-	-	-	-	-	(44,969)	406,365	-	406,365
Share-based payments (note 24.1)	-	-	-	256,578	-	-	-	-	-	-	256,578	-	256,578
Effect of exercised options in subsidiaries	-	(571,731)	-	-	-	-	-	-	-	761,324	189,593	(189,593)	-
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	(978,244)	-	(978,244)	588,885	(389,359)
Balance at 30 June 2022	202,968,745	836,179,019	(2,233,505)	940,786	4,638,989	(1,115,468)	4,916,868	(373,743,243)	(73,498,165)	(260,080,135)	338,973,891	167,260,655	506,234,546
Balance at 1 January 2023	202,968,745	836,330,008	(2,121,707)	1,197,364	4,638,989	(1,126,606)	4,916,868	(441,824,184)	(72,519,921)	(247,650,476)	284,809,080	157,949,560	442,758,640
Profit for the period	-	-	-	-	-	-	-	-	-	8,221,666	8,221,666	9,439,841	17,661,507
Other comprehensive income for the period, net of income tax	-	-	-	-	-	2,432	-	(46,633,467)	-	(2,954)	(46,633,989)	(19,294,586)	(65,928,575)
Total comprehensive income for the period	-	-	-	-	-	2,432	-	(46,633,467)	-	8,218,712	(38,412,323)	(9,854,745)	(48,267,068)
Share capital increase (note 23)	96,143,085	38,457,234	-	-	-	-	-	-	-	-	134,600,319	-	134,600,319
Transaction cost related to share capital increase	-	(2,550,491)	-	-	-	-	-	-	-	-	(2,550,491)	-	(2,550,491)
Acquisition of treasury shares	-	-	(258,501)	-	-	-	-	-	-	-	(258,501)	-	(258,501)
Disposal of treasury shares due to Board of Directors/management distribution	-	-	303,138	-	-	-	-	-	-	65,007	368,145	-	368,145
Other disposal of treasury shares	-	-	319,474	-	-	-	-	-	-	(73,081)	246,393	-	246,393
Share-based payments (note 24.1)	-	-	-	256,578	-	-	-	-	-	-	256,578	-	256,578
Effect of exercised options in subsidiaries	-	(35,165)	-	-	-	-	-	-	-	-	(35,165)	(11,659)	(46,824)
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,490,948	2,490,948
Balance at 30 June 2023	299,111,830	872,201,586	(1,757,596)	1,453,942	4,638,989	(1,124,174)	4,916,868	(488,457,651)	(72,519,921)	(239,439,838)	379,024,035	150,574,104	529,598,139

Unaudited condensed consolidated statement of cash flow
for the period ended 30 June 2023

CHF	Notes	Six months ended 30 June 2023	Six months ended 30 June 2022
Cash (used in) / generated from operations		(13,338,705)	31,214,080
Interest paid		(13,817,547)	(9,242,216)
Income tax paid		(20,232,549)	(27,021,615)
Net cash (used in) operating activities		(47,388,801)	(5,049,751)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(39,454,416)	(35,397,465)
Net proceeds from sale of treasury bills		-	6,550,848
Proceeds from sale of investment		1,304,598	-
Dividends received		3,119,051	4,589,988
Interest received		4,597,414	5,017,645
Net cash (used in) investing activities		(30,433,353)	(19,238,984)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflow from share capital increase		42,534,283	-
Payments for transaction cost related to share capital increase		(2,550,491)	-
Net cash flow on treasury shares		(12,108)	(72,001)
Non-controlling interests' shares in changes of equity for consolidated subsidiaries		1,203,783	799,118
Repayment of borrowings		(8,998,299)	(24,203,658)
Proceeds from borrowings		84,205,616	41,591,428
Net cash generated from financing activities		116,382,784	18,114,887
Net increase/(decrease) in cash and cash equivalents		38,560,630	(6,173,848)
Cash and cash equivalents at the beginning of the period		180,298,029	206,999,539
Effects of exchange rate changes on the balance of cash held in foreign currencies		(32,576,145)	(21,163,282)
Cash and cash equivalents at the end of the period	22	186,282,514	179,662,409

Notes to the unaudited condensed consolidated interim financial statements

1. Description of business

Orascom Development Holding AG (“ODH” or “the Parent Company”), a limited company incorporated in Altdorf, Switzerland, is a public company whose shares are traded on the SIX Swiss Exchange.

The Company and its subsidiaries (the “Group”) is a leading developer of fully integrated towns that include hotels, private villas and apartments, leisure facilities such as golf courses, marinas and supporting infrastructure. The Group’s diversified portfolio of projects is spread over seven jurisdictions (Egypt, UAE, Oman, Switzerland, Morocco, Montenegro and United Kingdom), with primary focus on touristic towns and recently primary housing. The Group currently operates ten destinations, five in Egypt (El Gouna, Taba Heights, Fayoum, Makadi and O-West), The Cove in the United Arab Emirates, Jebel Sifah and Hawana Salalah in Oman, Luštica Bay in Montenegro and Cornwall in the UK.

2. Statement of compliance

The Group applies International Financial Reporting Standards (IFRS). The unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of IAS 34, Interim Financial Reporting, and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2022.

3. Basis of preparation

The unaudited condensed consolidated interim financial statements include all the subsidiaries controlled by the Parent Company and are presented in Swiss Francs (CHF).

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses, as well as the disclosure of contingent liabilities.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made by management in the application of IFRS and key sources of estimation uncertainties were the same as those applied to the consolidated financial statements of the year ended 31 December 2022.

4. Adoption of new and revised International Financial Reporting Standards

4.1. Standards and interpretations effective in the current period

The following revised standards are effective for the current period:

Revised Standards	
IAS 1	Classification of liabilities as current or non-current (Amendments)
IAS 1	Disclosure of accounting policies (Amendments)
IAS 8	Difference between accounting policies and accounting estimates (Amendments)
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction (Amendments)
IAS 12	Temporary exception from accounting for deferred taxes arising from OECD Pillar Two model rules

These amended Standards have not had any significant impact on the unaudited condensed consolidated financial statements.

4.2. Standards and interpretations not yet adopted

At the date of authorization of these unaudited condensed consolidated interim financial statements, the Group has not adopted the following amended standard that has been issued but is not yet effective. It will be effective for annual periods beginning on or after the dates described below.

New and Revised Standards and Interpretations		Effective from
IFRS 7	Supplier finance arrangements (Amendments)	1 January 2024
IFRS 16	Lease liability in a sale leaseback (Amendments)	1 January 2024
IAS 7	Supplier finance arrangements (Amendments)	1 January 2024

Management of the Group does not expect that the adoption of the amended Standard listed above will have a material impact on the financial statements of the Group in future periods. In addition to the amended Standard mentioned above, there are other Standards applicable starting next year, which are immaterial or not applicable for the Group.

5. Significant accounting policies

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate, and investment properties that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Group is not subject to any significant seasonality or cyclicity. The same accounting policies, presentation and methods of computation are followed in these unaudited condensed consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022.

6. Subsidiaries

The Group is comprised of the Parent Company and its subsidiaries operating in different countries. There have been no major changes in the group structure since 31 December 2022.

The group controls its subsidiaries directly and indirectly.

7. Segment information

The Group has four reportable segments which are its strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different skills or have different customers. For each of the strategic divisions, the Country CEOs and the Head of Segment review the internal management reports at least on a quarterly basis.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the consolidated financial statements for the year ended 31 December 2022. Segment result represents the result by each segment without allocation of central administration costs and directors' salaries, share in associates' results, gain recognised on disposal of interest in former associates, investment income, other gains and losses, finance costs and income tax expense, as included in the internal management reports that are regularly reviewed. This measure is considered being most relevant for the purpose of resources allocation and assessment of segment performance.

CHF	Total segment revenue		Inter-segment revenue		Revenue external customers ¹⁾		Segment result		
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	
Hotels	80,708,956	61,060,609	(443,497)	(447,857)	80,265,459	60,612,752	18,175,946	3,111,049	
Real estate and construction	153,868,898	173,444,245	-	-	153,868,898	173,444,245	53,039,578	77,690,528	
Land sales	-	-	-	-	-	-	(2,318,329)	573,095	
Destination management	32,161,787	34,166,259	(11,990,876)	(10,840,842)	20,170,911	23,325,417	(1,080,443)	(2,372,303)	
Other operations	19,333,171	19,024,537	(7,719,401)	(5,936,842)	11,613,770	13,087,695	1,907,395	2,933,682	
	286,072,812	287,695,650	(20,153,774)	(17,225,541)	265,919,038	270,470,109	69,724,147	81,936,051	
Unallocated items ²⁾:									
Share of gains of associates							4,041,462	9,387,980	
Other gains/(losses)							(19,121,050)	(24,725,082)	
Investment income							1,686,852	1,619,224	
Administrative expenses							(17,804,222)	(22,393,554)	
Finance costs							(12,295,794)	(12,734,971)	
Profit before tax							26,231,395	33,089,648	
Income tax expenses							(8,569,888)	(12,358,268)	
Profit for the period							17,661,507	20,731,380	

¹⁾ Of the total revenue of CHF 265.9 million (2022: CHF 270.5 million), CHF 103.4 million (2022: CHF 95.0 million) are recognised at point in time and CHF 162.5 million (2022: CHF 175.5 million) are recognised over time

²⁾ For the purpose of segment reporting, part of the amounts reported in the statement of comprehensive income for these items have been allocated in this note to their relevant segments.

CHF	30/06/2023	31/12/2022
Hotels	478,836,251	516,021,008
Real estate and construction	1,104,335,022	1,181,551,093
Land sales	159,181,165	100,941,369
Destination management	82,689,514	89,309,808
Other operations	57,969,629	70,976,514
Segment assets before elimination	1,883,011,581	1,958,799,792
Inter-segment elimination	(392,167,533)	(438,102,151)
Segment assets after elimination	1,490,844,048	1,520,697,641
Unallocated assets	339,093,453	303,351,239
Consolidated total assets	1,829,937,501	1,824,048,880
Hotels	306,051,327	333,578,984
Real estate and construction	712,611,472	761,404,713
Land sales	54,456,022	14,762,215
Destination management	145,410,953	146,429,434
Other operations	47,754,345	58,425,909
Segment liabilities before elimination	1,266,284,119	1,314,601,255
Inter-segment elimination	(182,064,553)	(244,147,060)
Segment liabilities after elimination	1,084,219,566	1,070,454,195
Unallocated liabilities	216,119,796	310,836,045
Consolidated total liabilities	1,300,339,362	1,381,290,240

Total segment result of CHF 69.7 million (2022: CHF 81.9 million) mainly decreased due to the following:

- Orascom Development Hotels' proven business model once again delivered impressive quarterly results despite various macro and geopolitical challenges around the globe. Q2 2023 performance reflects the positive impact of the return of inbound tourism. The Group's hotels exhibited solid growth, primarily driven by strong average daily rates and enduring leisure demand and increased occupancy rates. The Group's Gulf hotels are on the rise and hotels in El Gouna continue to be the best in Egypt. Revenues for the hotels during 1H 2023 increased by 32.5% to CHF 80.3 million (1HY 2022: CHF 60.6 million). El Gouna continued its leading market position within the Egyptian tourism industry. Revenues increased by 9.6% to CHF 37.5 million (1HY 2022: CHF 34.2 million). Taba Hotels witnessed a significant improvement in the performance during 1H 2023 reporting CHF 5.5 million (1HY 2022: CHF 2.2 million) of revenues up 150% against same period last year. Hotels in Hawana Salalah maintained its positive momentum with a significant 118.1% increase in revenue from CHF 9.4 million in 1HY 2022 to CHF 20.5 million in 1HY 2023, despite the seasonality effect of the quarter which also included Ramadan. The Cove continues to be one of the best performing destination, total revenues for The Cove increased by 7.1% to CHF 12.1 million compared to CHF 11.3 million in 1HY

2022. In Lustica Bay the additional activities to increase the overall attractiveness of the destination supported hotel occupancies and F&B revenues. In Lustica Bay, The Chedi Hotel revenue increased by 36.0% to reach CHF 3.0 million compared to CHF 2.2 million in HY 2022, on the back of the increase in average room rates.

- Real Estate revenues decreased by 11.2% to CHF 153.9 million in 1HY 2023 (1HY 2022: CHF 173.4 million). The decrease in real estate revenues was driven mainly by the significant devaluation of the Egyptian pound which had a negative translation effect on the 1HY 2023 revenues of the Egyptian subsidiary entities.
- The Group's destination management segment results were affected by the devaluation of the Egyptian pound with revenues in 1HY 2023 down by 13.3% to reach CHF 20.2 million (1HY 2022: CHF 23.3 million).

8. Other gains

In the first six months of 2023, other gains of CHF 1.5 million (2022: CHF 0.6 million) were mainly due to short term investments bought and sold at a premium during Q2 2023.

9. Finance costs

In the first six months of 2023, finance cost of CHF 1.0 million were capitalized on qualifying assets (projects under construction and work in progress). Overall, finance cost increased by CHF 5.4 million from CHF 17.6 million to CHF 23.0 million compared to the first six months of 2022 due to increases in interest rates in Egypt as well as Oman, Montenegro, UAE and UK, in addition to the new loan for Orascom Real Estate Company and Makadi Heights.

10. Other losses

In the first six months of 2023, other losses of CHF 9.3 million (2022: CHF 6.6 million) were due to foreign exchange losses.

11. Income tax expenses

Tax expense recognised during the period amounted to CHF 8.6 million (2022: CHF 12.4 million). These accruals are based on the estimated average annual effective income tax rate expected for the full year, applied to the pre-tax income for the six-month period.

The Group operates in different jurisdictions under different tax laws. The main operating entities' tax positions are as follows:

- **Egypt**
The Egyptian subsidiaries fulfil all their requirements according to the tax laws in Egypt.
- **Oman**
The subsidiaries in Oman fulfil all their requirements according to the tax laws in Oman.

12. Earnings per share

The calculation of the basic and diluted earnings per share from continuing operations is based on the following data:

CHF	Three months ended		Six months ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Earnings (for basic and diluted earnings per share)				
Profit for the period attributable to owners of the parent	3,570,277	1,273,353	8,221,666	11,314,938
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	53,946,005	40,622,813	47,021,914	40,607,214
Earnings per share from continuing operations	0.07	0.03	0.17	0.28

13. Dividends

During the interim period, no dividends were declared or paid to shareholders.

14. Property, plant and equipment

Six months ended 30 June 2023 CHF	Property, plant and equipment (i)	Property under construction	Right-of-use assets	Total
Opening net book value at 01/01/2023	559,667,560	145,345,080	37,483,294	742,495,934
Additions	5,860,410	33,470,093	123,913	39,454,416
Transfer from property under construction	1,506,125	(1,506,125)	-	-
Depreciation and amortization	(10,848,241)	-	(646,649)	(11,494,890)
Net foreign currency exchange differences	(52,891,715)	(9,578,438)	(891,966)	(63,362,119)
Closing net book value at 30/06/2023	503,294,139	167,730,610	36,068,592	707,093,341

Six months ended 30 June 2022 CHF	Property, plant and equipment (i)	Property under construction	Right-of-use assets	Total
Opening net book value at 01/01/2022	607,771,456	150,417,403	39,640,523	797,829,382
Additions	3,865,839	27,956,380	67,109	31,889,328
Transfer from property under construction	2,211,951	(2,211,951)	-	-
Depreciation and amortization	(12,202,436)	-	(872,329)	(13,074,765)
Net foreign currency exchange differences	(17,270,380)	(7,991,075)	(1,117,526)	(26,378,981)
Closing net book value at 30/06/2022	584,376,430	168,170,757	37,717,777	790,264,964

(i) Includes freehold land, buildings, plant and equipment, furniture and fixtures

15. Investment property

The following table summarizes the movements, which have occurred, during the current period on the carrying amount of investment property:

CHF	30/06/2023	31/12/2022
Balance at 1 January	36,895,453	37,319,156
Addition	-	2,524,872
Revaluation gain/(loss) (through P&L)	-	3,534,120
Foreign currency translation adjustments	(3,121,935)	(6,482,695)
Balance at the end of the period/year	33,773,518	36,895,453

The fair values at 30 June 2023 were determined based on an internal valuation model performed by Group management in 2022. In estimating the fair value of the investment properties, management considers the current use of the properties as their highest and best use.

The internal valuation model relies on the Discounted Cash Flow (DCF) method to determine the fair value of the investment property. The Discounted Cash Flow (DCF) approach describes a method to value the investment property using the concepts of the time value of money. All future cash flows are estimated and discounted to give them a present value. This valuation method is in conformity with the International Valuation Standards. The same method was used for any previous external valuations. As investment property only consists of a few properties in Egypt, management has decided to use an internal valuation model due to efficiency and cost saving reasons.

For the valuation of the investment property which is situated in Egypt the model used cash flow projections based on financial budgets for the next five years and an average discount rate of 30.7% (cost of equity). For the terminal value a perpetual growth rate of 3% was used.

For the valuation of the investment property which is situated in Oman an average discount rate of 12.0% (cost of equity) was used. Cash flow projections based on financial budgets for the next five years were used and for the terminal value a perpetual growth rate of 3% was applied.

For the valuation of the investment property in Montenegro an average discount rate of 12.0% was used. The beta used was 1. Cash flow projections based on financial budgets for the next five years were used and for the terminal value a perpetual growth rate of 1% was applied.

16. Goodwill

The following table shows the carrying amount of goodwill recognized in the condensed consolidated interim financial statements:

CHF	30/06/2023	31/12/2022
Balance at the beginning of the period / year	1,908,454	2,974,101
Effect of foreign currency exchange difference	(423,703)	(1,065,647)
Balance at the end of the period / year	1,484,751	1,908,454

17. Investments in associates

Details of the Group's associates are as follows:

Name of associate	Place of incorporation	Ownership interest	Carrying value (CHF)	
			30/06/2023	31/12/2022
Andermatt Swiss Alps AG	Switzerland	49.00%	38,394,264	36,078,096
Jordan Company for Projects and Touristic Development	Jordan	18.33%	-	-
Red Sea for Construction & Development (i)	Egypt	40.20%	10,607,133	15,268,022
Total			49,001,397	51,346,118

(i) In HY 2023, the Group received cash dividends in the total amount of CHF 3.1 million from its associates (HY 2022: CHF 4.6 million).

Below is a summary of the financial information with respect to the Group's associates as at 30 June 2023:

CHF	30/06/2023
Total assets	827,347,113
Total liabilities	(722,386,503)
Net assets	104,960,610
Group's share of net assets of associates	45,305,452
Total revenue	143,877,194
Total profit for the period	9,017,333
Group's share of profit	4,041,462

Andermatt-Swiss Alps AG (“ASA”)

On 25 June 2013, the Group lost control over ASA due to various capital increases in ASA in which the Group did not fully participate. With a remaining share of interest of 49% in ASA, the investment is classified as investment in associates.

The fair value of ASA on initial recognition as investment in associates is based on a third-party valuation which supported the transaction price paid by Mr. Samih Sawiris.

On 23 June 2020, the share capital of ASA was increased by CHF 70 million. The Group participated in this capital increase according to its interest of 49% by contributing CHF 34.3 million.

ASA is not subject to any restrictions on transferring funds to ODH whether resulting from regulatory requirements, borrowing arrangements or contractual arrangements between ASA and ODH.

Jordan Company for Projects and Touristic Development (“JPTD”)

JPTD is investing in property, destination management and development in Aqaba in Jordan. Since 2008 the Group exercised significant influence with their two active board members out of eleven leading to changes in the JPTD’s Executive Management and provision of essential technical information. The carrying amount of the Group’s interest is fully impaired due to going concern and liquidity issues of the investment in associates.

Red Sea or Construction & Development (“RSCD”)

During 2016, RSCD, of which the Group held a direct interest of 0.4% as well as an indirect interest of 14% through OHC, increased its share capital from EGP 25 million to EGP 50 million. Of these EGP 25 million, the Group invested EGP 20 million (CHF 2.2 million), resulting in a total interest of 40.20%. Hence, the investment is classified as an investment in associate.

18. Trade and other receivables

Receivables decreased by CHF 20.1 million mainly due to foreign exchange losses, partly netted-off by increases due to an increase in construction in projects.

19. Inventories

Inventory consists of construction work in progress (CHF 96.5 million), land held for development under purchase agreements (CHF 336.4 million), right-of-use inventory (CHF 15.3 million) as well as other inventory which includes construction work materials, hotel inventory and finished units (CHF 28.5 million).

Construction work in progress includes work for contracted units of CHF 5.7 million as well as work for uncontracted units of CHF 9.1 million whereas other inventory includes completed but uncontracted units of CHF 4.8 million besides construction work materials and hotel inventory.

In February 2023, Orascom Development Egypt (“ODE”) signed a comprehensive milestone master agreement with the Egyptian authorities regarding its flagship project El Gouna which will further support ODE’s long-term strategy for the undeveloped land area and efforts to drive growth. Based on the agreement, the Group has recognised inventory in the total amount of USD 134 million (CHF 126 million) with a corresponding increase within trade and other payables, being the present value of the Group’s contractual obligations. In Q1 2023, USD 60 million of this liability were already paid.

Hence, the main reason for the increase in inventory compared to 31 December 2022 is inventory recognised as part of the milestone master agreement. The increase is partly netted-off by foreign exchange losses.

20. Current receivables due from related parties

Current receivables due from related parties increased mainly due to the advance payments for the upcoming phases of the construction work at O West project in Egypt.

21. Other current assets

Other current assets mainly consist of advances and prepayments (CHF 27.5 million), sales commissions (CHF 23.3 million), treasury bills (CHF 0.7 million), VAT and withholding tax receivables (CHF 5.2 million), deposits (CHF 1.8 million), as well as other debtors (CHF 11.1 million). Compared to 31 December 2022, the increase is mainly due to advances and prepayments. The increase was partly netted-off by foreign exchange losses.

22. Cash and cash equivalents

CHF	30/06/2023	31/12/2022
Cash on hand	481,317	402,559
Cash at banks	101,882,661	75,010,109
Treasury bills and time deposits	83,918,536	104,885,361
Total	186,282,514	180,298,029

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash on hand, demand deposits and balances at banks. Cash equivalents are short-term, highly liquid investments of maturities of three months or less from the acquisition date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Management's plans to manage liquidity shortages and related uncertainty

Throughout a period of political and economic changes around the world, ODH has been growing its revenue stream from its different destinations and increasing its profitability year over year. This progress is a function of constantly making important investments tailored to each country where we are present, in good times and not so good times. In parallel, we are continuing to build our capabilities; people, systems, and products to match the growth mode of the Group. These investments drive the prospects of our company and position it to grow and prosper for years to come.

While the current state of the global business environment is uncertain and poses some operational challenges, management is confident that the strategies and business fundamentals will carry the Group forward through the challenging times. Financial results of 2022 presented record high figures across many key metrics despite various economic market conditions. The Group is looking to continue and build upon the significant progress made during 2022 as they move on from the uncertainties of the global economic uncertainty. Overall, the Group will continue to work hard to execute upon their plans and look forward to further accelerating progress during 2023 to build on the significant advances made during 2022.

ODH's financial performance during the second quarter demonstrates our capability to continually enhance our performance through effective management of its operational efficiencies despite the challenging macroeconomic environment. As a direct consequence of our enhanced capacity to scale our operations, we have seen both an increase in adjusted EBITDA and a widening of margins. Owing to ODH's unwavering commitment to innovation, talent and operational excellence, the company is in a position to increase sales, lift profitability, and drive customers' happiness and shareholders value.

As always, management will continue monitoring macroeconomic and global inflationary pressure's effects on consumer purchasing power and our business closely. Management will also continue to keep a close eye on the Group's cash balance and monitoring costs. Additionally, the Group will remain focused on expanding its operations, protecting its profitability, and unlocking new value for its shareholders.

In addition, during April 2023, the company successfully completed its rights offering. The Company issued 19,228,617 new registered shares in the capital increase. As a result, the total issued share capital of the Company now amounts to CHF 299,111,830 divided into 59,822,366 registered shares with a nominal value of CHF 5.00 each. As a result of the capital increase, the equity of the Company, after deducting transaction fees, will be increased by approx. CHF 132.0 million. This increase will come from net cash proceeds of approximately CHF 39.9 million and the partial conversion of the shareholder loan from our majority shareholder in the amount of approximately CHF 92.1 million into equity. ODH will use the cash proceeds to finance its current development projects in Oman, Montenegro and the United Kingdom and for general corporate purposes.

Management has undertaken several precautionary measures considering the current global circumstances and economic downturn. Management believes that these plans are enough to substantially mitigate the liquidity risk and confirms on the strength of ODH business model and financial position.

23. Issued capital

Issued and paid-up capital as of 30 June 2023 amounts to CHF 299,111,830 (31 December 2022: CHF 202,968,745) and is divided into 59,822,366 (31 December 2022: 40,593,749) registered ordinary shares with a par value of CHF 5.00 per share. On 28 April 2023, the Company successfully completed its rights offering. The Company issued 19,228,617 new registered shares in the capital increase. The new shares were first traded on SIX Swiss Exchange on 28 April 2023.

As a result of the capital increase, the equity of ODH, after deducting transaction fees, increased by CHF 132.0 million. This increase came from net cash proceeds of CHF 39.9 million and the partial conversion of the shareholder loan from the majority shareholder in the amount of CHF 92.1 million into equity.

24. Reserves

24.1. Share-based payment reserve

ODH has entered into an employee contract with its CEO, Omar El Hamamsy, effective as of 1 September 2020. As part of the compensation agreement, the CEO will receive contingent payments based on market capitalization development of the ODH shares. Herewith, the CEO will receive between 2% and 5% of the increase of the market capitalization whenever reaching an additional market capitalization milestone of CHF 100 million up to a cap for the market capitalization of CHF 2 billion. The contingent remuneration will be paid in cash or shares at the discretion of the Company.

As at grant date (1 September 2020) a Binominal Option Pricing Model was used to calculate the fair value of the contingent compensation. A fair value of the underlying share of CHF 9.11, duration of 6.33 years, volatility of 39% and a risk-free rate of 0% were the major assumptions used in the valuation. The resulting fair value of CHF 3.25 million is recognised over the vesting period of 6.33 years on a linear basis. The expense for the period of CHF 256,578 is recognised within share-based payment reserve (part of equity).

A second contingent compensation based on financial metrics is not yet active and financial metrics first need to be defined by management.

24.2. Foreign currency translation reserve

In the first six months of 2023, the Swiss Franc strengthened against the Egyptian Pound by 22% and against the USD by 3%, respectively. This resulted in net foreign exchange losses for the period on translation of foreign operations (recognized within OCI) of CHF 65.9 million.

The further devaluation of the Egyptian Pound against the CHF is still a consequence of the durably flexible exchange rate regime introduced by the Central Bank of Egypt on 27 October 2022.

25. Borrowings

Total borrowings increased by CHF 22.5 million due to new borrowings in Egypt and Montenegro. The increase was partly netted-off by repayment of borrowing and foreign exchange gains.

26. Trade and other payables

Trade payables mainly increased due to payables related to the milestone master agreement in El Gouna (notes 19, 30 and 31) as well as release of discounting of unpaid portion of acquired land in relation to O West project in Cairo. The increase was partly netted off by foreign exchange gains.

27. Other current liabilities

Other current liabilities consist of advances from customers (CHF 145.1 million), shareholders' current account (CHF 82.6 million), accrued expenses (CHF 61.8 million), deposits from others (CHF 14.2 million) and other liabilities (CHF 58.9 million).

Other current liabilities decreased mainly due to the partial conversion of the shareholders' current account into new share capital (note 23) as well as foreign exchange gains.

28. Assets and liabilities measured at fair value

Fair value of financial instruments carried at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

CHF	30 June 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings/bank loans	490,236,681	499,447,422	467,694,623	457,348,054

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes unlisted and listed equity investments classified as at FVTPL and FVTOCI respectively).
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Specifically, significant assumptions used in determining the fair value of the following financial assets and liabilities are set out below.

The valuation techniques and assumption applied for investment property are explained in note 15.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets 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).

30 June 2023

CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	1,652	-	-	1,652
	1,652	-	-	1,652
Other assets at fair value				
Investment property ¹⁾	-	-	33,773,518	33,773,518
	-	-	33,773,518	33,773,518

31 December 2022

CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	2,035	-	-	2,035
	2,035	-	-	2,035
Other assets at fair value				
Investment property ¹⁾	-	-	36,895,453	36,895,453
	-	-	36,895,453	36,895,453

There were no transfers between Level 1 and 2 in the period. The unlisted financial assets at FVTOCI were measured at fair value based on a method that combined the earning and net equity book values of the companies.

¹⁾ The reconciliation for investment property is shown in note 15.

29. Non-cash transactions

During the current period, the Group entered into the following non-cash investing and financing activity which is not reflected in the consolidated statement of cash flow:

- Conversion of shareholder's loan into equity as part of the capital increase on 28 April 2023 (note 23)

30. Commitments for expenditure

The following commitments for expenditure have been made for the future development of the respective projects:

CHF	30/06/2023
Eco-Bos Development Limited (i)	3,647,299

- (i) As per the property management agreement between Eco-Bos and Imerys (shareholder in Eco-Bos). Eco-Bos has the right but not the obligation (American call option that started in 2011 and extended in 2019 by 5 years to mature in 2036) to purchase part or all of 6.6 million square meters (divided on 6 independent plots), which is currently owned by Imerys Mineral Limited. An annual option premium is paid to retain the rights and the purchase price is calculated based on an agreed dynamic pricing formula. The trigger event of the option(s) is at the full discretion of Eco-Bos and shall only be exercised when building permits are attained. Currently Eco-Bos is in negotiations with the local authorities and other investors and is taking its time to optimize on the best alternatives for the development. Also, it is worth noting that there is a put option which Imerys can exercise in 2036.

Minimum building obligations

Beside the legally binding commitment for expenditure mentioned above the following should be considered:

One part of the Group's business is to acquire land for the development of tourism projects. Out of these business opportunities often no legally binding commitments are incurred. However, the Group has non-binding business opportunity commitments in relation to their projects. In particular, the Group has minimum building obligations ("MBOs") for the next five years, which are included in their development agreements ("DAs") with the relevant governments in Oman, Morocco and Montenegro. Further, it is worth noting that Orascom Development Egypt ("ODE"), subsidiary of ODH and main developer of El Gouna Project located in the Red Sea, Egypt, concluded a master agreement with the Egyptian authorities on 14 February 2023 (the "Master Agreement") whereby the Tourism Development Authority approved a new masterplan for the remaining 17.4 million m² land bank in El Gouna. As per the Master Agreement, ODE shall develop 1,000 hotel rooms every 10 years in the remaining undeveloped land area (refer to note 19 and 31 for further details).

The contingent liabilities in relation to MBOs in Oman, Morocco, Montenegro and Egypt are assessed regularly by the management of the Group.

Management has analysed the various MBOs and is comfortable with the current status of the MBOs and the minimum investment obligations. Albeit that certain delays have or may potentially occur, all such

delays, as described herein, were well founded and are premised on legal grounds in a way that protects the Group from any exposure. The Group has exerted a great deal of negotiations in all destinations to ensure that any delays are communicated to the relevant local authorities and thereby working alongside each concerned government in rescheduling and extending the completion dates. Additionally, the Group has worked on securing finance schemes to accommodate the newly developed restructuring of the investment obligations, or in cases where completion dates are at risk, expending the necessary amounts to comply with the contractual obligations.

There have been no significant changes to this matter since 31 December 2022 except for the recent MBOs related to El Gouna destination as described above.

31. Significant events during the financial period

Russian and Ukrainian Conflict

Fiscal year 2022 started with challenging notes on both global and local fronts as global economic uncertainty intensified with the Russian and Ukrainian conflict. ODH is closely monitoring the market developments. Despite the current uncertainties, there is neither an indication of a significant disruption of the Group's business nor signs of a material impact on its future operational performance.

For the Group's hotels in Egypt, El Gouna and Taba Heights Hotels have benefited from the uptick in the Egyptian hospitality segment with occupancies for 1H 2023 reached 72% and 34% up from 66% and 16% respectively during same period last year. Foreigners represented 85% of our total occupancy in both destinations during 1H 2023. The Group depends highly on the Western European markets, mainly Germany, Belgium, France, Netherland, UK, and Switzerland, as the main feeder source markets for foreign tourism.

In Oman, Hawana Salalah hotels continued with the positive performance since the beginning of 2023, occupancy rates increased from 34% during 1H 2022 to 62% during 1H 2023, noting that the primarily source markets are from Western Europe mainly from Italy, Poland, Germany, and Slovakia.

In UAE, The Cove continues to be one of the best performing hotels destinations for the Group with occupancy up to 79% in 1H 2023 from 63% in 1H 2022. In the Cove Hotel the international wholesale business is mainly from Germany in addition to local and regional businesses from the Gulf Cooperation Council ("GCC").

Montenegro's tourism is connected to the Russian markets and thus might be affected. Regarding the tourism sector, there are no outstanding receivables from Russian individuals. Known as a summer destination, Luštica Bay occupancy rates reached 32% during 1H 2023 with average room rates up 96% vs 1H 2022.

Additionally, the Group is working to diversify the tourists coming to its resorts across all the destinations especially in Lustica, it is evident that more business came from Western Europe mainly from Germany, UK, Switzerland, Belgium and Serbia and we also received newcomers from the United States in addition to the increase in domestic tourism in 2023.

For the real estate segment, in Egypt the customers are mainly Egyptians, and the Group does not have any Russian buyers across all destinations. Similarly in Oman, the primarily real estate buyers are from Oman and GCC market. In Montenegro, the percentage of Russian and Ukrainian clients of the remaining amount of cash collections for the Group's real estate project is not a majority compared to the total real estate portfolio in the destination. So far, the Group has not experienced any significant delays in collecting the dues, nor has the Group received any significant requests for rescheduling the dues from the Russian and Ukrainian clients. The Group continues to collect its dues from Russian and Ukrainian clients during 2023, however it is not possible for management to predict with any degree of certainty the impact of the uncertainty created by the running Russian/Ukrainian conflict on the future timely collection of the dues from Russian and Ukrainian clients.

Claim for environmental compensation from Egypt's Ministry of Environment

During the course of Q3 2021, the Group received a notice from the Environment Protection Agency a department of Egypt's Ministry of Environment claiming an environmental compensation amounting USD 33.9 million (CHF 31.6 million) in relation to the El Gouna destination. The notice did not include any information on the claim's background and reasons. Also, the Group was not informed of the technical basis that the agency followed to estimate the amount of the compensation.

On 15 February 2023, the Company signed an agreement with the Egyptian government, which will enhance the Group's long-term strategy to achieve growth. According to this agreement, all existing disputes with the Environmental Protection Fund were resolved, and the company was exonerated of any claims.

The master agreement, which involves various ministries of the Egyptian government, includes the following terms:

- Approval of a new master plan for the remaining 17.4 million m² land bank in El Gouna which includes approximately 1.2 million m² of connected lagoons and 1,000 hotel rooms to be built every 10 years.
- Granting ODE the right to connect its lagoon system to the sea via two new water canals to improve water quality in existing and future projects.
- Reducing the shoreline setback for the remaining land bank from 200 meters to 105 meters, which allows ODE to make commercial use of the most prime land of the destination.
- Amending the transfer fee payable by ODE on real estate sales for the remaining land bank. The transfer fee is fixed for a period of 10 years and shall be paid in advance over 15 years.
- Granting environmental permits for 24 projects in El Gouna and exonerating ODE from all charges and settlement of all disputes with the Environment Protection Agency.

32. Litigation

There were no significant open litigations at 30 June 2023.

33. Subsequent Events

In its meeting held on 3 August 2023, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 100 bps to 19.25 percent, 20.25 percent, and 19.75 percent, respectively. The discount rate was also raised by 100 bps to 19.75 percent.

There have been no other significant events subsequent to 30 June 2023.

34. Approval of condensed consolidated interim financial statements

The unaudited condensed consolidated interim financial statements were approved by management and the board of directors on 16 August 2023.



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