

Orascom Development Egypt S.A.E
Condensed Consolidated Interim Financial Statements
Together with Limited Review Report
For the Period Ended
March 31, 2024

Contents	Page
Review Report	--
Condensed consolidated interim statement of financial position	1
Condensed consolidated interim statement of Profit or Loss	2
Condensed consolidated interim statement of other comprehensive income	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flow	5
Notes to the condensed consolidated interim financial statements	6 to 22



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Limited review report for the condensed Consolidated interim financial statement

To: The Board of Directors of Orascom Development Egypt Company (S.A.E)

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Orascom Development Egypt Company (S.A.E) as of March 31 ,2024, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-months then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the Egyptian Accounting Standard No. (30).

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Egyptian Standards on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects the condensed consolidated interim financial position of the company as of March 31 ,2024 and of its condensed consolidated interim financial performance and its condensed consolidated interim cash flows for the three-months then ended in accordance with the Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo, May 14, 2024

Kamel Magdy Saleh FCA
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Orascom Development Egypt (S.A.E)
Condensed consolidated statement of financial position
As of March 31, 2024

	<u>Note</u>	<u>31/03/2024</u>	<u>31/12/2023</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
<u>Assets</u>			
<u>Non-current Assets</u>			
Fixed assets (net)	(13)	6 303 186 110	6 238 634 286
Projects under construction	(14)	2 509 140 718	2 232 495 778
Goodwill	(16)	51 110 181	51 110 181
Trade and notes receivable (net)	(19)	4 301 291 503	3 950 545 786
Investment accounted for using the equity method	(15)	327 259 262	450 198 370
Financial assets at fair value through other comprehensive income		102 978	100 728
Deferred tax asset	(10)	1 199 450 494	532 329 130
Investment property	(17)	173 206 235	175 523 468
Total non-current assets		14 864 747 481	13 630 937 727
<u>Current assets</u>			
Inventory	(18)	13 033 026 758	12 807 014 800
Trade and notes receivable (net)	(19)	5 051 385 222	4 942 328 231
Debtors and other debit balances	(22)	2 271 199 809	1 678 813 387
Due from related parties		1 551 347 281	704 433 386
Treasury bills (net)	(20)	1 093 690 197	308 354 633
Cash and cash equivalent	(21)	7 022 085 457	5 164 095 956
Total current assets		30 022 734 724	25 605 040 393
Total assets		44 887 482 205	39 235 978 120
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(26)	1 130 473 523	1 130 473 523
Reserves		1 254 349 213	1 178 478 384
Retained earnings		6 226 975 367	3 481 131 199
Net (losses) for the period / profits for the year		(1 181 600 388)	2 828 722 063
Total equity attributable to owners of parent company		7 430 197 715	8 618 805 169
Non-controlling interests	(27)	1 544 002 640	1 346 947 507
Total equity		8 974 200 355	9 965 752 676
<u>Non-current liabilities</u>			
Borrowings	(24)	9 123 145 040	5 124 812 811
Loans from parent company	(24)	1 424 514 000	929 010 000
Land purchase creditors	(23)	7 593 378 183	6 628 914 548
Suppliers, contractors and notes payable		103 667 598	75 676 169
Long term contract liabilities	(28)	1 609 527 423	1 609 527 423
Long term provision	(25)	305 109 059	298 371 210
Deferred tax liabilities	(10)	501 418 307	600 754 800
Total non-current liabilities		20 660 759 610	15 267 066 961
<u>Current Liabilities</u>			
Provisions	(25)	1 227 542 005	1 179 173 978
Credit facilities and bank's overdraft	(24)	128 206 260	--
Suppliers, contractors and notes payable		681 807 241	586 041 708
Creditors and other credit balances	(29)	8 770 929 719	7 003 341 755
Land purchase creditors	(23)	991 650 683	1 228 073 990
Current tax liability		1 613 103 301	1 155 286 214
Due to related parties		169 923 317	272 075 692
Borrowings	(24)	1 669 359 714	2 579 165 146
Total current liabilities		15 252 522 240	14 003 158 483
Total liabilities		35 913 281 850	29 270 225 444
Total equity and liabilities		44 887 482 205	39 235 978 120

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Ashraf Nessim
Group CFO

Omar El-Hamamsy
Group CEO

Limited review report "Attached"

Orascom Development Egypt (S.A.E)
Condensed consolidated statement of profit or loss
From 1 January 2024 to 31 March 2024

Three months ended

	<u>Note</u>	<u>31/03/2024</u>	<u>31/03/2023</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
Revenues	(5)	4 175 392 951	2 952 889 785
Costs		<u>(3 065 071 079)</u>	<u>(1 959 656 725)</u>
Gross Profit		1 110 321 872	993 233 060
Investment income	(6)	259 872 170	129 736 614
Other gains / (losses)	(7)	(2 139 840 311)	(476 390 841)
Share of profits of associates	(15)	21 780 892	10 637 880
General and administrative expenses	(8)	(101 678 750)	(59 221 733)
Interest and finance expenses	(9)	<u>(434 874 753)</u>	<u>(210 049 063)</u>
(Loss) / Profit for the period before tax		(1 284 418 880)	387 945 917
Income tax	(10)	<u>299 873 625</u>	<u>(3 953 635)</u>
Net (Loss) / Profit for the period after tax		(984 545 255)	383 992 282
(Losses) / Profits distributed as follows :			
Owners of the parent company		(1 181 600 388)	291 488 599
Non-controlling interests	(27)	<u>197 055 133</u>	<u>92 503 683</u>
		(984 545 255)	383 992 282
Basic (losses) / earnings per share for the period	(12)	(1.05)	0.26
Diluted (losses) / earnings per share for the period	(12)	(1.05)	0.26

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Ashraf Nessim
Group CFO



Omar El-Hamamsy
Group CEO



Orascom Development Egypt (S.A.E)
Condensed consolidated statement of other comprehensive income
From 1 January 2024 to 31 March 2024

	<u>Three months ended</u>	
	<u>31/03/2024</u>	<u>31/03/2023</u>
	<u>EGP</u>	<u>EGP</u>
Net (Loss) / Profit for the period	(984 545 255)	383 992 282
Other comprehensive loss/income		
Change in valuation of Financial assets at fair value through other comprehensive income	2 250	--
Exchange arising on translating foreign operations	(7 009 316)	(821 491)
Total comprehensive income for the period	<u>(991 552 321)</u>	<u>383 170 791</u>
Distributed as follows :		
Owners of the parent company	(1 188 607 454)	290 667 108
Non-controlling interests	197 055 133	92 503 683
	<u>(991 552 321)</u>	<u>383 170 791</u>

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Orascom Development Egyp (S.A.E)

Condensed consolidated statement of changes in equity

From 1 January 2024 to 31 March 2024

	<u>Issued and Paid-up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Common Control Transaction Reserve</u>	<u>Foreign Currencies Translation Reserve</u>	<u>Investments revaluation reserve</u>	<u>Employee Stock Ownership Plan</u>	<u>Employee Stock Ownership Plan Reserve</u>	<u>Retained Earnings</u>	<u>Net Profit / (loss)</u>	<u>Equity attributable to owners of the Parent Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance as of January 1, 2023	1 130 473 523	317 426 692	1 097 676 357	(279 065 883)	5 890 517	(400 173)	(15 501 273)	1 611 852	1 825 765 350	1 672 048 919	5 755 925 881	1 056 432 188	6 812 358 069
Net profit for the period	--	--	--	--	--	--	--	--	--	291 488 599	291 488 599	92 503 683	383 992 282
Foreign currencies translation reserve	--	--	--	--	(821 491)	--	--	--	--	--	(821 491)	--	(821 491)
Total comprehensive income for the period	--	--	--	--	(821 491)	--	--	--	--	291 488 599	290 667 108	92 503 683	383 170 791
Transferred to retained earnings	--	--	--	--	--	--	--	--	1 672 048 919	(1 672 048 919)	--	--	--
Transfer to legal reserve	--	37 861 718	--	--	--	--	--	--	(37 861 718)	--	--	--	--
Balance as of March 31, 2023	1 130 473 523	355 288 410	1 097 676 357	(279 065 883)	5 069 026	(400 173)	(15 501 273)	1 611 852	3 459 952 551	291 488 599	6 046 592 989	1 148 935 871	7 195 528 860
Balance as of January 1, 2024	1 130 473 523	355 288 410	1 097 676 357	(279 065 883)	4 924 427	(344 927)	--	--	3 481 131 199	2 828 722 063	8 618 805 169	1 346 947 507	9 965 752 676
Net (losses) / profits for the period	--	--	--	--	--	--	--	--	--	(1 181 600 388)	(1 181 600 388)	197 055 133	(984 545 255)
Foreign currencies translation reserve	--	--	--	--	(7 009 316)	2 250	--	--	--	--	(7 007 066)	--	(7 007 066)
Total comprehensive income for the period	--	--	--	--	(7 009 316)	2 250	--	--	--	(1 181 600 388)	(1 188 607 454)	197 055 133	(991 552 321)
Transferred to retained earnings	--	--	--	--	--	--	--	--	2 828 722 063	(2 828 722 063)	--	--	--
Transfer to legal reserve	--	82 877 895	--	--	--	--	--	--	(82 877 895)	--	--	--	--
Balance as of March 31, 2024	1 130 473 523	438 166 305	1 097 676 357	(279 065 883)	(2 084 889)	(342 677)	--	--	6 226 975 367	(1 181 600 388)	7 430 197 715	1 544 002 640	8 974 200 355

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Orascom Development Egypt (S.A.E)
Condensed Consolidated Cash Flows Statement
From 1 January 2024 to 31 March 2024

	<u>Note</u> <u>No.</u>	<u>31/03/2024</u> <u>EGP</u>	<u>31/03/2023</u> <u>EGP</u>
<u>Cash flows from operating activities</u>			
Cash flows generated from (used in) operating activities		2 316 170 796	(916 816 798)
Interest paid		(372 967 688)	(182 449 965)
Income tax paid		(771 083)	(4 695 219)
Net cash flows generated from (used in) operating activities		1 942 432 025	(1 103 961 982)
<u>Cash flows from investing activities</u>			
Payments for purchase of fixed assets and projects under construction		(393 836 944)	(428 170 316)
Net movement on treasury bills more than 3 months		230 442 967	--
Net proceeds from sale of investments in associates		(54 321 765)	--
Dividends received		48 314 510	101 304 000
Proceeds from interest		182 173 651	72 163 035
Net cash flows generated from (used in) investing activities		12 772 419	(254 703 281)
<u>Cash flows from financing activities</u>			
Net proceeds from loans and credit facilities		633 798 856	1 351 609 683
Net cash flows generated from financing activities		633 798 856	1 351 609 683
Net change in cash and cash equivalents		2 589 003 300	(7 055 580)
Cash and cash equivalents at the beginning of the period		5 472 450 589	3 802 814 863
Cash and cash equivalents at the end of the period	(21)	8 061 453 889	3 795 759 283
<u>Non-cash transactions</u>			

-The effect of the revaluation of foreign currency movement of the loans has been eliminated with amount of 953 Million EGP during the period
The accompanying notes form an integral part of the financial statements and to be read therewith.

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial Statements
for the Period Ended March 31, 2024

1. Company Background and its Activities

- Orascom Development Egypt “S.A.E.” was established according to the provisions of the Investment Law No. 230 for 1989, and was registered in the commercial register on 30/08/1996
- The company’s financial year begins at 1st of January and ends at 31st of December of each year.
- The company's objective is undertaking the following activities at Egypt or outside:
 - Establishing of tourist villages, cities and hotels; development of lands including providing them with public utilities and the necessary infrastructure (division of lands- establishment of roads and gardens- establishing of networks of water, lighting, sanitary drainage, public transportation and wired and wireless communications- hospitals- schools- health, cultural and entertaining centers, places of worship god).
 - Building and construction of low-cost houses (Community housing)
 - Establishing, preparation and furnishing of industrial installations
 - A. Reclaiming and providing land with main utilities for cultivation,
B. Cultivation of reclaimed land,
Provided that in such two cases the land is required to be allocated to the purpose of reclamation and cultivation and should use modern irrigation methods instead of flooding irrigation method taking into consideration Prime Minister Decision No. 350 of 2007 and Presidential Decree No. 356 of 2008.
 - The company may carry out other business or amend its activity within the framework of the Investment Law. It may also contribute or participate in any manner in subsidiary projects outside the frame of the Investment Law issued by Law No. 8 for 1997 provided that the approval of the General Authority for Investment is obtained and within the provisions of Law No. 95 for 1992, The company shall obtain all licenses necessary for practicing its activity.
- The company’s head office is located at 160 July 26 street, El Mohandessin, Agouza, Giza. There is another branch for the company at Building No.2005A, Nile City Towers, Corniche El Nile, Ramlet Boulaq South Tower, Floor 9 Cairo.
- The Chairman is Dr. Mohamed Samy Saad Zaghloul and the Group CEO is Mr. Omar El-Hamamsy.
- The condensed consolidated interim financial statements for the period ended March 31, 2024, includes the financial statements of Orascom Development Egypt (Holding Company) and its subsidiaries (referred to as the “Group”), in addition to the Group’s share of the profits or losses of the associated companies. The Group is involved in many activities represented in hotels, real estate, lands, tourism, and other.

2. Basis of Preparation

The consolidated condensed financial statements have been prepared in accordance with the Egyptian Accounting Standard No. (30)

3. Significant Accounting Policies

The 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. 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 condensed consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2023.

4. Use of Estimates and Self Judgement

The condensed consolidated interim financial statements include all the subsidiaries controlled by the Parent Company and are presented in Egyptian Pound (EGP).

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 recognized 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 EAS and key sources of estimation uncertainties were the same as those applied to the consolidated financial statements of the year ended December 31, 2023.

5. 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's 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 December 31, 2023. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share in associates' results, gain recognized 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 to be most relevant for the purpose of resources allocation and assessment of segment performance.

Orascom Development Egypt "S.A.E."
Notes to the Condensed Consolidated Interim Financial
Statements From 1 January 2024 to March 31, 2024

5-1 Segment profit or loss statement

EGP	Total segment revenue		Inter-segment revenue		Revenue from external customers		Segment result	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Hotels (i)	705 624 066	579 342 587	(6 853 740)	(6 147 443)	698 770 326	573 195 144	354 391 164	318 641 064
Real estate and construction (ii)	2 836 324 992	2 013 893 460	--	--	2 836 324 992	2 013 893 460	1 345 744 656	910 603 585
Land	--	--	--	--	--	--	(704 873 667)	(89 370 774)
Town management	580 118 605	346 628 124	(175 833 274)	(150 522 494)	404 285 331	196 105 630	59 615 260	6 035 145
Other operations	243 559 255	175 907 915	(7 546 953)	(6 212 364)	236 012 302	169 695 551	170 943 267	115 212 664
Total	4 365 626 918	3 115 772 086	(190 233 967)	(162 882 301)	4 175 392 951	2 952 889 785	1 225 820 680	1 261 121 684
Investment Revenue							41 635 497	26 282 391
Other gains (losses)							(2 213 379 791)	(701 143 433)
Share of gains of investments in associates							21 780 892	10 637 880
General and Administrative Expense							(101 678 750)	(59 221 733)
Interest and financing expenses							(258 597 408)	(149 730 872)
(Loss) / Profit for the period before tax							(1 284 418 880)	387 945 917
Income Tax							299 873 625	(3 953 635)
Net (Loss) / Profit for the period after tax							(984 545 255)	383 992 282

- i) The main reason for the increase in revenue was the ability of the Group's hotels to maintain favourable occupancy levels and higher room rates sold.
- ii) The main reason for the increase in revenues of the real estate segment is due to the acceleration of the construction process in the company's projects in El Gouna and Orascom Real Estate Company (O-West), which led to an increase in revenues during the period.

Orascom Development Egypt "S.A.E."
Notes to the Condensed Consolidated Interim Financial
for the period ended March 31, 2024

5-2 Segment Assets

EGP	31/03/2024	31/12/2023
Segment Assets		
Hotels	6 683 806 513	6 205 517 837
Real estate and construction	31 085 592 031	28 605 881 885
Land	5 314 977 854	5 287 333 645
Town management	3 331 946 449	3 179 332 140
Other operations	3 208 321 997	2 761 340 483
Segment asset before elimination	49 624 644 844	46 039 405 990
Intersegment elimination	(5 628 007 845)	(7 316 306 953)
Segment assets after elimination	43 996 636 999	38 723 099 037
Unallocated assets	890 845 206	512 879 083
Consolidated total assets	44 887 482 205	39 235 978 120

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

6. Investment income

Investment Income amounted to EGP 259 872 170 (Three months ended March 31, 2023: EGP 129 736 614), the increase is mainly due to the increase in the interest on trade receivables during the period, in addition to the increase in interest income from deposits resulted from the increase in overnight deposit rates compared to the prior period.

7. Other gains / losses

Other gains / losses resulted in losses amounted to EGP 2 139 840 311 (Three months ended March 31, 2023: loss amounted to EGP 476 390 841), The main reasons for the change in this note are the loss of foreign currency exchange of 2 367 million Egyptian pounds (Three months ending March 31, 2023: EGP 478 million loss of foreign currency exchange) as a result of the decline of the Egyptian pound against foreign currencies. In addition to gain from the sale of short term investments with amount of EGP 230 million.

8. General and administrative expenses

The general and administrative expenses amounted to EGP 101 678 750 (EGP 59 221 733 for the Three months ended March 31, 2023). The increase is mainly due to increase in the group activities during the period, in addition to the high inflation rates during the period which led to general increase in prices.

9. Interest and finance expenses

The interest and financing expenses amounted to EGP 434 874 753 (EGP 210 049 063 for the Three months ended March 31, 2023). The increase is mainly due to the decision of the Monetary Policy Committee by the CBE to increase the interest rates on loans and deposits during the current period. In addition to the increase in the balance of loans granted to the group companies compared to last year

10. Deferred tax and income tax

Income taxes recognized in profit or losses

EGP	<u>31/03/2024</u>	<u>31/03/2023</u>
Current tax		
Current tax (expense) for the current period	(465 564 194)	(228 009 073)
Deferred tax		
Deferred tax income recognized in the current period	765 437 819	224 055 438
Total income tax recognized in the current period	299 873 625	(3 953 635)

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

The main reason for the change in income tax was the increase in the deferred tax balance as a result of the increase in the foreign currency exchange losses (note 7). In addition to the increase in current tax expense as a result of the increase in the company's profits during the period compared to 2023.

Income tax is calculated on the basis of the estimated effective weighted average annual and projected tax for the full financial year by applying it to net profit prior to taxes for the Three-month period.

Deferred tax assets and liabilities

Deferred tax assets amounted to EGP 1 199 450 494 (December 31, 2023: EGP 532 329 130) , The increase in the balance of deferred tax assets during the period was mainly due to the increase in unrealized foreign currency exchange losses.

11. Dividends

The Company did not declare dividends to shareholders for the period from January 1, 2024 to March 31, 2024.

12. Basic / diluted (losses) / earnings per share

Basic/ diluted earnings per share is calculated by dividing the earnings attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the period.

The profits and the number of shares used in the calculation of basic/diluted earnings per share are as follows:

EGP	31/03/2024	31/03/2023
Net loss/profit attributable to the shareholders of the parent Company	(1 181 600 388)	291 488 599
Weighted average number of shares for the purpose of basic EPS	1 130 473 523	1 114 972 250
Basic (losses) / earnings per share for the period	(1.05)	0.26
And by granting the ESOP stock options the EPS Equals:		
Weighted average number of shares*	1 130 473 523	1 115 200 366
Diluted (losses) / earnings per share for the period	(1.05)	0.26

*The weighted average number of shares contains ESOP shares in 31/3/2023 (31/3/2024 Nil)

Orascom Development Egypt "S.A.E."
Notes to the Condensed Consolidated Interim Financial
for the period ended March 31, 2024

13.1 Fixed assets (Net)

	<u>Lands</u>	<u>Buildings, infrastructure and land developments</u>	<u>Machinery and equipment</u>	<u>Furniture and fixtures</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<u>Cost</u>					
Cost as of 1/1/2024	598 735 658	5 663 390 689	1 430 362 574	862 157 119	8 554 646 040
Additions during the period	--	32 466 116	36 931 994	42 344 859	111 742 969
Transferred from projects under construction	--	4 415 587	--	1 033 449	5 449 036
Foreign currencies translation	--	31 237 087	2 668 145	1 427 728	35 332 960
Cost as of 31/03/2024	<u>598 735 658</u>	<u>5 731 509 479</u>	<u>1 469 962 713</u>	<u>906 963 155</u>	<u>8 707 171 005</u>
<u>Accumulated depreciation</u>					
Balance as of 1/1/2024	--	(1 158 946 811)	(796 626 103)	(432 423 082)	(2 387 995 996)
Depreciation for the period	--	(30 447 431)	(27 223 430)	(21 683 630)	(79 354 491)
Foreign currencies translation	--	(5 161 378)	(1 247 179)	(188 968)	(6 597 525)
Balance as of 31/03/2024	--	<u>(1 194 555 620)</u>	<u>(825 096 712)</u>	<u>(454 295 680)</u>	<u>(2 473 948 012)</u>
Net book value as of 31/03/2024	<u>598 735 658</u>	<u>4 536 953 859</u>	<u>644 866 001</u>	<u>452 667 475</u>	<u>6 233 222 993</u>
Net book value as of 31/12/2023	<u>598 735 658</u>	<u>4 504 443 878</u>	<u>633 736 471</u>	<u>429 734 037</u>	<u>6 166 650 044</u>
The following is the movement on fixed assets and its depreciation in 31/3/2023					
<u>Cost</u>					
Cost as of 1/1/2023	486 336 822	5 179 065 207	1 157 125 414	582 231 378	7 404 758 821
Additions during the period	--	23 450 729	12 440 726	11 393 881	47 285 336
Foreign currencies translation	--	11 601 756	120 315	479 425	12 201 496
Cost as of 31/03/2023	<u>486 336 822</u>	<u>5 214 117 692</u>	<u>1 169 686 455</u>	<u>594 104 684</u>	<u>7 464 245 653</u>
<u>Accumulated depreciation</u>					
Balance as of 1/1/2023	--	(1 041 304 654)	(718 474 277)	(366 069 471)	(2 125 848 402)
Depreciation for the period	--	(24 561 672)	(14 752 279)	(13 195 157)	(52 509 108)
Foreign currencies translation	--	(1 646 550)	(315 339)	(273 002)	(2 234 891)
Balance as of 31/03/2023	--	<u>(1 067 512 876)</u>	<u>(733 541 895)</u>	<u>(379 537 630)</u>	<u>(2 180 592 401)</u>
Net book value as of 31/03/2023	<u>486 336 822</u>	<u>4 146 604 816</u>	<u>436 144 560</u>	<u>214 567 054</u>	<u>5 283 653 252</u>

Orascom Development Egypt "S.A.E."
Notes to the Condensed Consolidated Interim Financial
for the period ended March 31, 2024

13.2 Right of use assets (Net)

	<u>Buildings, infrastructure and land developments</u>	<u>Machinery and equipment</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<u>Cost</u>			
Cost as of 1/1/2024	98 102 520	52 722 622	150 825 142
Cost as of 31/03/2024	98 102 520	52 722 622	150 825 142
<u>Accumulated depreciation</u>			
Balance as of 1/1/2024	(50 464 384)	(28 376 515)	(78 840 899)
Depreciation for the period	(1 844 547)	(176 579)	(2 021 126)
Balance as of 31/03/2024	(52 308 931)	(28 553 094)	(80 862 025)
Net book value as of 31/03/2024	45 793 589	24 169 528	69 963 117
Net book value as of 31/12/2023	47 638 136	24 346 106	71 984 242
<u>Cost</u>			
Cost as of 1/1/2023	91 041 349	52 722 621	143 763 970
Cost as of 31/03/2023	91 041 349	52 722 621	143 763 970
<u>Accumulated depreciation</u>			
Balance as of 1/1/2023	(43 615 786)	(27 670 199)	(71 285 985)
Depreciation for the period	(1 491 488)	(176 579)	(1 668 067)
Balance as of 31/03/2023	(45 107 274)	(27 846 778)	(72 954 052)
Net book value as of 31/03/2023	45 934 075	24 875 843	70 809 918
	<u>31/03/2024</u>	<u>31/12/2023</u>	
Net book value - Fixed assets	6 233 222 993	6 166 650 044	
Net book value - Right of use assets	69 963 117	71 984 242	
	<u>6 303 186 110</u>	<u>6 238 634 286</u>	

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

14. Project under construction

The increase in the balance of projects under construction is mainly due to the renovation work of some of the group hotels as well as the increase in the infrastructure of the group projects during the financial period ending March 31, 2024.

15. Investments in associates

Associate name	Incorporation Place	Segment	<u>Ownership Percentage (%)</u>		<u>Carrying Value (EGP)</u>	
			31/03/2024	31/12/2023	31/03/2024	31/12/2023
Red Sea for Construction & Development (i)	Egypt	Real estate & Construction	40.20%	40.20%	327 259 262	450 198 370
Total					327 259 262	450 198 370

Below is a summary of financial information with respect to the group’s investment in the associate companies:

EGP	31/03/2024	31/03/2023
Total Assets	4 736 129 828	4 254 153 179
Total Liabilities	3 921 751 067	3 462 161 306
Net Assets	814 378 761	791 991 873
Total Revenue	276 197 274	379 068 581
Net profits for the period	54 181 324	26 462 388
Group’s share in profits of the associate company	21 780 892	10 637 880

i. Investment in Red Sea for Construction & Development

- The company operates at construction and real estate development projects located in Egypt. There were no changes in the proportion of ownership interest held by the Group compared to the prior year.
- The Red Sea Contracting and Construction Company distributed dividends to the shareholders during the first quarter of period 2024, the group’s share in the dividends amounted to EGP 144 720 000.

16. Goodwill

No movement occurred on the balance of goodwill during the period ended on March 31, 2024.

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

17. Investment property

The following table summarizes the movement, which occurred during the current period/year, and its effect on the real estate investment:

<u>Cost</u>	<u>31/03/2024</u>	<u>31/12/2023</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of 1 January	244 581 841	244 581 841
Total	244 581 841	244 581 841
<u>Accumulated depreciation</u>		
Balance as of 1 January	(69 058 373)	(61 363 556)
Depreciation for the period/year	(2 317 233)	(7 694 817)
Total	(71 375 606)	(69 058 373)
Balance at the end of the period / year	173 206 235	175 523 468

During 2023, EAS 34 "Investment Property" was amended to allow all entities to use either the cost model option or the fair value model option in the subsequent measurement of their investment property, the Company currently uses the cost model.

The fair value of real estate investments as at December 31, 2023 amounted to EGP 358 million and it will be revaluated at the year end.

18. Inventory

	<u>31/03/2024</u>	<u>31/12/2023</u>
	<u>EGP</u>	<u>EGP</u>
Land held for development	11 327 324 778	11 273 996 778
Work in progress - construction	1 070 293 923	1 016 726 607
Other	635 408 057	516 291 415
	13 033 026 758	12 807 014 800

The reason for the increase in the inventory balance was the agreement signed with the Egyptian Government, whereby the Tourism Development Authority approved a new master plan for the undeveloped plot of land in El Gouna, as well as the reducing the shoreline setback for the remaining land bank, which increased the inventory of land during the period (Note 31).

- On 26th of November 2018, Orascom Development Egypt S.A.E & Orascom Real-Estate company (Developer of O West project) signed an agreement with the New Urban Communities Authority (NUCA) to co-develop an integrated residential project with an area of 1,000 acres (4.2 million square meters) in the 6th of October city, west of Cairo, within a ten years' period. The two parties agreed that the land will be allocated to the company on a revenue sharing model whereby NUCA is entitled to 26% of total residential sales collections and the company to 74%.

- During the first quarter of 2019, the land was received, and the plan was approved, also Orascom Development Egypt announced the official launch of its first project in the 6th of October City (O-West), which includes 950 residential units (villas, townhouses, twin houses and apartments).

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

19. Trade and notes receivables (net)

The increase in the trade and other receivables balance was mainly due to the increase in revenues from real estate segments during the Financial period ended March 31, 2024.

20. Treasury bills (net)

EGP	31/03/2024	31/12/2023
Treasury bills – more than 3 months	64 510 025	--
Less: unearned interest – more than 3 months	(10 188 260)	--
Treasury bills – less than 3 months	1 097 507 999	326 124 542
Less: unearned interest – less than 3 months	(58 139 567)	(17 769 909)
	1 093 690 197	308 354 633

The balance consists of treasury bills from a number of government and private banks, and the interest rate on treasury bills varies from 19.2% to 22.2% per year.

21. Cash and cash equivalents

EGP	31/03/2024	31/12/2023
Cash on hand	16 512 158	2 991 108
Banks – current accounts	4 385 176 814	3 399 544 177
Time deposits – less than 3 months	2 620 396 485	1 761 560 671
	7 022 085 457	5 164 095 956

For cash flow statements preparation, cash and cash equivalents are represented as the following:

EGP	31/03/2024	31/03/2023
Cash and cash equivalents	7 022 085 457	3 303 428 592
Treasury bills – less than 3 months	1 097 507 999	501 118 968
Less: unearned interest	(58 139 567)	(8 788 277)
	8 061 453 889	3 795 759 283

22. Debtors and other debit balances

The increase in the balance of debtors and other debit balances is mainly due to the increase in advance payments to suppliers, with the balance of EGP 422 million as of March 31, 2024 (December 31, 2023: EGP 332 million), in addition to the increase in prepaid commission for the sale of uncompleted units, with the balance of EGP 1 295 million as of March 31, 2024 (December 31, 2023: EGP 1 026 million). The increase is due to the increase in the group real estate sector activities during the period.

The increase is also due to the dividend payable from the Red Sea Company (associate company) amounting to EGP 96 million.

23. Land purchase creditors

The amounts on this account represents:

- Amounts due to the New Urban Communities Authority (NUCA) from one of the company’s subsidiaries (Orascom Real estate, Developer of O West project at Six of October city) under a purchase contract as explained in note (18).
- In addition to the amounts related to the agreement with the Egyptian government signed in 2023, whereby the amount due will be paid in 15 annual instalments.

24. Borrowings

- On November 19, 2020, Orascom Development Egypt signed a credit facility agreement to reschedule outstanding debts and increase its size with a medium-term loan, equivalent to an amount of USD 265 million divided into two tranches, tranche (A) with an amount of USD 215 million at an interest rate of 4.25% above the SOFR rate and 4.75% Euribor rate, 1.25% for the EGP above the corridor price, in addition to the equivalent of 50 million USD as Tranche (B) in EGP only at an interest rate of 8% for half of the tranche according to the initiative of the Central Bank and the other half at the same interest rates as tranche (A). The banks involved in the agreement are four Egyptian banks: CIB (the creditor agent), Banque Misr, Banque du Caire and HSBC.

On December 23, 2020, the contract was activated, and on the same date the company received an amount of USD 215 million (tranche A) to repay the outstanding loan balances, while tranche (B) amounting to the equivalent of USD 50 million issued for expansion in the hotels segment and projects in the hospitality sector in subsidiaries. During 2022 and the first nine months till 30 September 2023, the company used EGP 344 million from tranche B.

The loan will be repaid over seven years, including a grace period of 2.5 years, the first instalment was due in June 2023. The loan will expire on 23 December 2027 compared with CTIA loans, which had a due date on December 31, 2024.

- During 2023, Orascom Development Egypt has signed an agreement to borrow USD 30 million (928 million Egyptian pounds) from its parent company (Orascom Development Holding Company) to pay the special obligation of the agreement signed with the Egyptian Government in 2023 at an interest rate of 3.75%
- On 22 March 2024, Orascom Development Egypt signed an overdraft amounting USD 2.7 Million, backed by a fixed deposit, to be repaid in 8 April 2024.
- On 24 July 2022, Orascom Real Estate Company (a subsidiary company) signed a credit facility agreement worth EGP 1.5 billion with CIB to help the acceleration of the construction process of O West project in 6th of October. The company used the full amount of the loan EGP 1.5 billion until 2023.
- On 5 November 2023, Orascom Real Estate Company signed as an alternative to the above facility agreement a syndicated loan agreement worth EGP 6 Billion, to finance its flagship project in West Cairo, O West and to refinance the above-mentioned existing facility agreement of EGP 1.5 Billion.

The new facility tenor is ten years including 5 years grace period. As of 31 March 2024, the company has used a total amount of EGP 2.4 Billion from the new loan.

- During 2023, Makadi Heights for Tourism Development company (a subsidiary company) signed a leasing contract with Globalcorp for Financial Services in order to lease some plots of land and the buildings on them with total amount of 429 million EGP, an amount of EGP 371 million has been utilized during 2023 until 31 March 2024 with repayment starting from January 2026.
- Makadi Heights for Tourism Development company also signed a new leasing contract with Al-Tameer Leasing and Factoring Company (Aloula company) with total amount 150 Million, where the company disbursed a total amount of EGP 27 million as of 31 March 2024 that will be repaid by June 2024

25. Provisions

The provisions are related to claims from some external parties arising from the normal activities of the group. Until full settlement of such disputes and arriving to final results the management and its consultants take the necessary studies to arrive to the best estimates, provision is revised and amended on annual basis according to latest updates and discussions between management and external parties.

26. Capital

26-1 The Authorized Capital

The authorized company's capital is set at EGP 5 billion.

26-2 Issued and paid up capital

- The authorized capital of the company is EGP 5 billion (five billion Egyptian pounds) the issued and paid-up capital became EGP 1 108 307 385 (one billion, one hundred and eight million, three hundred and seven thousand three hundred and eighty-five Egyptian Pounds) distributed to
- 1 108 307 385 shares (one billion, one hundred and eight million, three hundred and seven thousand three hundred and eighty-five Shares) with a share value of EGP 1, instead of 221 661 475 shares (two hundred and twenty-one million six hundred and sixty-one thousand four hundred and seventy-five shares) with a share value of EGP 5. In accordance with the Extraordinary General Assembly Resolution held on March 19, 2018, from EGP 5 to EGP 1.
- On the 8th November 2018 the capital was increased by EGP 22 166 138 for the number of shares of 22 166 138 shares, the value of each share is EGP 1, all of which are cash shares. The capital amounted to EGP 1 130 473 523 after the increase according to Articles 6 and 7.
- The increase was recognized in the Commercial Register on 19 December 2018.
- During 2020, 2 285 252 shares of ESOP were exercised, the value of each share is one Egyptian pound, and all of them were cash shares.
- During 2021, 1 938 294 shares of ESOP were exercised, the value of each share is one Egyptian pound, and all of them were cash shares.
- During 2022, 2 441 319 shares of ESOP were exercised, the value of each share is one Egyptian pound, and all of them were cash shares.

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

- On 16th of March 2023, the board of directors approved to cancel the outstanding stock ownership plan for the employees and convert the remaining shares to treasury shares totaling 15 501 273, where the general assembly meeting approved on 2 May 2023, and the conversion was executed on June 21, 2023. On 25 September 2023, the sale of all shares with gross amount of EGP 155 012 730 was executed

27. Non-controlling interests

	<u>31/03/2024</u>	<u>31/12/2023</u>
	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of the period / year	1 346 947 507	1 056 432 188
Minority share in profits for the period / year	197 055 133	290 515 319
	<u>1 544 002 640</u>	<u>1 346 947 507</u>

28. Long term contract liabilities

This balance represents the value of the non-cash portion due to the New Urban Communities Authority from one of the subsidiary companies - Orascom Real Estate Company - according to the contract as explained in Note (18), which represents units with a total building area of 281 105 square meters, in which the company is obliged to deliver in accordance with the timeline specified in the contract starting from year 2026 for a period of two years, and during the year the company did not start any work for those units. The amount was estimated at fair value of EGP 1 609 527 423.

<u>EGP</u>	<u>31/03/2024</u>	<u>31/12/2023</u>
Long term contract liabilities	1 609 527 423	1 609 527 423
	<u>1 609 527 423</u>	<u>1 609 527 423</u>

The below is the movement on the liability during the period / year:

<u>EGP</u>	<u>31/03/2024</u>	<u>31/12/2023</u>
Opening balance	1 609 527 423	1 609 527 423
Additions during the period/year	--	--
Balance at the end of the period/ year	<u>1 609 527 423</u>	<u>1 609 527 423</u>

29. Creditors and other credit balances

The reason for the increase in creditors and other credit balance was mainly due to advances from customer, the balance amounted to EGP 5 099 million as of March 31, 2024 (December 31, 2023: EGP 4 144 million).

Orascom Development Egypt “S.A.E.”
Notes to the Condensed Consolidated Interim Financial
Statements for the Period Ended March 31, 2024

30. Assets and liabilities measured at fair value

Fair value of financial instruments carried at amortised cost:

EGP	31 March 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings/bank loans	10 920 711 014	11 259 981 386	7 703 977 957	7 845 253 546

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.

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).

31 March 2024				
EGP	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	--	--	102 978	102 978
	--	--	102 978	102 978
31 December 2023				
EGP	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	--	--	100 728	100 728
	--	--	100 728	100 728

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.

31. Significant events during the financial period

- On 6 March 2024, the Monetary Policy Committee (MPC) decided in its extraordinary meeting to raise the overnight deposit and lending rates and the central bank's main operation rate by 600 bps to 27.25%, 28.25% and 27.75%, respectively, while the credit and discount rate was raised by 600 bps to 27.75%.
The CBE announced that the exchange rate of foreign currencies against the Egyptian Pound would be allowed to be liberalised according to market mechanisms as of 6 March 2024.

32. Transaction with related parties

a. Taba Heights Company

One of the Group companies had been granted the right to acquire freehold title to the project's land by the Tourism Development Authority. Due to foreign ownership restrictions on the Sinai Peninsula becoming applicable in connection with the reorganization, the respective Group company had to be transferred to Mr. Samih Sawiris, major shareholder and of Egyptian nationality. Mr. Samih Sawiris entered into a binding agreement to retransfer these shares subject to approval of the competent authorities, and that until such retransfer, the Group would be put into a position as the full economic beneficiary of these shares. This entails, inter alia, an irrevocable assignment of dividends and the authorization to collect dividends, exercise voting rights related to these shares and cause the sale of shares with no additional rights of Mr. Samih Sawiris in any value received.

b. Other Transactions

- During 2014, the main shareholder of the Holding Company Engineer / Samih Sawiris acquired a 35% stake in FTI the fourth largest tour operator in Europe. During 2020, he increased his share in the company to be 75.1%). As of 31st of March 2024, transactions amounting to EGP 152 million were concluded with FTI.
- The total amount of construction work and services with Red sea for Construction & Development S.A.E (Related party 40.20%) reached EGP 1 207 million as of 31th of March 2024.
- The total amount of construction work and services with Orascom Construction company (related party) reached EGP 8 million as of 31th of March 2024.
- The main shareholder of the holding company, Engineer / Samih Sawiris, is financing the construction of a conference center in El Gouna with the amount of EGP 84 million till March 31, 2024 included in creditors and other credit balances.

33. Minimum Building Obligation (MBO):

On February 14, 2023, Orascom Development Egypt signed an agreement with the Egyptian Government. Under the agreement, the Tourism Development Authority approved a new master plan for the remaining 17.4 million square meters of land in El Gouna. According to the agreement, the company is required to build 1,000 hotel rooms every 10 years from the date of the agreement.

34. Tax Position

On 20th of August 2015 law No. 96 of 2015 was approved by the president, the law amends some of the income tax regulations of law No. 44 of 2014 which state that income tax rate is changed to be 22.5%.

a) Corporate Tax:

- Inspected by tax authority and settled till year 2017
- The years 2018/2019 have been examined and the results are awaited
- Tax returns up to 2022 have been filed within the statutory deadlines

b) Salary Tax:

- Inspected by tax authority and settled till year 2020

c) Stamp duty Tax:

- Inspected by tax authority and settled till year 2018

35. Events Subsequent to the Financial Statements date

No significant events.

36. Date of approval of Financial Statements

- The Board of Directors were approved the condensed financial statements for the financial period at May 14, 2024