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Orascom Development Holding AG

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Orascom Development Holding AG

Consolidated financial statements
together with auditor's report for the
year ended 31 December 2024

Orascom Development Holding AG

Consolidated statement of comprehensive income for the year ended 31 December 2024

CHF	Notes	2024	2023 (restated)
CONTINUING OPERATIONS			
Revenue	5/6	630,934,551	631,318,799
Cost of sales	6.2	(469,896,421)	(483,299,516)
Impairment losses recognised on receivables, net	34.9	(786,939)	(534,715)
GROSS PROFIT		160,251,191	147,484,568
Investment income	8	24,422,138	18,202,279
Other gains	9	10,011,637	17,744,686
Administrative expenses		(39,066,832)	(33,406,226)
Finance costs	10	(57,515,515)	(48,676,537)
Share of profit of associates	18	4,399,635	5,778,433
Other losses	11	(59,990,539)	(22,941,041)
PROFIT BEFORE TAX		42,511,715	84,186,162
Income tax expense	12	(24,931,219)	(31,796,642)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		17,580,496	52,389,520
DISCONTINUED OPERATIONS			
(Loss)/gain for the year from discontinued operations	25	(9,310,759)	2,000,173
PROFIT FOR THE YEAR		8,269,737	54,389,693
OTHER COMPREHENSIVE LOSS, 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		2,804	2,922
Remeasurement of defined benefit obligation	33	(461,028)	(374,438)
Share of other comprehensive (loss)/income of associates	18	(1,599,334)	(929,957)
		(2,057,558)	(1,301,473)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(91,220,116)	(100,077,582)
		(91,220,116)	(100,077,582)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX		(93,277,674)	(101,379,055)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(85,007,937)	(46,989,362)

CHF	Notes	2024	2023 (restated)
Profit/(loss) attributable to:			
Owners of the Parent Company		(6,114,083)	26,952,563
Non-controlling interests		14,383,820	27,437,130
		8,269,737	54,389,693
Total comprehensive loss attributable to:			
Owners of the Parent Company		(70,234,861)	(44,545,673)
Non-controlling interests		(14,773,076)	(2,443,689)
		(85,007,937)	(46,989,362)
Earnings per share from continuing and discontinued operations			
Basic	13	(0.10)	0.51
Diluted	13	(0.10)	0.51
Earnings per share from continuing operations			
Basic	13	0.06	0.47
Diluted	13	0.06	0.47



Naguib S. Sawiris
Chairman of the Board



Ashraf Nessim
Group CFO

Orascom Development Holding AG
Consolidated statement of financial position at 31 December 2024

CHF	Notes	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	663,739,828	723,603,406
Investment property	15	43,111,615	42,155,911
Goodwill	16	911,806	1,391,730
Investments in associates	18	44,721,390	49,009,962
Non-current receivables	19	110,334,126	116,310,911
Deferred tax assets	12.4	22,867,649	12,299,172
Other financial assets	20	1,239	1,411
TOTAL NON-CURRENT ASSETS		885,687,653	944,772,503
CURRENT ASSETS			
Inventories	21	348,449,361	434,612,307
Trade and other receivables	22	163,985,174	171,532,988
Current receivables due from related parties	36.1	19,202,515	18,411,517
Other current assets	23	70,032,352	64,336,582
Cash and bank balances	24	195,797,131	213,850,134
		797,466,533	902,743,528
Assets held for sale	25	43,416,175	-
TOTAL CURRENT ASSETS		840,882,708	902,743,528
TOTAL ASSETS		1,726,570,361	1,847,516,031

Orascom Development Holding AG
Consolidated statement of financial position at 31 December 2024

CHF	Notes	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Issued capital	26	299,111,830	299,111,830
Reserves	27	234,357,312	295,905,192
(Accumulated losses)		(227,429,029)	(219,171,003)
Equity attributable to owners of the Parent Company		306,040,113	375,846,019
Non-controlling interests	17.1	146,594,808	159,715,716
TOTAL EQUITY		452,634,921	535,561,735
NON-CURRENT LIABILITIES			
Borrowings	28	380,913,632	286,847,745
Trade and other payables	29	126,919,449	206,657,108
Contract liabilities	30	28,713,969	43,827,432
Notes payable		3,805	5,807
Provisions	31	21,761,454	21,101,315
Retirement benefit obligation	33	1,253,273	744,665
Deferred tax liabilities	12.4	17,675,182	18,852,619
TOTAL NON-CURRENT LIABILITIES		577,240,764	578,036,691
CURRENT LIABILITIES			
Trade and other payables	29	38,759,336	36,933,191
Borrowings	28	68,645,336	193,670,204
Due to related parties	36.1	12,223,923	17,610,169
Current tax liabilities	12.3	42,232,558	41,095,483
Provisions	31	43,061,710	38,672,057
Other current liabilities	32	470,639,645	405,936,501
		675,562,508	733,917,605
Liabilities directly associated with assets held for sale	25	21,132,168	-
TOTAL CURRENT LIABILITIES		696,694,676	733,917,605
TOTAL LIABILITIES		1,273,935,440	1,311,954,296
TOTAL EQUITY AND LIABILITIES		1,726,570,361	1,847,516,031



Naguib S. Sawiris
Chairman of the Board



Ashraf Nessim
Group CFO

Orascom Development Holding AG
Consolidated statement of changes in equity for the year ended 31 December 2024

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 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 year	-	-	-	-	-	-	-	-	-	26,952,563	26,952,563	27,437,130	54,389,693
Other comprehensive income for the year, net of income tax	-	-	-	-	-	2,922	-	(70,196,763)	-	(1,304,395)	(71,498,236)	(29,880,819)	(101,379,055)
Total comprehensive income for the year	-	-	-	-	-	2,922	-	(70,196,763)	-	25,648,168	(44,545,673)	(2,443,689)	(46,989,362)
Capital increase	96,143,085	38,457,234	-	-	-	-	-	-	-	-	134,600,319	-	134,600,319
Transaction costs directly related to capital increase	-	(2,537,163)	-	-	-	-	-	-	-	-	(2,537,163)	-	(2,537,163)
Acquisition of treasury shares	-	-	(318,134)	-	-	-	-	-	-	-	(318,134)	-	(318,134)
Board of Directors distribution	-	-	254,240	-	-	-	-	-	-	54,521	308,761	-	308,761
Distribution to others	-	-	285,867	-	-	-	-	-	-	14,146	300,013	-	300,013
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	-	2,859,146	2,859,146	947,972	3,807,118
Other disposal of treasury shares	-	-	382,149	-	-	-	-	-	-	(96,508)	285,641	-	285,641
Share-based payments (note 35)	-	-	-	513,156	-	-	-	-	-	-	513,156	-	513,156
Cash payment under share-based payments plan (note 35)	-	-	-	(396,165)	-	-	-	-	-	-	(396,165)	-	(396,165)
Effect of exercised options in subsidiaries	-	(32,962)	-	-	-	-	-	-	-	-	(32,962)	(10,929)	(43,891)
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3,272,802	3,272,802
Balance at 31 December 2023	299,111,830	872,217,117	(1,517,585)	1,314,355	4,638,989	(1,123,684)	4,916,868	(512,020,947)	(72,519,921)	(219,171,003)	375,846,019	159,715,716	535,561,735
Balance at 1 January 2024	299,111,830	872,217,117	(1,517,585)	1,314,355	4,638,989	(1,123,684)	4,916,868	(512,020,947)	(72,519,921)	(219,171,003)	375,846,019	159,715,716	535,561,735
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	(6,114,083)	(6,114,083)	14,383,820	8,269,737
Other comprehensive income for the year, net of income tax	-	-	-	-	-	2,804	-	(62,063,220)	-	(2,060,362)	(64,120,778)	(29,156,896)	(93,277,674)
Total comprehensive income for the year	-	-	-	-	-	2,804	-	(62,063,220)	-	(8,174,445)	(70,234,861)	(14,773,076)	(85,007,937)
Acquisition of treasury shares	-	-	(209,098)	-	-	-	-	-	-	-	(209,098)	-	(209,098)
Distribution to others	-	-	65,969	-	-	-	-	-	-	(19,244)	46,725	-	46,725
Other disposal of treasury shares	-	-	142,509	-	-	-	-	-	-	(64,337)	78,172	-	78,172
Share-based payments (note 35)	-	-	-	513,156	-	-	-	-	-	-	513,156	-	513,156
Dividends to non-controlling shareholders in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,251,565)	(2,251,565)
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3,903,733	3,903,733
Balance at 31 December 2024	299,111,830	872,217,117	(1,518,205)	1,827,511	4,638,989	(1,120,880)	4,916,868	(574,084,167)	(72,519,921)	(227,429,029)	306,040,113	146,594,808	452,634,921

Orascom Development Holding AG
Consolidated cash flow statement for the year ended 31 December 2024

CHF	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		8,269,737	54,389,693
Adjustments for:			
Income tax expense recognised in profit or loss	12.1/25.2	25,078,949	31,796,642
Share of (gains)/losses of associates	18	(4,399,635)	(5,778,433)
Finance costs recognised in profit or loss	10/25.2	58,853,686	50,126,783
Investment income recognised in profit or loss	8	(24,422,138)	(18,202,279)
Impairment loss on trade receivables and other assets	11/34.9	2,395,663	3,268,119
Reversal of impairment loss on trade receivables	34.9	(1,608,724)	(1,336,934)
Impairment losses on inventory	11/21	2,684,089	685,090
Impairment losses on related party receivables	11	9,011,627	1,199,143
Impairment losses on disposal group	25	10,894,368	-
Impairment loss on property, plant and equipment	11/14	14,617,828	8,672,938
Depreciation of property, plant and equipment	14	23,390,000	23,668,036
Gain on revaluation of investment properties	9/15	(5,222,362)	(4,577,056)
Gain from short-term investments	9	(4,789,275)	(10,440,480)
Provision formed	31	36,117,148	36,503,702
Share-based payments	35.1	513,156	513,156
Net foreign exchange losses / (gains)	11	33,237,949	11,135,333
MOVEMENTS IN WORKING CAPITAL			
(Increase) in trade and other receivables		(72,378,043)	(76,997,561)
(Increase) in inventories		(32,767,450)	(55,416,024)
Decrease in other current assets		4,387,150	1,826,568
(Decrease) in trade and other payables		(8,679,966)	(9,236,721)
(Decrease) in provisions		(18,871,909)	(28,682,594)
Increase in other current liabilities		101,672,612	76,442,651
Cash generated by operations		157,984,460	89,559,772
Interest paid		(49,608,353)	(43,044,179)
Income tax paid		(20,224,299)	(21,121,682)
Net cash generated by operating activities		88,151,808	25,393,911

Orascom Development Holding AG
Consolidated cash flow statement for the year ended 31 December 2024

CHF	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and investment property	14/15	(84,896,224)	(125,808,153)
Proceeds from sale of investments	9	4,789,275	10,440,480
(Payments for)/proceeds from treasury bills		(1,126,777)	674,356
Dividends received	18	3,209,633	3,119,051
Interest received		17,869,000	10,361,092
Net cash (used in) investing activities		(60,155,093)	(101,213,174)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital increase		-	42,534,284
Payments for transaction costs in relation to capital increase		-	(2,537,163)
(Payments for)/proceeds from treasury shares and shares in subsidiaries		(130,925)	3,774,625
Non-controlling interests' shares in equity of consolidated subsidiaries		-	3,272,802
Repayment of lease liabilities	28.3	(1,366,870)	(535,797)
Repayment of borrowings		(76,520,195)	(20,102,384)
Proceeds from borrowings		86,719,016	124,339,295
Net cash generated by financing activities		8,701,026	150,745,662
Net increase in cash and bank balances		36,697,741	74,926,399
Cash and bank balances at the beginning of the year		213,850,134	180,298,029
Effects of exchange rate changes on the balance of cash held in foreign currencies		(49,564,347)	(41,374,294)
Cash and bank balances at the end of the year		200,983,528	213,850,134
thereof included in cash and cash equivalents	24	195,797,131	213,850,134
thereof included in assets held for sale	25	5,186,397	-

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1 GENERAL INFORMATION

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.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the current year. These revised Standards have not had a material effect on these consolidated financial statements. The details of the revised Standards are as follows:

Amendments to IFRS 7 and IAS 7

The amendments add disclosure requirement, and “signposts” within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Amendments to IFRS 16

The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Amendments to IAS 1

The amendments (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants) clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

2.2 Standards and Interpretations in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not adopted the following Standards that have been issued but are not yet effective. They will be effective for annual periods beginning on or after the dates indicated below, with earlier application permitted.

IFRS 18	Presentation and Disclosures in Financial Statements (new Standard)	1 January 2027
Amendments to IAS 21	Lack of exchangeability of currencies	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	1 January 2026
Various	Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026

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

3 MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortised cost, as appropriate and investment properties that are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and entities (including special purpose entities) controlled by the Parent Company (its subsidiaries). Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of a group entity to bring its accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received or receivable and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at re-valued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Parent Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3. The policy described above is applied to all business combinations that took place on or after January 2010.

For common control transactions in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory, the Group recognises the difference between purchase consideration and carrying amount of net assets of acquired entities or businesses as an adjustment to equity. This accounting treatment is also applied to later acquisitions of some or all shares of the non-controlling interests in a subsidiary.

3.5 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Any other changes in equity recognised directly through equity in the associates is recognised directly through equity of the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated, starting from the acquisition date, to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. When assessing each unit or group of units to which the goodwill is so allocated, the Group's objective is to test goodwill for impairment at a level that reflects the way the Group manages its operations and with which the goodwill would naturally be associated under the reporting system in place.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on the acquisition of an associate is described in note 3.5.

3.7 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Group is always acting as principal in relation to its contracts with customers.

Different policies for revenue recognition apply across the Group's business segments. The following table shows the link between the accounting policies for revenue recognition and segment information.

Accounting policies	Segments classified by type of activity
3.7.1 Revenue on sale of land	Sale of land
3.7.2 Revenue from agreements for construction of real estate	Real estate and construction
	Hotels
3.7.3 Revenue from the rendering of services	Destination management
	Other operations

3.7.1 Revenue on sale of land

Revenue from sale of land, sale of land right and associated cost are recognised when control has been transferred to the buyer. In general, control is transferred when the land is delivered to the buyer as from this point in time, the buyer has the ability to direct the use of the land and obtain substantially all of the remaining benefits. Management uses its judgment and considers the opinion obtained from the legal advisors in assessing whether the Group's contractual and legal rights and obligations in the agreements are satisfied and the above criteria are met.

3.7.2 Revenue from agreements for construction of real estate

In general, the revenue is recognised either from agreements for construction of apartments or for construction of villas.

Apartments

For apartments, the performance obligations are not capable of being distinct as the customer cannot benefit from the goods and services either on their own or together with other readily available resources. The provided goods and services are dependent on each other. Therefore, the Group accounts for all goods and services defined in the contract as a single performance obligation. The "Unit" performance obligation in apartments include the "Land" as the land represents the plot's undivided share.

Since performance of the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date, revenue from construction of apartments is recognised over time as construction progresses.

The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations as based on management's assessment this represents best the progress of the respective performance obligation. The contractors' progress reports are used to measure the percentage of completion.

Villas

For villas, management of the Group considers "land" as a separate performance obligation as the customers get the control of a specific and defined land plot once the contract is signed and there is no more work in progress related to land itself. The second performance obligation is the construction of the villa.

For land, revenue is recognised at the point in time where land control is transferred to the buyer which in general is when the contract is signed.

Revenue for the second performance obligation, being the construction of the villas, is recognised over time as construction progresses. The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations as based on management's assessment this represents best the progress of the respective performance obligation. The contractors' progress reports are used to measure the percentage of completion.

Financing component

In Montenegro, the applied milestones payment method imposes no financing component as the customer pays only when certain milestones are reached, i.e. upon the completion of relevant works.

In Egypt and Oman, the time to build a unit is approximately two to four years while payment is scheduled through instalments for periods longer than five years. Accordingly, the payment schedule provides the customer with a significant benefit of financing and interest expenses and revenue are accounted for in Egypt by discounting contract value.

3.7.3 Revenue from the rendering of services

Revenue from services is recognised over time and point in time in the accounting periods in which the services are rendered.

3.7.4 Cost of sales

Cost of sales comprises costs related directly to the sale of goods or rendering of services. These costs include also administration expenses of revenue generating entities in the Group. Under administration expenses are costs allocated for corporate and head quarter functions as well as non-revenue generating entities, such as corporate companies, holding companies and start-up companies. Companies providing these services are marked as HQ in the subsidiaries' list in note 17.

3.8 Leasing

The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, for some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or to terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal or to terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate for such liabilities.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate

The lease liability is subsequently measured increase the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment on exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the leases payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets recognised within property, plant and equipment comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are include in the lines "cost of sales" and "administrative expenses" in the statement of profit or loss.

As a practical expedient IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

The Group enters into lease arrangements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract classifies as a finance lease. All other leases are classified as operating lease. The Group currently only has operating leases.

Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9 Foreign currencies

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the preparation of the Group's consolidated financial statements, the results and financial position of each subsidiary are translated into Swiss Franc (CHF), which is the Group's presentation currency.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on monetary items that qualify as hedging instruments in transactions entered into to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Swiss Francs (CHF) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's foreign currency reserve, a separate component in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in other comprehensive income in respect of that operation attributable to the owners of the Parent are reclassified to profit or loss.

In the case of a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interest in associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

The exchange rates for the major foreign currencies against CHF relevant to the annual consolidated financial statements were:

Currency table	2024		2023	
	Average	Year end	Average	Year end
1 EGP Egyptian Pound	0.0200	0.0178	0.0293	0.0272
1 USD US Dollar	0.8806	0.9070	0.8984	0.8432
1 EUR Euro	0.9526	0.9411	0.9713	0.9321
1 OMR Oman Rial	2.2875	2.3559	2.3344	2.1872
1 AED United Arab Emirates Dirham	0.2397	0.2469	0.2446	0.2292
1 MAD Moroccan Dirham	0.0886	0.0895	0.0887	0.0853
1 JOD Jordanian Dinar	1.2422	1.2788	1.2663	1.1858

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time, as the assets are substantially ready for their intended use or sale.

The following principles apply when borrowing costs are partly or fully capitalised by the Group as part of a qualifying asset:

- Where variable rate borrowings are used to finance a qualifying asset and a derivative is designated to cash flow hedge the variability in interest rates on such borrowings, any gain or loss on the hedging derivative that is effective and, therefore previously recognised in other comprehensive income, is reclassified from equity to profit or loss when the hedged risk impacts profit or loss. The hedged interest component of the qualifying asset (hedged risk) impacts profit or loss when the qualifying asset is amortised, impaired or sold.
- Where fixed rate borrowings are used to finance a qualifying asset and a derivative is designated to hedge the fair value exposure to changes in interest rates of such borrowings, the synthetic floating interest rate that is achieved as a result of a highly effective hedge is capitalised, so that borrowing costs always reflect the hedged interest rate. The amount of borrowing costs capitalised in such a case comprises the actual fixed rate on the borrowings plus the effect of swapping this fixed rate into floating rates.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

As the financing activity is co-ordinated centrally and generally by the parent and some of the main subsidiaries, the group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The group includes all borrowings of the parent and its subsidiaries when computing the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period other than borrowings made specifically for the purpose of obtaining a qualifying asset.

The amount of borrowing costs that an entity capitalises during the period shall not exceed the amount of borrowing costs it incurred during that period, provided that the carrying amount of the qualifying asset on which eligible borrowing costs have been capitalised does not exceed its recoverable amount (being the higher of fair value less costs to sell or amount in use for that asset).

3.11 Retirement benefit costs

Employee pension and retirement benefits are based on the regulations and prevailing circumstances of those countries in which the Group is represented. In Switzerland, ordinary pension and retirement benefit plans qualify as defined-benefit plans and are accounted for in conformity with IAS 19 Employee Benefits.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognised immediately through other comprehensive income, whereas past service-costs (vested and unvested) are recognised immediately in profit or loss.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contribution.

Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

3.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet Liability Method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax liabilities are not recognised if the temporary difference arises from goodwill and no deferred tax assets or liabilities are recognised for temporary differences resulting from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.12.3 Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.12.4 Income Taxes

Significant judgement is required in determining liabilities related to uncertain tax positions. A tax provision is recognised when the Group has a present obligation as a result of a past event, and it is more likely than not that the Group will be required to settle that obligation. A current tax provision is measured using the single best estimate of the likely outcome approach.

3.13 Property, plant and equipment

Buildings, plant and equipment, furniture and fixtures held for use in the production, supply of goods or services or for administrative purposes are stated in the consolidated statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, administrative purposes or for a currently undetermined future use are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy as described in note 3.10. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Hotels managed by third party companies are classified within property, plant and equipment as the Group is exposed to the entire risk and reward of the hotel as if it is managed by the Group itself. The only income the management company receives from the ongoing operation is a management fee out of operational income for their services as the hotel management company.

Depreciation of buildings, plant and equipment as well as furniture and fixtures commence when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	20 – 50 years
Plant and equipment	4 – 25 years
Furniture and fixtures	3 – 15 years

3.14 Investment property

Investment properties are properties (land or a building – or part of a building – or both) held by the Group entities to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value at the end of each reporting period. Gains and losses arising from changes in the fair value of investment properties are recognised in profit or loss including an adjustment to the related deferred tax position in the period in which they arise.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value of investment properties reflects market conditions at the end of each reporting period and is determined without any deduction for transaction costs which the Group may incur on sale or other disposal. The fair value of investment properties is determined based on evaluations performed by independent valuers or internal valuations.

Property is only transferred to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. If property becomes an investment property which is carried at fair value, any difference at the date of change in use between the carrying amount of the property and its fair value is recognised through other comprehensive income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.15 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.16 Inventories

Inventories are stated at the lower of cost and net realizable value.

Costs, including an appropriate portion of fixed and variable production overheads as well as other costs incurred in bringing the inventories to their present location and condition, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. For items acquired on credit and where payment terms of the transaction are extended beyond normal credit terms, the cost of that item is its cash price equivalent at the recognition date with any difference from that price being treated as an interest expense on an effective-yield basis (see note 10).

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Estimates of net realisable value are generally made on an item-by-item basis, except in circumstances, where it is more appropriate to group items of similar or related inventories.

The net realizable value of an item of inventory may fall below its cost for many reasons including, damage, obsolescence, slow moving items, a decline in selling prices, or an increase in the estimate of costs to complete and costs necessary to make the sale. In such cases, the cost of that item is written down to its net realizable value and the difference is recognised immediately in profit or loss.

Properties intended for sale in the ordinary course of business or in the process of construction or development for such a sale are included in inventories. These are stated at the lower of cost and net realizable value. The cost of development properties includes the cost of land and other related expenditure attributable to the construction or development during the period in which activities are in progress that are necessary to get the properties ready for its intended sale.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

3.18 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

All recognised financial assets are initially measured at fair value and subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.19.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In general, cash and bank balances, trade and other receivables as well as amounts due from related parties are measured at amortised cost. All other financial assets are subsequently measured at fair value.

3.19.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

3.19.3 Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

The Group has designated all investments in equity instruments, that are not held for trading, as at FVTOCI. These are included in other financial assets.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Dividends earned are recognised in profit or loss and are included in the 'investment income' line item.

3.19.4 Impairment of financial assets

Financial assets that are measured at amortised cost as well as financial assets held at FVTOCI are assessed for impairment at the end of each reporting period.

Expected Credit Losses ("ECL") are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In general, ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Loss given default ("LGD") is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements. Further, the probability of default is determined based on historical data of cash flows from receivables. However, in certain cases, the Group may also consider a financial asset to be in default when internal and external information indicates that the Group is unlikely to receive the outstanding contractual amount in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Impairment models used by the Group to calculate the ECL of its trade receivables are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to note 34.9 for further details on credit-impaired financial assets.

In order to calculate ECL, the Group has established an impairment test model that uses the flow rate approach to get the weighted probability of default for diverse aging buckets, i.e. the average percentage of irregular clients for each bucket is derived by computing the historical 'flow rate' of trade receivables, based on their ageing and arriving at an average loss rate.

The flow rate shows the percentage of receivables in an aging bucket that have not been collected on their due dates (i.e. during the month/ quarter they should have been collected) and have therefore moved into the next aging bucket in the following month/quarter's ageing).

Based on Group's business history and the time value of money concept, management assumes loss rate to be 100% for balances overdue by more than 360 days, as at this point in time, they start to impose significant credit risks and losses in real value of cash. Default rates of other buckets, groups of balances overdue since less than 360 days, are projected from the flow rate study.

For assets measured at amortised cost other than receivables, the Group evaluates at every reporting date whether the debt instrument is considered to have low credit risk or not, using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation. The Group reassesses the credit rating of the financial asset using either external or internal credit ratings. In order to ensure reliability, internal credit ratings are usually mapped to external ratings or supported by default studies.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.19.5 De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is reclassified to retained earnings.

3.20 Financial liabilities and equity instruments

3.20.1 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.20.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:

- a) The instrument includes no contractual obligation:
 - i. to deliver cash or another financial asset to another entity; or
 - ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
- b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
 - i. a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
 - ii. a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A contract that will be settled by the Group entity receiving or delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset is an equity instrument.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

A financial liability is classified as current liability when it satisfies any of the following criteria:

- It is expected to be settled in the entity's normal operating cycle
- It is held primarily for the purposes of trading;
- It is due to be settled within twelve months after the reporting period;
- The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other financial liabilities are classified as non-current.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.21 Share-based payment arrangements

3.21.1 Share-based payment transactions of the Parent Company

Share-based payment transactions in which the terms of the arrangement provide the entity with the choice to settle the transaction in cash (or other assets) or in equity instruments issued by the entity, are accounted for as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

Share-based payment arrangements whose terms provide the Company with the choice to settle the transaction in cash or, at its discretion, in its own equity shares issued to employees are accounted for as equity-settled and measured at the fair value of the contingent consideration by reference to the market price of the Company's equity shares at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transaction are set out in note 35.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve in equity.

Upon settlement of a share-based payment transaction in which the terms of the arrangement provide the entity with a choice of settlement, then:

- if the entity elects to settle in cash, the cash payment is accounted for as the repurchase of an equity interest (i.e. as a deduction from equity, except as noted below).
- if the entity elects to settle by issuing equity instruments, no further accounting is made (other than a transfer from one component of equity to another, if necessary), except as noted below.
- if the entity elects the settlement alternative with the higher fair value, as at the date of settlement, an additional expense is recognised for the excess value given (i.e. the difference between the cash paid and the fair value of the equity instruments that would otherwise have been issued, or the difference between the fair value of the equity instruments issued and the amount of cash that would otherwise have been paid, whichever is applicable).

3.22 Assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When a Group entity acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it classifies the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement above is met and it is highly probable that the other criteria above that are not met at that date will be met within a short period following the acquisition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see note 4.2), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1.1 Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties management concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of investment properties.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Revenue recognition of agreement for construction of real estate

The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations. The assessment of the percentage of completion involves a significant degree of estimation uncertainty as it needs to be assessed based on future estimations of the outcome of the individual contracts as well as on contractors' progress reports. For further details on the accounting policy used refer to note 3.7.2.

4.2.2 Impairment of tangible assets and investments in associates

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and investments in associates to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Management reconsidered the recoverability of the Group's significant items of property, plant and equipment and its investments in associates, which are included in the consolidated statement of financial position at 31 December 2024 at CHF 663,739,828 and CHF 43,111,615 respectively (31 December 2023: CHF 723,603,406 and CHF 49,009,962).

In 2024, the impairment review did result in impairment of property, plant and equipment of CHF 14.6 million (2023: CHF 8.7 million) in relation to land and development projects.

4.2.3 Useful lives of property, plant and equipment

The carrying value of the Group's property, plant and equipment at 31 December 2024 is CHF 663,739,828 (31 December 2023: CHF 723,603,406). Management's assessment of the useful life of property, plant and equipment is based on the expected use of the assets, the expected physical wear and tear on the assets, technological developments as well as past experiences with comparable assets. A change in the useful life of any asset may affect the amount of depreciation that is to be recognised in profit or loss for future periods.

4.2.4 Provisions

The carrying amount of provisions at the end of the current reporting period is CHF 64,823,164 (31 December 2023: CHF 59,773,372). This amount is based on estimates of future costs for infrastructure completion, legal cases, government fees, employee benefits and other charges including taxes (other than income tax) in relation to the Group's operations (see note 31). As the provisions cannot be determined exactly, the amount could change based on future developments. Changes in the amount of provisions due to change in management estimates are accounted for on a prospective basis and recognised in the period in which the change in estimates arises.

4.2.5 Impairment of financial assets

The carrying amount of the allowance for trade and other receivables at the end of the current year is CHF 21,560,675 (31 December 2023: 23,023,176).

For trade and other receivables across Group's business segments, management applies the Simplified Approach and accordingly impairment loss is measured as "lifetime expected credit loss".

The probability of default reflects the average percentage of irregular clients for each bucket; and is derived by computing the historical 'flow rate' of trade receivables based on their ageing and arriving at an average loss rate.

The assessment of the correlation between historical observed default rates and, forecast economic conditions is considered in ECLs estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The default rates based on Group's historical credit loss experience are calibrated with diverse forecasts of economic conditions to reach most accurate estimates for customer's default in the future.

For all other financial assets held at amortised cost, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data (e.g. magnitude of instances of counter party defaulting in recent past years for similar financial assets), factoring in external and internal credit-ratings, adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Refer to note 34.9 for further details on the impairment calculation of financial assets.

4.2.6 Classification and valuation of investment property

Generally real estate units are constructed either for the Group's own use or for the sale to third parties and carried at cost. However, when a unit may not be sold, as soon as a long-term rent contract over more than 1 year is agreed with a third party at market conditions, the unit is classified as an investment property and measured at the fair value determined based on internal valuation models or obtained from independent, third-party valuation experts. The fair value of investment properties at 31 December 2024 is CHF 43,111,615 (31 December 2023: CHF 42,155,911).

The fair values at 31 December 2024 were determined based on an internal valuation model. Note 15 provides detailed information about the valuation techniques applied and the key assumptions used in the determination of the fair value of each investment property.

4.2.7 Net realisable value of inventory

Inventory mainly includes unsold real estate construction work under progress which is recognised at cost or net realisable value. Given that the majority of real estate under construction is already sold at market prices which are significantly higher than construction cost, the estimation uncertainty only relates to the unsold real estate under construction. In general, the profit margins on these real estate projects are high and management currently does not expect any of these projects to be sold below cost except for the following:

In 2024, impairment losses of CHF 2.7 million (2023: CHF 0.7 million) were recognised in relation to inventory of a development project.

4.2.8 Infrastructure cost

The Group has an obligation under the terms of its sale and purchase agreements to develop the infrastructure of the sold land. Infrastructure cost is deemed to form part of the cost of revenue and is based on management estimate of the future budgeted costs to be incurred in relation to the project including, but are not limited to, future subcontractor costs, estimated labour costs, and planned other material costs. The provision for infrastructure costs requires the Group's management to revise its estimate of such costs on a regular basis in light of current market prices for inclusion as part of the cost of revenue.

4.2.9 Liquidity shortages and related uncertainties

For further details on management's plans to manage liquidity shortages and related uncertainty please refer to note 24.1.

4.2.10 Minimum building obligations

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 incur however the Group has unbinding business opportunity commitments in relation to their projects. These contingent liabilities are further explained in note 39.1. Due to the complexity of the projects and the ongoing negotiations, estimation of the contingent liability involves a high degree of uncertainty.

5 REVENUE

An analysis of the Group's revenue for the year is as follows:

CHF	2024	2023 (restated)
Revenue from the rendering of services and rental income	231,009,052	217,772,148
Revenue from agreements for construction of real estate	355,882,201	402,035,727
Revenue from sale of land	44,043,298	11,510,924
TOTAL	630,934,551	631,318,799

Of the total revenue from the rendering of services and rental income of CHF 231.0 million (2023: CHF 217.8 million), CHF 160.5 million (2023: 153.0 million) are recognised at point in time and CHF 70.5 million (2023: CHF 64.8 million) are recognised over time.

Of the total revenue from agreements for construction of Real Estate of CHF 355.9 million (2023: CHF 402.0 million), CHF 280.7 million (2023: CHF 348.6 million) is recognised over time and CHF 75.1 million (2023: CHF 53.4 million) are recognised at point in time.

The entire revenue from sale of land of CHF 44.0 million (2023: CHF 11.5 million) is recognised at point in time.

The transaction price allocated to (partially) unsatisfied performance obligation in relation to construction of real estate is CHF 272.4 million (2023: CHF 144.9 million).

Projects of the Group in general take several years to be finalised. The following table shows a summary of all satisfied and unsatisfied contracts for the respective financial years:

in CHF mill.	Satisfied Contracts	Unsatisfied Contracts			
	Revenue Recognition	Deferred Revenue at year end		No deferred revenue at year end	
		to be recognised within 12 months	to be recognised later	to be recognised within 12 months	to be recognised later
Financial year 2023	402.0	226.0	144.9	39.0	333.2
Financial year 2024	399.9	243.8	272.4	129.8	268.7

In the table above, unsatisfied contracts related to real estate and land segments are split into "deferred revenue at year end" which are contracts for which construction has already started as well as "no deferred revenue at year end" which are contracts for which constructions has not yet been started. The amounts shown are the contractual amounts of the real estate and land contracts.

Contract assets and liabilities in relation to revenue mentioned above are recognised in the following line items of the statement of financial position:

CHF	31 December 2024	31 December 2023
CONTRACT ASSETS		
Non-current receivables (note 19)	110,334,126	116,310,911
Trade and other receivables (note 22)	163,985,174	171,532,988
Current receivables due from related parties (note 36.1)	-	5,551,925
Other current assets (prepaid sales commissions) (note 23)	37,423,804	28,921,440
TOTAL CONTRACT ASSETS	311,743,104	322,317,264
CONTRACT LIABILITIES		
Contract liabilities (note 30)	28,713,969	43,827,432
Other current liabilities (advances from customers) (note 32)	190,864,797	166,230,723
TOTAL CONTRACT LIABILITIES	219,578,766	210,058,155

In 2024, CHF 60.7 million of the advances from customers as at 31 December 2023 have been recognised within revenue.

In 2023, CHF 52.4 million of the advances from customers as at 31 December 2022 have been recognised within revenue.

6 SEGMENT INFORMATION

6.1 Products and services from which reportable segments derive their revenues

The Group has four reportable segments, as described below, which are the Group's 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 Segments review the internal management reports at least on a quarterly basis. The following summary describes the operation in each of the Group's reportable segments:

- Hotels – Include provision of hospitality services in two- to five-star hotels owned by the Group which are managed by international or local hotel chains or by the Group itself.
- Real estate and construction – Include acquisition of land in undeveloped areas and addition of substantial value by building residential real estate and other facilities in stages.
- Land sales – Include sale of land and land rights to third parties on which the Group have developed or will develop certain infrastructure facilities and where the Group does not have further development commitments.
- Destination management – Include provision of facility and infrastructure services at operational resorts and towns.

The real estate and construction segment includes two lines of business each of which is considered as a separate operating segment. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- These operating segments have similar long-term gross profit margins;
- The nature of the products and production processes are similar.

Other operations include the provision of services from businesses not allocated to any of the segments listed above comprising rentals from investment properties, mortgages, sports, hospital services, educational services, marina, limousine rentals, laundry services and other services. None of these segments meets any of the quantitative thresholds for determining a reportable segment in 2024 or 2023.

The following is an analysis of the Group's revenue from continuing operations by its major products and services.

Segment	Product	Revenue from external customers	
		2024	2023 (restated)
Hotels	Hotels managed by international chains	14,116,541	14,582,864
	Hotels managed by local chains	15,839,995	15,441,115
	Hotels managed by the Group	122,225,042	116,150,578
	Segment total	152,181,578	146,174,557
Real estate and construction	Tourism real estate	355,882,201	402,035,727
Land sales	Sales of land and land rights	44,043,298	11,510,924
Destination management	Utilities (e.g. water, electricity)	51,666,148	45,998,630
Other operations	Sport (Golf)	1,541,699	1,329,422
	Rentals (i)	6,591,880	6,638,665
	Hospital services	6,743,684	5,371,397
	Educational services	1,189,682	1,341,059
	Marina	7,509,133	8,217,487
	Others	3,585,248	2,700,931
	Segment total	27,161,326	25,598,961
TOTAL		630,934,551	631,318,799

(i) In 2024, rentals include income from investment property of CHF 6,591,880 (2023: CHF 6,638,665).

6.2 Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

CHF	Total segment revenue		Inter-segment revenue		Revenue external customers		Cost of revenue		Depreciation		Gross profit/(loss)		Segment result	
	2024	2023 (restated)	2024	2023	2024	2023 (restated)	2024	2023 (restated)	2024	2023 (restated)	2024	2023 (restated)	2024	2023 (restated)
Hotels	153,038,075	147,225,509	(856,497)	(1,050,952)	152,181,578	146,174,557	(99,309,274)	(99,580,929)	(10,295,636)	(10,259,043)	42,576,668	36,334,585	22,862,376	24,729,716
Real estate and construction	366,937,414	432,809,656	(11,055,213)	(30,773,929)	355,882,201	402,035,727	(268,077,784)	(292,646,515)	(1,141,676)	(959,344)	86,662,741	108,429,868	98,111,348	115,955,783
Land sales	44,043,298	11,510,924	-	-	44,043,298	11,510,924	(5,685,107)	(805,367)	(291,442)	(328,682)	38,066,749	10,376,875	24,060,730	8,114,912
Destination management	73,696,849	73,437,709	(22,030,701)	(27,439,079)	51,666,148	45,998,630	(49,897,441)	(46,483,461)	(6,483,528)	(6,164,282)	(4,714,821)	(6,649,113)	(1,444,620)	(4,623,449)
Other operations	45,877,818	43,793,595	(18,716,492)	(18,194,634)	27,161,326	25,598,961	(24,323,754)	(22,569,052)	(5,177,718)	(4,037,556)	(2,340,146)	(1,007,647)	2,688,438	968,794
Total	683,593,454	708,777,393	(52,658,903)	(77,458,594)	630,934,551	631,318,799	(447,293,360)	(462,085,324)	(23,390,000)	(21,748,907)	160,251,191	147,484,568	146,278,272	145,145,756
Unallocated items ¹⁾:														
Share of profit of associates													4,399,635	5,778,433
Other gains													3,626,067	13,069,255
Other losses													(54,010,510)	(25,230,121)
Investment income													4,351,683	3,819,599
Administrative expenses													(39,066,832)	(33,406,226)
Finance costs													(23,066,600)	(24,990,534)
Profit before tax													42,511,715	84,186,162
Income tax expenses													(24,931,219)	(31,796,642)
Profit for the year from continuing operations													17,580,496	52,389,520

¹⁾ For the purposes of segment reporting, part of the amounts reported for these items in the consolidated statement of comprehensive income have been allocated in the table above to their relevant segments.

In 2024, of the total impairment losses CHF 21.5 million were allocated to the hotel segment, CHF 3.8 million to the real estate and construction segment, CHF 0.7 million to destination management and CHF 0.3 million to other operations.

In 2023, of the total impairment losses CHF 8.1 million were allocated to the hotel segment, CHF 1.4 million to the real estate and construction segment, CHF 1.4 million to destination management and CHF 0.9 million to other operations.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits (losses) of associates, investment income, other gains and losses, finance costs and income tax expense, as included in the internal management reports that are regularly reviewed by the Board of Directors. This measure is considered being most relevant for the purposes of resources allocation and assessment of segment performance.

6.3 Segment assets and liabilities

6.3.1 Segment assets and liabilities

CHF	31 December 2024	31 December 2023
SEGMENT ASSETS		
Hotels	425,411,162	476,404,442
Real estate and construction	1,016,007,813	1,144,129,415
Land sales	120,852,455	143,974,096
Destination management	82,424,945	93,688,471
Other operations	44,253,373	59,970,542
Segment assets before elimination	1,688,949,748	1,918,166,966
Inter-segment elimination	(372,039,646)	(377,573,585)
Segment assets after elimination	1,316,910,102	1,540,593,381
Unallocated assets	366,244,084	306,922,650
Assets held for sale	43,416,175	-
CONSOLIDATED TOTAL ASSETS	1,726,570,361	1,847,516,031

CHF	31 December 2024	31 December 2023
SEGMENT LIABILITIES		
Hotels	295,308,072	304,783,935
Real estate and construction	635,986,009	729,106,818
Land sales	40,737,083	46,056,367
Destination management	155,015,598	153,059,801
Other operations	35,535,739	47,129,190
Segment liabilities before elimination	1,162,582,501	1,280,136,111
Inter-segment elimination	(176,402,027)	(229,485,297)
Segment liabilities after elimination	986,180,474	1,050,650,814
Unallocated liabilities	266,622,798	261,303,482
Liabilities directly associated with assets held for sale	21,132,168	-
CONSOLIDATED TOTAL LIABILITIES	1,273,935,440	1,311,954,296

For the purposes of monitoring segment performance and allocation of resources between segments, all assets and liabilities are allocated to reportable segments except for the assets of holding companies or companies which are not yet operational. Goodwill is allocated to reportable segments as described in note 16.

It is the Group's policy to reassess the classification of certain assets and liabilities within the reporting segments once a certain development stage of the destination is achieved. In 2024 and 2023 no such transfers were made.

6.3.2 Additions to non-current assets

CHF	2024	2023
Hotels	16,195,329	34,562,777
Real estate and construction	26,573,709	36,869,277
Destination management	34,066,923	26,249,267
Other operations	8,060,263	28,126,831
TOTAL	84,896,224	125,808,152

Additions to non-current assets represent capital expenditures paid as shown in the statement of cash flows.

6.4 Geographical information

The Group currently operates in seven principal geographical areas – Egypt, Oman, United Arab Emirates, Switzerland, UK, Montenegro and Morocco. The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

CHF	Revenue		Non-current assets	
	2024	2023 (restated)	31 December 2024	31 December 2023
Egypt	439,649,171	453,187,369	200,805,058	239,818,877
Oman	98,588,012	89,124,760	323,847,478	317,242,327
United Arab Emirates	-	-	-	45,268,764
UK	10,244,060	20,634,370	81,452	59,289
Montenegro	80,996,375	66,413,028	182,170,141	163,744,275
Others	1,456,933	1,959,272	859,120	1,017,515
TOTAL	630,934,551	631,318,799	707,763,249	767,151,047

The revenue realised from a single client did not exceed the rate of 10% or more of the total Group's revenue during 2024 and 2023.

Non-current assets exclude investments in associates, financial instruments and deferred tax assets.

6.5 Additional information on segment results

Total segment result of CHF 146.3 million (2023: CHF 145.1 million) mainly decreased by 1% due to the following:

- Real estate revenues experienced a decline of 11.5%, reaching CHF 355.8 million in financial year 2024. The drop in real estate revenues was primarily caused by the sharp decline in the value of the Egyptian Pound, which adversely affected the revenue figures from the company's Egyptian subsidiaries in 2024.
- During 2024, the Group saw a robust occupancy rate and significant growth in hotel average room rates, which drove the Group's hospitality revenue up by 4.1% year-to-year to CHF 152.2 million during 2024 despite being impacted by the EGP devaluation and the tension in the Middle East. The Group's Gulf hotels are on the rise, and hotels in El Gouna continue to be the best in Egypt.
- Land revenues increased by 282.6%, reaching CHF 44.0 million (2023: CHF 11.5 million) due to the sale of 171,798 sqm of land at El Gouna.
- The Group's destination management and other operations segments results were up by 10.1% to reach CHF 78.8million (2023: CHF 71.6 million) due to the enhanced performance of the destination management segment.

7 EMPLOYEE BENEFITS EXPENSE

CHF	2024	2023 (restated)
Employee benefits expense	98,888,419	96,417,184
Thereof included in cost of sales	67,580,787	71,042,407
Thereof included in administration expenses	31,307,632	25,374,777

8 INVESTMENT INCOME

CHF	2024	2023
Interest income:		
- Bank deposits and treasury bills	17,869,000	10,361,092
- Net interest income related to real estate sales (i)	6,553,138	7,841,187
TOTAL	24,422,138	18,202,279

- (i) Interest income on receivables due from real estate buyers of CHF 16.9 million (2023: CHF 12.1 million) are partly netted off by interest expenses on advances from real estate buyers of CHF 10.3 million (2023: CHF 4.3 million). Investment income mainly increased due to higher interest rates in Egypt.

Investment income earned on financial assets by category of assets is CHF 24,422,138 (2023: CHF 18,202,279) for financial assets at amortised cost including cash and bank balances.

9 OTHER GAINS

CHF	2024	2023 (restated)
Gain from short-term investments (i)	4,789,275	10,440,480
Gain from change in fair value of investment properties (note 15)	5,222,362	4,577,056
Other gains	-	2,727,150
TOTAL	10,011,637	17,744,686

- (i) In 2024 and 2023, gains were mainly due to short-term investments bought and sold at a premium during the year.

10 FINANCE COSTS

CHF	2024	2023 (restated)
Interest on loans	(53,451,918)	(48,767,079)
Interest on lease liabilities	(4,373,224)	(4,536,010)
Effective interest expense (i)	(24,733,563)	(31,979,523)
Total interest expense for financial liabilities not classified as at fair value through profit or loss	(82,558,705)	(85,282,612)
Less: amounts included in the cost of qualifying assets	25,043,190	36,606,075
TOTAL	(57,515,515)	(48,676,537)

- (i) The Group has purchased land on deferred payment terms. The liabilities are accounted for at amortised cost resulting in an effective interest expense which is included in the cost of qualifying assets.

Overall finance cost increased by CHF 8.8 million from CHF 48.7 million to CHF 57.5 million due to increases in interest rates in Egypt as well as a decrease in capitalized expenses, in addition to the increased loans for Orascom Real Estate Company and the new loans in Oman and Montenegro. The increase was partly netted-off by foreign currency gains on finance costs in foreign currencies.

The rate used by the Group to determine the amount of borrowing costs eligible for capitalization is 25.7% (2023: 21.7%) per annum for O-West. For the Eco Bos project, where the capitalization rate was 13.9% in 2023.

11 OTHER LOSSES

CHF	2024	2023
Net foreign exchange losses	(33,237,949)	(11,135,333)
Impairment losses on property, plant and equipment (i)	(14,617,828)	(8,672,938)
Impairment losses on inventory (note 21)	(2,684,089)	(685,090)
Impairment losses on other assets (note 23)	-	(1,248,537)
Impairment losses on related party receivables (note 36.1)	(9,011,627)	(1,199,143)
Other losses	(439,046)	-
TOTAL	(59,990,539)	(22,941,041)

- (i) In 2024, impairment losses of CHF 14.6 million were recognised on land, buildings as well as property under construction. In 2023, impairment losses of CHF 8.7 million were recognised on land as well as on leasing assets.

12 INCOME TAXES

12.1 Income tax recognised in profit or loss

CHF	2024	2023
CURRENT TAX		
Current tax expense for the current year	37,506,718	34,918,683
	37,506,718	34,918,683
DEFERRED TAX		
Deferred tax (income)/expense recognised in the current year	(12,575,499)	(3,122,041)
	(12,575,499)	(3,122,041)
TOTAL INCOME TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS	24,931,219	31,796,642

The following table provides reconciliation between income tax expense recognised for the year and the tax calculated by applying the applicable tax rates on accounting profit:

CHF	2024	2023
Profit before tax from continuing operations	42,511,715	86,186,335
Income tax expense calculated at 21.58% (2023: 22.11%)	9,173,099	19,057,153
Unrecognised deferred tax assets during the year	3,831,219	3,370,491
Effect of (income)/expenses that are not deductible in determining taxable profit	11,926,901	9,368,998
INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS	24,931,219	31,796,642

The average effective tax rate of 21.58% (2023: 22.11%) is the effective weighted average tax rate from countries in which the company generates taxable profit.

12.2 Income tax recognised in other comprehensive income

CHF	2024	2023
Share of other comprehensive income of associates	243,892	122,133
TOTAL INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME	243,892	122,133

12.3 Current tax liabilities

CHF	31 December 2024	31 December 2023
Current tax expense	37,506,718	34,918,683
Balance due in relation to current tax of prior years	6,244,000	6,322,452
Foreign currency difference	(1,518,160)	(145,652)
CURRENT TAX LIABILITIES	42,232,558	41,095,483

Income tax liabilities include CHF 6.2 million (2023: CHF 6.3 million) relating to uncertain tax positions.

12.4 Deferred tax balances

Deferred tax assets and liabilities arise from the following:

2024					
CHF	Opening balance	Recognised in profit/(loss)	Recognised in OCI	Exchange difference	Closing balance
ASSETS					
Temporary differences					
Unrecognised foreign exchange losses (i)	14,494,968	8,475,397	-	(4,087,775)	18,882,590
Carry forward tax losses	2,009,677	2,058,042	-	(82,660)	3,985,059
	16,504,645	10,533,439	-	(4,170,435)	22,867,649
Netting deferred tax assets (i)	(4,205,473)	4,205,473	-	-	-
	12,299,172	14,738,912	-	(4,170,435)	22,867,649
LIABILITIES					
Temporary differences					
Property, plant & equipment	20,943,085	(2,413,110)	-	(2,924,487)	15,605,488
Investment property	2,115,007	371,050	-	(416,363)	2,069,694
	23,058,092	(2,042,060)	-	(3,340,850)	17,675,182
Netting deferred tax liabilities (i)	(4,205,473)	4,205,473	-	-	-
	18,852,619	2,163,413	-	(3,340,850)	17,675,182
NET DEFERRED TAX LIABILITY/(ASSET)	6,553,447	(12,575,499)	-	829,585	(5,192,467)

2023					
CHF	Opening balance	Recognised in profit/(loss)	Recognised in OCI	Exchange difference	Closing balance
ASSETS					
Temporary differences					
Unrecognised foreign exchange losses	11,823,504	6,314,679	-	(3,643,215)	14,494,968
Carry forward tax losses	1,702,756	239,738	-	67,183	2,009,677
	13,526,260	6,554,417	-	(3,576,032)	16,504,645
Netting deferred tax assets (i)	-	(4,205,473)	-	-	(4,205,473)
Total deferred tax assets	13,526,260	2,348,944	-	(3,576,032)	12,299,172
LIABILITIES					
Temporary differences					
Property, plant & equipment	22,505,456	2,916,521	-	(4,478,892)	20,943,085
Investment property	2,006,636	515,855	-	(407,484)	2,115,007
	24,512,092	3,432,376	-	(4,886,376)	23,058,092
Netting deferred tax liabilities (i)	-	(4,205,473)	-	-	(4,205,473)
Total deferred tax liabilities	24,512,092	(773,097)	-	(4,886,376)	18,852,619
NET DEFERRED TAX LIABILITY	10,985,832	(3,122,041)	-	(1,310,344)	6,553,447

(i) Deferred tax assets and liabilities within the same tax jurisdiction are offset against each other.

The Parent Company has not recognised deferred tax balances associated with investments in subsidiaries where ODH can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future.

12.5 Unrecognised deferred tax assets

Deferred tax assets related to the Parent Company not recognised at the reporting date:

CHF	2024	2023
Tax losses in Parent Company (expiry 2025) (i)	50,020,753	50,020,753
Tax losses in Parent Company (expiry 2026) (i)	30,411,099	30,411,099
Tax losses in Parent Company (expiry 2027) (i)	24,213,916	24,213,916
Tax losses in Parent Company (expiry 2028) (i)	12,714,068	12,714,068
Tax losses in Parent Company (expiry 2029) (i)	9,768,060	9,768,060
Tax losses in Parent Company (expiry 2030) (i)	14,717,932	14,717,932
Tax losses in Parent Company (expiry 2031) (i)	8,620,440	-
Tax losses in subsidiaries (ii)	39,443,361	31,030,017

- (i) At 31 December 2024, the Parent Company's tax losses amounted to CHF 150,466,268 which mainly related to tax losses caused by impairment charges recognised on investments as result of the original restructuring of the Group. The historical cost value of these investments was the fair value of the investments at the date of the stock market listing in Switzerland.

The Parent Company incorporated in Switzerland is a holding company and enjoys a privileged taxation for dividend income from subsidiaries, as such income is tax exempted if certain criteria are met.

The Parent Company does not expect to have any substantial income streams other than tax exempted dividend income in the foreseeable future and therefore it is not probable that the unused tax losses can be utilised. Therefore, and unchanged to prior year, all tax losses accumulated in the Parent Company which amounted to CHF 150,466,268 at 31 December 2024 were treated as unrecognised deferred tax assets.

- (ii) The amount represents unrecognised tax losses at the subsidiaries level.

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the Company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

CHF	2024	2023
EARNINGS (for basic and diluted earnings per share)		
Profit/(loss) for the period attributable to owners of the parent	(6,114,083)	26,952,563
Less: Loss/(profit) for the period from discontinued operations	9,310,759	(2,000,173)
(Loss)/profit for the period from continuing operations	3,196,676	24,952,390
NUMBER OF SHARES (for basic and diluted earnings per share)		
Weighted average number of ordinary shares for the purposes of EPS	59,613,449	53,359,160
BASIC AND DILUTED EARNINGS PER SHARE		
From continuing operations	0.06	0.47
From discontinued operations	(0.16)	0.04
TOTAL BASIC AND DILUTED EARNINGS PER SHARE	(0.10)	0.51

14 PROPERTY, PLANT AND EQUIPMENT

CHF	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Property under construction	Right-of-use assets (i)	Total
COST							
Balance at 1 January 2023	80,853,621	557,353,660	102,964,100	70,421,358	192,276,952	49,613,574	1,053,483,265
Additions	3,290,397	2,401,959	12,055,141	11,098,312	89,685,160	980,847	119,511,816
Transfer from property under construction	-	46,476,944	1,391,326	800,182	(48,668,452)	-	-
Disposals	-	-	(234,992)	(298,864)	-	-	(533,856)
Foreign currency exchange differences	(10,756,351)	(82,975,119)	(17,560,943)	(10,562,764)	(19,902,086)	(3,997,880)	(145,755,143)
Balance at 31 December 2023	73,387,667	523,257,444	98,614,632	71,458,224	213,391,574	46,596,541	1,026,706,082
Additions	-	9,943,737	10,148,849	6,560,820	57,091,619	1,065,507	84,810,532
Transfer from property under construction	-	42,381,941	939,740	5,454,527	(48,776,208)	-	-
Transfer from investment property (note 15)	-	2,167,757	-	-	-	-	2,167,757
Transfer to assets held for sale	-	(61,262,153)	(6,785,165)	(7,494,013)	(159,350)	(3,378,791)	(79,079,472)
Foreign currency exchange differences	(2,192,030)	(31,475,092)	(9,332,004)	(6,489,967)	(19,884,051)	(408,020)	(69,781,164)
Balance at 31 December 2024	71,195,637	485,013,634	93,586,052	69,489,591	201,663,584	43,875,237	964,823,735

CHF	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Property under construction	Right-of-use assets (i)	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
Balance at 1 January 2023	-	122,867,611	76,253,962	52,803,606	46,931,872	12,130,280	310,987,331
Depreciation expense	-	12,197,879	5,845,562	4,133,236	-	1,491,359	23,668,036
Impairment expense (note 11)	7,604,484	-	-	-	-	1,068,454	8,672,938
Disposals	-	-	(216,789)	(173,815)	-	-	(390,604)
Foreign currency exchange differences	-	(17,623,541)	(11,682,121)	(6,865,892)	(2,200,001)	(1,463,470)	(39,835,025)
Balance at 31 December 2023	7,604,484	117,441,949	70,200,614	49,897,135	44,731,871	13,226,623	303,102,676
Depreciation expense	-	10,922,023	6,224,341	4,528,874	-	1,714,762	23,390,000
Impairment expense (note 11)	10,659,921	1,600,504	-	-	2,357,403	-	14,617,828
Transfer to assets held for sale	-	(17,200,935)	(5,765,791)	(5,777,074)	-	(3,378,791)	(32,122,591)
Foreign currency exchange differences	-	(1,766,185)	(4,632,880)	(2,078,940)	1,101,219	(527,220)	(7,904,006)
Balance at 31 December 2024	18,264,405	110,997,356	66,026,284	46,569,995	48,190,493	11,035,374	301,083,907
CARRYING AMOUNT							
At 31 December 2023	65,783,183	405,815,495	28,414,018	21,561,089	168,659,703	33,369,918	723,603,406
At 31 December 2024	52,931,232	374,016,278	27,559,768	22,919,596	153,473,091	32,839,863	663,739,828

(i) For further details refer to note 39.

At 31 December 2024, property, plant and equipment (PPE) of the Group with a carrying amount of CHF 185.9 million (31 December 2023: CHF 195.0 million) were pledged to secure borrowings of the Group as described in note 28. See note 10 for the capitalised finance cost during the year.

During 2024, land in the amount of CHF 10.7 million, buildings in the amount of CHF 1.6 million as well as property under construction in the amount of CHF 2.4 million were impaired. Increasing the discount rate by 0.5% would have led to an additional impairment of CHF 1.2 million.

During 2023, land in the amount of CHF 7.6 million as well as leasing assets in the amount of CHF 1.1 million were impaired. Increasing the discount rate by 0.5% would have led to an additional impairment of CHF 4.1 million.

15 INVESTMENT PROPERTY

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

CHF	2024	2023
FAIR VALUE OF COMPLETED INVESTMENT PROPERTY		
Balance at the beginning of the year	42,155,911	36,895,453
Addition	85,692	6,296,336
Transfers to Property, plant and equipment (note 14)	(2,167,757)	-
Revaluation gain/(loss) (through P&L) (notes 9)	5,222,362	4,577,056
Foreign currency translation adjustment	(2,184,593)	(5,612,934)
Balance at the end of the year	43,111,615	42,155,911

The fair values at 31 December 2024 were determined based on an internal valuation model performed by Group management. 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, Oman and Montenegro, 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 39.3% (cost of equity) (2023: 37.7%). For the terminal value a perpetual growth rate of 3% (2023: 3%) was used. For 2024, increasing the discount rate by 2%, would have led to a lower value of CHF 0.2 million.

For the valuation of the investment property which is situated in Oman an average discount rate of 11.5% (cost of equity) (2023: 11.5%) 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 2% (2023: 3%) was applied. For 2024, increasing the discount rate by 2%, would have led to a lower value of CHF 1.1 million.

For the valuation of the investment property in Montenegro an average discount rate of 10.0% (2023: 10.4%) was used. The beta used was 1 (2023: 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% (2023: 1%) was applied. For 2024, increasing the discount rate by 2%, would have led to a lower value of CHF 2.7 million.

At 31 December 2024, investment property of the Group with a carrying amount of CHF 1.5 million (31 December 2023: CHF 2.5 million) were pledged to secure borrowings of the Group.

All of the Group's investment property is held under freehold interests. The following table summarizes income and direct operating expenses from investment properties rented out to third parties.

CHF	2024	2023
Rental income from investment properties (i)	6,591,880	6,638,665
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period	338,044	398,853

(i) See note 6.1 for further information on the Group's rental income.

16 GOODWILL

CHF	31 December 2024	31 December 2023
Cost	911,806	1,391,730
Accumulated impairment losses	-	-
Carrying amount at end of year	911,806	1,391,730

CHF	2024	2023
COST		
Balance at beginning of year	1,391,730	1,908,454
Effect of foreign currency exchange differences	(479,924)	(516,724)
Balance at end of year	911,806	1,391,730

16.1 Allocation of goodwill to cash-generating units

Annual test for impairment

An impairment test of goodwill was performed by the Group to assess the recoverable amount of its goodwill. No impairment was recorded as result of this test. All cash-generating units were tested for impairment using the Discounted Cash Flow (DCF) method in accordance with IFRS.

The Group's business segments have been identified as cash-generating units. The DCF model utilised to evaluate the recoverable amounts of these units was based on a five-year projection period. A further description of the assumptions used in the model is given in the following paragraphs.

The carrying amount of goodwill that has been allocated for impairment testing purposes is as follows:

CHF	Segment	31 December 2024	31 December 2023
Hotel companies *	Hotels	911,806	1,391,730
		911,806	1,391,730

*Each subsidiary considered separately

Hotels

The recoverable amount of each cash-generating unit has been determined based on a value in use calculation which uses cash flow projections based on the financial budgets approved by management covering a five-year period with an average discount rate of 43.25% per annum (2023: 37.66% per annum). The discount rate is based on a risk free post-tax interest rate of 22.09% (the pre-tax risk free rate used is 34.60%; applying the 20% Egyptian tax rate for sovereign bonds, the post-tax risk free rate of 27.68% resulted) as well as an equity risk premium of 15.57% (2023: 15.57%). For the terminal value calculation, a terminal growth rate of 3% (2023: 3%) was used.

Sensitivity analysis, where the average discount rate was increased by 4.5% and the growth rate reduced by 0.5%, which according to management is a reasonably possible change in key assumptions based on their business forecasts, did not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Furthermore, management believes that any reasonably possible change in the key assumptions (sensitivity analysis) on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

17 SUBSIDIARIES

The Group has control over all the subsidiaries below either directly or indirectly through subsidiaries controlled by the Parent Company. There were no major changes in ownership compared to prior year. Details of the Group's significant subsidiaries at the end of the reporting period are as follows:

Country – Company name	Domicile	FC	Share/paid-in capital	Proportion of ownership interest and voting power held by the Group	Segment					
					HO*	R&C	LS	DM	Other	HQ
Egypt										
Abu Tig for Hotels Company	Red Sea	EGP	6,000,000	73.93%	4					
Accasia for Hotels Company	Cairo	EGP	25,000,000	74.03%	5					
Arena for Hotels Company S.A.E	Cairo	EGP	20,000,000	99.92%	4					
Captain for Hotels Company	Red Sea	EGP	768,750	73.76%	3					
El Dawar for Hotels Company	Cairo	EGP	9,560,000	74.03%	4					
El Khamsa for Hotels & Touristic Establishments	Red Sea	EGP	48,000,000	74.09%	5					
El Golf for Hotels Company & Touristic Establishments	Cairo	EGP	26,800,000	74.07%	5					
El Gouna for Hotels Company S.A.E	Cairo	EGP	79,560,000	52.41%	5					
El Gouna Hospital Company	Red Sea	EGP	19,000,000	56.13%						
El Gouna Services Company	Red Sea	EGP	1,000,000	74.35%						
El Mounira for Hotels Company S.A.E	Red Sea	EGP	14,000,000	55.42%	4					
El Tebah for Hotels & Touristic Establishments Company	Cairo	EGP	52,000,000	52.40%	5					
El Wekala for Hotels Company	Cairo	EGP	39,000,000	55.73%	4					
International Hotel Holding	Cairo	EGP	452,367,300	74.11%						
Marina 3 for Hotels & Touristic Establishments Company	Cairo	EGP	26,000,000	74.07%						
Misr El Fayoum for Touristic Development Company S.A.E	Cairo	EGP	28,000,000	75.07%						
Mokbela for Hotels Company S.A.E	Cairo	EGP	85,000,000	61.02%	5					
Mowassem for Touristic Hotels S.A.E	Cairo	EGP	7,500,000	73.37%	5					
Orascom Development Egypt S.A.E	Cairo	EGP	1,130,473,523	75.10%						
Orascom Housing Company	Red Sea	EGP	22,000,000	73.86%						
Orascom Real Estate	Cairo	EGP	62,687,500	52.57%						
Paradisio for Hotels & Touristic Establishments Company S.A.E	Red Sea	EGP	18,500,000	74.09%	4					
Makadi Heights for Tourism Development Company	Red Sea	EGP	50,000,000	55.59%						
Taba Heights Company S.A.E	South Sinai	EGP	157,510,000	73.60%						
Tawila for Hotel Company S.A.E	Cairo	EGP	68,000,000	74.04%	5					
Business Park one for Office Management	Red Sea	EGP	812,500	100.00%						

Country – Company name	Domicile	FC	Share/paid in capital	Proportion of ownership interest and voting power held by the Group	Segment					
					HO*	R&C	LS	DM	Other	HQ
Montenegro										
Lustica Development Ad Podgorica	Podgorica	EUR	73,559,781	87.72%						
LB Development & Partners AD Tivat company	Podgorica	EUR	25,000	87.72%						
Morocco										
Oued Chibika Development (SA)	Casablanca	MAD	419,346,618	55.00%						
Chbika Rive Hotel	Casablanca	MAD	16,500,000	65.00%	UC					
Oman										
Madrakah Hotels Management Company LLC	Muscat	OMR	4,350,000	70.00%	UC					
Muriya Tourism Development Company (S.A.O.C)	Muscat	OMR	28,505,800	70.00%						
Salalah Beach Contracting LLC	Muscat	OMR	250,000	70.00%						
Salalah Beach Tourism Development Company (S.A.O.C)	Muscat	OMR	80,192,748	70.00%						
Salalah Investment and Development LLC	Muscat	OMR	150,000	70.00%						
Derbat Hotel Management LLC	Muscat	OMR	5'905'000	70.00%	5					
Sifah Tourism Development Company (S.A.O.C)	Muscat	OMR	49,605,530	70.00%						
Wateera Property Management Company LLC	Muscat	OMR	270,000	70.00%						
United Arab Emirates										
RAK Tourism Investment FZC	Ras al Khaimah	AED	7,300,000	73.00%	5					
United Kingdom										
Eco-Bos Development Limited	Cornwall	GBP	10,000,000	75.00%						

Abbreviations:

HO	Hotels
R&C	Real estate and construction
LS	Land sales
DM	Destination management
HQ	Headquarter or not yet operational
Other	Other operations
*	Number of stars the hotel holds
UC	Hotel under construction

17.1. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests. The assessment whether a non-controlling interest is material is based on the carrying amounts of such non-controlling interests.

Name of subsidiary	Proportion of ownership interest and voting power held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Orascom Development Egypt S.A.E.	24.90%	24.90%	16,087,966	23,097,548	27,910,690	36,855,122
Salalah Beach Tourism Development Co. & Sifah Tourism Development Co.	30.00%	30.00%	(4,400,286)	(2,821,185)	42,310,851	43,487,740
RAK Tourism Investment FZC	27.00%	27.00%	427,574	540,047	8,024,592	7,040,546
Individually immaterial subsidiaries with non-controlling interests					68,348,675	72,332,308
TOTAL					146,594,808	159,715,716

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	ODE		Salalah & Sifah		RAK	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Current assets	580,728,453	697,266,000	133,990,166	127,003,365	7,353,663	5,803,288
Non-current assets	323,870,383	369,087,967	172,470,572	162,800,094	51,216,332	48,918,883
Current liabilities	(381,986,384)	(409,543,741)	(157,209,038)	(137,316,277)	(14,438,559)	(15,317,027)
Non-current liabilities	(286,409,796)	(381,422,533)	(8,215,228)	(7,528,052)	(14,410,725)	(13,329,047)
Equity attributable to owners	(208,291,966)	(238,532,571)	(98,725,321)	(101,471,390)	(21,696,119)	(19,035,551)
Non-controlling interests	(27,910,690)	(36,855,122)	(42,310,851)	(43,487,740)	(8,024,592)	(7,040,546)
Revenue	434,945,846	448,737,917	31,736,852	53,759,902	23,647,266	23,907,593
Profit/(loss) for the year	64,610,305	92,761,238	(14,667,619)	(9,403,950)	1,583,608	2,000,173
attributable to owners	48,522,339	69,663,690	(10,267,333)	(6,582,765)	1,156,034	1,460,126
attributable to non-controlling interests	16,087,966	23,097,548	(4,400,286)	(2,821,185)	427,574	540,047
Other comprehensive income for the year	80,930,581	58,192,411	-	-	-	-
attributable to owners	60,778,866	43,702,500	-	-	-	-
attributable to non-controlling interests	20,151,715	14,489,911	-	-	-	-
Total comprehensive income for the year	145,540,886	150,953,649	(14,667,619)	(9,403,950)	1,583,608	2,000,173
attributable to owners	109,301,205	113,366,190	(10,267,333)	(6,582,765)	1,156,034	1,460,126
attributable to non-controlling interests	36,239,681	37,587,459	(4,400,286)	(2,821,185)	427,574	540,047
Net cash inflow/(outflow)	37,500,276	48,885,465	20,870,709	1,738,133	1,639,230	(921,403)
from operating activities	91,046,597	37,596,679	22,352,680	2,069,206	4,075,020	1,004,659
from investing activities	(34,320,242)	(48,971,459)	(5,585,458)	(13,161,605)	(423,260)	(562,769)
from financing activities	(19,226,079)	60,260,245	4,103,487	12,830,532	(2,012,530)	(1,363,293)

Except for exchange differences arising on translating the foreign operations there are no other items of other comprehensive income.

17.2 Changes in the Group's ownership interests which have occurred during the year

In 2024, there have been no major changes in the group structure (2023: none).

18 INVESTMENTS IN ASSOCIATES

Details of the Group's associates at the end of the reporting period are as follows:

Name of associate	Place of incorporation/ business	Proportion of ownership interest and voting power held by the Group		Carrying value (CHF)	
		2024	2023	2024	2023
Andermatt Swiss Alps AG (i)	Switzerland	49.00%	49.00%	36,913,925	36,751,060
Jordan Company for Projects and Touristic Development (ii)	Jordan	18.33%	18.33%	-	-
Red Sea for Construction & Development (iii)	Egypt	40.20%	40.20%	7,807,465	12,258,902
TOTAL				44,721,390	49,009,962

The Group measures all its associates using the equity method of accounting as described in policy 3.5 of the notes to the consolidated financial statements. Management considers ASA, JPTD and RSCD as the only associates that are material to the Group. In 2024, the Group received dividends from investments in associates of CHF 3.2 million (2023: CHF 3.1 million).

(i) Andermatt Swiss Alps AG

On 25 June 2013, the Group lost control over Andermatt Swiss Alps AG ("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.

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.

Summarised financial information in respect of ASA is set out below:

CHF	2024	2023
Current assets	168,999,582	209,345,965
Non-current assets	359,219,648	305,015,373
Current liabilities	(181,548,416)	(177,423,177)
Non-current liabilities	(304,109,834)	(292,113,083)
Net assets	42,560,980	44,825,078
thereof equity attributable to the owners of the company	55,399,093	55,066,718
thereof non-controlling interests	(12,838,113)	(10,241,640)
Revenue for the year	249,047,077	255,595,157
Profit for the year attributable to the owners of the company	3,596,324	3,271,270
Other comprehensive (loss)/income for the year attributable to the owners of the company	(3,263,948)	(1,897,872)
Total comprehensive income for the year attributable to the owners of the company	332,376	1,373,398
Group's share of comprehensive income for the year	162,865	672,965
thereof from profit for the year	1,762,199	1,602,922
thereof from other comprehensive (loss)/income for the year	(1,599,334)	(929,957)

Reconciliation of the above summarised financial information to the carrying amount of the interest in ASA recognised in the consolidated financial statements:

CHF	31 December 2024	31 December 2023
Net assets of the associate attributable to the owners of the company	55,399,093	55,066,718
Proportion of the Group's ownership interest in ASA	49%	49%
The Group's share of ASA's net assets	27,145,556	26,982,691
Goodwill included in the carrying amount of the investment in ASA	9,768,369	9,768,369
Carrying amount of the Group's interest in ASA	36,913,925	36,751,060

The "goodwill" which was included in net assets upon deemed loss of control.

(ii) Jordan Company for Projects and Touristic Development (JPTD)

JPTD is investing in property, destination management and development in Aqaba in Jordan.

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

Summarised financial information in respect of JPTD is set out below:

CHF	2024	2023
Current assets	32,432,384	28,213,842
Non-current assets	106,066,521	95,307,404
Current liabilities	(93,892,471)	(74,183,671)
Non-current liabilities	(25,274,893)	(24,756,373)
Net assets	19,331,541	24,581,202
Revenue for the year	16,008,295	7,715,623
Loss for the year	(8,150,103)	(15,173,550)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(8,150,103)	(15,173,550)
Group's share of comprehensive income for the year	-	-
Impairment loss recognised on investment in associate	-	-
Total share of losses in associate	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in JPTD recognised in the consolidated financial statements:

CHF	31 December 2024	31 December 2023
Net assets of the associate over Group level	19,331,541	24,581,202
Proportion of the Group's ownership interest in JPTD	18.33%	18.33%
Proportional amount of the Group's interest in JPTD	3,543,472	4,505,734
Impairment loss recognised on investment in associate in prior years	(3,543,472)	(4,505,734)
Carrying amount of the Group's interest in JPTD	-	-

As at 31 December 2024 and 2023, the carrying amount of the Group's interest was fully impaired due to going concern and liquidity issues of the investment in associates. As at 31 December 2024, the accumulated losses of JPTD are CHF 33.0 million (31 December 2023: CHF 24.9 million).

(iii) Red Sea for Construction & Development ("RSCD")

During 2016, Red Sea for Construction & Development, of which the Group held a direct interest of 0.4% as well as an indirect interest of 14% through Orascom Housing Company, 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 now classified as an associate. The investment in associates is initially recognised at the consideration paid for the capital increase with any previously acquired interests recognised at fair value.

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

Summarised financial information in respect of RSCD is set out below:

CHF	2024	2023
Current assets	116,282,020	130,334,984
Non-current assets	5,151,847	13,928,658
Current liabilities	(102,012,312)	(113,768,863)
Non-current liabilities	-	-
Net assets	19,421,555	30,494,779
Revenue for the year	37,087,095	58,253,068
Profit for the year	6,560,786	10,386,842
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6,560,786	10,386,842
Group's share of comprehensive income for the year	2,637,436	4,175,511

Reconciliation of the above summarised financial information to the carrying amount of the interest in RSCD recognised in the consolidated financial statements:

CHF	31 December 2024	31 December 2023
Net assets of the associate over Group level	19,421,555	30,494,779
Proportion of the Group's ownership interest in RSCD	40.20%	40.20%
Carrying amount of the Group's interest in RSCD	7,807,465	12,258,902

19 NON-CURRENT RECEIVABLES

CHF	31 December 2024	31 December 2023
Trade receivables	29,776,486	31,187,012
Notes receivable	80,734,906	85,393,435
Credit loss allowance for doubtful debts non-current	(177,266)	(269,536)
TOTAL	110,334,126	116,310,911

Non-current receivables include long term receivables for land and real estate contracts, which will be collected over an average collecting period of 6.5 years (2023: 6.5 years). Receivables are split into trade receivables, which are not covered by cheques, and notes receivable, which are covered by cheque. The purpose of the cheques is to facilitate the collection process.

For details on the calculation of the loss allowance, refer to note 34.9.

The decrease in non-current receivables is mainly due to foreign currency losses.

20 OTHER FINANCIAL ASSETS

Details of the Group's other financial assets are as follows:

CHF	31 December 2024	31 December 2023
Financial assets carried at fair value through other comprehensive income (FVTOCI)		
Nasr City company for Housing & Development (N.C.H.R.)	499	812
Egyptian Resort Company	740	599
Reclaim Limited	-	-
Desert Cruise LLC	-	-
Camps and Lodges Company	-	-
Palestine for Tourism Investment Company	-	-
El Koseir Company	-	-
TOTAL	1,239	1,411

At 31 December 2024, management assessed that the fair value of the non-listed other financial assets is nil (31 December 2023: nil).

21 INVENTORIES

CHF	31 December 2024	31 December 2023
Construction work in progress (i)	97,047,682	89,207,510
Land held for development under purchase agreements (ii)	209,583,027	306,990,934
Right of use inventory (note 38)	14,746,293	14,409,788
Other inventories (iii)	27,072,359	24,004,075
TOTAL	348,449,361	434,612,307

- (i) This amount includes unsold real estate construction work under progress. For further details on the net realisable value of construction work in progress refer to note 4.2.7.
- (ii) This amount mainly includes land held for development which was received from the Egyptian New Urban Communities Authority ("NUCA") in 2019 to co-develop an integrated community project in 6th of October City in West Cairo ("O West project"). The project is expected to compile residential & commercial units over a total land area of 1,007 feddan (4.2 million sqm). One part of the land purchase price is paid through deferred cash payment, which is based on cash inflows from the sale of units within the next 7 years. The other part of the land price is settled in-kind by providing NUCA with semi-finished units in the defined built-up area in year 7 to year 9. The cash-part is recognised as current and non-current trade payables (note 29) whereas as the in-kind part is classified as non-current contract liabilities (note 30). As at 31 December 2024, the carrying amount of land inventory related to O West project is CHF 152.9 million (31 December 2023: CHF 248.3 million). The decrease is mainly due to foreign exchange losses.

Further, 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 85.5 million (CHF 72 million) with a corresponding increase within trade and other payables, being the present value of the Group's contractual obligations. In 2023, USD 60 million of this liability were already paid and the residual amounts will be paid in a yearly settlement until maturity.

- (iii) This amount includes hotels inventory of CHF 18.0 million (2023: CHF 20.6 million) as well as completed but unsold units of CHF 9.1 million (2023: CHF 3.4 million)

In 2024, inventory in the amount of CHF 2.7 million (2023: CHF 0.7 million) was written off. There were no reversals of prior impairments.

22 TRADE AND OTHER RECEIVABLES

CHF	31 December 2024	31 December 2023
Trade receivables (i)	91,135,843	86,833,213
Notes receivable	94,232,740	107,453,415
Credit loss allowance (note 34.9)	(21,383,409)	(22,753,640)
TOTAL	163,985,174	171,532,988

(i) The average credit period on sales of real estate is 6.5 years.

23 OTHER CURRENT ASSETS

CHF	31 December 2024	31 December 2023
Prepaid sales commissions related to uncompleted units (i)	37,423,804	28,921,440
Advance to suppliers	12,612,739	14,309,634
Other debit balances (iii)	5,952,619	5,219,766
Prepaid expenses	5,363,542	4,921,478
Withholding tax (iii)	5,246,361	5,647,770
Deposit with others (iii)	1,287,246	1,712,658
Treasury bills (ii) (iii)	1,126,777	-
Letters of guarantee – cash margin (iii)	604,987	298,722
Accrued revenue (iii)	217,454	3,131,027
Cash imprest (iii)	196,823	174,087
TOTAL	70,032,352	64,336,582

- (i) Prepaid sales commissions mainly increased due to sales in relation to O-West project in Egypt. The increase was partly netted off by foreign exchange losses.
- (ii) Treasury bills with a residual term of more than 3 months are shown within other assets whereas such with a residual term of less than 3 months are shown within cash and bank balances (note 24).
- (iii) These other current assets in the total amount of CHF 14.6 million (2023: CHF 16.2 million) are considered financial assets in accordance with IFRS 9 (note 34.3).

In 2023, other current assets in the amount of CHF 1.2 million (2024: nil) were impaired (note 11).

24 CASH AND BANK BALANCES

CHF	31 December 2024	31 December 2023
Cash on hand	251,940	320,601
Cash at banks	119,199,547	152,332,414
Treasury bills and bank deposits	76,345,644	61,197,119
TOTAL	195,797,131	213,850,134

For the purposes of the consolidated cash flow statement, cash and bank balances include cash on hand, demand deposits and balances at banks. Bank balances 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. The Group performed an ECL test for the cash and bank balances which resulted in immaterial losses (note 34.9).

Cash at bank disclosed above includes an amount of CHF 0.5 million (31 December 2023: CHF 0.2 million) that are held by CIB bank as collateral against the NUCA share of 26% at O west project at the end of the year.

24.1 Management's plans to manage liquidity shortages and related uncertainty

During 2024, the Group commenced using its syndicated loan agreement, amounting to EGP 6.0 billion (CHF 107 million), to finance its flagship project, O West, located in Cairo. This loan will not only provide essential capital for the development of the O West project but also accelerate the construction phases of the development.

Additionally, in 2024, the Group announced the conclusion of four significant monetization deals aimed at enhancing liquidity and reducing certain debts from its balance sheet. The first transaction involved the sale of RAK's entire share capital. This entity holds the rights to the leasehold of The Cove Rotana Hotel in Ras El Khaimah, UAE, with a total enterprise value of USD 40 million. As part of this deal, ODH and the other shareholders of RAK are expected to receive approximately USD 23 million in cash proceeds from their equity stake. Furthermore, the buyer will assume around USD 18 million of RAK's debt, thereby reducing ODH's overall debt obligations. This transaction is anticipated to close in the second quarter of 2025, pending the satisfaction of certain closing conditions.

The second and third transaction involved the sale of land in El Gouna, Egypt, executed in the second and fourth quarter of 2024. Orascom Development Egypt (ODE), the Group's largest subsidiary in Egypt, sold 145,266 sqm and 26,000 sqm of land at El Gouna for CHF 28.8 million and CHF 6.7 million, respectively.

The third transaction involved the sale of land in El Gouna, Egypt, executed in the Q4 of 2024. Orascom Development Egypt (ODE), the Group's largest subsidiary in Egypt, sold 110,000 sqm of land at El Gouna for c. CHF 33 million. This sale is only recognized as revenue in 2025 and not yet in 2024 due to performance obligations not being fulfilled as at 31 December 2024.

Additionally, in October 2024, the Group completed two refinancing transactions, one on the Egyptian-level entity ODE, with the International Finance Corporation (IFC), whereby the Group managed to sign a USD 155 million loan to partially refinance ODE's existing debt and fund potential growth opportunities for the hotel business line in El Gouna, as well as planned capital expenditures for renovating the hotels, including Movenpick Resort and Spa El Gouna. The financing will lower the Group's credit spread and extend the maturity of the debt, thereby improving ODE's debt profile. The new loan facility includes a grace period of 2.5 years and a tenor of 8.5 years, with semi-annual repayments set to commence in the second half of 2027. Additionally, on 11 October 2024, the Company successfully issued a bond worth CHF 100 million with a 4.00% coupon and a five-year tenor. The proceeds of the newly issued bond will be used to refinance the CHF 100 million bond maturing on 24 October 2024, and for general corporate purposes.

Together, these monetization deals, the debt refinancing deal, and the Group's enhanced business performance are expected to significantly improve liquidity.

Management has implemented several precautionary measures in response to the current global circumstances and economic downturn. They are confident that these strategies will substantially mitigate liquidity risks and underscore the strength of the ODH business model and its financial position.

25. DISPOSAL GROUP

During Q2 2024, ODH has signed a binding share purchase agreement for the sale of its equity stake in RAK Tourism Investment FZC ("RAK").

A contract was signed with a third party at an enterprise value of USD 40.0 million (CHF 36 million). It is expected that the required procedures to finalize the sale and transfer of ownership of RAK are finalized later in 2025. As a result, ODH has reclassified RAK as disposal group as at 30 September 2024.

The disposal group does qualify as discontinued operation as it is a separate geographical area of operations.

The entire disposal group was allocated to the hotel segment.

25.1. Non-current assets held for sale and the liabilities associated with non-current assets held for sale

The non-current assets held for sale and the liabilities associated with non-current assets held for sale were reclassified from the following categories of assets and liabilities:

CHF	31 December 2024
Non-current assets	
Property, plant and equipment	36,062,512
Current assets	
Inventories	191,487
Trade and other receivables	1,545,332
Current receivables due from related parties	37,309
Other current assets	393,138
Cash and bank balances	5,186,397
Total assets	43,416,175
Non-current liabilities	
Borrowings	(11,845,292)
Current liabilities	
Trade and other payables	(2,088,208)
Borrowings	(2,565,433)
Current tax liabilities	(152,174)
Provisions	(10,971)
Other current liabilities	(4,470,090)
Total liabilities	(21,132,168)
Net assets	22,284,007

25.2. Result for the period from discontinued operations

The result of the discontinued operation included in the consolidated statement of comprehensive income is set out below. The comparative period has been restated by reclassifying the results of RAK as discontinued operations.

CHF	2024	2023
Revenue	23,647,266	23,907,590
Cost of sales	(21,352,425)	(20,546,263)
Gross profit	2,294,841	3,361,327
Other gains	828,633	89,092
Administrative expenses	(53,964)	-
Finance costs	(1,338,171)	(1,450,246)
Profit before tax	1,731,339	2,000,173
Income tax expense	(147,730)	-
Profit for the year	1,583,609	2,000,173
Loss on the measurement to fair value less costs to sell	(10,894,368)	-
(Loss)/profit from discontinued operations	(9,310,759)	2,000,173

25.3. Cash Flows from discontinued operations

CHF	2024	2023
Net cash flows from operating activities	4,075,020	1,004,659
Net cash flows from investing activities	(423,260)	(562,769)
Net cash flows from financing activities	(2,012,530)	(1,363,293)
Cash flow from discontinued operations	1,639,230	(921,403)

26 CAPITAL

26.1 Issued capital

CHF	31 December 2024	31 December 2023
Par value per share	5.00	5.00
Number of ordinary shares issued and fully paid	59,822,366	59,822,366
Issued capital	299,111,830	299,111,830

26.2 Fully paid ordinary shares

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. In 2024, there were no changes to the issued capital.

During 2024 and 2023, no dividends had been paid. In respect of the current year, the Board of Directors does not propose a dividend or a capital reduction to the shareholders at the Annual General Meeting.

26.3 Capital band

The Company's Board of Directors is authorized until 9 May 2028 to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 448,667,745, corresponding to 89,733,549 registered shares with a nominal value of CHF 5 each, and the lower limit of CHF 149,555,915, corresponding to 29,911,183 registered shares with a nominal value of CHF 5 each. Capital reductions can be conducted either through a reduction of the nominal value of the shares or through the cancellation of shares. The capital band allows for a capital increase in the amount of up to CHF 149,555,915, which corresponds to 50% of the existing share capital.

26.4 Conditional capital

The share capital may be increased by a maximum amount of CHF 29,080,885 through the issuance of up to 5,816,177 fully paid registered shares with a nominal value of CHF 5 each

- up to the amount of CHF 4,080,885 corresponding to 816,177 fully paid registered shares through the exercise of option rights granted to the members of the Board and the management, further employees and / or advisors of the Parent Company or its subsidiaries.
- up to the amount of CHF 25 million corresponding to 5 million fully paid registered shares through the exercise of conversion rights and / or warrants granted in connection with the issuance of newly or already issued bonds or other financial instruments by the Parent Company or one of its group companies.

The subscription rights of the shareholders shall be excluded. The Board of Directors may restrict or withdraw the right for advance subscription ("Vorwegzeichnungsrecht") of the shareholders in connection with (i) the financing (refinancing inclusively) of acquisitions of enterprises or parts thereof, participations or other investment projects of the company and/or its subsidiaries or (ii) the placement of convertible bonds or financial instruments with conversion or option rights on the national or international capital market.

27 RESERVES (NET OF INCOME TAX)

CHF	31 December 2024	31 December 2023
Share premium (note 27.1)	872,217,117	872,217,117
Treasury shares (note 27.2)	(1,518,205)	(1,517,585)
Share-based payment reserve (note 27.3)	1,827,511	1,314,355
PP&E revaluation reserve (27.4)	4,638,989	4,638,989
Investments revaluation reserve (note 27.5)	(1,120,880)	(1,123,684)
General reserve (note 27.6)	4,916,868	4,916,868
Foreign currencies translation reserve (note 27.7)	(574,084,167)	(512,020,947)
Reserve from common control transactions (note 27.8)	(72,519,921)	(72,519,921)
TOTAL	234,357,312	295,905,192

27.1 Share premium

CHF	2024	2023
Balance at beginning of year	872,217,117	836,330,008
Capital increase	-	38,457,234
Transaction costs directly related to capital increase	-	(2,537,163)
Effect of exercised options in subsidiaries	-	(32,962)
Balance at end of year	872,217,117	872,217,117

27.2 Treasury shares

CHF	2024	2023
Balance at beginning of year	(1,517,585)	(2,121,707)
Acquisition of treasury shares (i)	(209,098)	(318,134)
Other disposal of treasury shares (i)	142,509	382,149
Distribution to others (ii)	65,969	540,107
Balance at end of year	(1,518,205)	(1,517,585)

As of 31 December 2024, the Company owned 221,271 own shares (31 December 2023: 206,785).

- (i) During 2024, ODH sold a total of 18,049 treasury shares (2023: 41,681) at a total amount of CHF 0.1 million (2023: CHF 0.4 million) and bought a total of 28,035 treasury shares (2023: 47,930) at a total amount of CHF 0.2 million (2023: CHF 0.3 million).
- (ii) During 2024, ODH transferred a total of 15,500 own shares to other parties (CHF 0.1 million). The treasury shares reserve, which values the shares at original purchase price, has been reduced accordingly and the resulting difference has been recognised as loss directly through retained earnings (CHF 0.0 million).

During 2023, ODH transferred a total of 85,966 own shares to the members of the Board of Directors as part of their remuneration as well as to other parties (CHF 0.5 million). The treasury shares reserve, which values the shares at original purchase price, has been reduced accordingly and the resulting difference has been recognised as gain directly through retained earnings (CHF 0.1 million).

27.3 Share-based payment reserve

CHF	2024	2023
Balance at beginning of year	1,314,355	1,197,364
Share-based payments (note 35)	513,156	513,156
Milestone payment in cash (note 35)	-	(396,165)
Balance at end of year	1,827,511	1,314,355

27.4 PP&E revaluation reserve

CHF	2024	2023
Balance at beginning of year	4,638,989	4,638,989
Balance at end of year	4,638,989	4,638,989

27.5 Investments revaluation reserve

CHF	2024	2023
Balance at beginning of year	(1,123,684)	(1,126,606)
Net gain/(loss) arising on revaluation of financial assets at FVTOCI	2,804	2,922
Balance at end of year	(1,120,880)	(1,123,684)

The investments revaluation reserve represents the cumulative gains and (losses) arising on the revaluation of financial assets at fair value through other comprehensive income ("FVTOCI").

27.6 General reserve

CHF	2024	2023
Balance at beginning of year	4,916,868	4,916,868
Balance at end of year	4,916,868	4,916,868

27.7 Foreign currencies translation reserve

CHF	2024	2023
Balance at beginning of year	(512,020,947)	(441,824,184)
Exchange differences arising on translating the foreign operations	(62,063,220)	(70,196,763)
Balance at end of year	(574,084,167)	(512,020,947)

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (CHF) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve in respect of translating the results and net assets of foreign operations are reclassified to profit or loss on the disposal and/or deemed loss of control of a foreign operation.

In 2024, the Swiss Franc strengthened against the Egyptian Pound by 53% and weakened against the USD by 7%. The further devaluation of the Egyptian Pound against the CHF is a consequence of the implementation of a new exchange rate policy to eliminate the parallel market by the Central Bank of Egypt (CBE). The policy aims to adopt a market-determined exchange rate of the Egyptian Pound (EGP) against the US Dollar (USD). The CBE has allowed market forces to govern the exchange rate, eliminating the need for a fixed exchange rate regime.

This resulted in exchange losses arising on translation of foreign operations (recognised within OCI) for the period of CHF 91.2 million (2023: loss of CHF 100.1 million).

27.8 Reserve from common control transactions

CHF	2024	2023
Balance at beginning of year	(72,519,921)	(72,519,921)
Balance at end of year	(72,519,921)	(72,519,921)

The reserve from common control transactions mainly relates to the restructuring of the group and the set-up of a new holding company during May 2008.

28 BORROWINGS

CHF	Current		Non-current	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Credit facilities (i)	9,834,450	13,265,197	-	-
Corporate bond (ii)	-	99,846,292	99,428,595	-
Bank loans (iii)	58,810,886	80,558,715	281,485,037	286,847,745
TOTAL	68,645,336	193,670,204	380,913,632	286,847,745

28.1 Summary of borrowing arrangements

The weighted average contractual effective interest rate for all credit facilities and loans is 9.88% (2023: 9.40%). It is calculated by dividing the weighted average contractual interest rate by the total outstanding credit facilities and bank loans at the end of the current reporting period. For a breakdown of debts bearing variable and fixed interest see note 34.10.1.

- (i) Credit facilities used by the group are revolving facilities used to finance working capital requirements and they are available in multiple currencies. The average interest rate for the credit facilities for year 2024 is 6.19% (2023: 6.09%). As at 31 December 2024, the total of unused credit facilities was CHF 7.2 million (31 December 2023: CHF 3.0 million)
- (ii) In 2019, the Company successfully issued a CHF 100 million bond with a coupon of 3.25% and a tenor of five years in the market. Issuance cost were deducted on initial recognition and were amortised over the life of the bond. The proceeds of the bond were used for further development of the destinations in Oman and Montenegro and for general corporate purposes. The bond was listed on SIX in October 2019 with a maturity date of the entire CHF 100 million on 11 October 2024.

As the existing bond matured in October 2024, the Company managed to issue a new corporate bond worth CHF 100 million with a 4.00% coupon and a five-year tenor, where the proceeds of the newly issued bond were used to refinance the CHF 100 million existing bond. The tenor of the new bond is five years, maturing in October 2029.

- (iii) Bank loans are current and non-current loans and have in general variable interest rates including a mark-up. Property, plant and equipment with a carrying amount of CHF 185.9 million (2023: CHF 195.0 million) and investment property with a carrying amount of CHF 1.5 million (2023: CHF 2.5 million) have been pledged to secure borrowings (see notes 14 and 15). In 2024, bank loans decreased due to repayment of loans and foreign exchange gains. The decrease was partly netted-off by new loans in Egypt, Montenegro and Oman.

28.2 Loan agreements

28.2.1 Syndication loan agreement

During 2020, ODE, ODH's Egyptian subsidiary, signed a bank facility agreement to refinance and upsize its outstanding debt with the equivalent of USD 265 million (CHF 233.5 million) medium term loan (in USD, EUR and EGP currencies). On 23 December 2020, ODE drew down a first tranche of USD 215 million (CHF 189.5 million) to refinance outstanding balances of its debt. The second tranche amounting to the equivalent of USD 50 million (CHF 44.0 million) was utilised to finance expansions and renovation in the hospitality segment. This amount was available over a period of 2 years until the end of 2022. During 2022 and 2023, the company used EGP 334 million (CHF 9 million) from tranche B. The loan is amortised over seven years with a 2.5-year grace period on loan principal repayment, where the first instalment was due in June 2023. The new loan has a final maturity of 31 December 2027 compared to loans under the previous agreement which had a final maturity of 31 December 2024.

For tranche (A) with an amount of USD 215 million, the interest rate of USD loan is 4.25% above the SOFR rate and EUR loan is 4.75% above Euribor rate and EGP loan is 1.25% 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 of Egypt and the other half at the same interest rates as tranche (A).

The transaction allows for optimization of financing costs to match the Company's improved financial and operational profile and improve the currency mix to fit with the business of the company. The Transaction also reduced the number of participants to 4 banks down from 9 banks which would facilitate the relationship dynamics and approval processes. The currency profile of the new loan agreement is the same, with EGP, Euro, and USD, in the mix however the weight of each currency changed slightly to a more balanced profile.

In Q4 2024, ODE signed a sustainability linked loan agreement with International Finance Corporation. The loan facility will primarily be used to partially refinance ODE's existing debt and fund potential growth opportunities for the hotel business line in El Gouna, as well as planned capital expenditures for renovating the hotels. The loan is not yet drawn down as at 31 December 2024. The new loan facility includes a grace period of 2.5 years and a full tenor of 8.5 years, with semi-annual repayments set to commence in the second half of 2027. The financing terms offer an interest margin of 3.80% over SOFR and 3.87% over Euribor. The facility will, therefore, effectively reduce the interest margin for the USD portion from 4.25% to 3.80% and from 4.75% to 3.87% for the Euro portion.

All companies across the group have complied with all financial covenants related to their bank borrowings and for those financial covenants that were not met, the group companies received waivers from their respective banks.

28.2.2 Facility agreement O West

In July 2022, Orascom for Real Estate (ORE), a subsidiary of ODE, signed an EGP 1.5 billion (CHF 26.7 million) facility agreement to partially finance its flagship development O West, with a tenor of 12 months from drawdown date, to be paid as a bullet payment at final maturity, which was refinanced by the new facility signed in November 2023.

On 5 November 2023, Orascom for Real Estate S.A.E (ORE), has signed as a replacement of the facility agreement mentioned above, a syndicated loan agreement of EGP 6.0 billion (CHF 106.8 million), to finance its leading project in west Cairo, O West. The loan's tenor is over ten years. The loan will be used to refinance the EGP 1.5 billion (CHF 56 million) facility obtained last year for O West project and to partially finance the development of O West and accordingly help accelerate the construction of the project. As at 31 December 2024, the total utilized facility is EGP 2.7 billion (CHF 47.5 million).

28.3 Reconciliation of liabilities arising from financing activities

CHF	1 January 2024	Financing Cash-flows	Non-cash changes			31 December 2024
			FX	Amortisation	Other	
Credit facilities	13,265,197	(3,648,827)	218,080	-	-	9,834,450
Bank loans	367,406,460	(1,125,359)	(11,574,453)	-	(14,410,725)	340,295,923
Corporate Bond	99,846,292	-	-	180,284	(597,981)	99,428,595
Lease liabilities (note 29)	26,910,754	(1,366,870)	429,912	-	708,033	26,681,829
Shareholder's loan (note 32)	86,524,830	14,973,007	(44,237)	-	(5,874,139)	95,579,461
TOTAL	593,953,533	8,831,951	(10,970,698)	180,284	(20,174,812)	571,820,258

CHF	1 January 2023	Financing Cash-flows	Non-cash changes			31 December 2023
			FX	Amortisation	Other	
Credit facilities	10,042,980	4,150,076	(927,859)	-	-	13,265,197
Bank loans	358,002,523	51,959,738	(43,467,366)	911,565	-	367,406,460
Corporate Bond	99,649,120	-	-	197,172	-	99,846,292
Lease liabilities (note 29)	28,967,828	(535,797)	(2,232,172)	-	710,895	26,910,754
Shareholder's loan (note 32)	146,320,257	48,127,097	(596,945)	-	(107,325,579)	86,524,830
TOTAL	642,982,708	103,701,114	(47,224,342)	1,108,737	(106,614,684)	593,953,533

29 TRADE AND OTHER PAYABLES

CHF	Current		Non-current	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Trade payables (i)	36,667,436	35,055,566	102,329,520	181,623,979
Lease liabilities	2,091,900	1,877,625	24,589,929	25,033,129
TOTAL	38,759,336	36,933,191	126,919,449	206,657,108

(i) Trade payables decreased by CHF 77.7 million mainly due to net foreign exchange gains.

30 CONTRACT LIABILITIES

CHF	2024	2023
Balance at the beginning of the year	43,827,432	60,099,754
Foreign currency translation adjustment	(15,113,463)	(16,272,322)
Balance at the end of the year	28,713,969	43,827,432

This balance represents the value of the non-cash portion due to the New Urban Communities Authority related to O-West Project according to the contract further explained in note 21. The balance due will be settled by delivering units from a total building area of 281,105 square meters in accordance with the timeline specified in the contract starting from 2026 and for 2 years afterwards. During the year the Group did not carry out any work related to those units. This amount was calculated at a fair value of EGP 1,609 million (CHF 28.7 million) on the basis of the construction square meter price of EGP 5,725 (CHF 102.1).

31 PROVISIONS

CHF	31 December 2024	31 December 2023
Current	43,061,710	38,672,057
Non-Current	21,761,454	21,101,315
TOTAL	64,823,164	59,773,372

CHF	Provision for infrastructure completion (i)	Provision for legal cases (ii)	Provision for governmental fees (iii)	Provision for employee benefits (iv)	Other provisions (v)	Total
Balance at 1 January 2024	17,430,289	7,533,319	6,535,785	5,281,815	22,992,164	59,773,372
Additional provisions recognised	14,338,795	395,677	3,333,762	1,087,773	16,961,141	36,117,148
Utilisation of provision	(4,919,866)	(746,566)	(294,117)	(37,789)	(3,042,876)	(9,041,214)
Provisions no longer needed	(4,433,851)	(1,002,324)	(2,903,156)	(525,639)	(965,725)	(9,830,695)
Exchange differences	(4,791,313)	(147,791)	(309,461)	262,507	(7,209,389)	(12,195,447)
Balance at 31 December 2024	17,624,054	6,032,315	6,362,813	6,068,667	28,735,315	64,823,164
thereof current	13,139,485	479,457	1,145,357	97,296	28,200,115	43,061,710
thereof non-current	4,484,569	5,552,858	5,217,456	5,971,371	535,200	21,761,454

- (i) Provision for infrastructure completion relates to committed cash outflows for the development of the necessary infrastructure to make the project area that is usually located in remote regions, habitable and attractive. Such provisions are recorded for land and real estate sales on the date on which all the criteria for revenue recognition are met. Cash outflow is expected over the next 1-5 years.
- (ii) Provision for legal cases consists of expected cash outflows for the settlement of pending litigations. The decrease is primarily due to remeasurement of legal situation in Egypt and Oman. Cash outflow is expected over the next 3 years.
- (iii) 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 Cash outflow is expected over the next 1-3 years.
- (iv) Provision for employee benefits partly relates to compulsory termination payments to foreign employees in Oman and UAE. The provision is based on their actual salaries. The work permits for these employees are reconsidered by the Government on annual basis. Cash outflow is expected over the next 5 years.
- (v) This provision mainly includes charges, services and consultancy fees for the Group's current year's operations which have not yet been finally negotiated as well as provisions in relation to various assets of the Group. In addition, it covers the Group's exposures to tax risks other than corporate tax. Cash outflow on the majority of these items is expected within 12 months.

32 OTHER CURRENT LIABILITIES

CHF	31 December 2024	31 December 2023
Advances from customers (i)	190,864,797	166,230,723
Amounts due to shareholders (ii) (iv)	95,579,461	86,524,830
Other credit balances (iv)	89,540,405	66,656,535
Accrued expenses (iii) (iv)	57,177,222	57,740,331
Deposits from others (iv)	25,581,676	16,884,453
Taxes payable (other than income taxes) (iv)	10,753,495	10,212,683
Due to management companies (iv)	1,142,589	1,686,946
TOTAL	470,639,645	405,936,501

- (i) Advances from customers include amounts received (progress payments) from buyers of real estate units between the time of the initial agreement and contractual completion. The increase is mainly related to advances from customers in El Gouna and the O West project in Egypt which were partly netted off by foreign exchange gains.
- (ii) The entire amount due to shareholders of CHF 95.6 million is owed to the Samih Sawiris family (2023: CHF 86.5 million). None of these amounts due to shareholders have a specified due date. Out of the total amounts due to shareholders, an amount of CHF 12.2 million (2023: CHF 21.8 million) is due to the Samih Sawiris family on the holding level where they receive 1% annual interest for both financial periods. In addition, an amount of CHF 17.5 million (2023: none) due to the Samih Sawiris family is related to the Eco Bos project where they received an average annual interest of 14.5%. This amount was mainly to replace the existing bank loan. Once the project is completed and all legal requirements to transfer the title deed are met, this amount might be settled with the Samih Sawiris family. The residual amount due to the Samih Sawiris family of CHF 65.9 million (2023: CHF 64.7 million) on subsidiary level are free of interest for both financial periods and include amounts related to funding of the project in Mamula – Montenegro. This amount will be settled after the project is completed and all the legal requirements to transfer the title deed of the project to the Samih Sawiris family are fulfilled.
- (iii) Accrued expenses mainly include operating costs for the hotel and destination management activities.
- (iv) These other current liabilities in the total amount of CHF 279.8 million (2023: CHF 239.7 million) are considered financial liabilities in accordance with IFRS 9 (note 34.3).

33 RETIREMENT BENEFIT PLANS

33.1 Swiss Pension Plans

The Group operates fund defined benefit plans for qualifying employees in Switzerland. Under the plans, the employees are entitled to retirement benefits and risk insurance for death and disability. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on 31 December 2024.

Swiss pension plans need to be administered by a separate pension fund that is legally separated from the entity. The law prescribes certain minimum benefits.

The pension plans of the employees of the Swiss entities are carried out by collective funds with Allianz Suisse Lebensversicherungs-Gesellschaft. Under the pension plans, the employees are entitled to retirement benefits and risk insurance for death and disability. The boards of the various pension funds are composed of an equal number of representatives from both employers and employees.

Due to the requirements of IAS 19 the above-mentioned pension plans are classified as defined benefit plans. The pension plans are described in detail in the corresponding statutes and regulations. The contributions of employers and employees in general are defined in percentages of the insured salary. The retirement pension is calculated based on the old-age credit balance on retirement multiplied by the fixed conversion rate. The employee has the option to withdraw the capital at once. The death and disability pensions are defined as percentage of the insured salary. The assets are invested directly with the corresponding pension funds.

The pension funds can change their financing system (contributions and future payments) at any time. Also, when there is a deficit which cannot be eliminated through other measures, the pension funds can oblige the entity to pay a restructuring contribution. For the pension funds of the Group such a deficit currently cannot occur as the plans are fully reinsured. However, the pension funds could cancel the contracts and the entities of the Group would have to join another pension fund.

In the current and comparative period no plan amendments, curtailments or settlements occurred.

The fully reinsured pension funds have concluded insurance contracts to cover the insurance and investment risk. The board of each pension fund is responsible for the investment of assets and the investment strategies are defined in a way that the benefits can be paid out on due date.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

CHF	2024	2023
Current service cost	262,572	149,226
Net interest expense	11,196	7,036
Administration cost excl. cost for managing plan assets	1,853	1,375
Expense recognised in profit or loss	275,621	157,637

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

CHF	2024	2023
Remeasurement loss/(gain) on defined benefit obligation	446,051	370,045
Return on plan assets excl. interest income	14,977	4,393
Expense recognised in other comprehensive income	461,028	374,438

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

CHF	31 December 2024	31 December 2023
Present value of funded defined benefit obligation	4,719,434	3,705,004
Fair value of plan assets	(3,489,430)	(2,978,192)
Net liability arising from defined benefit obligation	1,230,004	726,812

Movements in the present value of the defined benefit obligation in the current year were as follows:

CHF	2024	2023
Opening defined benefit obligation	3,705,004	2,784,425
Current service cost	262,572	149,226
Past service cost	-	-
Interest expense on defined benefit obligation	59,454	65,835
Contributions from plan participants	233,457	223,033
Benefits deposited/(paid)	11,043	111,065
Remeasurement loss/(gain) on defined benefit obligation	446,051	370,045
Administration cost (excluding cost for managing plan assets)	1,853	1,375
Closing defined benefit obligation	4,719,434	3,705,004

Movements in the present value of the plan assets in the current period were as follows:

CHF	2024	2023
Opening fair value of plan assets	2,978,192	2,366,655
Interest income on plan assets	48,258	58,799
Return on plan assets excluding interest income	(14,977)	(4,393)
Contributions from the employer	233,457	223,033
Contributions from plan participants	233,457	223,033
Benefits deposited/(paid)	11,043	111,065
Closing fair value of plan assets	3,489,430	2,978,192

The respective insurance company is providing reinsurance of these assets and bears all market risk on these assets.

The actual return on plan assets was CHF 33,281 (2023: CHF 54,406).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2024	2023
Discount rates	1.00%	1.50%
Expected rates of salary increase	1.50%	1.50%
Expected pension increases	0.00%	0.00%
Mortality table	BVG2020 GT	BVG2020 GT

The following sensitivity analyses - based on the principal assumptions - have been determined based on reasonably possible changes to the assumptions occurring at the end of the reporting period:

If the discount rate would be 25 basis points (0.25 percent) higher (lower), the defined benefit obligation would decrease by CHF 0.2 million (increase by CHF 0.2 million if all other assumptions were held constant)

If the expected salary growth would increase (decrease) by 0.25%, the defined benefit obligation would increase by CHF 0.0 million (decrease by CHF 0.0 million if all other assumptions were held constant)

If the life expectancy would increase (decrease) with one year for both men and women, the defined benefit obligation would increase by CHF 0.1 million (decrease by CHF 0.1 million if all other assumptions were held constant)

The average duration of the defined benefit obligation at the end of the reporting period is 16.9 years (2023: 16.2 years).

The Group expects to make a contribution of CHF 234,271 to the defined benefit plans during the next financial year (2023: CHF 229,421).

33.2 Other retirement plans

Lustica Development A.D, the Group's subsidiary in Montenegro, has a collective agreement regulating the payment of jubilee awards and severance pay upon retirement of their employees. Due to the requirements of IAS 19 the above-mentioned plan is classified as defined benefit plan. The most recent actuarial estimate of the present value of the defined benefit obligation was carried out on 31 December 2024. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method. As at 31 December 2024, the defined benefit obligation amounts to CHF 23,269 (31 December 2023: CHF 17,853).

34 FINANCIAL INSTRUMENTS

34.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged since 2010.

The capital structure of the Group consists of net debt (borrowings, as detailed in note 28, offset by cash and bank balances) and equity of the Group (comprising issued capital, share premium, reserves, retained earnings and non-controlling interests as detailed in notes 26 and 27).

The Group is not subject to any externally imposed capital requirements.

According to the Group's internal policies and procedures, the Executive Management reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 40% to 45% determined as the proportion of net debt to equity.

The gearing ratio at 31 December 2024 of 58.10% (see below) increased mainly due to reduction in equity mainly caused by the foreign exchange losses. The Group is working to meet the target in the near future.

The gearing ratio at the end of the reporting period was as follows:

CHF	31 December 2024	31 December 2023
Debt (i)	463,969,693	480,517,949
Cash and bank balances (notes 24 and 25)	(200,983,528)	(213,850,134)
Net debt	262,986,165	266,667,815
Equity (ii)	452,634,921	535,561,735
Net debt to equity ratio	58.10%	49.79%

(i) Debt is defined as long- and short-term borrowings (excluding derivatives), as detailed in notes 25 and 28).

(ii) Equity includes all capital and reserves of the Group and non- controlling interests that are managed as capital excluding equity of disposal groups.

34.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.18 Financial instruments.

34.3 Categories of financial instruments

CHF	31 December 2024	31 December 2023
Financial assets		
Other non-current financial assets	1,239	1,411
Fair value through other comprehensive income (FVTOCI)	1,239	1,411
Cash and bank balances	200,983,528	213,850,134
Trade and other receivables	275,864,632	287,843,899
Due from related parties	19,239,824	18,411,517
Other current assets	14,648,460	16,184,030
Financial assets measured at amortised cost (i)	510,736,444	536,289,580
Financial liabilities		
Borrowings	463,969,693	480,517,949
Trade and other payables	167,766,993	243,590,299
Notes payable	3,805	5,807
Due to related parties	12,223,923	17,610,169
Other current liabilities	284,244,938	239,705,778
Financial liabilities at amortised cost (ii)	928,209,352	981,430,002

(i) Includes cash and bank balances, trade and other receivables as well as those other non- current and current assets that meet the definition of a financial asset. A total of CHF 55.8 million (2023: CHF 48.2 million) of other current assets does not meet the definition of a financial asset.

(ii) Includes trade and other payables, borrowings, notes, other financial liabilities as well as other current liabilities that meet the definition of a financial liability. A total of CHF 190.9 million (2023: CHF 166.2 million) of other current liabilities does not meet the definition of a financial liability.

34.4 Financial risk management objectives

In the course of its business, the Group is exposed to a number of financial risks. This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Other price risk includes equity price risk, settlement risk and commodity price risk.

It is, and has been throughout 2024 and 2023, the Group's policy not to use derivatives without an underlying operational transaction or for trading (i.e. speculative) purposes.

The Group seeks to minimise the effects of these risks mainly through operational and finance activities and, on occasional basis, using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's internal policies and procedures approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports monthly to the Executive Management. The Group Treasury Director carries out risk management under the Group's guidelines.

34.5 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 34.6 below) and interest rates (see note 34.7 below).

Driven by the need, the Group's policy is to enter into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on sales in foreign currency to the tourism / real estate industry;
- interest rate swaps to mitigate the risk of rising interest rates

34.6 Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated, are US Dollar (USD), Euro (EUR) and Egyptian Pound (EGP). Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Group's main foreign exchange risk arises from sales in foreign currency to the tourism / real estate industry, which generates a net foreign currency surplus for the Group. The Group has strong inflows in foreign currency, mainly US Dollar, Euro, Oman Rial and Egyptian Pound.

Out of the total receivables on hand at the end of the reporting period, receivables in USD have accounted for 42% (2023: 45%), in EGP for 38% (2023: 38%), in EUR for 15% (2023: 9%) and in OMR 5% (2023: 8%) respectively.

To mitigate the above risk exposures, where possible, the Group borrows in matching currencies to create a natural hedge. The following table shows the carrying amounts of borrowings, at the end of the reporting period, in the major currencies in which they are issued.

Borrowing

CHF	31 December 2024		31 December 2023	
OMR	111,984,143	24%	97,010,564	20%
CHF	99,568,195	22%	100,032,692	21%
EUR	84,586,117	18%	87,298,209	18%
USD	70,594,103	15%	78,240,154	16%
EGP	66,014,389	14%	76,742,356	16%
GBP	16,864,543	4%	25,940,459	6%
AED	14,358,203	3%	15,253,515	3%
Total	463,969,693	100%	480,517,949	100%

At the end of the reporting period, the carrying amounts of the Group's major foreign currency denominated monetary assets (mainly receivables) and monetary liabilities (mainly borrowings), at which the Group is exposed to currency rate risk, are as follows:

CHF	Liabilities		Assets	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Currency-USD	70,594,103	78,240,154	117,814,570	120,231,461
Currency-OMR	111,984,143	97,010,564	17,794,894	21,446,457
Currency-EUR	84,586,117	87,298,209	42,904,032	39,620,744
Currency-EGP	66,014,389	76,742,356	104,019,266	118,311,847

Residual foreign exchange exposure is managed by hedging through entering into foreign currency forward contracts if needed. However, during 2024 and 2023 no such foreign currency forward contracts were used.

Currency risk has also recently developed due to the Group's investments in different markets such as those in Egypt, UAE, Oman, Morocco and the UK. Again, the Group borrows in the local currency of the investment and uses the above-mentioned strategies to mitigate residual currency risk.

34.6.1 Foreign currency sensitivity analysis

As discussed above, the Group is mainly exposed to the US Dollar (USD), Euro (EUR), Oman Rial (OMR) and Egyptian Pound (EGP) arising from sales in these currencies to the tourism / real estate industry.

The following table details the Group's sensitivity to a 5% increase and decrease in CHF against the relevant foreign currencies. In 2023, for EGP a 60% increase/decrease was applied due to the volatile markets after the introduction of the free float. For 2024, a 20% sensitivity was applied. These are the sensitivity rates used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably expected change in foreign exchange rates (excluding any one-off influences due to decisions by government or central banks). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5%, 20% and 60% change in foreign currency rates.

The sensitivity analysis includes outstanding borrowings, impact of the changes in the fair value of derivative instruments designated as cash flow hedges and receivables in foreign currencies and, where appropriate, loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

A positive number below indicates an increase in profit or equity where the CHF strengthens against the relevant currency. For a weakening of the CHF against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

CHF	Currency USD Impact		Currency EUR Impact		Currency EGP Impact		Currency OMR Impact	
	2024	2023	2024	2023	2024	2023	2024	2023
Profit or loss	2,361,023	2,099,565	2,090,986	2,382,877	7,612,342	24,941,695	4,702,797	3,778,205

The profit or loss impact has a corresponding impact in equity.

The Group's sensitivity to foreign currency has changed in accordance with the changes in EGP, USD, EUR and OMR borrowings.

On 27 October 2022, the Central Bank of Egypt (CBE) moved to a durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies, while prioritizing the primary goal of achieving price stability, and building up sustainable, adequate levels of Foreign Exchange Reserves. Additionally, the CBE will work towards building the foundation for a derivatives market to further deepen the foreign exchange market and enhance its liquidity.

34.7 Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Furthermore, in order to uphold the CBE's mandate of ensuring price stability over the medium term, in its meeting held in February 2024, the Monetary Policy Committee (MPC) decided to increase the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the main operation rate by 200 basis points to 21.25 percent, 22.25 percent, and 21.75 percent, respectively. The discount rate was also raised by 200 basis points to 21.75 percent. In March 2024 the Monetary Policy Committee (MPC) decided in its special meeting to raise the CBE's overnight deposit rate, the overnight lending rate, and the rate of the main operation by 600 basis points to 27.25 percent, 28.25 percent, and 27.75 percent, respectively. The discount rate was also raised by 600 basis points to 27.75 percent.

During 2024 and 2023 the Group did not hold any derivative financial instruments.

34.7.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A '100 basis point' (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. In 2023, for EGP the percentage used was 6% due to the volatile markets in Egypt. For 2024, a sensitivity of 1% was also used for EGP.

If interest rates had been 100 basis points (EGP 600 basis points in 2023) higher / lower and all other variables were held constant, the Group's profit for the year ended 31 December 2024 would decrease / increase by CHF 1.9 million (2023: decrease / increase by CHF 5.0 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

34.8 Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

34.9 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group credit risk arises from transactions with counterparties, mainly individual customers and corporations. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's exposure to credit risk is, to great extent, influenced by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables and notes receivables consist of a large number of customers, spread across various industries and geographical areas. The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on sales of real estate is limited because the Group controls this risk through the property itself by registering the unit in the name of the customer only after receiving the entire amount due from the customer.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses after taking account of the value of any collateral obtained, represents the Group's maximum exposure to credit risk.

Impairment of financial assets

Trade and other receivables

For trade and other receivables across Group's business segments, management applies the simplified approach and accordingly impairment loss is measured as "lifetime expected credit loss".

Management is grouping financial instruments on the basis of shared credit risk characteristics (e.g. credit risk rating, collateral type), when applicable.

The probability of default reflects the average percentage of irregular clients for each bucket; and is derived by computing the historical flow rate of trade receivables based on their ageing and arriving at an average loss rate.

The impairment model is initially based on the Group's historical observed default rates, which is the outcome of flow rate studies. The Group then calibrate default rates to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults in one of the segments or geographical areas, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The following table details the risk profile of trade receivables based on the Group's impairment model in each business segment. As the Group's historical credit loss experience does not show significantly different loss patterns for different customers, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Considering business history and the time value of money, management applies a conservative approach and assumes a default rate reaching 100% for balances overdue by more than 360 days, as at this point in time they start to impose significant credit risks and losses in real value of cash. Default rates of other buckets, groups of balances overdue for less than 360 days, are projected from the flow rate study.

Cash flows from the sale of collateral held or other credit enhancements are considered in Loss Given Default ("LGD") and reflected in the expected credit loss rate.

Trade receivables of hotels and destination management segments

31 December 2024	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	4.55%	15.01%	18.41%	41.73%	53.17%	100.00%	17.94%
Total gross carrying amount at default	26,185,746	2,575,784	940,072	2,470,759	1,622,124	2,947,717	36,742,202
Lifetime ECL	(1,191,427)	(386,735)	(173,035)	(1,031,043)	(862,426)	(2,947,717)	(6,592,383)

31 December 2023	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	5.53%	14.00%	16.63%	48.52%	59.14%	100.00%	17.97%
Total gross carrying amount at default	26,863,666	2,251,643	1,042,484	2,376,481	1,650,916	2,487,057	36,672,247
Lifetime ECL	(1,485,716)	(315,342)	(173,412)	(1,153,005)	(976,355)	(2,487,057)	(6,590,887)

The first two time-buckets were shown as one bucket in prior year's financial statement. The split was made so that the time-buckets of the two financial periods are aligned.

Receivables of real estate segment

31 December 2024	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	2.48%	7.71%	12.85%	19.41%	43.71%	100.00%	5.78%
Total gross carrying amount at default	238,896,981	4,945,838	2,197,795	4,404,086	2,095,027	6,598,046	259,137,773
Lifetime ECL	(5,936,244)	(381,254)	(282,370)	(854,687)	(915,691)	(6,598,046)	(14,968,292)

31 December 2023	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	2.97%	9.26%	14.84%	20.73%	45.62%	100.00%	5.99%
Total gross carrying amount at default	256,558,044	4,235,876	1,491,978	3,718,835	1,394,445	6,795,650	274,194,828
Lifetime ECL	(7,616,126)	(392,114)	(221,463)	(770,779)	(636,158)	(6,795,649)	(16,432,289)

Movement in credit loss allowance:

CHF	2024	2023
Balance at beginning of year	(23,023,176)	(25,587,961)
Impairment losses recognised on receivables	(2,395,663)	(2,019,582)
Reversal of impairment losses recognised on receivables	1,608,724	1,336,934
Transfer to assets held for sale	716,710	-
Foreign exchange translation gains and losses	1,532,730	3,247,433
Balance at end of year	(21,560,675)	(23,023,176)

Other financial assets at amortised cost

For other assets measured at amortised cost, the Group reassess at each reporting period whether the asset is subject to significant increase in its credit risk. The probability of default is determined based on historical data of cash flows from similar financial assets (e.g. magnitude of instances of counter party defaulting in recent past years for similar financial assets), reflected through external or internal credit ratings. The credit risk information incorporates historical data as well the forward-looking macroeconomic aspect, in order to approximate the result of recognising lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition on an individual instrument level.

As at 31 December 2024 and 2023, none of the cash and bank balances are impaired. The Group performed ECL test for the cash and bank balances which resulted in immaterial losses.

As at 31 December 2024, none (2023: CHF 2.4 million) of the financial assets measured at amortised cost are impaired (note 11).

34.10 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Regarding management's plans to manage liquidity shortages and related uncertainty please refer to note 24.1.

As of 31 December 2024, the Group did not have any un-drawn facilities at its disposal in order to further reduce liquidity risk (31 December 2023: none).

34.10.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Maturities of non-derivative financial liabilities

31 December 2024	Weighted average effective interest rate	Less than 6 month	6 months to one year	1 – 5 years	5 + years	Total
CHF						
Non-interest bearing	-	289,209,823	-	33,183,245	-	322,393,068
Variable interest rate instruments	14.65%	36,672,560	37,394,778	198,042,654	75,314,583	347,424,575
Fixed interest rate instruments	8.83%	107,822,177	23,100,831	307,943,057	290,153,446	729,019,511
TOTAL		433,704,560	60,495,609	539,168,956	365,468,029	1,398,837,154

31 December 2023	Weighted average effective interest rate	Less than 6 month	6 months to one year	1 – 5 years	5 + years	Total
CHF						
Non-interest bearing	-	251,654,771	-	114,960,646	-	366,615,417
Variable interest rate instruments	13.21%	66,588,586	27,303,622	211,359,690	550,531	305,802,429
Fixed interest rate instruments	9.33%	88,392,244	114,786,316	320,119,634	102,847,863	626,146,057
TOTAL		406,635,601	142,089,938	646,439,970	103,398,394	1,298,563,903

CHF Counterparty	31 December 2024		31 December 2023	
	Credit limit	Carrying amount	Credit limit	Carrying amount
Syndication	130,714,486	130,714,486	158,120,551	158,120,551
Bond	100,000,000	99,428,595	100,000,000	99,353,363
Bank 1	97,296,482	97,296,482	88,316,738	88,316,738

The amounts included above for variable interest rate instruments for liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

34.11 Fair value measurement

34.11.1 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	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings/bank loans	463,969,693	472,295,806	480,517,949	478,280,305

34.11.2 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 Group receives the fair values of foreign currency forward contracts and interest rate swaps from the counterparty banks. Foreign currency forward contracts are usually measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are usually measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- 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.

34.11.3 Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial and non-financial instruments 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 December 2024				
CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	1,239	-	-	1,239
	1,239	-	-	1,239
Other assets at fair value				
Investment property (i)	-	-	43,111,615	43,111,615
	-	-	43,111,615	43,111,615

31 December 2023				
CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	1,411	-	-	1,411
	1,411	-	-	1,411
Other assets at fair value				
Investment property ¹⁾	-	-	42,155,911	42,155,911
	-	-	42,155,911	42,155,911

There were no transfers between Level 1, 2 and 3 in the period. The 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.

- (i) The reconciliation for investment property is shown in note 15.

35 SHARE-BASED PAYMENTS

35.1 Agreements with current CEO

ODH has entered into an employee contract with its new 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 513,156 is recognised within share-based payment reserve (part of equity).

In 2023, a first milestone was reached which led to a cash payment to the CEO, Omar El Hamamsy of CHF 396,165 (2024: none).

35.2 Employee share option plan of subsidiary ODE

The Board of Directors of ODE, the largest Egyptian subsidiary of the Group, approved an Employee stock option plan (ESOP) to reward and motivate employees. The exercise price of the options is set at the nominal value of the shares at 1 EGP (CHF 0.0560).

There were no share options outstanding during 2024 and 2023.

36 RELATED PARTIES

A party (a company or individual) is related to an entity if:

- a) directly, or indirectly through one or more intermediaries, the party:
 - i. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - ii. has an interest in the entity that gives it significant influence over the entity; or
 - iii. has joint control over the entity;
- b) the party is an associate of the entity or a joint venture in which the entity is a venturer (both defined in IAS 28 Investments in Associates and Joint Ventures);
- c) the party is a member of the key management personnel of the entity or its parent;
- d) the party is a close member family of any individual referred to in (a) or (b);
- e) the party is an entity that is controlled, jointly controlled or significantly influenced by, or which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (a) or (b); or
- f) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is related party of the entity.

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, the Group purchased services from companies in which members of the Board have a partnership or significant influence through ownership during the reporting period. These services related to the leasing of office space in Cairo.

Compensation of key management personnel is disclosed in note 36.3.

36.1 Related party balances

CHF	Due from related parties		Due to related parties	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Associated companies (note 18)				
Red Sea Company for Construction & Develop.	10,616,481	1,141,674	-	-
Andermatt Swiss Alps (iii)	2,018,316	1,752,987	-	-
Non-controlling shareholders				
Three Corners Company (ii)	6,146,734	6,677,359	-	-
Arabian peninsula hospitality ltd. (ii)	-	3,092,601	-	-
Close family members				
Samih Sawiris Family – (i)	-	-	-	-
Close family companies				
FTI	-	5,551,925	-	-
Besix	-	-	8,300,274	12,677,070
Iskan International Projects	-	-	3,084,677	3,014,754
Orascom Construction PLC	-	-	500,687	1,885,110
Other related party balances				
Other (balances less than CHF 120 000 each)	420,984	194,971	338,285	33,235
Total	19,202,515	18,411,517	12,223,923	17,610,169
Current	19,202,515	18,411,517	12,223,923	17,610,169
Non-current	-	-	-	-
Total	19,202,515	18,411,517	12,223,923	17,610,169

- (i) Current accounts due to the Samih Sawiris family are disclosed in note 32.
- (ii) Companies are non-controlling in some Egyptian subsidiaries of ODE. The balance represents advances paid to shareholders to be settled afterwards through dividends. Hence, balance is sufficiently secured and no impairment required.
- (iii) Current account with associated company to settle operating expenses between the two companies. Balance is sufficiently secured as related company is operational and has good credit worthiness. Accordingly, balance is not impaired.

The Group performed ECL test for the related party balances, which resulted in an impairment of CHF 9.0 million in 2024 in relation to related party receivables. (2023 CHF 1.2 million).

36.2 Related party transactions

Orascom Constructions PLC

Orascom Constructions PLC, a company controlled by the Sawiris family, is contracted by the Group for construction projects in Egypt. In 2024, a total of CHF 1.0 million (2023: CHF 5.8) million was invoiced to the Group by Orascom Constructions PLC. For the future development of the respective projects, total commitments for expenditure of CHF 0.2 million were made.

Taba Heights Company transactions

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 in 2008, the respective Group company had to be transferred to Samih Sawiris Family. Samih Sawiris Family 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 the Samih Sawiris family in any value received.

FTI

The Group has rented out Makadi gardens to FTI – an entity owned by the main shareholder of the Company the Samih Sawiris family with an interest of 75 %. The annual rent is fixed at EUR 396,000 (CHF 377,241). In 2024, revenue of CHF 10.4 million (2023: 21.5 million) was recognised in relation to FTI. Further, FTI was one of the tourism companies the Group used to deal with in the hotel segment. Due to the bankruptcy of FTI in 2024, an expected credit loss expense of CHF 8.4 million is recorded, resulting in a provision for bad debt in the same amount.

Iskan International Projects:

Iskan International Projects is owning units in Oman and earning rental income. Amounts due to Iskan represents amounts received from tenants on behalf of Iskan. In 2024, total rental payments of CHF 434,631 (2023: CHF 326,812) were collected by the Group on behalf of Iskan.

Red Sea

The total amount of construction work and services with Red Sea for Construction & Development S.A.E (note 18) reached EGP 5,887 million (CHF 117.5 million) (2023: EGP 4,898 million (CHF 143.4 million)). For the future development of the respective projects, total commitments for expenditure of CHF 82.0 million were made.

Besix

Besix SA, a company partially owned by the Sawiris family through Orascom Constructions PLC, is contracted by the Group for several construction projects in Montenegro. As at 31 December 2024, CHF 8.3 million (31 December 2023: CHF 12.7 million) were due to Besix SA. Further, in 2024, cost of goods sold of CHF 23.3 million (2023: CHF 17.2 million) were invoiced to the Group by Besix SA. For the future development of the respective projects, total commitments for expenditure of CHF 76.6 million were made.

36.3 Compensation of key management personnel

CHF	2024	2023
Salaries	2,527,296	2,462,400
Other short-term employee benefits	1,303,698	1,624,600
TOTAL COMPENSATION OF KEY MANAGEMENT PERSONNEL	3,830,994	4,087,000

For further details on the share-based payments refer to notes 27.3 and 35.

The disclosures required by the Swiss Code of Obligations on Board and Executive committee compensation are shown in the compensation report.

Total compensation of directors and Executive Management is part of the employees benefit expense allocated between cost of sales and administrative expenses (see note 7).

37 NON-CASH TRANSACTIONS

During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flow:

- Transfer of assets from investment property to property, plant and equipment of CHF 2.2 million (notes 14 and 15)
- Capitalization of interest of CHF 25.0 million over inventory (note 10).
- Transfer of treasury shares to Board of Directors as part of their remuneration of 2022 which was paid in 2023 (note 27.2)

38 LEASES

38.1 The Group as lessee

38.1.1 Right-of-use assets

Right-of-use assets relate to lease of office facilities with lease terms from 2 to 15 years, land usufructs with lease terms from 38 to 85 years as well as plant and equipment. Right-of-use assets are located in Egypt, Oman, Montenegro, UAE and Switzerland.

Recognised within Property, plant and equipment (note 14)

CHF	Land	Buildings	Plant and equipment	Total
COST				
Balance at 1 January 2023	9,097,642	38,395,320	2,120,612	49,613,574
Additions	-	980,847	-	980,847
Foreign currency exchange differences	(228,440)	(3,472,578)	(296,862)	(3,997,880)
Balance at 31 December 2023	8,869,202	35,903,589	1,823,750	46,596,541
Additions	-	1,065,507	-	1,065,507
Transfer to assets held for sale	-	(3,378,791)	-	(3,378,791)
Foreign currency exchange differences	266,431	(129,125)	(545,326)	(408,020)
Balance at 31 December 2024	9,135,633	33,461,180	1,278,424	43,875,237
ACCUMULATED DEPRECIATION				
Balance at 1 January 2023	5,460,221	5,218,050	1,452,009	12,130,280
Depreciation expense	885,769	559,090	46,500	1,491,359
Impairment expense	-	1,068,454	-	1,068,454
Foreign currency exchange difference	(142,250)	(947,293)	(373,927)	(1,463,470)
Balance at 31 December 2023	6,203,740	5,898,301	1,124,582	13,226,623
Depreciation expense	719,305	963,763	31,694	1,714,762
Transfer to assets held for sale	-	(3,378,791)	-	(3,378,791)
Foreign currency exchange difference	24,606	(167,794)	(384,032)	(527,220)
Balance at 31 December 2024	6,947,651	3,315,479	772,244	11,035,374
CARRYING AMOUNT				
Balance at 1 January 2023	3,637,421	33,177,270	668,603	37,483,294
Balance at 31 December 2023	2,665,462	30,005,288	699,168	33,369,918
Balance at 31 December 2024	2,187,982	30,145,701	506,180	32,839,863

Recognised within Inventories (note 21)

CHF	Inventory
Balance at 1 January 2023	15,604,414
Recognised as cost of goods sold (COGS)	(120,901)
Foreign currency exchange differences	(1,073,725)
Balance at 31 December 2023	14,409,788
Recognised as cost of goods sold (COGS)	(123,561)
Foreign currency exchange differences	460,066
Balance at 31 December 2024	14,746,293

38.1.2 Maturity analysis of lease liabilities

CHF	31 December 2024	31 December 2023
Year 1	2,897,740	3,018,168
Year 2	2,645,725	2,861,539
Year 3	2,564,863	2,728,417
Year 4	2,349,298	2,681,245
Year 5	2,322,543	2,271,572
Onwards	104,727,755	109,880,202
Total	117,507,924	123,441,143
Less: unearned interest	(90,826,095)	(96,530,389)
Total lease liabilities	26,681,829	26,910,754
Thereof non-current (note 29)	24,589,929	25,033,129
Thereof current (note 29)	2,091,900	1,877,625

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. The average maturity of the lease liabilities is 37 years.

38.1.3 Amounts recognised in profit or loss

CHF	2024	2023
Depreciation expense on right-of-use assets (note 14)	(1,714,762)	(1,491,359)
Impairment expense on right-of-use assets (note 14)	-	(1,068,454)
Interest expense on lease liabilities (note 10)	(4,373,224)	(4,536,010)
Expense relating to short-term leases	(4,320,592)	(2,763,852)
Expense relating to leases of low value assets	(90,256)	(117,442)
Expense relating to variable lease payments not included in the measurement of the lease liability	(2,469,972)	(4,720,061)

Low value, short-term and variable lease payments are included in the operational cash flow.

38.1.4 Further information on leases

At 31 December 2024, the Group has commitments for short-term and low-value leases of CHF 2,964,597 (31 December 2023: CHF 1,017,743).

The total cash outflow for leases amount to CHF 8,247,689 (2023: CHF 8,137,149).

38.2 The Group as lessor

38.2.1 Leasing arrangements

Leases relate to the investment property owned by the Group with lease terms of between 1 and 4 years for premises across all destinations. These lease contracts do not include a lease extension option and are subject to renegotiation at the end of the lease term. The lessee does not have an option to purchase the property at the expiry of the lease period. No material non-cancellable lease receivables exist as at 31 December 2024 (31 December 2023: none).

Rental income earned by the Group from its investment properties and direct operating expenses arising on the investment properties for the year are set out in note 15.

39 OTHER COMMITMENTS FOR EXPENDITURE

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

CHF	31 December 2024
Eco-Bos Development Limited (i)	3,655,673

- (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 put option which Imerys can exercise in 2036.

39.1 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") which are included in their development agreements ("DAs") with the relevant governments in Oman, Morocco and Montenegro.

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

Oman

According to the DAs for Salalah and Sifah, the project companies, which are subsidiaries of the Group, shall use their best efforts to substantially complete a defined number of hotels and a golf course within an indicative timeline. Based on this indicative timeline, the project companies have been initially granted an extension of time for the substantial completion (which is defined as the material elements of the specific MBOs) of the MBOs that elapses on 1 January 2015.

Based on the right to request an extension of the completion date according to the DAs, the Group has requested an extension for the time of completion of the residual MBOs until 2018. Sifah and Salalah project companies being engaged in exhaustive negotiations with the Omani Government, the Group and the Omani Government have finally signed an Addendum in 30 June 2015, in which they officially agreed on the extension of the deadline for completion of the MBOs to be 1 January 2020 and 1 January 2018 for Sifah and Salalah respectively.

Furthermore, the Parties agreed to amend certain elements of the MBOs with regards to Sifah project. The Parties agreed that the Project Company shall deliver 500 hotel keys over three hotels instead of four hotels. Additionally, the Project Company shall be required to either develop an aquarium or a waterpark or increase the number of hotel keys by 60 rooms, at its sole discretion.

Similarly, with regards to Salalah project, it was agreed in the Addendum that the Project Company would deliver 700 hotel keys and replace the 18-hole golf course with a waterpark while the remaining MBO requirements remain unchanged. The Salalah Addendum also stipulates that the Project Company shall grant, transfer and assign to the Omani Government an area of land amounting to two million square meters, while the Omani Government undertook to provide all pending licenses to the Project Company.

The Group has requested the Omani Government to merge the required minimum number of keys, and as such the Project Companies shall be required to complete a total number of 1200/1260 keys among both Sifah and Salalah projects. Moreover, the Group requested the Omani Government to reduce the required number of holes in the golf course contemplated in the Sifah project from 18 to 9. The said request was due to the anticipated shortage in the water resources in the area as suggested by the experts. In March 2017, the Omani government approved both requests and sent a letter to that effect to be finalised by January 2020.

At 31 December 2024, the Project Company has completed three hotels with a total number of 904 keys. As such, the Project Company has exceeded the incumbent MBO requirements. As for the waterpark, it has been operating since December 2017. Further, the Project Company has completed one hotel with 68 keys, in addition to 12 apartments, which shall be incorporated as part of the aforementioned hotel. The Project Company has further assigned the rights and obligations of completing two hotels to Jebel Development Company. Jebel is currently developing two hotels, the first is Angsana Hotel with 180 keys and the second is Banyan Tree Hotel, the number of keys to be allocated has not been determined yet, as the drawings have not been completed.

In December 2017, MTDC and the Omani Government concluded a new addendum that covers the Merger, and the reduction of the Golf Course holes ("New Addendum"). The New Addendum was signed by the Minister of Tourism during Q1 2018

During 2018, additional 178 hotel rooms were built as the extension of the Fanar Hotel. The total number of hotel rooms in Salalah Project is 1'082 as at 31 December 2024.

In January 2019, the Project Company signed with the Omani Government an addendum to the Development Agreements extending the MBO Completion Date of the remaining 111 rooms to January 2022.

In November 2020, the Omani Government issued a letter extending the deadlines for completing the MBO in Sifah and Salalah until 1 January 2024. The addendum related to such extension was delivered to the Project Company by end of March 2023 and has been promptly signed by the Project Company. On 20 September 2023, the Project Company received the signed copy of the addendum from the Government.

As of 31 December 2023, the first phase of construction of the new hotel were completed, including 123 new rooms. Accordingly, the MBO obligations have been met.

Morocco

OCD has concluded the Development Agreement ("DA") with the Government of Morocco on January 2007 for the implementation of the development of Oued Chbika new tourist integrated area. According to the DA, OCD shall develop the area located in South of Morocco according to the Development Program agreed upon with the Government.

The DA does not contemplate the concept of MBOs; however, it sets out a timeline for the performance of the essential elements and phases as provided in the Development Program. The essential elements of this Program have no fixed dates but are rather governed by interconnected milestones that either extend or shorten the performance of the Development Plan elements.

OCD has been working closely with the Government authorities for the past years to obtain the licenses and permits required to start construction, however, the Government has been extensively delaying the issuance of the necessary licenses required for OCD to fulfil its obligations under the DA. In this respect, OCD has applied for the land allotment permit in September 2009 and the permit was only granted in May 2011. OCD has further applied for construction permits in March and November 2011 in order to start construction, however, the process is still pending with the Government. In 2014, OCD has only obtained from the Government a "principal approval" for certain elements related to the development of Phase 1A of the Development Plan. These principal approvals provide a number of strict obligations to be undertaken by the Project Company in order to obtain the construction permits such as, among other things, the requirement to construct administrative units for the municipality and to regularize the land status (which is still pending to date for certain land plots). It is worth noting that to date, the final construction permits allowing OCD to start construction works have not been issued by the Government.

On a separate note, the Government approved, in September 2012, the transfer of title of 300 hectares to OCD (Phase 1A). OCD is currently considered the actual owner of the majority of the land, being 230 hectares out of 316 hectares. However, Also, certain matters regarding the land property certification of certain plots of land deemed of high importance to the project are still pending with the Government.

In light of the Government's delay in fulfilling its obligations with respect to issuing the required licenses and permits for the project, OCD has been engaged in negotiations with the Government regarding the extension of the timeline of the development. To that effect, OCD has sent a letter to the Government on 26 March 2014 proposing a new valuation program in which OCD has requested to deliver in 2020; three hotels, real estate units, marina, and the necessary infrastructure. The request was premised on the basis that the Government acted as a hindrance to the project; due to delays in issuing the necessary permits and providing the essential infrastructure such as, airport and electric lines linked to the project, which are necessary to allow OCD to fulfil its building obligations.

Further, in 2019, a draft amendment agreement to the DA ("Amendment Agreement" or "Avenant 2") has been prepared and negotiated with the Government and an agreed version has been prepared for execution. The Amendment Agreement reflects the arrangements reached between the parties to extend the development timeline and outlines the Government and the Project Company's respective obligations with respect to the development of the project. The Amendment Agreement further provides for an extension of the development timeline allowing the delivery of Phase IA (600 keys) within four years from the execution of the Amendment Agreement with one-year justifiable extension. The Amendment Agreement also includes the Government's obligation to start the development of the airport of Tan-Tan after twelve months from the execution of the Amendment Agreement and to have it completed, within six months, at the latest, from the date of opening of the first hotel. Furthermore, the Amendment Agreement provides for the Government's obligation to finalize, before the opening of the first hotel, the infrastructure related to the electricity to be delivered to the borders of the project's land.

Finally, the Amendment Agreement introduces a new provision allowing the Project Company to establish, with other potential partners, a company to be responsible of the development of the project. Despite having the Amendment Agreement in nearly agreed form, this Agreement has not been signed yet.

On a separate note, the authorization dated 2010 issued to the Project Company by the Ministry of Equipment, Transport, Logistics and Water (the "Ministry") to occupy the maritime public domain (the "Authorization") expired on 31 December 2022. Despite OCD's several requests to the Ministry for the extension of the Authorization, no official response has been received from the Ministry. On

22 September 2023, the Project Company was notified by the Provincial Directorate of Equipment, Transport and Logistics of the expiry of the Authorization and was granted 30 days to regularize its situation. It is worth noting that the Project Company has worked closely with the Ministry to renew the Authorization, however, in light of the lack of response by the Ministry, the Group was required by the authorities in August 2024 to pay monetary fines for occupying the public domain without a valid permit which the Group paid in during September.

Montenegro

In Montenegro, the investment obligations contemplated by the DAs span over three phases of development second phase and third phase. The date of completion of the initial phase is due by 2017.

The initial phase of the project entails the completion of a four-star hotel, in addition to a main mooring area, an 18-hole golf course and a club house, as well as a town centre with several facilities.

However, due to the Government's delay in fulfilling its obligations specified in the DA and the Closing Protocol signed between the Government of Montenegro, Municipality of Tivat and the project company, the time for completing and finalizing the MBO shall be extended proportionally to the time consumed by the Government in fulfilling the said obligations.

To that effect, the project company has notified the Government several times in writing with the delay of the Government in fulfilling its obligation. The notification included reference to the finalization of the infrastructure and undertaking the required action by the Government with regard to the land expropriations on the quarry area and the main hotel site in order to enable the project company to start the construction of the hotel as required under the abovementioned initial phase. It should be noted that, to date, no official response has been received from the Government.

However, to prove its goodwill, LD constructed a hotel in the Marina Village with a capacity of 111 rooms under the name of the "Chedi". The Chedi officially started operating in July 2018. Based on the foregoing, the remaining rooms to be constructed in the Initial Phase as per the LD are 189 hotel rooms instead of 300. The Main Mooring Area has been finalised and started operating in July 2018 and the marina is partly opened. To date, all structural work on the marina has been fully completed (confirmed by the issued license for use), while the remaining works are installing the last pontoon, which will increase the total capacity of the marina to a maximum of 143 berth As for the Golf Course, the heavy excavation is nearly completed and LD started the rough shaping of the first 4 holes. Further, construction works of the practice area (as part of the initial phase) have been finalised and started operation in August 2023.

During 2018 and 2019, several meetings were held with the Government of Montenegro, who accepts that it has failed to fulfil certain obligations causing Lustica's inability to secure the execution of the MBO and MIO. This position has been confirmed during the meetings that were held during 2018 and 2019 with the government and the different competent authorities. Furthermore, the position of the Minister of Tourism acknowledged the Government's delays in the implementation of its contractual obligations, which relate to the expropriation of land, providing adequate traffic accessibility as well as timely construction of communal infrastructure.

Therefore, it is evident that the Government of Montenegro accepts responsibility for delays in the implementation of the contracted obligations, which resulted in the inability of Lustica Development to fulfil its obligations. In parallel and given that the DA and the Closing Protocol grant Lustica an automatic extension of the deadline of delivering the Initial Phase under the MBO so long as the Government did not fulfil its obligations as detailed hereinabove, consequently, the DA is under no risk of termination. This has been confirmed by the letter issued by the Government of Montenegro dated 5 September 2019 whereby the said Government acknowledges that Lustica Development is in good standing with regard to its contractual obligations. The position of the Government of Montenegro has been recently confirmed by virtue of a letter issued on 14 November 2022, issued for the purpose of the credit arrangement under the LDA whereby it confirms that there are no open issues or disputes regarding the implementation of the Lease and Development Agreement

Egypt

On 14 February 2023, Orascom Development Egypt (ODE) has concluded a master agreement with the competent Egyptian authorities for the development of the remaining undeveloped land bank in El Gouna (the "Master Agreement"). According to the Master Agreement, the Tourism Development Authority has approved a new masterplan for the remaining undeveloped area of 17.4 million m² land bank in El Gouna whereby the development of the hotel complex shall be as follows: (i) 1000 hotel rooms to be finalized in 2032, and (ii) additional 1000 hotel rooms to be developed every ten years starting from 2032.

Risk assessment of contingent liability

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 that would protect 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.

4.0 POST-DATED CHEQUES

The Group obtains post-dated cheques from customers for the sale of real estate according to the contractual payment terms and maintains them off balance sheet until the payment is due.

CHF	31 December 2024	31 December 2023
Post-dated cheques – real estate	664,191,890	679,493,693
Post-dated cheques – destination management	21,412,893	37,209,254
TOTAL	685,604,783	716,702,947
Thereof due within 12 months	178,276,807	181,206,921
Thereof due after 12 months	507,327,976	535,496,026

4.1 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Conflict in the Middle East

The conflict that erupted in the Middle East in October 2023 has had significant repercussions for both the region and the global economy, the effects of which continue to develop. Egypt, positioned near the conflict, has experienced particularly pronounced impacts. However, it remains premature to fully evaluate the long-term implications, as the duration and potential escalation of the conflict remain uncertain. While Taba Heights has encountered considerable challenges and negative repercussions, El Gouna area within the Red Sea region has largely weathered the storm. Revenues for 2024 indicate that hotel revenues in El Gouna have risen by 9%, reaching CHF 87.3 million despite also being impacted by the EGP devaluation, in stark contrast to Taba Heights, which has faced significant setbacks. The ongoing conflict in Gaza has severely disrupted Taba Heights' recovery efforts and diminished its attractiveness as an international travel destination.

Given these challenges, the Group primarily minimizes short- and medium-term cash burn rates. The management is committed to ensuring that operations can be swiftly resumed once tourism begins to recover, adopting a prudent approach to mitigate the impacts of the current crisis. The closure of all hotels in Taba has resulted in an alarming revenue decline of 75.7%, with earnings plummeting to just CHF 3.4 million during 2024. Since the onset of the conflict, the Group has strategically closed all but one of its hotels to conserve resources effectively.

Despite these formidable challenges presented by the ongoing conflict, the management team remains optimistic about the Group's capacity to maintain its leading market position as one of Egypt's premier real estate and hospitality companies, both operationally and financially. The Group is well-prepared to navigate unforeseen market disruptions, supported by a flexible balance sheet and robust risk management strategies.

Makadi Heights's new deal with the Egyptian Tourism Development Authority's (TDA):

Makadi Heights for Tourism Development Company (Makadi Heights) has accepted the Egyptian Tourism Development Authority's (TDA) request for an additional land payment of USD 5.6 million in return for a new development timeline of 8 years for Makadi Heights' remaining land bank. The aggregate amount consists of an upfront payment of USD 1.1 million, with the remaining USD 4.5 million to be paid in equal annual instalments over ten years.

4.2 LITIGATION

There were no significant open litigations at 31 December 2024 and 31 December 2023.

43 SUBSEQUENT EVENTS

Delisting project

On 17 December 2024, LPSO Holding Ltd launched a voluntary public tender offer to acquire all publicly held Orascom Development Holding (ODH) shares for CHF 5.60 per share, a 40.7% premium over the 60-day average price. LPSO is the main holding company of the Sawiris family, the majority shareholder group of ODH, which already owns a total of 77.50% of ODH's registered shares. After the settlement of the offer on 11 March 2025, LPSO intends to propose to a general meeting of ODH that its shares be delisted from the SIX Swiss Exchange. In its report to the shareholders, the Board of Directors presents the offer's advantages and disadvantages but refrains from recommending whether to accept or reject it. However, the Board of Directors has obtained a fairness opinion from a third party, which confirms the fairness and adequacy of the offer price from a financial point of view. The offer price is above the upper end of the value range of CHF 3.76 to CHF 5.26, as determined by the third party in its fairness opinion. As of 26 February 2025; according to the notice by LPSO, its shareholding in ODH – taking into account the shares held by LPSO and the persons acting in concert with LPSO (including the shares held by ODH and/or its direct or indirect subsidiaries) – amounts to a total of 58,339,988 shares, corresponding to 97.34% of the issued share capital and voting rights of ODH as of the end of the additional acceptance period on 25 February 2025. The settlement of the offer took place on 11 March 2025.

There have been no other significant events subsequent to 31 December 2024.

44 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the directors and authorised for issue on 25 March 2025.

Report of the Statutory Auditor

To the General Meeting of
ORASCOM DEVELOPMENT HOLDING AG, ALTDORF

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Orascom Development Holding AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages F-3 to F-74) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter

During the fiscal year ended 31 December 2024, the Group's consolidated statement of comprehensive income includes revenue of CHF 631 million (prior year CHF 631 million). The two major revenue streams are revenues from service contracts and revenues from construction of real estate.

Revenue recognition in accordance with IFRS 15 is complex due to several types of customer contracts utilized in different business segments. Further, revenue recognition involves significant judgement and estimates made by Management including whether contracts contain multiple performance obligations to be accounted for separately and the appropriate method for revenue recognition regarding identified performance obligations. A significant number of performance obligations has to be accounted for over time, which requires Management to assess the degree of completion.

The risk is therefore, that revenue is not recognized in the correct period, did not occur, or is recorded with an incorrect value and we consider revenue recognition to be a key audit matter due to the materiality of the position as well as the judgement and estimates this position contains.

Refer to note 3.7 *Revenue recognition*, note 5 *Revenue*, and note 6 *Segment Information*.

How the scope of our audit responded to the key audit matter

We gained an understanding of the Group's key controls in place in respect to revenue recognition.

Our audit procedures on revenue recognition included:

- performing substantive analytical procedures and test of detail (including comparison against contractual terms and accounting standards requirements)
- examining material journal entries and other adjustments made around year-end
- obtaining third party progress reports from construction companies and inspect construction sites for real estate revenues on a sample basis to test the percentage of completion; where only internally prepared progress reports are available, we increased the number of physical inspections of construction sites
- independently recalculating the calculation of the underlying recorded revenue for the selected samples based on the percentage of completion
- validating the appropriateness and completeness of the related disclosures in the consolidated financial statements

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of improper revenue recognition.

Valuation of property, plant and equipment

Key audit matter

The Group's consolidated statement of financial position includes CHF 664 million (prior year CHF 724 million) of property, plant and equipment (PP&E), representing 38% (prior year 39%) of total Group assets. These balances are tested annually for impairment if any triggering events occurred. If the recoverable amount is lower than the carrying amount, an impairment is recognized in accordance with IAS 36.

The Group was able to generate positive cash-flows from operations in 2024. However, some of the destinations and hotels are still in the initial stages and are still being developed, which resulted in certain destinations and hotels still being loss making. This prevailing condition is an impairment indicator for assets used to generate operating cash flows. The annual impairment test includes significant Management judgments about future cash flows generated with these assets.

Refer to note 3.13 *Property, plant and equipment*, note 3.15 *Impairment of tangible assets*, and note 14 *Property, plant and equipment*.

How the scope of our audit responded to the key audit matter

We gained an understanding of the Group's key controls in place in respect to impairment of property, plant & equipment.

In addition, we have performed the following to assess the valuation of PP&E:

- corroborating impairment tests by challenging assumptions made by Management
- testing the valuation models of the hotels, which includes verifying the valuation methodology, the mathematical accuracy of the models, the forecasts and the key assumptions (e.g. occupancy, room rates, WACC, terminal growth rates) as well as a comparison of calculated fair value with the current carrying value of PP&E for the hotels to conclude on any impairment needs
- obtaining assistance from internal valuation specialists to evaluate valuation models for the significant locations in Oman and Montenegro.
- challenging the destinations under development with the current year's progress, its own plans and the outlook to generate positive cash-flows in the future
- validating the appropriateness and completeness of the related disclosures in the consolidated financial statements

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of improper valuation of property, plant and equipment.

Recoverability of trade and other receivables

Key audit matter

The Group's statement of financial position includes CHF 110 million non-current receivables (prior year CHF 116 million), and CHF 164 million trade and other receivables (prior year CHF 172 million) representing 16% (prior year 16%) of total Group assets. The Group records required allowance for expected credit losses in accordance with the requirements of IFRS 9.

The Group needs to execute significant judgement in assessing the collectability of current and non-current receivables, because a material portion of the receivables are collected over an average collecting period of 6.5 years. There is a significant uncertainty around recoverability of these receivables for such a long period in the markets where the Group operates.

Refer to note 3.19.4 *Impairment of financial assets*, note 19 *Non-current receivables*, and note 22 *Trade and other receivables*.

How the scope of our audit responded to the key audit matter

We gained an understanding of the Group's key controls in place in respect to the recoverability of trade and other receivables.

Our audit procedures in respect of the recoverability of receivables included:

- corroborating expected credit loss calculation by challenging assumptions made by Management
- perform test of details and assess on a sample basis whether the calculation of expected credit losses is in line with the requirements of the accounting standards
- assessing the counterparty credit risk based on publicly available information and historical information/experience for selected receivables
- validating the appropriateness and completeness of the related disclosures in the consolidated financial statements

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk around recoverability of trade and other receivables.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG



Chris Kraemer
Licensed Audit Expert
Auditor in Charge



Adrian Kaeppli
Licensed Audit Expert

Zurich, 26 March 2025

Orascom Development Holding AG

Statutory financial statements
together with auditor's report for the
year ended 31 December 2024

Orascom Development Holding AG
Statutory income statement

CHF	Notes	2024	2023
Gross revenue from services		155,619	940,395
Cost of sales		-	(663,045)
Gross profit		155,619	277,350
Staff costs		(6,656,863)	(6,816,902)
Other operational costs		(3,132,981)	(3,359,898)
Depreciation of fixed asset items		(10,424)	(4,020)
Total operating expenditure		(9,800,268)	(10,180,820)
Operating loss		(9,644,649)	(9,903,470)
Financial expenses	3.9	(4,158,566)	(7,628,549)
Financial income	3.10	5,182,774	2,814,087
Total financial income/(expense)		1,024,208	(4,814,462)
Total loss before taxes		(8,620,441)	(14,717,932)
Direct taxes		-	-
Annual loss		(8,620,441)	(14,717,932)



Naguib S. Sawiris
Chairman of the Board



Ashraf Nessim
Group CFO

Orascom Development Holding AG
Statutory balance sheet

CHF	Notes	31 December 2024	31 December 2023
Assets			
Current assets			
Cash at bank	3.1	4,993,845	23,236,845
Other current receivables – Related parties		-	43,500
Other current receivables – Third parties		336,698	245,968
Prepaid expenses and other assets		119,596	153,708
Total current assets		5,450,139	23,680,021
Non-current assets			
Other non-current receivables – Affiliated Companies		26,640,946	34,209,281
Investments in subsidiaries	3.2	1,505,713,774	1,497,970,147
Tangible fixed assets		45,624	7,083
Other non-current assets		451,808	-
Total non-current assets		1,532,852,152	1,532,186,511
Total assets		1,538,302,291	1,555,866,532
Liabilities and shareholders' equity			
Current liabilities			
Trade creditors		151,378	280,417
Current interest-bearing liabilities - Shareholder	3.3	12,153,344	21,797,287
Other current liabilities	3.4	-	100,000,000
Accrued expenses		4,083,001	4,060,307
Deferred revenue		513	46
Total current liabilities		16,388,236	126,138,057
Non-current liabilities			
Non-current interest-bearing liabilities – Affiliated Companies		22,972,062	22,082,116
Other long-term liabilities	3.4	100,000,000	-
Total non-current liabilities		122,972,062	22,082,116
Total liabilities		139,360,298	148,220,173
Shareholders' equity			
Share capital	3.5 3.6	299,111,830	299,111,830
Statutory capital reserves			
Capital contribution reserve (privileged) of which reserves from tax privileged capital contributions	3.7	2,858,520,175	2,858,520,175
Statutory retained earnings		786,005,038	786,005,038
Accumulated losses		(2,543,178,866)	(2,534,475,037)
Own shares	3.8	(1,516,184)	(1,515,647)
Total shareholders' equity		1,398,941,993	1,407,646,359
Total liabilities and shareholders' equity		1,538,302,291	1,555,866,532



Naguib S. Sawiris
Chairman of the Board



Ashraf Nessim
Group CFO

Orascom Development Holding AG

Notes to the statutory financial statements

1 GENERAL INFORMATION

Orascom Development Holding AG was established in Switzerland as Joint Stock Company and is domiciled in Altdorf, Uri. The purpose of the Company is the direct or indirect acquisition, durable management and disposal of participations in domestic or foreign enterprises, in particular in the field of real estate, tourism, hotels, construction, resort management, financing of real estate and related industries as well as the provision of related services.

In 2022, Orascom Development Holding established a Representation office in Dubai for the purpose of expanding the group sales for all destinations.

The accounts for the period from 1 January to 31 December 2024 were approved by the Board of Directors on 25 March 2025. The Company has an annual average of less than 10 full-time employees (previous year: less than 10 full-time employees).

2 KEY ACCOUNTING AND VALUATION PRINCIPLES

2.1 Principal of financial reporting

The present accounts for Orascom Development Holding AG have been prepared in accordance with the requirements of the Swiss Financial Reporting Law. The main accounting and valuation principles used, which are not already specified by the Swiss Code of Obligations, are described as follows.

2.2 Estimates and Assumptions made by management

Financial reporting under the Swiss Code of Obligations requires certain estimates and assumptions to be made by management. These are on-going and are based on past experience and other factors (e.g. expectations of future results for investments and budget). The result subsequently achieved may change from these estimates. Items in the accounts, which are based on the estimates and assumptions made by management, are as follows:

- Investments in subsidiaries

2.3 Foreign currency items

The currency in which Orascom Development Holding AG operates is Swiss Francs (CHF). Transactions in foreign currencies are converted into the currency in which the company operates (CHF) at the exchange rate on the day of the transaction takes place.

- Monetary assets and liabilities in foreign currencies are converted into CHF at the exchange rate on the balance sheet date. Any profit or losses from the exchange are recorded in the income statement except net unrealised gain from non-current items, which are deferred in the balance sheet.
- Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction.

2.4 Related parties

Related parties include subsidiary companies (affiliated companies), members of the Board of Directors and Orascom Development Holding AG shareholders. Transactions with related parties take place under proper market conditions (dealing at an arm's length).

2.5 Cash at bank

The cash and bank deposits are recorded at their nominal value.

2.6 Issuance Costs

Issuance costs for bonds are capitalised and amortised over the period until the maturity date. The capitalised costs are split in current and non-current and presented as part of other assets.

2.7 Own shares

Own Shares are recorded at acquisition cost on the balance sheet as a deduction to equity. If they are resold at a later date, the profit or loss is recorded in retained earnings, respectively accumulated losses.

2.8 Shareholder rights and options / share-based compensation

Own shares are allocated to management and administrative bodies or to employees as shareholder rights or options. The difference between the acquisition value and any payments to counterparties during share allocation is shown as staff costs. Share based compensation arrangements are also settled from the contingent capital. Such transactions are measured at stock market price at the allocation of the shares to the employees. These costs are recorded as staff costs and the new shares in equity. The costs for the transactions are accrued after the vesting conditions are fulfilled until the actual allocation takes place.

2.9 Leasing transactions

Lease payments are recognised as an expense in the period in which they occur. Under the strictly contractual interpretation of leasing contracts, right-of-use assets and lease liabilities are not recognised on the balance sheet. In note 4.1, the residual amount of lease liabilities is disclosed as per Art. 959c para 2, point 6 of the Swiss Code of Obligations.

2.10 Contingent compensation

The company performs an assessment for their contingent compensation arrangement and disclose it as contingent liability if the compensation is not probable. If the assessment concludes that the compensation is more likely than not, the company is recording an accrual for the estimated compensation.

3 INFORMATION RELATING TO ITEMS ON THE BALANCE SHEET AND INCOME STATEMENT

3.1 Cash at bank

CHF	31 December 2024	31 December 2023
of which in CHF	3,098,611	626,103
of which in USD	337,055	21,073,737
of which in EUR	1,495,188	1,478,369
of which in GBP	6,135	6,707
of which in EGP	15,597	340
Of which in AED	41,259	51,589
Total	4,993,845	23,236,845

3.2 Investments in subsidiaries

Investments are valued at acquisition cost less adjustments for impairment. On a regular basis the Company's management reviews the recoverable value of the Company's investments in the various destinations, and accordingly reduces the carrying value by the amount of any impairment losses.

The valuation model of the Company captures the different investments. The valuation model adopts various approaches depending on the category of the project. It also captures the value of the land bank specifically in Egypt as it is one of the major contributors to the investments' value, for which an external appraiser derives the aggregate market value and a discount is applied to be conservative.

For the operating projects, DCF valuation techniques have been applied for the hotels and real estate segments to reflect the evolving status and the expected steady performance of the operations over a time period ranging from 5 to 10 years. Major underlying assumptions have been used depending on the segment such as occupancy and average room rates for hotels and number of units to be sold and average selling price for real estate. These assumptions affecting the future projections take into consideration the various political, economic and operational facts prevailing at the time of preparing the valuations. Future developments may impact the value.

As at 31 December 2024, the Company directly holds the following investments:

Company, domicile, purpose	Ownership %*		Share capital	
	31 December 2024	31 December 2023		
Orascom Development Egypt S.A.E. (previously: Orascom Hotels & Development S.A.E.), Egypt <i>Real estate development, hotel management</i>	75.10%	75.10%	EGP	1,130,473,523
Arena for Hotels Company S.A.E., Egypt <i>Hotel operation</i>	99.85%	99.85%	EGP	20,000,000
ORH Investment Holding Ltd, BVI <i>International holding company</i>	100.00%	100.00%	USD	440,000,000
Lustica Development AD, Montenegro <i>Real estate development, hotel management</i>	87.72%	92.75%	EUR	73,559,781
Andermatt Swiss Alps AG, Switzerland (ASA) <i>Real estate development</i>	49.00%	49.00%	CHF	301,147,000
Orascom Hotels Management AG, Switzerland <i>Hotel Management</i>	100.00%	100.00%	CHF	18,000,000
Orascom Hotels Managements SAE, Egypt <i>Hotel Management</i>	1.00%	1.00%	EGP	2,000,000

* The voting rights are equal to the ownership percentage

In 2024

On 19 January 2024, the issued capital of Luštica Development AD Podgorica increased from EUR 69,559,781 to EUR 73,559,781. Consequently, ODH's investment in Luštica decreased from 92.75% to 87.72% due to the government's share increase from 5,002,500 shares to 9,002,500 shares.

In 2023

On 11 October 2023, Orascom Development Holding AG bought out 200 (1%) share of Orascom Hotels Management SAE, Egypt, and the remaining 99% are owned by Orascom Hotels Management AG, so ODH group owns 100% now of the Egyptian subsidiary.

3.3 Current interest-bearing liabilities – Shareholder

The balance of "Current interest-bearing liabilities – Shareholder" as at 31 December 2024 is due to the Samih Sawiris family in the amount of CHF 12,153,344 (31 December 2023: CHF 21,797,287).

3.4 Other current and long-term liabilities

CHF	31 December 2024	31 December 2023
Other current liabilities	-	100,000,000
Other long-term liabilities	100,000,000,	-
Total bonds	100,000,000	100,000,000

On 11 October 2019 the Company issued a SIX Swiss Exchange listed bond with nominal value of CHF 100 million. The bond had a coupon of 3.25% and a tenor of five years. On 11 October, upon maturity of the bond, the Company successfully issued a new bond worth CHF 100 million to refinance the old bond with a 4.00% coupon and a five-year tenor. The bond is listed on the SIX Swiss Exchange. The maturity date of the bond is 11 October 2029.

3.5 Shareholders' equity movements

The following table shows the shareholders' equity movement:

CHF	Share capital	Statutory capital reserves (tax privileged)	Statutory retained earnings	Accumulated losses	Own shares	Total
Balance at 01/01/2023	202,968,745	2,858,520,175	750,084,967	(2,519,730,199)	(2,118,192)	1,289,725,496
Share capital increase	96,143,085	-	38,457,234	-	-	134,600,319
Transaction costs directly related to capital increase	-	-	(2,537,163)	-	-	(2,537,163)
Acquisition of own shares	-	-	-	-	(318,134)	(318,134)
Disposal of own shares	-	-	-	(96,509)	382,149	285,640
Distribution to Board Members and revaluation	-	-	-	55,264	253,497	308,761
Distribution to others	-	-	-	14,339	285,033	299,372
Loss for the period	-	-	-	(14,717,932)	-	14,717,932)
Balance at 31/12/2023	299,111,830	2,858,520,175	786,005,038	(2,534,475,037)	(1,515,647)	1,407,646,359
Balance at 01/01/2024	299,111,830	2,858,520,175	786,005,038	(2,534,475,037)	(1,515,647)	1,407,646,359
Acquisition of own shares	-	-	-	(19,052)	(143,046)	(162,098)
Disposal of own shares	-	-	-	(64,336)	142,509	78,173
Loss for the period	-	-	-	(8,620,441)	-	(8,620,441)
Balance at 31/12/2024	299,111,830	2,858,520,175	786,005,038	(2,543,178,866)	(1,516,184)	1,398,941,993

3.6 Share Capital

As at 31 December 2024 the Company's share capital of CHF 299,111,830 (31 December 2023: CHF 299,111,830) was divided into 59,822,366 (31 December 2023: shares 40,593,749) registered shares with a par value of CHF 5 (31 December 2023: CHF 5) each. The share capital is fully paid-in. The registered shares of the company are listed on the Swiss Exchange (SIX).

On 28 April 2023, Orascom Development Holding AG 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 each.

3.7 Statutory capital reserves from tax contributions

As of 1 January 2011, Swiss tax authorities have introduced a regulation concerning capital contribution reserves. Distributions from such reserves are exempt from Swiss income and withholding tax. In order to reflect this regulation, capital contribution reserves have been classified separately in the balance sheet. The capital contribution reserves in the amount of CHF 2,999,972,181 have been approved by the tax authorities. An amount of CHF 141,452,006 out of this statutory capital reserves from tax contributions has been used in the capital increase through converting it in share capital, as the offering price was CHF 11.28, which was below the par value CHF 23.20. Therefore, the capital contribution reserves from tax contributions amounts to CHF 2,858,520,175 as per 31 December 2024.

3.8 Own shares transactions

CHF	Number of shares		Book value in CHF	
	2024	2023	2024	2023
As of 1 January	206,785	286,502	1,515,647	2,118,192
Distribution to Board Members	-	(40,466)	-	(253,497)
Distribution from/(to) others	4,500	(45,500)	28,190	(285,033)
Sales	(18,049)	(41,681)	(142,509)	(382,149)
Purchase	28,035	47,930	114,856	318,134
As of 31 December	221,271	206,785	1,516,184	1,515,647

3.9 Finance expenses

CHF	2024	2023
Interest expense	4,158,566	4,307,784
Foreign exchange loss, net	-	3,320,765
Total finance expenses	4,158,566	7,628,549

3.10 Finance income

CHF	2024	2023
Interest income	2,671,059	2,814,087
Foreign exchange gain, net	2,511,715	-
Total finance income	5,182,774	2,814,087

4 OTHER INFORMATION, WHICH IS NOT ALREADY VISIBLE IN THE BALANCE SHEET OR INCOME STATEMENT

4.1 Residual amount of leasing liabilities

Leasing liabilities, which will not expire and may not be terminated within twelve months, are subject to the following repayment structure:

CHF	31 December 2024	31 December 2023
< 1 year	271,200	320,148
1 – 5 years	1,084,800	1,084,800
> 5 years	1,084,800	1,356,000
Total	2,440,800	2,760,948

4.2 Total amount of assets pledged or assigned to secure own liabilities and assets under reservation of ownership

Andermatt Swiss Alps (ASA)

Andermatt Swiss Alps AG (ASA) has obligations towards the canton of Uri and the municipality of Andermatt. ASA is responsible for the construction of certain parts of the tourism resort Andermatt. Within certain periods or should the construction work be stopped for whatever reason, ASA has the obligation to rebuild the relevant plots of land to the original state. As at 31 December 2024, the number of ASA pledged shares owned by the Company is 19,985 (31 December 2023, 19,985) with a net book value of CHF 876.73 each, amounting to a total book value of 17,521,441 (31 December 2023: CHF 17,521,441) which have been pledged as a security to the canton and municipality. Additionally, land with a value of CHF 1,000,000 has been pledged (31 December 2023: CHF 1,000,000).

Orascom Development Egypt S.A.E. (ODE)

As at 31 December 2024, 4,746,000 ODE shares owned by the Company (31 December 2023: 4,746,000) with a net book value of CHF 0.92 each, amounting to a total book value of CHF 4.4 million (31 December 2023: CHF 4.4 million), have been pledged as a security.

Arena for Hotels

As of 31 December 2024, 3,994,000 Arena shares owned by the Company (31 December 2023: 3,994,000) with a net book value of CHF 1.18 each, amounting to a total book value of CHF 4.7 million, have been pledged as a security.

Island Lastavica with fortress Mamula in Herceg Novi

As at 31 January 2014, Orascom Development Holding submitted a bid pursuant to the invitation to tender issued by the tender committee for valorisation of tourism location for the purpose of long-term lease of the site Island Lastavica with fortress Mamula in Herceg Novi with an amount of EUR 300,000. Accordingly, a fully secured bid bond/guarantee was issued in favour the government of Montenegro against a blocked cash deposit of EUR 330,000 (110% of the amount of the guarantee). As a result of the award of the long-term lease, the government of Montenegro requested a performance bond/guarantee against the development works in the amount of EUR 1,500,000. In December 2018, the company blocked a cash deposit of EUR 1,650,000 (110% of the amount of the guarantee) to secure the performance bond/guarantee which was issued by the same bank. Simultaneously, the original bid bond/guarantee was cancelled, and the cash deposit block of EUR 330,000 was released. In June 2023, the company agreed with the bank to reduce the additional collateral from 10% to 5%, along with ability to invest the blocked cash deposit, accordingly the company executed a fixed deposit of EUR 1,575,000, which represents 105% cash collateral of the amount of the guarantee.

4.3 Liabilities towards staff pension schemes

Pension liability as at 31 December 2024 of CHF 26,225 (31 December 2023: CHF 25,100).

4.4 Joint liability in favour of third party

The Company, together with certain Swiss subsidiaries, is part of a Swiss value added tax (VAT) group, resulting in a joint liability for taxation for VAT purposes.

4.5 Contingent liability

The employment contract with the CEO, Omar El Hamamsy, provides for contingent compensation payments based on incremental improvements of the market capitalization of the Company. Each contingent compensation payment is expressed as a percentage of the relevant increment of improvement. Upon achievement of a relevant incremental improvement the respective payment will be made in instalments over a period of several months, subject to the condition of the CEO remaining employed by the Company. The aggregate maximum pay-out of all such contingent compensation payments that may be paid out over the life of the CEO's employment contract amounts to CHF 59.6 million. This maximum pay-out can only be achieved if the development of the market capitalization is such as to make ODH a multi-billion CHF company. The compensation may be paid, at the Company's discretion, in cash or in shares of the Company based on an average of the ODH share prices during a period prior to the triggering of the specific contingent payment.

4.6 Representation Office in Dubai

At the beginning of 2022, Orascom Development Holding AG (ODH) decided to expand its sales by opening a representative office resident in the United Arab Emirates. Its main objective is to increase sales & generate revenue for the group destinations to reach customers all over the world, open new markets, and develop customer relationships.

ODH's real estate segment operates in many destinations: Egypt, Oman, Montenegro, England & Switzerland. The representation office receives a commission from contracted sales from each destination taking the role of the group broker throughout all destinations to increase the group sales.

4.7 Subsequent events

On 17 December 2024, LPSO Holding Ltd launched a voluntary public tender offer to acquire all publicly held Orascom Development Holding (ODH) shares for CHF 5.60 per share, a 40.7% premium over the 60-day average price. LPSO is the main holding company of the Sawiris family, the majority shareholder group of ODH, which already owns a total of 77.50% of ODH's registered shares. After the settlement of the offer on 11 March 2025, LPSO intends to propose to a general meeting of ODH that its shares be delisted from the SIX Swiss Exchange. In its report to the shareholders, the Board of Directors presents the offer's advantages and disadvantages but refrains from recommending whether to accept or reject it. However, the Board of Directors has obtained a fairness opinion from a third party, which confirms the fairness and adequacy of the offer price from a financial point of view. The offer price is above the upper end of the value range of CHF 3.76 to CHF 5.26, as determined by the third party in its fairness opinion. As of 26 February 2025; according to the notice by LPSO, its shareholding in ODH – taking into account the shares held by LPSO and the persons acting in concert with LPSO (including the shares held by ODH and/or its direct or indirect subsidiaries) – amounts to a total of 58,339,988 shares, corresponding to 97.34% of the issued share capital and voting rights of ODH as of the end of the additional acceptance period on 25 February 2025, subject to completion of the offer. The settlement of the offer took place on 11 March 2025.

There have been no other significant events subsequent to 31 December 2024.

Orascom Development Holding AG
Proposal to carry forward the accumulated losses

CHF	31 December 2024
Loss carried forward	(2,534,558,425)
Loss for the period	(8,620,441)
Accumulated losses	(2,543,178,866)

The Board of Directors propose to carry forward the accumulated losses.

Report of the Statutory Auditor

To the General Meeting of
ORASCOM DEVELOPMENT HOLDING AG, ALTDORF

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Orascom Development Holding AG (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages F-82 to F-91) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters is a matters that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investments in subsidiaries

Key audit matter

As described in note 3.2 *Investments in subsidiaries*, Orascom Development Holding AG, holds investments in subsidiaries amounting to CHF 1,506 million as at 31 December 2024 (prior year CHF 1,498 million).

In accordance with the requirements of Swiss law, each investment held is valued individually and reviewed annually for impairment indicators.

The assessment of the carrying value of each investment contains significant Management judgment, as the carrying value depends on political and economic assumptions for Middle East and especially Egypt, which are inherently uncertain. Given future cash-flows of subsidiaries being generated in different currencies, the recoverable value of the investments are also impacted by FX-fluctuations.

Accordingly, for the purpose of our audit, we identified the impairment assessment and judgements applied by Management on the valuation of investments in subsidiaries as a key audit matter.

How the scope of our audit responded to the key audit matter

We assessed the appropriateness of Management's accounting policies regarding the valuation of investments in subsidiaries.

We gained an understanding of the Company's key controls in place.

We challenged the impairment tests for material investments in subsidiaries, by critically assessing whether the key assumptions (e.g. occupancy, room rates, WACC, terminal growth rates) and judgments used in the valuation models are appropriate.

We have involved internal valuation specialists to assist us in reviewing the valuation models and validating the reasonableness of the capital cost and discount rates applied. Further, the specialists performed sensitivity analyses.

We assessed the appropriateness and completeness of the related disclosures in the financial statements in respect of the impairment testing.

Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of an improper valuation of investments in subsidiaries.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG



Chris Kraemer
Licensed Audit Expert
Auditor in Charge



Adrian Kaeppli
Licensed Audit Expert

Zurich, 26 March 2025