



**mnhd**

مدينة نصر للإسكان والتعمير

# H1 2022 Earnings Release

8 August 2022

## MNHD Reports Results for H1 2022

MNHD maintains operational momentum into the second quarter to drive rapid top-line growth.

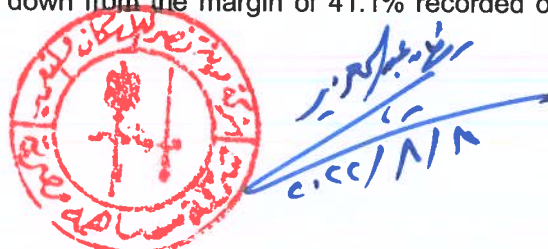
**Cairo, 8 August 2022** – Madinet Nasr for Housing & Development (“MNHD” or “the Company”), one of Egypt’s premier urban community developers, announced on 8 August 2022 its standalone financial results for the six-month period ended 30 June 2022 (H1 2022), reporting a net profit of EGP 236.9 million on total revenues of EGP 1,790.7 million. The Company reported a net profit of EGP 116.7 million for the quarter ended 30 June 2022 (Q2 2022), booking a top line of EGP 972.3 million.

Summary Income Statement (EGP mn)	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
<b>Revenue</b>	<b>972.3</b>	<b>441.4</b>	<b>120.3%</b>	<b>1,790.7</b>	<b>890.5</b>	<b>101.1%</b>
<b>Gross Profit</b>	<b>275.8</b>	<b>270.8</b>	<b>1.9%</b>	<b>547.3</b>	<b>512.3</b>	<b>6.8%</b>
<i>Gross Profit Margin</i>	<i>28.4%</i>	<i>61.4%</i>	<i>-33.0 pts</i>	<i>30.6%</i>	<i>57.5%</i>	<i>-27.0 pts</i>
<b>EBITDA</b>	<b>193.0</b>	<b>185.7</b>	<b>3.9%</b>	<b>404.0</b>	<b>365.8</b>	<b>10.5%</b>
<i>EBITDA Margin</i>	<i>19.9%</i>	<i>42.1%</i>	<i>-22.2 pts</i>	<i>22.6%</i>	<i>41.1%</i>	<i>-18.5 pts</i>
<b>Net Profit</b>	<b>116.7</b>	<b>117.8</b>	<b>-0.9%</b>	<b>236.9</b>	<b>233.7</b>	<b>1.4%</b>
<i>Net Profit Margin</i>	<i>12.0%</i>	<i>26.7%</i>	<i>-14.7 pts</i>	<i>13.2%</i>	<i>26.2%</i>	<i>-13.0 pts</i>

Key Operational Indicators	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
<b>Gross Contracted Sales (EGP mn)</b>	<b>1,780.3</b>	<b>799.0</b>	<b>122.8%</b>	<b>3,342.3</b>	<b>1,538.2</b>	<b>117.3%</b>
Units Sold	567	283	100.4%	1,152	573	101.0%
<b>Deliveries</b>	<b>471</b>	<b>153</b>	<b>207.8%</b>	<b>832</b>	<b>352</b>	<b>136.4%</b>
Land Bank (million sqm)	9,294.1	9,150.6	1.6%	9,294.1	9,150.6	1.6%

### Key Highlights

- MNHD recorded gross contracted sales of EGP 3,342.3 million for H1 2022, up by 117.3% y-o-y. On a quarterly basis, the Company booked gross contracted sales of EGP 1,780.3 million for Q2 2022, an increase of 122.8% y-o-y marking a company record for gross contracted sales in the second quarter.
- The Company delivered a total of 832 units during H1 2022, an increase of 136.4% y-o-y versus the 352 units delivered for H1 2021. On a quarterly basis, MNHD delivered a total of 471 units for Q2 2022, up by 207.8% y-o-y.
- Revenues came in at EGP 1,790.7 million for H1 2022, up by 101.1% y-o-y, driven by an increase in deliveries and secondarily by strong growth in gross contracted sales. MNHD booked revenues of EGP 972.3 million in Q2 2022, an increase of 120.3% y-o-y.
- Gross profit recorded EGP 547.3 million in H1 2022, climbing 6.8% y-o-y. MNHD’s gross profit margin registered 30.6% in H1 2022 against 57.5% for H1 2021, with the decline reflecting the dominance of unit delivery revenues in MNHD’s total revenue mix for H1 2022. Gross profit came in at EGP 275.8 million for Q2 2022, up by 1.9% and yielding a gross profit margin of 28.4% against the 61.4% booked in Q2 2021.
- MNHD booked an EBITDA of EGP 404.0 million for H1 2022, a rise of 10.5% y-o-y. The EBITDA margin came in at 22.6% for the period, down from the margin of 41.1% recorded one year previously. On a



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quarterly basis, EBITDA recorded EGP 193.0 million for Q2 2022, up by 3.9% and yielding a margin of 19.9% against the 42.1% booked for Q2 2021.

- The Company posted a net profit of EGP 236.9 million for H1 2022, up by 1.4% y-o-y and yielding a net profit margin of 13.2% against the 26.2% booked for H1 2021. Net profit came in at EGP 116.7 million for Q2 2022, down by 0.9% and yielding a net profit margin of 12.0% against the 26.7% recorded one year previously.
- Net debt stood at EGP 1,721.3 million at the close of H1 2022, marking a decrease of 34.6% in the year-to-date (YTD). The net debt/EBITDA ratio booked 2.1x for the period, down from 3.6x at year-end FY2021.<sup>1</sup>
- Total notes receivable recorded EGP 3,310.9 million as at 30 June 2022, up by 15.5% YTD and yielding a receivables/net debt ratio of 1.9x for H1 2022, up from 1.1x at the close of FY2021.
- Net cash collections booked EGP 1,634.0 million in H1 2022, up by 8.8% y-o-y. On a quarterly basis, the Company made net cash collections of EGP 797.7 million in Q2 2022, an increase of 13.8% y-o-y.
- MNHD deployed EGP 798.9 million in construction and infrastructure CAPEX during the six-month period, down from the outlay of EGP 1,182.1 million booked for H1 2021 following the completion and delivery of several construction projects. The Company made CAPEX outlays of EGP 417.8 million in Q2 2022, down by 14.1% y-o-y from the EGP 486.3 million deployed in Q2 2021.

### Management Comment

Halfway through 2022, MNHD is more confident than ever of its ability to build and deliver sustainable communities. Our teams have worked hard to maintain the positive momentum gathered during the first quarter to deliver strong operational and financial results. Our performance during the second quarter was very strong and has only cemented our confidence in MNHD's new growth strategy following an already-impressive first quarter.

In April 2022, we launched Taj Ville, a premium villas compound located at our Taj City development. Taj Ville's focus on villas reflects our efforts to leverage our customers' aspirations for standalone units. Within just a few weeks, we had sold out all standalone villas at the project. Besides being a testament to the great potential of our undeveloped land bank at Taj City and Sarai, our success at Taj Ville speaks to homeowners' trust in MNHD and their confidence in our value proposition. Remarkably, we drove this strong performance at Taj Ville despite launching the project at the tail-end of the holy month of Ramadan, traditionally a period of subdued activity in the real estate market.

Coupled with sales of ready-to-move inventory, the launch of Taj Ville helped us more than double our gross contracted sales for H1 2022 to EGP 3,342.3 million. On a quarterly basis, Q2 2022 saw us deliver an all-time company record for gross contracted sales in the second quarter. Deliveries were also up by more than double during the period, reaching 832 units, driven particularly by handovers at Sarai. Reflecting this operational strength, the Company's top line was up by 101.1% y-o-y to EGP 1,790.7 million, yielding a net profit of EGP 236.9 million and a margin of 13.2%. Despite global macroeconomic instability and the prevailing inflationary pressures, the Egyptian real estate market has once again demonstrated its defensive nature, to MNHD's benefit.

<sup>1</sup> MNHD's net debt/EBITDA ratio for H1 2022 was calculated using an annualized EBITDA of EGP 808.0 million.



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Demand remains strong despite the headwinds, and we have been able to take full advantage of this strength through our stock of ready-to-move inventory, which further offers us a margin of flexibility in the face of an uncertain macro environment. We have also taken a strategic stance towards cancellations, designing our policy to relieve delinquent customers, enhance our collection, and release in-demand inventory. To date, we have implemented only limited price increases, consolidating buyers' confidence in our offering, a confidence which has been further deepened by the start of construction at the Shalya compound in Taj City.

Moving forward, we expect the Company to continue delivering positive operational and financial results, and to give our customers even more reason for confidence and satisfaction. As we prepare a number of new launches and seek new growth opportunities over the coming period, we are optimistic and motivated for what the coming quarters will bring. We are confident that MNHD will continue to outperform even the strong results that we have already achieved, and that the Company will successfully generate growth across its project portfolio in a manner that is sustainable and efficient.

**Abdallah Sallam**  
Chief Executive Officer

**Operational Performance**

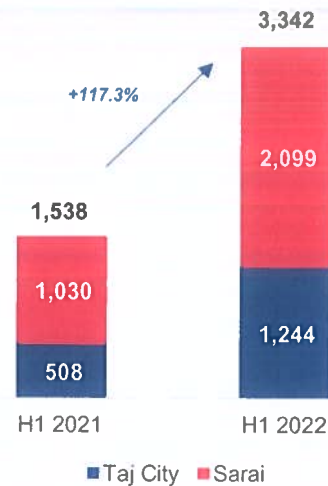
**Gross Contracted Sales**

MNHD recorded **gross contracted sales** of EGP 3,342.3 million during H1 2022, up by 117.3% y-o-y from EGP 1,538.2 million in H1 2021. Approximately 37.2% (EGP 1,243.7 million) of MNHD's gross contracted sales for Q1 2022 were recorded at **Taj City**, the Company's 3.5-million-sqm mixed-use development in the eastern suburbs of Cairo. Meanwhile, 62.8% (EGP 2,098.6 million) of MNHD's gross contracted sales for H1 2022 were generated by **Sarai**, a 5.5-million-sqm mixed-use project near the New Administrative Capital on the Cairo-Suez Road.

The Company sold a total of 1,152 residential units in H1 2022, up by 101.0% y-o-y from 573 units for the same period of the previous year. MNHD sold 522 units at Taj City during the six-month period (H1 2021: 185), with 630 units sold at Sarai (H1 2021: 387). H1 2022 saw the launch in April of Taj Ville, a premium, 145-thousand-sqm, villas-only project at Taj City. MNHD's sales for the period were boosted by the launch of Taj Ville, as well as the Company's continued sales of ready-to-move inventory across its developments.

On a quarterly basis, the Company booked gross contracted sales of EGP 1,780.3 million for Q2 2022, an increase of 122.8% y-o-y from the EGP 799.0 million booked in Q2 2021, marking MNHD's highest-ever sales for a second quarter. Gross contracted sales rose by 14.3% quarter-on-quarter (q-o-q) during Q2 2022. Taj City accounted for 29.9% (EGP 531.8 million) of the quarter's gross contracted sales, while

Gross Contracted Sales (EGP mn)



Sarai accounted for 70.1% (EGP 1,248.5 million). MNHD sold a total of 567 residential units during Q2 2022, up by 100.4% from the same quarter of the previous year. Taj City saw 205 unit sales during Q2 2022 (Q2 2021: 91), while 362 units were sold at Sarai (Q2 2021: 191).

### Net Cash Collections

MNHD made **net cash collections** of EGP 1,634.0 million for H1 2022, up by 8.8% from the figure of EGP 1,501.8 million collected in H1 2021. The Company recorded a low cumulative **delinquency rate** of 4.4% by the end of H1 2022, down significantly from the rate of 9.2% reported for H1 2021.

Net cash collections amounted to EGP 797.7 million in Q2 2022, an increase of 13.8% y-o-y against the EGP 701.2 million collected one year previously. The quarter's delinquency rate of 4.4% marked a significant decrease from the rate of 9.0% recorded for Q2 2021.

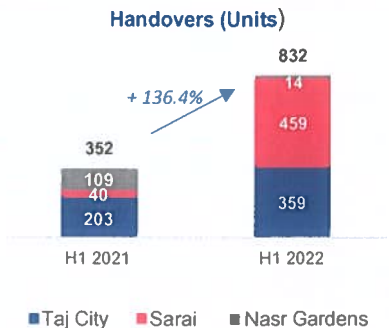
### Cancellations

This decline in the delinquency rate reflects routine efforts to purge the Company's receivables portfolio of nonperforming contracts, with **cancellations** coming in at EGP 1,176.7 million for H1 2022, an increase from cancellations of EGP 322.9 million in H1 2021. The increase in cancellations during the period was an artefact of the COVID-19 pandemic and its effects on the purchasing power of certain market segments. As a percentage of MNHD's gross contracted sales, cancellations booked 35.2% during H1 2022, up from the rate of 20.8% recorded one year previously. MNHD expects cancellations to normalize towards a more typical rate of 10-15% as the Company's receivables portfolio is cleared of nonperforming contracts during 2022.

On a quarterly basis, cancellations booked EGP 411.6 million for Q2 2022, up from EGP 166.4 million in Q2 2021. Cancellations recorded 23.1% as a percentage of gross contracted sales in Q2 2022, up y-o-y against the 20.5% booked in Q2 2021. It is worth noting that cancellations were down significantly q-o-q, declining by 46.2% q-o-q. As a percentage of gross contracted sales, cancellations were down to 23.1% in Q2 2022 against 49.1% in Q1 2022.

### Deliveries

The Company **delivered** 832 residential units across its developments during H1 2022, up by 136.4% y-o-y from the 352 deliveries recorded for H1 2021. Deliveries for the period were largely on schedule. The rapid increase in handovers during the period reflects MNHD's ability to deliver efficiently on its construction pipeline. Deliveries for the period were led by Sarai and boosted by sales of ready-to-move inventory. MNHD completed 459 handovers at Sarai for H1 2022, up from 40 one year previously. The Company recorded 359 handovers at Taj City during H1 2022, up from 203 in H1 2021. Meanwhile, the Company booked fourteen handovers at Nasr Gardens, a subsidized housing project, down from 109 in H1 2021.



Handwritten signature and red circular stamp of Madinet Nasr for Housing & Development (MNHD).

MNHD recorded 471 unit deliveries in Q2 2022, up by 207.8% from the 153 units recorded for Q2 2021. Deliveries were up by 100.3% q-o-q during Q2 2022. The Company delivered 183 units at Taj City during the quarter (Q2 2021: 82), with 285 units delivered at Sarai (Q2 2021: 17) and three units delivered at Nasr Gardens (Q2 2021: 54).

### Ready-to-Move Inventory

Approximately 43.0% of MNHD's gross contracted sales for H1 2022 were sales of **ready-to-move inventory**, with such sales driven largely by Taval and Croons (Sarai) and Park Residence (Taj City). Meanwhile, **off-plan sales** accounted for 57.0% of gross contracted sales in H1 2022, mainly at Croons and Cavana (Sarai), as well as Shalya, Taj Ville, Taj Gardens (Taj City).

### CAPEX

MNHD deployed **construction and infrastructure CAPEX** of EGP 798.9 million during H1 2022, a decrease of 32.4% y-o-y from the EGP 1,182.1 million incurred in H1 2021. The Company's construction and infrastructure investments at Taj City amounted to EGP 273.3 million in H1 2022, down from EGP 447.4 million for the same period of the previous year. At Sarai, MNHD recorded a construction and infrastructure CAPEX spend of EGP 476.3 million for H1 2022, down from EGP 698.9 million for H1 2021. Construction and infrastructure CAPEX at other projects booked EGP 49.4 million for H1 2022, an increase from the EGP 35.8 million recorded one year previously.

The overall decrease in CAPEX for H1 2022 comes following MNHD's completion and delivery of several construction projects at the TAVAL and Croons developments in Sarai and at Park Residence in Taj City. Meanwhile, in June 2022, MNHD began construction at Shalya, a 156-thousand-sqm project at Taj City, demonstrating the Company's commitment to continuous delivery on its project pipeline.

On a quarterly basis, MNHD made construction and infrastructure CAPEX outlays of EGP 417.8 million for Q2 2022, down from EGP 486.3 million one year previously. CAPEX spend recorded EGP 116.3 million at Taj City (Q2 2021: EGP 139.8 million), EGP 263.9 million at Sarai (Q2 2021: EGP 326.8 million), and EGP 37.7 million at other projects (Q2 2021: EGP 19.8 million).

### Land Bank

MNHD held a **land bank** measuring 9.3 million sqm at the close of H1 2022. The Company's primary land bank is strategically located in Greater Cairo (Taj City and Sarai) and is owned in freehold, imparting significant competitive advantages as MNHD is not bound by any specific development timelines outlined by state authorities, recognizes no land-related financial liabilities, and is legally entitled to parcel and sell plots of undeveloped land. About 40.7% of MNHD's land bank was held at Taj City as at 30 June 2022, with 59.3% held at Sarai.

Nearly 54.8% of Taj City's land area was under development at the close of H1 2022, with unlaunched residential projects and unlaunched nonresidential projects accounting for 23.4% and 21.8%, respectively. At Sarai,



approximately 29.9% of the total land area was under development in H1 2022, with unlaunched residential projects and unlaunched nonresidential projects accounting for 55.4% and 14.7%, respectively.

The Company holds a new land bank of more than 437 thousand sqm in the Assiut region of Upper Egypt. As of H1 2022, MNHD's land bank in Assiut was under development, marking the Company's geographical expansion beyond the Greater Cairo area.

## Financial Performance

### Income Statement

#### Revenues

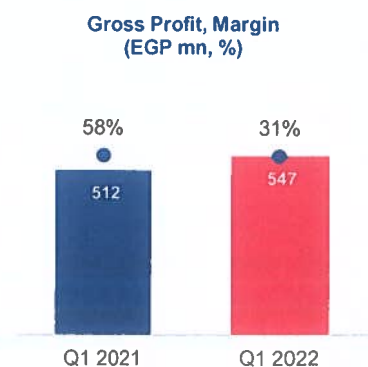
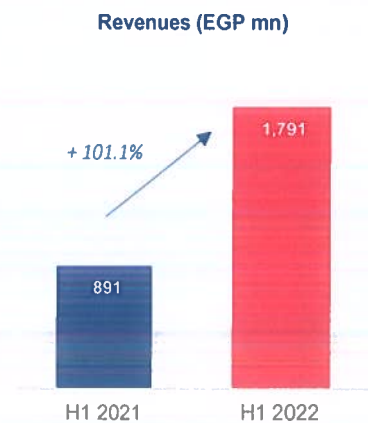
The Company booked **revenues** of EGP 1,790.7 million in H1 2022, up by 101.1% y-o-y from a top line of EGP 890.5 million in H1 2021. Strong revenue growth for the period was primarily driven by a rapid rise in unit deliveries, with further impetus coming from the growth in gross contracted sales.

Deliveries generated revenues of EGP 1,267.5 million during H1 2022, an increase of 277.6% y-o-y, while new sales generated revenues of EGP 814.2 million for the period, up by 36.0% y-o-y. Meanwhile, revenue from unit deliveries contributed 60.9% of the Company's total H1 2022 sales revenue of EGP 2,081.8 million before cancellations, installment interest and rental revenues. Revenue from new sales accounted for 39.1% of the Company's overall top line for the period. At the close of H1 2022, MNHD had an unrecognized revenue **backlog** of EGP 9,450.8 million, calculated as the nominal price of undelivered sales.

On a quarterly basis, MNHD recorded revenues of EGP 972.3 million for Q2 2022, up by 120.3% y-o-y and by 18.8% q-o-q. Delivery revenues represented 66.4% of the Company's overall top line during Q2 2022, while revenue from unit sales contributed 33.6% for the quarter.

#### Gross Profit

**Gross profit** recorded EGP 547.3 million for H1 2022, an increase of 6.8% y-o-y against EGP 512.3 million one year previously. Healthy growth in gross profit was driven by the Company's rapid top-line expansion for the period. MNHD booked a gross profit margin of 30.6% in H1 2022, down from 57.5% in H1 2021. This contraction in the gross profit margin (GPM) during the period reflects the dominance of unit delivery revenues in MNHD's total revenue mix for H1 2022 (delivery revenues generate lower margins as compared to revenue from new sales).



MNHD booked a gross profit of EGP 275.8 million for Q2 2022, up by 1.9% y-o-y and by 1.6% q-o-q. The Company's GPM registered 28.4% for the quarter, down from the 61.4% registered one year previously.

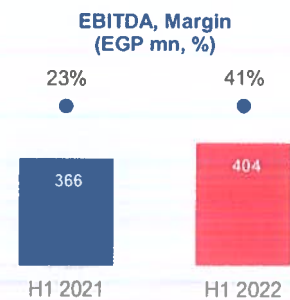
### Sales, General & Administrative Expense

Sales, general & administrative (**SG&A**) expense came in at EGP 274.4 million for H1 2022, rising by 44.7% y-o-y from the outlay of EGP 189.6 million recorded for the same period of 2021. SG&A expenses rose on the back of the period's increase in contracted sales and deliveries, which drove a concurrent increase in sales commissions. As percentage of revenues, SG&A expense recorded 15.3% for H1 2022, down from 21.3% one year previously.

SG&A expenses recorded EGP 163.1 million for Q2 2022, up by 68.4% y-o-y and by 46.5% q-o-q. SG&A expense booked 16.8% as a percentage of revenues in Q2 2022, down from the figure of 21.9% booked for 2Q 2021.

### Net Interest Expense

**Net interest expense** booked EGP 93.9 million in H1 2022, up from EGP 38.3 million for H1 2021. The increase in MNHD's net interest expense during the period reflects new interest payments under a sale and leaseback agreement relating to a land plot at the Cobalt District in Taj City, as well as interest payments on a discounting loan executed during Q3 2021. Net interest expense recorded EGP 45.4 million in Q2 2022, up from EGP 22.1 million.



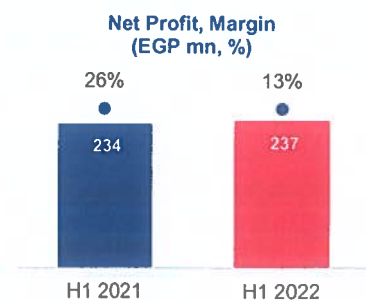
### EBITDA

MNHD reported an **EBITDA** of EGP 404.0 million for the six-month period, marking a climb of 10.5% y-o-y from the EGP 365.8 million recorded for H1 2021. The EBITDA margin fell to 22.6% in H1 2022 from 41.1% one year previously due to the increase in the share of deliveries with their typically lower profit margins in the Company's revenue mix for H1 2022.

On a quarterly basis, MNHD booked an EBITDA of EGP 193.0 million, up by 3.9% y-o-y and down by 8.5% q-o-q. The EBITDA margin came in at 19.9% for the quarter, down from the 42.1% recorded in Q2 2021.

### Net Profit

**Net profit** registered EGP 236.9 million for H1 2022, a climb of 1.4% y-o-y compared to the EGP 233.7 million booked one year previously. Bottom-line growth for the period reflects a rapid increase in revenue, as well as the reversal of EGP 70.0 million in expected credit loss (ECL) provisions. The reversal of ECL provisions follows a decline in MNHD's delinquency rate as the Company continued to rid its receivables portfolio of nonperforming contracts. The net profit margin (NPM) settled at 13.2% for H1 2022, down from 26.2% in H1 2021. This decline in the Company's NPM reflects the





dominance of unit delivery revenues in MNHD's total revenue mix for H1 2022 and an increase in net interest expense during the period.

MNHD recorded a net profit of EGP 116.7 million for Q2 2022, down by 0.9% y-o-y and by 2.9% q-o-q. The Company's NPM booked 12.0% for Q2 2022, down from the 26.7% recorded one year previously.

## Balance Sheet

### Cash & Cash Equivalents

On the balance sheet front, MNHD held **cash and cash equivalents** of EGP 1,728.8 million excluding customer maintenance deposits as at 30 June 2022, up from EGP 1,111.2 million at the close of 2021.

### Debt

As at 30 June 2022, MNHD had outstanding **debt** of EGP 3,447.8 million, down from the position of EGP 3,742.4 million booked at year-end 2021. The Company's **debt/equity** ratio stood at 79.1% by the close of H1 2022, a decrease from the level of 98.8% posted for December 2021. **Net debt** came in at EGP 1,721.3 million as at 30 June 2022, down from EGP 2,633.7 million at the close of 2021. MNHD recorded a **net debt/EBITDA** ratio of 2.1x for H1 2022, down from 3.6x as at 31 December 2021.

### Notes Receivable

MNHD held EGP 3,310.9 million in **notes receivable** at the close of H1 2022, of which EGP 2,579.8 million were short-term and EGP 731.1 million long term receivables. The Company closed an EGP 300 million securitization transaction during the period, bringing its cumulative gross securitized receivables to EGP 744.4 million as of 30 June 2022. **Receivables to net debt** stood at 1.9x by the end of H1 2022, up from the 1.1x recorded at year-end 2021.

### PP&E

**PP&E, fixed assets under construction, and property investments** booked EGP 44.8 million at the close of H1 2022, down from EGP 50.6 million at the close of 2021.





### Recent Corporate Developments

- On 5 July 2022, the Company's Board of Directors received a non-binding offer from Sixth of October for Development and Investment Company (SODIC) for a potential cash acquisition of up to 100% of MNHD's share capital through a mandatory tender offer. SODIC's offer indicated a price in the range of EGP 3.20-3.40. MNHD's Board of Directors has invited the Company's Ordinary General Assembly to convene on 16 August 2022 to discuss the request submitted by SODIC for approval of due diligence studies on MNHD.
- In April 2022, MNHD launched Taj Ville a premium, 145-thousand-sqm, villas-only project at Taj City. Taj Ville is the Taj City's first project to be composed entirely of single-family units, with three types of product on offer: two categories of standalone villa and a twin villa offering. Taj Ville's landscape is covered by energetic water feature designs for approximately 30% of its surface area and the project is surrounded by main roads at all directions. Villas at the project were sold out within weeks, a major mark of confidence in MNHD's offerings given the project's launch during Ramadan, traditionally a period of restrained activity in Egypt's real estate market.
- In July 2022, MNHD launched the first phase of Elect, a new development at Taj City. MNHD sold 50 percent of the development's first phase within two days of launch, recording approximately EGP 400 million in sales during that period. Encompassing three distinct zones, Elect presents homebuyers with a unique selection of one-story, two-story, and Z-villas. The 167.2-thousand-sqm development sits at an elevation of nine meters above the rest of Taj City and will offer residents a full and exceptional view of the project and its neighborhoods.
- MNHD recorded EGP 1.2 billion in reservations for the month of July 2022. This marks the Company's record figure for reservations in a single month. Activity was driven by the launches of Elect and Taj Ville, as well as sales of ready-to-move inventory and activity at Croons and Taval at Sarai. Historically strong sales activity indicates the Company's ability to leverage healthy consumer demand despite macroeconomic uncertainty and testifies to the great potential of MNHD's undeveloped land banks at Taj City and Sarai for profitable residential and commercial development.

-- Ends --



## Income Statement

(EGP 000)	Q2 2022	Q1 2022	Change	H1 2022	H1 2021	Change
<b>Net Revenues</b>	<b>972,346.5</b>	<b>441,364.2</b>	<b>120.3%</b>	<b>1,790,707.7</b>	<b>890,535.5</b>	<b>101.1%</b>
Cost of Revenues	(696,511.3)	(170,552.1)	308.4%	(1,243,376.9)	(378,275.0)	228.7%
<b>Gross Profit</b>	<b>275,835.1</b>	<b>270,812.0</b>	<b>1.9%</b>	<b>547,330.7</b>	<b>512,260.5</b>	<b>6.8%</b>
Less:						
Sales & Marketing Expense	(131,153.4)	(60,738.5)	115.9%	(214,699.3)	(117,272.7)	83.1%
General & Administrative Expenses	(31,934.8)	(36,122.4)	-11.6%	(59,679.5)	(72,282.1)	-17.4%
Other Operating Expenses	(3,906.3)	(9,847.7)	-60.3%	(16,781.5)	(16,704.9)	0.5%
Interest Expense	(74,572.8)	(36,025.7)	107.0%	(147,296.7)	(83,744.2)	75.9%
Add:						
Provisions No Longer Required	-	-	-	-	8,000.0	-100.0%
Reversal of Expected Credit Loss (Net)	42,000.0	-	-	70,000.0	-	-
Interest Income	29,212.9	13,925.5	109.8%	53,438.8	45,462.6	17.5%
Other Operating Income	30,424.3	9,625.4	216.1%	53,891.5	26,149.0	106.1%
<b>Operating Profit</b>	<b>135,905.0</b>	<b>151,628.6</b>	<b>-10.4%</b>	<b>286,204.0</b>	<b>301,868.2</b>	<b>-5.2%</b>
Income from Financial Assets Held at Fair Value (Other Comprehensive Income)	-	180.2	-100.0%	222.2	180.2	23.3%
Gain on Sale of Financial Assets – Amortized Cost	40.3	41.7	-3.4%	40.3	41.7	-3.4%
Other Expenses	(2,580.1)	(2,162.8)	19.3%	(4,745.8)	(3,494.8)	35.8%
<b>Net Profit Before Tax</b>	<b>133,365.2</b>	<b>149,687.7</b>	<b>-10.9%</b>	<b>281,720.7</b>	<b>298,595.3</b>	<b>-5.7%</b>
Income Tax	(17,555.3)	(30,571.5)	-42.6%	(45,625.5)	(51,104.6)	-10.7%
Deferred Tax	869.4	(1,333.0)	-165.2%	826.0	(13,782.8)	-106.0%
<b>Net Profit for the Period</b>	<b>116,679.3</b>	<b>117,783.2</b>	<b>-0.9%</b>	<b>236,921.2</b>	<b>233,707.9</b>	<b>1.4%</b>

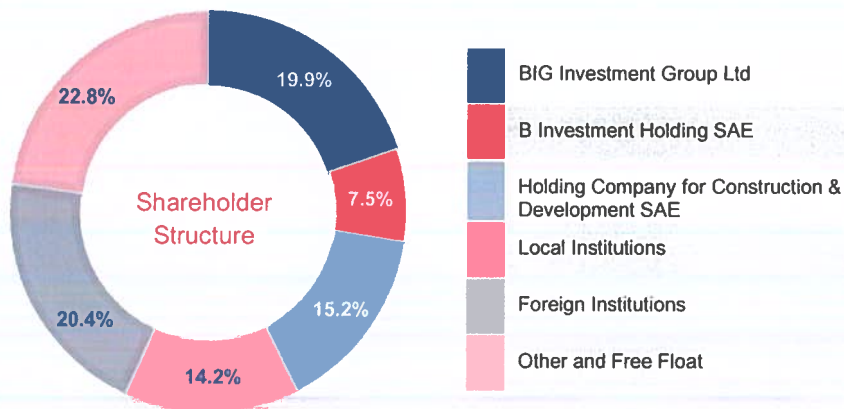







### About MNHD

Since 1959, Madinet Nasr Housing and Development (MNHD) has served the housing needs of millions of Egyptians. Initially founded to develop master projects for the Cairo district of Nasr City, home to three million residents, MNHD has grown into a premier real estate developer and has become one of the country's most recognizable real estate brands. MNHD was listed on the Egyptian Exchange in 1996, capitalizing on a long and successful track record of delivering world-class housing and infrastructure projects to broaden its exposure to various target segments of the Egyptian real estate market. Anchored in the Greater Cairo Area and with a growing presence in other regions of Egypt, the Company holds a land bank of nearly nine million square meters (sqm). MNHD had eight active projects across two main developments at the close of Q1 2022: Taj City, a 3.5 million sqm mixed use development positioned as a premier cultural destination, and Sarai a 5.5 million sqm mixed use development strategically located near Egypt's New Administrative Capital between Cairo and Suez.



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#### Madinet Nasr for Housing and Development

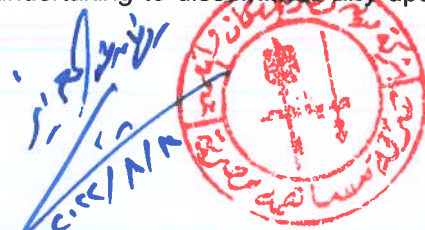
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*Ramadan*  
*8/8/2022*