

**Orascom Development Egypt
(S.A.E)
Condensed Separate Interim Financial Statements
Together With Limited Review Report For The Financial Period
From Jan 1, 2023
Till June 30, 2023**

Orascom Development Egypt – S.A.E
Condensed Separate Interim Financial Statements for the financial period from 1 January 2023 till 30 June 2023

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Limited review report for the condensed separate interim financial statements

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

Introduction

We have reviewed the accompanying condensed separate interim financial statements of Orascom Development Egypt Company (S.A.E) comprised of the condensed separate interim statement of financial position as of June 30, 2023, and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the Egyptian Accounting Standard No. 30. Our responsibility is to express a conclusion on these interim separate financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly, in all material respects the financial position of Orascom Development Egypt Company (S.A.E) as of June 30, 2023; and of its financial performance and its cash flows for the six-months then ended in accordance with Egyptian Accounting Standard No. 30 "Interim Financial Reporting".

Cairo, August 14, 2023

Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510) &
FRA Register No. 691
Auditors



Orascom Development Egypt
S.A.E
Condensed separate interim statement of financial position
As of of June 30, 2023

	<u>Note</u>	<u>6/30/2023</u>	<u>12/31/2022</u>
		<u>EGP</u>	<u>EGP</u>
<u>Assets</u>			
<u>Non-Current Assets</u>			
Fixed assets (net)	(4)	519 039 690	522 669 123
Right of use assets (net)	(6)	3 297 437	3 561 232
Project under construction	(7)	220 563 104	150 732 452
Financial investments valued at fair value through other comprehensive incomes		49 496	49 496
Investment in associate		20 050 000	20 050 000
Investments in subsidiaries		293 001 551	293 001 551
Trade and notes receivable	(14)	1 815 477 277	1 360 428 486
Deferred tax assets	(8)	552 488 888	316 165 216
Total Non-Current Assets		3 423 967 443	2 666 657 556
<u>Current Assets</u>			
Inventory	(11)	3 243 516 686	288 851 361
Due from related parties	(12)	5 619 511 960	5 667 436 880
Trade and notes receivable (net)	(14)	2 160 060 481	1 825 905 256
Suppliers and subcontractors – advance payment	(15)	108 073 748	63 074 714
Debtors and other debit balances		193 621 445	166 146 647
Treasury bills	(9)	--	588 585 714
Cash and cash equivalent	(10)	2 362 169 341	2 197 600 192
Total Current Assets		13 686 953 661	10 797 600 764
Total Assets		17 110 921 104	13 464 258 320
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(16)	1 130 473 523	1 130 473 523
Employee stock ownership plan	(16)	--	(15 501 273)
Employee stock ownership plan reserve		--	1 611 847
Treasury shares	(16)	(14 376 289)	--
Legal reserve		355 288 418	317 426 700
General reserve		1 097 676 360	1 097 676 360
Fair value reserve change		(282 758)	(282 758)
Retained earnings		3 007 171 058	2 287 798 431
Net profit for the period / year		484 648 259	757 234 345
Total Equity		6 060 598 571	5 576 437 175
<u>Non-Current Liabilities</u>			
Deferred tax liabilities		145 693 714	103 581 385
Non-current provisions	(17)	605 908 323	498 507 282
Loans	(18)	5 285 397 864	4 607 240 451
Loans from holding company	(18)	928 290 000	--
Long term right of use liabilities	(6)	3 354 422	3 476 824
Long term land due installment	(25)	1 468 263 700	--
Total Non-Current Liabilities		8 436 908 023	5 212 805 942
<u>Current Liabilities</u>			
Provisions	(17)	152 087 894	574 133 049
Loans installments due within one year	(18)	734 237 709	336 587 374
Right of use liabilities due within one year	(6)	222 139	178 673
Due to related parties	(12)	224 442 781	209 683 075
Due to holding company	(13)	68 678 747	124 260 150
Clients – advance payments	(19)	615 008 950	531 461 265
Suppliers, contractors and notes payables		59 175 043	72 380 260
Long term land due installment within a year	(25)	15 193 516	--
Creditors and other credit balances	(20)	523 746 927	325 697 726
Current income tax liabilities		220 620 804	500 633 631
Total Current Liabilities		2 613 414 510	2 675 015 203
Total Liabilities		11 050 322 533	7 887 821 145
Total Liabilities and Equity		17 110 921 104	13 464 258 320

The accompanying notes form an integral part of these financial statements and to be read there with.

Ashraf Nessim
Group CFO

Omar El Hamamsy
Group CEO




Orascom Development Egypt
(S.A.E)
Condensed separate interim statement of profit or loss
for the financial period from 1 January 2023 till 30 June 2023

	Note	Three months ended in		Six months ended in	
		<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<u>Operating Revenue</u>					
Revenue	(5,23)	1 233 229 206	684 565 784	2 487 011 398	1 439 052 452
Cost		(597 206 418)	(320 421 995)	(1 181 847 844)	(611 383 509)
Gross profit		<u>636 022 788</u>	<u>364 143 789</u>	<u>1 305 163 554</u>	<u>827 668 943</u>
Credit Interest	(22)	65 433 025	57 538 869	138 749 244	113 226 535
Provisions Formed		(4 478 830)	(43 186 458)	(4 895 437)	(43 186 458)
Provisions no Longer Required		1 027 955	--	1 027 955	--
Administrative and General Expenses	(26)	(121 697 049)	(77 090 810)	(225 582 560)	(135 581 299)
Interest and Finance Expenses	(27)	(166 878 016)	(68 652 559)	(316 677 239)	(130 890 504)
Other Revenues and Expenses	(24)	195 491 930	78 385 419	(386 727 797)	13 746 427
Net profit for the period before taxes		<u>604 921 803</u>	<u>311 138 250</u>	<u>511 057 720</u>	<u>644 983 644</u>
Income Tax		(124 455 208)	(74 087 127)	(220 620 804)	(144 010 461)
Deferred Tax		(37 062 406)	1 616 005	194 211 343	92 333 119
Net profit for the period after taxes		<u>443 404 189</u>	<u>238 667 128</u>	<u>484 648 259</u>	<u>593 306 302</u>
Basic Earnings Per Share for the period	(21)	<u>0.40</u>	<u>0.21</u>	<u>0.43</u>	<u>0.53</u>
Diluted Earnings per share for the period	(21)	<u>0.40</u>	<u>0.21</u>	<u>0.43</u>	<u>0.53</u>

The accompanying notes form an integral part of these financial statements and to be read there with.

Ashraf Nessim
Group CFO



Omar El Hamamsy
Group CEO



Orascom Development Egypt
(S.A.E)
Condensed separate interim statement of other comprehensive income
for the financial period from 1 January 2023 till 30 June 2023

	<u>Three months ended in</u>		<u>Six months ended in</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net Profit	443 404 189	238 667 128	484 648 259	593 306 302
Other comprehensive Income				
Financial investments valued at fair value through other comprehensive income – Change in Valuation of investments	--	(155 000)	--	(155 000)
Total Other comprehensive Income for The Period	<u>443 404 189</u>	<u>238 512 128</u>	<u>484 648 259</u>	<u>593 151 302</u>

The accompanying notes form an integral part of these financial statements and to be read there with.

Ashraf Nessim
Group CFO



Omar El Hamansy
Group CEO



Orascom Development Egypt
(S.A.E)
Condensed separate interim statement of Cash flow
for the financial period from 1 January 2023 till 30 June 2023

	<u>6/30/2023</u>	<u>6/30/2022</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flows from Operating Activities</u>	(829 692 862)	369 723 866
Interest paid	(271 080 555)	(122 196 207)
Interest paid on operating leasing	(224 157)	--
Taxes Paid	(393 232 590)	(305 013 511)
Net cash (used in) operating activities	<u>(1 494 230 164)</u>	<u>(57 485 852)</u>
<u>Cash flows from investing activities</u>		
Payments for purchase of fixed asset	(4 769 985)	(1 271 757)
Payments for projects under construction	(69 830 652)	(2 799 573)
Proceeds from short-term investment sale	43 588 435	--
Dividend Received	101 052 000	79 398 000
Treasury Bills	--	125 985 972
Interests Received	93 709 451	61 828 126
Net Cash Generated From Investing Activities	<u>163 749 249</u>	<u>263 140 768</u>
<u>Cash flows from financing activities</u>		
(Payment) on operating lease	303 093	--
(Payment) Treasury shares	(486 863)	--
Proceeds from Employee Stock Ownership Plan	--	2 441 319
Net proceed (payment) from loan*	906 648 120	(2 502 381)
Net cash generated from / (used in) financing activities	<u>906 464 350</u>	<u>(61 062)</u>
Net Change in cash and cash equivalents for the period	<u>(424 016 565)</u>	<u>205 593 854</u>
Cash and cash equivalents at beginning of period	<u>2 786 185 906</u>	<u>1 801 840 194</u>
Cash and cash equivalents at end of period	<u>2 362 169 341</u>	<u>2 007 434 048</u>

***Non-Cash Transaction**

The effect of unrealized exchange rate with an amount of EGP 1.09 billion was eliminated from loan payments.

The accompanying notes form an integral part of these financial statements and to be read there with.

Orascom Development Egypt

S.A.E

Condensed separate interim statement of changes in equity
for the financial period from 1 January 2023 till 30 June 2023

<u>Item</u>	<u>Issued capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>Employee stock ownership plan reserve</u>	<u>Investment evaluation reverse</u>	<u>Treasurv shares</u>	<u>ESOP shares</u>	<u>Retained earnings</u>	<u>Net profit for the period / year</u>	<u>Total</u>
	<u>Paid in EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance as of January 1, 2022	1 130 473 523	281 544 131	1 097 676 360	16 616 266	(171 271)	--	(17 942 592)	1 591 025 193	717 651 388	4 816 872 998
Transferred to retained earnings	--	--	--	--	--	--	--	717 651 388	(717 651 388)	--
Legal reserve	--	35 882 569	--	--	--	--	--	(35 882 569)	--	--
Fair value share of option granted	--	--	--	(15 004 419)	--	--	2 441 319	15 004 419	--	2 441 319
Comprehensive income										
Net profit for the period	--	--	--	--	--	--	--	--	593 306 302	593 306 302
Financial investments valued at fair value through other comprehensive income	--	--	--	--	(155 000)	--	--	--	--	(155 000)
Total comprehensive income	--	--	--	--	(155 000)	--	--	--	593 306 302	593 151 302
Balance as of June 30, 2022	1 130 473 523	317 426 700	1 097 676 360	1 611 847	(326 271)	--	(15 501 273)	2 287 798 431	593 306 302	5 412 465 619
Balance as of January 1, 2023	1 130 473 523	317 426 700	1 097 676 360	1 611 847	(282 758)	--	(15 501 273)	2 287 798 431	757 234 345	5 576 437 175
Transferred to retained earnings	--	--	--	--	--	--	--	757 234 345	(757 234 345)	--
Legal reserve	--	37 861 718	--	--	--	--	--	(37 861 718)	--	--
The effect of transfer from ESOP to Treasury shares (Note 16)	--	--	--	(1 611 847)	--	(14 376 289)	15 501 273	--	--	(486 863)
Comprehensive income										
Net profit for the period	--	--	--	--	--	--	--	--	484 648 259	484 648 259
Total comprehensive income	--	--	--	--	--	--	--	--	484 648 259	484 648 259
Balance as of June 30, 2023	1 130 473 523	355 288 418	1 097 676 360	--	(282 758)	(14 376 289)	--	3 007 171 058	484 648 259	6 060 598 571

The accompanying notes form an integral part of these financial statements and to be read there with.

Orascom Development Egypt (S.A.E)
Notes to the Condensed Separate Interim Financial Statements
For the financial period from 1 January 2023 till 30 June 2023

1- Company Background and its Activities

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

2- Basis of Preparation of Financial Statements

The condensed financial statements have been prepared in accordance with the Egyptian Accounting Standard No. (30) "Interim Financial Statements".

3- Significant Accounting Policies

The condensed financial statements have been prepared following the same accounting policies that was applied at preparing the financial statements for the year ended 31 December 2022.

Orascom Development Egypt (S.A.E)
Notes to the Condensed Separate Interim Financial Statements
for the financial period from 1 January 2023 till 30 June 2023

4. Fixed Assets (net):

	<u>Lands</u>	<u>Infrastructure, buildings, units, land improvements</u>	<u>Machines, Equipment, Appliances, Service Station</u>	<u>Transportation</u>	<u>Utilities, tools</u>	<u>Furniture, Tools</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Cost as of 1/1/2022	48 483 220	576 075 633	22 987 051	4 611 755	1 142 980	34 501 424	687 802 063
Addition	--	--	1 009 892	--	--	261 865	1 271 757
Disposal	--	--	--	--	--	(1 729 829)	(1 729 829)
Cost as of 30/6/2022	48 483 220	576 075 633	23 996 943	4 611 755	1 142 980	33 033 460	687 343 991
Accumulated depreciation 1/1/2022	--	100 729 309	20 307 562	4 611 754	1 142 979	28 247 782	155 039 386
Depreciation for the Period	--	5 927 798	1 151 870	--	--	694 370	7 774 038
Disposal of accumulated depreciation	--	--	--	--	--	(1 516 347)	(1 516 347)
Accumulated depreciation 30/6/2022	--	106 657 107	21 459 432	4 611 754	1 142 979	27 425 805	161 297 077
Net Book Value 30/6/2022	48 483 220	469 418 526	2 537 511	1	1	5 607 655	526 046 914
	<u>Lands</u>	<u>Infrastructure, buildings, units, land improvements</u>	<u>Machines, Equipment, Appliances, Service Station</u>	<u>Transportation</u>	<u>Utilities, tools</u>	<u>Furniture, Tools</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Cost as of 1/1/2023	48 483 220	575 788 740	26 946 117	4 611 755	1 142 980	35 001 533	691 974 345
Addition	--	25 097	4 472 494	--	--	272 398	4 769 989
Disposal	--	--	--	--	--	(24 960)	(24 960)
Cost as of 30/6/2023	48 483 220	575 813 837	31 418 611	4 611 755	1 142 980	35 248 971	696 719 374
Accumulated depreciation 1/1/2023	--	112 473 040	22 831 138	4 611 754	1 142 979	28 246 311	169 305 222
Depreciation for the Period	--	5 925 743	1 590 635	--	--	883 040	8 399 418
Disposal Accumulated depreciation	--	--	--	--	--	(24 956)	(24 956)
Accumulated depreciation 30/6/2023	--	118 398 783	24 421 773	4 611 754	1 142 979	29 104 395	177 679 684
Net Book Value as of 30/6/2023	48 483 220	457 415 054	6 996 838	1	1	6 144 576	519 039 690
Net Book Value as of 31/12/2022	48 483 220	463 315 700	4 114 979	1	1	6 755 222	522 669 123

*Depreciation during the period has been included in general and administrative expenses.

Orascom Development Egypt (S.A.E)
Notes to the Condensed Separate Interim Financial Statements
for the financial period from 1 January 2023 till 30 June 2023

5. Sectors Activity Information:

	<u>Real Estate Sector</u>		<u>Land Sector</u>		<u>Other</u>		<u>Total</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Revenue								
Total Sectors Revenue	2 487 011 398	1 439 052 452	--	--	--	--	2 487 011 398	1 439 052 452
Sector Cost	(1 171 658 322)	(606 130 907)	(10 189 522)	(5 252 602)	--	--	(1 181 847 844)	(611 383 509)
Sectors Gross Profit (Loss)	1 315 353 076	832 921 545	(10 189 522)	(5 252 602)	--	--	1 305 163 554	827 668 943
Other income (expenses)	243 703 345	314 004 681	(92 377 541)	(4 912 442)	(971 841 099)	(543 454 880)	(820 515 295)	(234 362 641)
Period net profit	1 559 056 421	1 146 926 226	(102 567 063)	(10 165 044)	(971 841 099)	(543 454 880)	484 648 259	593 306 302

Sectors Assets and Liabilities

	<u>Real Estate Sector</u>		<u>Land Sector</u>		<u>Other</u>		<u>Total</u>	
	<u>6/30/2023</u>	<u>12/31/2022</u>	<u>6/30/2023</u>	<u>12/31/2022</u>	<u>6/30/2023</u>	<u>12/31/2022</u>	<u>6/30/2023</u>	<u>12/31/2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Assets	5 994 520 973	5 075 123 211	5 479 640 485	2 703 386 223	5 636 759 646	5 685 748 886	17 110 921 104	13 464 258 320
Liabilities	1 032 592 560	789 877 298	1 874 561 864	395 345 884	8 143 168 109	6 702 597 963	11 050 322 533	7 887 821 145
Owner's Equity	4 961 928 413	4 285 245 913	3 605 078 621	2 308 040 339	(2 506 408 463)	(1 016 849 077)	6 060 598 571	5 576 437 175

Orascom Development Egypt (S.A.E)
Notes to the Condensed Separate Interim Financial Statements
For the financial period from 1 January 2023 till 30 June 2023

6. Right of Use-Asset:

<u>EGP</u>	<u>30/6/2023</u>	<u>31/12/2022</u>
Cost Period/Year	3 561 232	3 693 129
Amortization Period/Year	(263 795)	(131 897)
Net Book Value	3 297 437	3 561 232

- A new right of use asset was added during the 4th quarter of year 2022 for one of the company's administrative headquarter.
- The total value of Liabilities right of use is 3 576 561 EGP on the 30th of June 2023, represents the present value of the future rental units distributed among long term right of use liabilities EGP 3 354 422, and Right of use liabilities due within one year EGP 222 139.

7. Projects under Construction:

The value of projects under construction represents the infrastructure of El Gouna projects that has not been finished yet until the 30th of June 2023 where the balance has reached 220 563 104 EGP.

8. Deferred Tax Assets:

The main reason for the increase in the balance of deferred tax assets during the period is the increase in currency exchange rates loss (Note 24).

9. Treasury bills:

<u>EGP</u>	<u>30/6/2023</u>	<u>31/12/2022</u>
	<u>Less than 3 month</u>	<u>Less than 3 month</u>
Treasury bills	--	602 850 000
Less: Unearned interest	--	(14 264 286)
Total	--	588 585 714

10. Cash and Cash Equivalents

<u>EGP</u>	<u>30/6/2023</u>	<u>31/12/2022</u>
Cash on hand	15 000	--
Time Deposits	906 151 466	1 422 162 071
Bank – Current Account	1 456 002 875	775 438 121
Total	2 362 169 341	2 197 600 192

For the purpose of preparing cash flow statement, the cash is represented as follows:

Orascom Development Egypt (S.A.E)
Notes to the Condensed Separate Interim Financial Statements
For the financial period from 1 January 2023 till 30 June 2023

EGP	30/6/2023	30/6/2022
Cash – Banks Balance	2 362 169 341	1 533 837 796
Treasury Bills – Less than 3 Months	--	473 596 252
Total	2 362 169 341	2 007 434 048

11. Inventory:

EGP	30/6/2023	31/12/2022
Works in progress	270 306 964	90 544 249
Land held for development*	2 973 209 722	198 307 112
Total	3 243 516 686	288 851 361

* The reason for the increase in inventory balance is due to the agreement signed with the Egyptian Government, as the tourism development authority approved a new master plan for the undeveloped piece of land at El Gouna city, in addition to modifying the shoreline for the undeveloped piece of land, which led to an increase in the value of land inventory during the period. (Note 31)

12. Due from and to Related parties:

The main reason for the change is the cash transfers received from / to subsidiaries during the period.

13. Due to Holding company:

The reason for the change in due from the holding company (Orascom Development Holding AG) is cash transfers received from the holding company during the period.

14. Trade and Notes Receivable:

The main reason for the change in this item is the increase in sales and signed contracts in real estate sector during the period.

15. Suppliers and Subcontractors – Advance Payment

The main reason for the change is due to projects expansion, as a result, it's a must to set up agreements with subcontractors and suppliers. These payments will be consumed by the end of the work.

16. Capital:

The authorized capital of the company is EGP 5 000 000 000 (Five Billions EGP), while the issued and paid up capital is EGP 1 108 307 385 (one billion, hundred and eight millions, three hundred and seven thousands and three hundred and eighty five EGP), distributed to 1 108 307 385 shares (one billion, hundred and eight millions, three hundred and seven thousands and three hundred and eighty five Shares) with a value of each share is 1 EGP (one Egyptian pound), instead of 221 661 475 Shares (two hundred and twenty one millions, six hundred and sixty one thousands and four hundred and seventy five shares) with a value of 5 EGP of each share. In accordance with the extraordinary general assembly held on 19th of March 2018 on breaking down of the share's nominal value from 5 Pounds to one Egyptian pound.

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The necessary legal procedures have been completed with both Misr for central cleaning and depositing and central registration company and Egyptian stock exchange about the activation of share distribution process, shares have been traded according to nominal value (after the distribution process), starting from 7th of May 2018.

Employee Stock Ownership Plan:

In accordance with the extraordinary general assembly held on 8th of November 2018, the capital has been increased by EGP 22 166 138 for 22 166 138 shares. The value of each share is 1 EGP and all shares were paid in cash.

The capital has been increased to EGP 1 130 473 523 according to the amended of the article of corporation no 6 and 7 for the purpose of financing the company's employee stock ownership plan. It has been recorded in the commercial register on 19th of December 2018.

- At the end of the year 2020, the number of shares subscribed by the employee was 2 285 252 shares with a value of each is 1 EGP, and it was paid in cash.
- On the second quarter of the year 2021, the number of shares subscribed by the employee was 1 938 294 shares with a value of each is 1 EGP, and it was paid in cash.
- On the first quarter of the year 2022, the number of shares subscribed by the employee was 1 816 833 shares with a value of each is 1 EGP, and it was paid in cash.
- On the second quarter of the year 2022, the number of shares subscribed by the employee was 624 486 shares with a value of each is 1 EGP, and it was paid in cash.

Treasury Shares:

- On 16th of March 2023, it was approved by the board of directors to cancel the outstanding stock ownership plan for the employees, and convert the remaining shares to treasury shares totaling 15 501 273, where the general assembly meeting approved on the 2nd of May 2023, and the conversion was executed on 21st of June 2023.

17. Provisions:

Non-current provisions

<u>EGP</u>	<u>31/12/2022</u>	<u>Transferred from other credit balance</u>	<u>Used</u>	<u>30/6/2023</u>
Infrastructure Provision	380 846 978	--	--	380 846 978
Provision for contingent liabilities (i)(ii)(iii)	117 660 304	107 401 041	--	225 061 345
	498 507 282	107 401 041	--	605 908 323

Current Provisions

<u>EGP</u>	<u>31/12/2022</u>	<u>Formed</u>	<u>Used</u>	<u>No longer required</u>	<u>30/6/2023</u>
Claims Provision (i)(ii)(iii)	574 133 049	4 926 108	(425 943 308)	(1 027 955)	152 087 894
	574 133 049	4 926 108	(425 943 308)	(1 027 955)	152 087 894

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- i. Provisions are related to claims from some external parties in relation to the company's activity. In the case of uncertainty until the settlement of these disputes is completed, the management and its consultants carry out the necessary studies for the best estimated results, review and adjust the provisions annually according to the latest developments and discussions with those parties.
- ii. The balance includes formed provision to meet the cost of registering the sold land and to meet some of the other expected obligations for unresolved contracts.
- iii. Part of the provisions is charged on cost of sales.

18- Loans

- On November 19, 2020, the company has signed a facility agreement to reschedule outstanding debts and increase its size with a medium-term loan, equivalent to an amount of USD 265 million divided into two tranches, tranche (A) with an amount of USD 215 million, distributed as EGP 631 051 803, USD 99 770 000 and EURO 63 205 798 at an interest rate for the USD 4.25% above the Libor rate and for the EURO 4.75% EURIBOR rate, 1.25% for the Egyptian pound above the corridor price, in addition to the equivalent of USD 50 million as Tranche (B) in Egyptian pound 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 banks involved in the agreement are four Egyptian banks: Commercial International Bank (the creditor agent), Bank Misr, Banque du caire and HSBC.

On 23rd of December 2020, the contract was activated, and at the same date the company received an amount of USD 215 million (tranche A) to repay the outstanding loan balances, while tranche (B) amounting to the equivalent of USD 50 million will be used to finance the expansion of the new hotel room of the hospitality sector in the sub companies. During 2022 and the first six months of 2023, the company used 361.7 million Egyptian pounds from tranche (B).

The loan will be paid over seven years, including a grace period of 2.5 years, the first instalment will be due in June 2023. The loan will expire on 23 December 2027 compared with CTIA loans, which had a due date on 31 December 2024. The first installment was paid with an amount EGP 12.6 million, USD 1.99 million and EURO 1.26 million from tranche (A), along with EGP 7.8 from tranche (B).

On January 28, 2022 a contract was signed for financing under discounting of commercial papers with the Arab Investment Bank for a total of 132 million Egyptian pounds with a net value of 123 million Egyptian pounds at a discount rate of 10.5 %. The total loan was paid in September 2022.

On February 2023, the company had signed an agreement with holding company to borrow USD 30 million from the holding company (Orascom Development Holding Company AG) to pay the obligation due from the agreement signed with the Egyptian Government in 2023 (note 31) at an interest rate of 3.75%.

19. Advance payments Clients:

The main reason for the increase in advance payment clients was due the increase in the number of units booked by clients during the period.

20. Creditor and other Credit Balances:

The main reason for the change is due to increase in clients signed new contracts, as a result deferred revenue has increased.

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21. Basic / diluted earnings per share for the period:

The profits / losses per share during the period is calculated using the weighted outstanding number of shares as follows:

	Ended 3 Months		Ended 6 Months	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
EGP				
Period net profit (EGP)	443 404 189	238 667 128	484 648 259	593 306 302
Average No of Shares during the period	1 114 972 250	1 114 972 250	1 114 972 250	1 114 972 250
Basic earnings per share profit	<u>0.40</u>	<u>0.21</u>	<u>0.43</u>	<u>0.53</u>
By granting stock ownership (Employee stock ownership plan) each share will be:				
Weighted outstanding including (ESOP)	1 115 189 023	1 115 200 366	1 115 189 023	1 115 200 366
Diluted earnings per share profit	<u>0.40</u>	<u>0.21</u>	<u>0.43</u>	<u>0.53</u>

22. Credit Interest:

The main reason for the increase in this item with EGP 25.5 Million is the increase on the cash at bank balances, term deposits and treasury bills interest with amount of EGP 31.8 million, and decrease in interest on clients with an amount of EGP 6.3 million compared with the same period from last year.

23. Revenue:

The Revenue has reached EGP 2 487 011 398 (the six months ended on 30th of June 2022 with an amount EGP 1 439 052 452). The main reason for the increase in revenue is due to the increase in real estate revenues.

24. Other Revenues and Expenses:

The main reason for the change in this item is

- Dividends distribution from Red Sea Company with an amount of EGP 101 million compared with EGP 79 million of the same period for the last year.
- Net FX losses with an amount of EGP 536.6 million during the current period, compared to an amount of EGP 75.3 million of the same period for the last year as a result decrease in the EGP performance.
- Gain from short-term investments with an amount of EGP 43 million.

25. Land Due Installments:

On 15th of February 2023, Orascom Development Egypt has announced the signing of an agreement with the Egyptian government with an amount of USD 91 Million, enhancing the company's long-term growth strategy. This agreement is based on the Egyptian Government's continuous efforts to support and encourage private sector investment in Egypt. Payments will be done in 15 annual installments (note 31).

26. General and Administrative Expenses:

The general and administrative expenses amounted to EGP 225 582 560 (the last six months ended in 30th of June 2022 with an amount of EGP 135 581 299).

The increase was due to the increase in the company's activities during the period. In addition to the high inflation rates and its effect on increasing prices in general.

27. Interest and Finance Expenses:

The interest and financing expenses during the six months ended June 30, 2023 amounted to EGP 316 677 239 (the last six months ended in 30th of June 2022) with an amount of EGP 130 890 504, the increase was due to the increase in exchange rate for both USD and EURO, in addition to increase in interest rate on loans as a result of the

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Monetary Policy Committee decision to increase the rate of return on deposit and lending during the current period (note 31).

28. Transactions with Related Parties:

Total contracting of construction and services with Red Sea Contracting and Construction Company (one of the associates companies with rate 40.10%) has reached EGP 1,1 billion during the half year of 2023.

29. Minimum Building Obligation (MBO):

On February 14, 2023, Orascom Development Egypt has signed an agreement with the Egyptian Government. Under that agreement, the Tourism Development Authority approved a new master plan for the remaining 17.4 million square meters of land in El Gouna. According to the agreement, the company is required to build 1,000 hotel rooms every 10 years from the start date of the agreement. (Note 31)

30. Tax Position

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

a) Corporate Tax:

- The company was inspected till year 2017 and the due tax was paid.
- Tax returns till year 2022 were submitted on legal date

b) Payroll Tax:

- The company was inspected till year 2019 and taxes paid

c) Stamp duty Tax:

- The company was inspected till year 2018 and taxes paid

31. Significant Events during the Financial Period

• On February 15, 2023, Orascom Development Egypt Company announced an agreement with the Egyptian Government that would strengthen the company's long-term growth strategy. The agreement is based on the Egyptian Government ongoing efforts to support and encourage private sector investment in Egypt. The agreement contains the following terms:

- Approval of a new master plan for the remaining 17.4 million square metres of undeveloped land in El Gouna City, which includes approximately 1.2 million square metres of connected lagoons and 1,000 hotel rooms every 10 years;
- Granting the company, the right to connect its lagoon system to the sea via two new water canals to improve water quality in existing and future projects, naturally and cost efficiently
- Reducing the shoreline setback for the remaining land bank from 200 metres to 105 metres, which allows the company to make commercial use of the most prime land facing the sea; Modification of real estate transaction fees (Governmental rights) on disposal of real estate units for the undeveloped piece of land at El Gouna, to be fixed for 10 years and installed for 15 years.
- Granting environmental permits for 24 projects in El Gouna, exonerating the company from all charges and settlement of all disputes with the Environment Protection Agency

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- On 30th of March 2023, the monetary policy committee (MPC) decided for the Egyptian central bank in its monthly meeting to increase the deposit rate, overnight lending rate and rate of the main operations by the central bank (200 basis points) to reach 18.25% - 19.25% - 18.75% respectively.
The discount rate was increased (200 basis point) to reach 18.75 percent.
- In reference to the preliminary non-binding offer ("NBO") received on 24th of October 2022 from Sixth of October Development & Investment Company (SODIC) for the potential acquisition of the entire share capital of its subsidiary Orascom for Real Estate S.A.E. (ORE), the owner of O West project, on 23 March 2023 ODE and SODIC have mutually decided to discontinue discussions on a potential acquisition of ORE.
- On 2 May 2023, the General Assembly of the Orascom Development Company of Egypt held and approved all its resolutions, including:
 - Majority approval of the suspension and termination of the ESOP shares and the transfer of the remaining stock balance of **(15 501 273)** shares amounting to 1.37% to treasury shares. The transfer was made from ESOP shares to treasury shares
 - Majority approval of the appointment of Mrs. Noura Magdy Selim Ahmed Abd El-Wahab as a female member of the company's board of directors according to decree no 6 of the Rules for the Registration and Write-off of Securities on the Egyptian Stock Exchange, concerning the relative representation on the board of directors of the company contained therein (percentage of women representation on companies' boards to not fall below 25% or at least have two women as members of the board).
 - On 14th of May 2023, the company's board of directors accepted the resignation of Mrs. Taya Samih Onsi Naguib Sawiris (member of the board of directors) and the appointment of Mrs. Lamiaa El Sayed Mohamed Ahmed Kamel (member of the board of directors) according to decree no 6 of the Rules for the Registration and Write-off of Securities on the Egyptian Stock Exchange, concerning the relative representation on the board of directors of the company contained therein (percentage of women representation on companies' boards to not fall below 25% or at least have two women as members of the board).

32- Events Subsequent to the Financial Statements date

The Monetary Policy Committee of the central bank of Egypt has decided in its meeting on Thursday, 3rd of August 2023, to raise the rate of deposit return and lending for one night. And the price of the main operation of the central bank to 19.25%, 20.25%, 19.75% respectively. As the discount rate has been raised to reach 19.75%.

33- Date of approval of Financial Statements.

The condensed interim financial statements were approved by the Board of Directors and authorized for issuance on 14th of August 2023, for the period ended 30th of June 2023.

Group CFO

Ashraf Nessim



Group CEO

Omar El Hamam sy

