

*Orascom Development Egypt (ODE) (EGX: ORHD.CA) has released its consolidated results for Q2 2024.*

**ODE reports exceptional operational and financial performance: Q2 2024 net profit is up by a tremendous 210% to EGP 1.9 billion, bringing 1H 2024 net profit to EGP 943 million. Our net real estate sales are up 110% to EGP 15.7 billion, which is the highest 1H sales figure in ODE's history.**

**Key Highlights of Q2 2024 vs. Q2 2023**

- **Total revenues increased by 86.4% to EGP 6.0 billion**
- **Adj. EBITDA increased by 164.7% to EGP 3.0 billion with a margin of 49.4%**
- **Net profit up by a tremendous 209.8% to EGP 1.9 billion, a record-breaking**
- **Net real estate sales for Q2 2024 increased by 46.2% to EGP 6.9 billion**

**Key Highlights of 1H 2024 vs. 1H 2023**

- **Total revenues increased by 64.9% to EGP 10.2 billion**
- **Adj. EBITDA is up 98.8% to EGP 4.6 billion with a margin of 44.6%, signalling our operational excellence**
- **Net profit reached EGP 942.7 million, while adjusted net profit, after excluding FX losses, increased by 135.7% to EGP 3.2 billion.**
- **Our hospitality revenues increased by 34.0% to reach EGP 1.9 billion**
- **Net real estate sales were up by 109.5% to EGP 15.7 billion, the highest 1H sales figure in ODE's history**
- **Sold 145,266 sqm of land in El Gouna for a total of EGP 1.54 billion**
- **Our cash balance reached EGP 7.4 billion, and our foreign currency cash stood at USD 70 million**
- **Cash flow from operations reached EGP 3.8 billion, showcasing our unwavering operational excellence**

**Cairo, 12 August 2024** – Our first half result of 2024 testifies to our adept navigation of a challenging macroeconomic landscape affecting all Egypt's business environments. Despite grappling with a non-cash foreign exchange loss of EGP 2.2 billion in 1H 2024, ODE's financial performance underscores our unwavering focus on consistently enhancing operational efficiencies. Our resilient and diversified business model has effectively tackled inflationary pressures, with significant contributions stemming from our deep-rooted commitment to innovation and operational efficiency in overcoming hurdles. The outcome of our bolstered operational capabilities is evident in the growth of revenues, adj. Ebitda and margins.

**Financial Review:**

**Q2 2024:**

With impressive operating and financial outcomes, ODE's second quarter highlights our adept execution capabilities and resilience in the face of significant challenges.

- ✓ **Robust revenue growth:** In Q2 2024, our performance excelled, achieving a remarkable 86.4% surge to EGP 6.0 billion. Our operational strength manifested across all business segments, with a notable 44.3% increase in real estate revenues and substantial growth of 42.5% and 44.3% in the hospitality and commercial asset segments, respectively. Furthermore, the EGP 1.3 billion land sale revenue contributed significantly to our overall financial results.
- ✓ **Gross profit:** The quarter's gross profit surged by a tremendous 164.1% to EGP 2.8 billion, with a substantial gross margin of 45.8% compared to 32.3% in Q2 2023. This increase underscores our commitment to operational excellence.
- ✓ **Significant Adj. EBITDA improvement:** Adjusted EBITDA surged by 164.7% to EGP 3.0 billion, boasting a 49.4% margin, a substantial improvement from 34.8% in 1H 2023.
- ✓ **Tremendous net income performance:** Furthermore, in alignment with these achievements, the company's net profit soared by 209.8% to EGP 1.9 billion, marking a significant milestone for ODE in line with all its impressive achievements.

**1H 2024:**

ODE reported prosperous first-half results, showcasing significant growth despite facing challenges from the devaluation of the EGP. Yet, we have effectively navigated these challenges to deliver strong performance in other areas.

- ✓ **Revenue growth:** ODE achieved a record revenue of EGP 10.2 billion, an impressive 64.9% increase versus 1H 2023.
- ✓ **Real estate revenue:** up by a solid 42.5% to reach EGP 5.7 billion compared to 1H 2023, with a margin of 41%.
- ✓ **Recurring income segments:** ODE witnessed exceptional growth in recurring income segments, including hotels and commercial assets. These contributed EGP 3.2 billion to total revenue, an impressive 45.1% increase.

- ✓ **Gross profit:** Soared by a significant 95.2% to EGP 4.2 billion, boasting a healthy margin of 40.9% vs. 34.6% in 1H 2023. This improved performance underscores our operational excellence, resilience in the face of inflation, and the positive impact of key strategic initiatives such as the EGP 1.6 billion land sale in El Gouna and accelerated construction activities.
- ✓ **Significant Adj. EBITDA improvement:** Adj. EBITDA showed robust growth, expanding by 98.8% to a record EGP 4.6 billion, with a margin of 44.6% in 1H 2024.
- ✓ **Other gains and losses:** Other gains and losses reported a loss of EGP of 2.3 billion, mainly attributed to foreign currency debt due to the devaluation of EGP.
- ✓ **Finance costs:** up by 78.1% to EGP 856.9 million, primarily due to rising interest rates, which will be monitored closely.
- ✓ **Strong net income performance:** ODE's adjusted net income, excluding one-offs (which includes forex losses), increased by 135.7% from EGP 1.3 billion in 1H 2023 to EGP 3.2 billion in 1H 2024. Meanwhile, the reported net income during 1H 2024 reached EGP 942.7 million compared to EGP 1.0 billion.
- ✓ **Cash from operations:** our cash flow from operations reached EGP 3.8 billion, driven by improved operational performance across all business segments. This robust growth underscores our commitment to operational excellence.
- ✓ **Strong cash balance:** On the balance sheet side, the company continued to preserve a healthy balance sheet and monitor its cash balances and liquidity. Our cash balance reached EGP 7.4 billion during 1H 2024, and our foreign currency cash stood at USD 70 million. Our net debt reached EGP 3.1 billion during 1H 2024.

**Group Real Estate: Our real estate business has set new operational and financial records, with a 110% increase in net real estate sales reaching EGP 15.7 billion, demonstrating ODE's robust brand equity.**

The sales figures for Q2 2024 reveal a substantial upsurge, reaching EGP 6.9 billion, signifying a 46.2% surge from EGP 4.7 billion in Q2 2023. This accrual brings our total real estate sales value to EGP 15.7 billion, demonstrating a remarkable 109.5% increase over the preceding period and setting a new milestone for first-half sales in ODE's history. Notably, our international sales remain a core focus, comprising nearly 40% of our real estate sales, a testament to ODE's strong market presence and the trust of our customers. The sales growth is further fueled by a 6.6% rise in the number of units sold, to reach 873 units compared to last year. El Gouna continues to lead new sales contributions at 50%, followed by O West at 36% and Makadi Heights at 14.0%. We have also continued to increase our average selling prices per sqm across all destinations. The combined growth in sales and construction pace has bolstered our real estate revenue by 44.3% to EGP 2.9 billion in Q2 2024. This brings our total real estate revenues for 1H 2024 to EGP 5.7 billion, reflecting a 42.5% increase over 1H 2023—meanwhile, Adj. EBITDA increased by 36.8% to EGP 2.3 billion in 1H 2024, with a margin of 41%, reaffirming our commitment to operational excellence. In 1H 2024, we experienced a 78.9% increase in real estate cash collections, which amounted to EGP 7.4 billion. Furthermore, the total deferred revenue from real estate that will not be recognized until 2027 has increased by 66.4% to EGP 30.3 billion, providing strong visibility on our real estate revenue across all our destinations over the next 3-4 years.

**Group Hotels: In the first half of 2024, the hospitality portfolio experienced a remarkable 34.0% increase in revenues, reaching EGP 1.9 billion, despite facing numerous geopolitical challenges throughout the Middle East.**

ODE Hotels' well-established business model once again delivered exceptional quarterly results despite facing various macro and geopolitical challenges worldwide. Our hotels achieved revenues of EGP 1.2 billion, marking a notable 42.5% increase over Q2 2023. This revenue growth drove our GOP to EGP 517.9 million, demonstrating a solid 24.9% rise from Q2 2023. The ability of our hotels to maintain high occupancy rates and enhance room rates has been instrumental in fueling this growth. Despite the conflict in Gaza, we have managed to sustain a healthy margin and achieve robust financial outcomes. We have achieved an Adj. EBITDA of EGP 578.8 million, representing a significant 64.2% increase from Q2 2023, with a substantial margin of 50.0%. In 1H 2024, total hotel revenues increased by 34.0% to EGP 1.9 billion, with GOP also rising by 18.8% to EGP 886.7 million compared to the previous year—moreover, Adj. EBITDA surged by 49.4% to EGP 865.1 million in 1H 2024, with an improved margin of 47% compared to 42%, driven by ongoing enhancements in operational efficiencies. This robust financial performance underscores our hotels' resilience and adeptness at navigating a challenging market environment. Substantial investments have been allocated to elevate our properties, including upgrades to facilities and enhancements in technological infrastructure, all aimed at ensuring an exceptional guest experience. As we continue to monitor the industry's evolving challenges, we remain committed to adjusting our strategies accordingly to deliver strong financial results and unmatched customer service.

**Group recurring income assets: Strong recurring income growth, with revenues up 64.2% to EGP 1.3 billion.**

Our commercial assets segment remains a dependable source of cash flow, playing a critical role in funding the group's expansion and safeguarding against the cyclical downturns precipitated by unforeseen events. Revenue for Q2 2024 surged by 55.3% to EGP 687.3 million, while Adj. EBITDA also rose by 78.1% to EGP 241.8 million over Q2 2023. This elevates our commercial assets segment revenue to EGP 1.3 billion during 1H 2024, a 64.2% increase compared to 1H 2023. Adj. EBITDA reported a 98.3% increase to EGP 479.1 million, creating a margin of 36% in contrast to 30% in 1H 2023.

**Details on the Destinations****El Gouna:**

El Gouna affirms its position as the destination of choice. New real estate sales during Q2 2024 soared by 115.4% to EGP 3.7 billion. That brings our 1H 2024 real estate sales to EGP 7.8 billion, a remarkable increase of 172.1% from EGP 2.9 billion in 1H 2023. The increase in sales was also accomplished by a 40.2% uptick in units sold to reach 185 units and an increase in average selling prices. Our average selling prices were up by 67.3% to EGP 207,079/sqm vs. 1H 2023, while Q2 2024 average selling prices soared by 132.7% to EGP 279,129/sqm. Meanwhile, on the construction side, we are progressing rapidly with our construction activities, with plans to deliver 384 units this year, of which 96 units were already delivered to clients. Real estate revenues during 1H 2024 increased by 14.8% to EGP 2.9 billion. On the other hand, we completed a landmark land sale for EGP 1.54 billion. This successful transaction is part of ODE's strategic initiative to enhance value creation through selective land sales aimed at accelerating the monetization of its land bank.

Shifting gears to the hospitality segment, in Q2 2024, El Gouna Hotel's revenues experienced a substantial rise of 62.7% to EGP 1.1 billion. During the same period, hotel occupancy levels rebounded to 73%, matching the figures from Q2 2023 and up from Q1 2024. Furthermore, the Average Room Rates (ARRs) saw a notable increase of 59.2%, reaching EGP 4,833 per night compared to Q2 2023. Progressing into 1H 2024, the hotel revenue continued its upward trajectory, growing by 50.8% to EGP 1.8 billion. The occupancy rate for 1H 2024 stood at 68%, with ARR's climbing by 48.8% to EGP 4,160 per night. Meanwhile, the GOP displayed an 18.8% increase, reaching EGP 886.7 million. In Q2 2024, foreigners constituted 81% of the total hotel occupancy, which increased to 84% for 1H 2024. On a different note, a 10-year lease agreement was secured for the Dawar El Omda hotel (66 rooms) for USD 0.51 million, with an annual escalation of 2.75%. Shifting the focus to commercial assets, a remarkable 64.5% surge in revenue was achieved, amounting to EGP 1.3 billion. El Gouna's total revenues experienced a significant uptick of 62.8%, reaching EGP 7.2 billion compared to 1H 2023's figure of EGP 4.4 billion.

**O West, Egypt:**

O West continues to expand on its leading position in West Cairo and recorded EGP 5.6 billion in sales during 1H 2024, a growth of 57.6% compared to Q2 2023. Our average selling prices soared by an impressive 129.5% to EGP 117,175/sqm compared to Q2 2023, while 1H 2024 average selling prices were up by 63.8% to EGP 86,008/sqm. On the development side, we are speeding up our construction pace, and we successfully delivered 316 villas to homeowners during 1H 2024. With plans to hand over another 684 units in 2024. Construction of the O West Club is progressing steadily, with plans to become partially operational during 2024, providing a steady, recurring income stream. The club membership fee stands at EGP 400,000. O West's total revenues increased by 90.8% to EGP 2.4 billion, reflecting O West's continued growth and leading position in the local market.

**Makadi Heights, Egypt:**

The destination has seen remarkable sales growth in 2024, reaching EGP 1.0 billion in Q2 2024, a 71.4% increase compared to Q2 2023. Total real estate sales for 1H 2024 hit EGP 2.2 billion, up 112.0% from 1H 2023. Our average selling prices surged by 80.9% in Q2 2024 to EGP 84,344/sqm and by 54.1% in 1H 2024 to EGP 67,711/sqm, highlighting the increasing value of properties. The number of units sold increased by 43.1%, with 292 units sold in 1H 2024, while real estate revenues soared by 89.6% to EGP 446.7 million. Additionally, Makadi Heights has accepted the Tourism Development Authority's request for an additional land payment of USD 5.6 million over a 10-year instalment in return for a new development timeline of 8 years for the remaining land bank. Total revenues from Makadi reached EGP 492.9 million, marking an 84.2% increase compared to 1H 2023 figures.

**Taba Heights, Egypt:**

Taba Heights remains a challenge for the group, with efforts focused on reducing the cash burn rate in the short and medium term while preparing for the resumption of tourism. The goal is to ensure the destination's operational readiness when tourism activities are back to normal. The company is dedicated to adopting a careful and pragmatic strategy to alleviate the effects of the ongoing crisis. Total revenues from Taba in 1H 2024 amounted to EGP 62.7 million, reflecting a 69.0% decline compared to 1H 2023. Only one of the six hotels is operational, with minimal occupancy levels.

**Figures for 1H 2024 and Q2 2024:**

<b>Revenue by Segment (EGPmn)</b>	<b>Q2 24</b>	<b>Q2 23</b>	<b>1H 24</b>	<b>1H 23</b>
Hotels	1,152.5	808.7	1,851.3	1,381.9
Land	1,329.2	–	1,329.2	–
Real estate	2,867.4	1,987.4	5,703.7	4,001.3
Commercial assets	687.3	442.5	1,327.6	808.3
<b>ODE Group</b>	<b>6,036.4</b>	<b>3,238.6</b>	<b>10,211.8</b>	<b>6,191.5</b>

<b>(EGPmn)</b>	<b>Q2 24</b>	<b>Q2 23</b>	<b>1H 24</b>	<b>1H 23</b>	<b>1H 24 Adj.*</b>	<b>1H 23 Adj.*</b>
<b>Revenue</b>	<b>6,036.4</b>	<b>3,238.6</b>	<b>10,211.8</b>	<b>6,191.5</b>	<b>10,211.8</b>	<b>6,191.5</b>
Cost of sales	(3,273.1)	(2,192.4)	(6,030.7)	(4,049.5)	(6,030.7)	(4,049.5)
<b>Gross profit</b>	<b>2,763.3</b>	<b>1,046.2</b>	<b>4,181.1</b>	<b>2,142.0</b>	<b>4,181.1</b>	<b>2,142.0</b>
Gross profit margin%	45.8%	32.3%	40.9%	34.6%	40.9%	34.6%
Investment Income	309.5	135.4	569.3	265.2	569.3	265.2
Administrative expenses	(91.5)	(55.5)	(193.1)	(114.7)	(193.1)	(114.7)
<b>Adj. EBITDA</b>	<b>2,981.3</b>	<b>1,126.1</b>	<b>4,557.3</b>	<b>2,292.5</b>	<b>4,557.3</b>	<b>2,292.5</b>
Adj. EBITDA margin%	49.4%	34.8%	44.6%	37.0%	44.6%	37.0%
Other gains/losses	55.4	68.5	(2,308.9)	(451.0)	(91.9)	(116.4)
Share of associates	27.3	46.9	49.1	57.6	49.1	57.6
<b>EBITDA</b>	<b>3,064.0</b>	<b>1,241.5</b>	<b>2,297.5</b>	<b>1,899.1</b>	<b>4,514.5</b>	<b>2,233.7</b>
Depreciation	(90.9)	(62.8)	(173.9)	(122.4)	(173.9)	(122.4)
Finance costs	(422.0)	(271.2)	(856.9)	(481.2)	(856.9)	(481.2)
Income tax expense	(623.8)	(285.4)	(324.0)	(289.4)	(324.0)	(289.4)
<b>Net Profit/loss</b>	<b>1,927.3</b>	<b>622.1</b>	<b>942.7</b>	<b>1,006.1</b>	<b>3,159.7</b>	<b>1,340.7</b>
<b>ODE shareholders</b>	<b>1,849.5</b>	<b>582.0</b>	<b>667.9</b>	<b>873.5</b>		
Non-controlling interest	77.8	40.1	274.8	132.6		
<b>Basic EPS (EGP)</b>	<b>1.64</b>	<b>0.52</b>	<b>0.59</b>	<b>0.78</b>		

<b>(EGPmn)</b>	<b>30.06.24</b>	<b>31.12.23</b>
Property, plant, and equipment	9,597.1	8,471.1
Inventory	13,248.6	12,807.0
Receivables	11,044.4	8,892.9
Cash and bank balances	6,796.2	5,164.1
Treasury bills	586.6	308.4
Investments in associates	354.6	450.2
Other assets	5,415.3	3,142.3
<b>Total assets</b>	<b>47,042.8</b>	<b>39,236.0</b>
Borrowings	11,896.7	8,633.0
Payables	9,444.7	8,518.7
Provisions	1,645.9	1,477.5
Other Liabilities	13,150.9	10,641.0
<b>Total liabilities</b>	<b>36,138.2</b>	<b>29,270.2</b>
Non-controlling interests	1,621.8	1,347.0
Equity to ODE shareholders	9,282.8	8,618.8
<b>Total liabilities and equity</b>	<b>47,042.8</b>	<b>39,236.0</b>

\* Adjusted net income excluding one-offs (forex losses or gains)

**Presentation:**

The associated presentation and financial statements are on Orascom Development Egypt's website under the Investor Relations section at <https://www.orascomde.com/investor-relations>.

**CI Capital will host a telephone conference on August 12th, 2024, at 3:00 pm Cairo Local Time (CLT).**

A telephone conference for analysts and investors hosted by CI Capital will be held in English on Monday, 12th of August 2024, at 3:00 pm Cairo Local Time. Chief Executive Officer Omar El Hamamsy, Chief Financial Officer Ashraf Nessim, and Group Director of Investor Relations Ahmed Abou El Ella will present 1H 2024 results and will be available to answer questions. Registration is not required.

**Dial-in details are as follows:**

[Click here](#) for the webinar link

**Event number:** 989 2579 7698

**Event password:** 379066

A call recording will be available after the call

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**About Orascom Development Egypt (ODE):**

Orascom Development Egypt is the largest subsidiary under Orascom Development Holding (ODH), a leading international developer specializing in vibrant, integrated communities in Europe, the Middle East, and North Africa. For more than 30 years, Orascom Development Holding has been a pioneer in creating destinations where people are inspired to live, work, and play with passion and purpose.

From El Gouna's stunning Egyptian coastal town by the Red Sea to O West's modern and integrated town living in the heart of West Cairo's Sixth of October, each master-planned community is a testament to ODE's commitment to place-making at its finest. Other integrated towns in Egypt include Makadi Heights near the Red Sea, Taba Heights on the Sinai Peninsula, and Byoum in Fayoum. ODE owns a land bank of over 50 million square meters, with nearly 28% developed or under development. ODE's hospitality portfolio includes 24 premium and luxury hotels with more than 4,900 rooms in Egypt. ODE shares are listed on the Egyptian Stock Exchange (EGX).

For more information, please visit <https://www.orascomde.com/>

**Disclaimer**

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events and can be identified by the use of such words and phrases as "according to estimates," "aims," "anticipates," "assumes," "believes," "could," "estimates," "expects," "forecasts," "intends," "thinks," "may," "plans," "potential," "predicts," "projects," "should," "to the knowledge of," "will," "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability, general economic and regulatory conditions, and other matters affecting the Company. Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from or fail to meet expectations expressed or implied by such forward-looking statements. The Company's business is subject to many risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to differ materially from those expressed or implied by the forward-looking statements in this prospectus. The information, opinions, and forward-looking statements in this communication speak only as of its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise concerning the content of this communication.