

**Orascom Development Egypt (ODE) (EGX: ORHD.CA) has released its consolidated financial results for Q1 2024.**

**ODE demonstrated robust business execution across all segments despite being impacted by FX losses due to the devaluation of the Egyptian Pound (EGP). Growing its total revenues by 41.4% to EGP 4.2 billion and its net real estate sales by 218.3% to EGP 8.8 billion**

#### **Key Highlights of Q1 2024 vs. Q1 2023**

- **Total revenues increased by 41.4% to EGP 4.2 billion despite the challenging market environment.**
- **Adj. EBITDA increased by 35.1% to EGP 1.6 billion in Q1 2024, with a margin of 37.7%.**
- **Adjusted net profit, excluding one-offs, increased by 52.7% to EGP 1.4 billion.**
- **Our hospitality revenues increased by 21.9% to EGP 698.8 million despite the geopolitical tension in the Middle East.**
- **Net real estate sales were up by 218.3% to EGP 8.8 billion, the highest Q1 sales figure in ODE's history.**
- **Our cash balance reached EGP 8.1 billion, and our foreign currency cash stood at USD 73 million.**
- **Cash flow from operation increased by 352.6% to reach EGP 2.3 billion.**

**Cairo, 15 May 2024** - Our first quarter results have once again demonstrated our ability to successfully adapt to and navigate a challenging macroeconomic backdrop that continues to impact our entire line of business. However, our diversified business model has enabled our core underlying business to deliver an outstanding performance despite rising inflation, geopolitical instability, and the devaluation of the EGP, which affected our operational results. We continue to keep a close watch on market dynamics and are confident that our experience and strength will continue to allow us to navigate any future challenges.

#### **Financial Review:**

##### **Q1 2024:**

ODE started the year with a robust set of results, with revenue reaching EGP 4.2 billion, up 41.4% y-o-y. The strong performance was driven by robust business execution across all our business segments. Gross profit increased by 29.4% y-o-y in Q1 2024 to EGP 1.4 billion; however, gross profit margin saw a slight squeeze to 34.0% (Q1 2023: 37.1%), given the growing pressure of material costs caused by the inflationary environment we are facing. The boost in revenues and gross profit reflects our operational excellence despite the inflationary environment and is also a result of the acceleration of our construction activities, with real estate revenues reaching EGP 2.8 billion, an increase of 40.8% vs. Q1 2023. Furthermore, ODE experienced exceptional growth in its recurring income segments, including hotels and commercial assets. These segments contributed EGP 1.3 billion to the total revenue, marking an impressive 42.6% y-o-y increase. Adj. EBITDA expanded by a solid 35.1% to reach EGP 1.6 billion with a margin of 37.7% in Q1 2024. Other gains and losses reported a loss of EGP 2.4 billion. The FX loss is mainly attributed to the portion of foreign currency debt due to the devaluation of EGP. Our finance costs increased by 107.0% to reach EGP 434.9 million in Q1 2024 due to the increase in interest rates.

It is worth mentioning that adjusted net income excluding one-offs (which includes forex losses or gains and non-operational one-off transactions) increased by 52.7% from EGP 903.5 million in Q1 2023 to EGP 1.4 billion in Q1 2024. Net loss during Q1 2024 reached EGP 984.5 million compared to a net profit of EGP 384.0 million, mainly due to the devaluation of the EGP, which caused an FX loss of EGP 2.4 billion.

**Group Real Estate: Our real estate business has achieved stellar financial and operational results, with net real estate sales up 218.3% to EGP 8.8 billion.**

New sales for Q1 2024 have reached EGP 8.8 billion, marking a significant rise of 218.3% from EGP 2.7 billion in Q1 2023 and the highest Q1 sales figures since inception. It is worth mentioning that 43% of real estate sales come from international sales. The increase in sales across all destinations was accomplished by an increase in average selling prices and the number of units sold, which rose by 124.3% to 610 units compared to Q1 2023. El Gouna has become the group's largest contributor to new sales, accounting for 47%, followed by O West at 39% and Makadi Heights at 14%. We have maintained a solid construction pace on the development side, enabling us to stay on track with our planned unit delivery for FY 2024. We plan to deliver over 1,800 units across all our destinations in 2024. Our real estate revenue has seen a positive performance, increasing by 40.8% to EGP 2.9 billion. Additionally, Adj. EBITDA has increased by 39.2% to EGP 1.2 billion, with a margin of 42.5%, confirming our operational excellence. In Q1 2024, we experienced a 98.9% increase in real estate cash collections, which amounted to EGP 3.9 billion. Furthermore, the total deferred revenue from real estate that will not be recognized until 2027 has increased by 76.9% to EGP 28.0 billion, providing strong visibility on our real estate revenue across all our destinations over the next 3-4 years.

**Group Hotels: A good start for our hotels despite tough market challenges, with revenues up 21.9% to EGP 698.8 million, while foreign guests represented 94% of our occupancy in Q1 2024**

Despite the challenging global macro and geopolitical environment, particularly in the Middle East, our hotel segment has delivered a strong performance in the first quarter of 2024. Our hotels have generated revenues of EGP 698.8 million, a 21.9% increase (Q1 2023: EGP 573.2 million). This revenue growth has pushed our GOP to EGP 368.2 million, representing a 10.9% increase from Q1 2023. This growth has been driven by our hotels' ability to maintain good occupancy levels and improve our room rates despite the ongoing challenges in the industry. Despite the war in Gaza, we have maintained a healthy margin and delivered strong financial results. We have generated EGP 286.2 million of Adj. EBITDA, an increase of 26.2% from Q1 2023's EGP of 226.7 million, with a margin of 41.0%. This impressive financial performance demonstrates our hotel's resilience and ability to adapt to a challenging environment. We have also invested in our properties, including enhancing our facilities and upgrading our technological infrastructure, to ensure we continue offering our guests the best possible experience. We will continue to monitor the ongoing challenges in the industry and adapt our strategies accordingly to ensure that we continue to deliver strong financial results and exceptional customer service.

**Recurring income commercial assets; continue to be a reliable source of cash flow and an essential aspect of financing the group's growth and shielding our operations, with revenues up 75.0% to EGP 640.3 million**

Our commercial assets segment continues to be a reliable source of cash flow and an essential aspect of financing the group's growth and shielding our operations from the cyclical slowdowns caused by unpredictable events. Total revenue from our recurring income commercial assets continues to flourish, with revenues up by 75.0% to reach EGP 640.3 million. Adj. EBITDA grew ahead of revenue, signaling our operational excellence owing to the successful restructuring implementation, which improved the quality and profitability of our services and amenities. Adj. EBITDA is up by 124.1% to EGP 237.3 million, with a margin of 37.1% compared to 29.0% in Q1 2023.

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

El Gouna, a prime destination, has demonstrated its reinforced status by achieving a significant surge of 257.3% in net real estate sales during Q1 2024, amounting to EGP 4.1 billion, compared to EGP 1.2 billion in Q1 2023. The number of units sold also increased by 170.7%, reaching 111. Moreover, the average selling price significantly increased to EGP 179,565/sqm, a 38.2% increase from Q1 2023. On the construction front, El Gouna intends to deliver 370 units in 2024. During Q1 2024, 86 units were delivered, and the remaining units will be delivered as scheduled. El Gouna's real estate revenues have increased by 16.4% in Q1 2024, reaching EGP 1.5 billion.

Looking at El Gouna's hospitality arm, El Gouna Hotels has continued to thrive despite the challenging market environment caused by geopolitical tensions and the seasonality effect caused by the holy month of Ramadan. Our strong ties with leading European tour operators have helped us achieve growth in our bottom-line operational and financial outcomes. El Gouna hotel revenues increased by 34.9% to EGP 689.5 million (Q1 2023: EGP 511.0 million). Compared to last year, our ARR's were up by 32.1% to EGP 3,340 per night. Meanwhile, GOP for El Gouna hotels increased by 20.0% to EGP 384.5 million during Q1 2024. The occupancy rate for Q1 2024 reached 62% (Q1 2023: 69%). Foreigners represented 94% of our total hotel occupancy during Q1 2024. On the development side, we are progressing with the construction process for adding 29 new rooms in Casa Cook El Gouna Hotel by 2024. On the commercial assets side, we achieved an impressive 76.6% increase in revenue to EGP 617.6 million (Q1 2023: EGP 349.8 million). El Gouna's total revenues were up 30.8% to EGP 2.8 billion (Q1 2023: EGP 2.1 billion).

**O West, Egypt:**

O West has reported significant sales figures of EGP 3.4 billion during Q1 2024, depicting a growth of 204.3% compared to Q1 2023. The number of units sold saw a 124.0% increase, reaching 280 units, while the average selling price rose by 30.0% to EGP 72,900/sqm compared to Q1 2023. O West has taken measures to mitigate the impact of potential inflation by expediting construction and procuring raw materials. The company targets delivering over 1,000 units in the fiscal year of 2024. The construction of O West Club is advancing steadily and is scheduled to be partially operational in the first half of 2024. During the first quarter of 2024, we increased O West Club membership fees by 14.3% to EGP 400,000, and 274 new memberships were added to provide a steady, recurring income stream. During Q1 2024, O West's total revenues increased by 72.4% to EGP 1.2 billion, reflecting the company's continued growth and leading position in the local market.

**Makadi Heights, Egypt:**

Makadi Heights, a sought-after destination for real estate buyers, has displayed remarkable sales figures since the previous year. In the first quarter of 2024, net real estate sales surged significantly by 157.8% to reach EGP 1.3 billion, compared to EGP 490.3 million in Q1 2023. This impressive growth in sales can be attributed to an average selling price increase of 43.2% to EGP 58,995/sqm in Q1 2024 compared to the same period in the previous year. Furthermore, a striking 107.7% increase in units sold was recorded, with 216 units sold in Q1 2024. Makadi Heights has set a target to deliver 500 units in 2024, with most of these units expected to be completed early due to the destination's accelerated construction efforts. The total revenues from Makadi Heights have recorded a 172.8% increase, reaching EGP 213.6 million (Q1 2023: EGP 78.3 million).

**Taba Heights, Egypt:**

Taba Heights continues to pose a challenge for the group. Our focus is minimizing the cash burn rate in the short and medium term while ensuring that the destination can operate once tourism resumes. We remain committed to implementing a prudent approach in our efforts to mitigate the impact of the current crisis. Total revenues from Taba during Q1 2024 reached EGP 10.9 million, down by 83.6% vs. Q1 2023. Only one hotel operates out of the six hotels with minimal occupancy.

**Byoum, Egypt:**

Misr El Fayoum for Touristic Development S.A.E. has signed a 20-year usufruct agreement with Sigma Development and Projects Management. Under this agreement, Misr El Fayoum will rent out the 62-room hotel located within its Byoum project in El Fayoum to Sigma Development and will receive a percentage of the revenue the hotel generates yearly. Sigma Development will also construct 46 new rooms for the hotel, and Steigenberger Hotels & Resorts SME will operate the hotel. The hotel is expected to open in Q4 2025 after completing the required renovation.

**Figures for Q1 2024**

<b>Revenue by Segment (EGPmn)</b>	<b>Q1 2024</b>	<b>Q1 2023</b>
Hotels	698.8	573.2
Real estate	2,836.3	2,013.9
Commercial assets	640.3	365.8
<b>ODE Group</b>	<b>4,175.4</b>	<b>2,952.9</b>

<b>(EGPmn)</b>	<b>Q1 2024</b>	<b>Q1 2023</b>
<b>Revenue</b>	<b>4,175.4</b>	<b>2,952.9</b>
Cost of sales	(2,757.7)	(1,857.0)
<b>Gross profit</b>	<b>1,417.7</b>	<b>1,095.9</b>
<i>Gross profit margin</i>	34.0%	37.1%
Investment Income	259.9	129.7
Administrative expenses	(101.6)	(59.2)
<b>Adj. EBITDA</b>	<b>1,576.0</b>	<b>1,166.4</b>
<i>Adj. EBITDA margin</i>	37.7%	39.5%
Other gains/losses	(2,364.3)	(519.5)
Share of associates gains	21.8	10.6
<b>EBITDA</b>	<b>(766.5)</b>	<b>657.5</b>
Depreciation	(83.0)	(59.4)
Finance costs	(434.9)	(210.1)
Income tax expense	299.9	(4.0)
<b>Net Profit for the period</b>	<b>(984.5)</b>	<b>384.0</b>
<b>ODE shareholders</b>	<b>(1,181.6)</b>	<b>291.5</b>
Non-controlling interest	197.1	92.5
<b>Basic EPS (EGP)</b>	<b>(1.05)</b>	<b>0.26</b>

<b>Q1 2024 Adj.*</b>	<b>Q1 2023 Adj.*</b>
<b>4,175.4</b>	<b>2,952.9</b>
(2,757.7)	(1,857.0)
<b>1,417.7</b>	<b>1,095.9</b>
34.0%	37.1%
259.9	129.7
(101.6)	(59.2)
<b>1,576.0</b>	<b>1,166.4</b>
37.7%	39.5%
-	-
21.8	10.6
<b>1,597.8</b>	<b>1,177.0</b>
(83.0)	(59.4)
(434.9)	(210.1)
299.9	(4.0)
<b>1,379.8</b>	<b>903.5</b>

\* Adjusted net income excluding one-offs (including forex losses or gains and non-operational one-off transactions).

### Presentation:

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

### Telephone conference hosted by CI Capital on May 15th, 2024, at 3:00 pm Cairo Local Time (CLT).

(EGPmn)	31.03.24	31.12.23
Property, plant, and equipment	8,812.3	8,471.1
Inventory	13,033.0	12,807.0
Receivables	9,352.7	8,892.9
Cash and bank balances	7,022.1	5,164.1
Treasury bills	1,093.7	308.4
Investments in associates	327.3	450.2
Other assets	5,246.4	3,142.3
<b>Total assets</b>	<b>44,887.5</b>	<b>39,236.0</b>
Borrowings	12,345.2	8,633.0
Payables	9,370.5	8,518.7
Provisions	1,532.7	1,477.5
Other Liabilities	12,664.9	10,641.0
<b>Total liabilities</b>	<b>35,913.3</b>	<b>29,270.2</b>
Non-controlling interests	1,544.0	1,347.0
Equity to ODE shareholders	7,430.2	8,618.8
<b>Total liabilities and equity</b>	<b>44,887.5</b>	<b>39,236.0</b>

A telephone conference for analysts and investors hosted by CI Capital will be held in English on Monday, 15th of March 2024, at 3:00 pm Cairo Local Time. Chief Executive Officer Omar El Hamamsy, Chief Financial Officer Ashraf Nessim, and Group Senior Director of Investor Relations Ahmed Abou El Ella will present Q1 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:** 910 4117 4920

**Event password:** 615913

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 more than 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/>

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