Orascom Development Egypt
"S.A.E"
Consolidated Financial Statements
Together with Audit Report
For the Year Ended
December 31, 2023

Contents **Page**

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Auditor's Report

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

Report on the consolidated financial statements.
We have audited the accompanying consolidated financial statements of Orascom Development Egypt Company (S.A.E), which comprise the consolidated financial position as of December 31, 2023, and the consolidated statements of profit or loss, comprehensive income, changes in the consolidated equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements
These consolidated financial statements are the responsibility of company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards, and in light of the prevailing Egyptian laws. Management responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and in the light of the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Saleh, Barsoum & Abdel Aziz
Grant Thornton

Opinion

In our opinion, the consolidated financial statements referred to above give a true and fair view, in all material respects, of the consolidated financial position of Orascom Development Egypt Company (S.A.E.) as of December 31, 2023, the results of its operations and its consolidated cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and in the light of the related applicable Egyptian laws and regulations.

Report on the Other Legal and Regulatory Requirements

The company maintains proper books of accounts, which include all that is required by law and by the statutes of the Company, and the accompanying consolidated financial statements agree therewith.

Cairo, March 10, 2024

K. Saleh

Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510)
FRA Register No. "69"
Saleh, Barsoum & Abdel Aziz – Grant Thornton

Saleh, Barsoum, Abdel Aziz & Co.
Accountants
&
Auditors

Orascom Development Egypt (S.A.E.)

Consolidated statement of financial position

As of December 31, 2023

	Note No.	31/12/2023 EGP	31/12/2022 EGP
Assets			
Non-Current Assets			
Fixed assets (net)	(14)	6 238 634 286	5 351 388 404
Projects under construction	(15)	2 232 495 778	919 667 813
Goodwill	(16)	51 110 181	51 110 181
Trade and notes receivable (net)	(22)	3 950 545 786	2 513 280 141
Investment accounted for using the equity method	(18)	450 198 370	409 046 853
Financial assets at fair value through other comprehensive income	(17)	100 728	45 482
Deferred tax asset	(39)	532 329 130	316 659 852
Investments property	(20)	175 523 468	183 218 285
Total Non-Current Assets		**13 630 937 727**	**9 744 417 011**
Current Assets			
Inventory	(21)	12 807 014 800	9 221 718 161
Trade and notes receivable (net)	(22)	4 942 328 231	3 720 194 459
Debtors and other debit balances	(23)	1 678 813 387	1 087 074 006
Due from related parties	(24)	704 433 386	669 334 629
Treasury bills (net)	(25)	308 354 633	766 275 395
Cash and cash equivalent	(26)	5 164 095 956	3 059 571 435
Total current assets		**25 605 040 393**	**18 524 168 085**
Total assets		**39 235 978 120**	**28 268 585 096**
Equity and liabilities			
Equity			
Issued and paid-up capital	(32)	1 130 473 523	1 130 473 523
Reserves	(33)	1 178 478 384	1 127 638 089
Retained earnings		3 481 131 199	1 825 765 350
Net profit for the year		2 828 722 063	1 672 048 919
Total equity attributable to owners of parent company		**8 618 805 169**	**5 755 925 881**
Non-controlling interests	(34)	**1 346 947 507**	**1 056 432 188**
Total equity and non-controlling interests		**9 965 752 676**	**6 812 358 069**
Liabilities			
Non-Current liabilities			
Borrowings	(31)	5 124 812 811	4 676 769 381
Borrowings from holding company	(31)	929 010 000	--
Land purchase creditors	(27)	6 628 914 548	5 750 386 031
Suppliers, contractors and notes payable	(38)	75 676 169	66 021 804
Long term contract liabilities	(40)	1 609 527 423	1 609 527 423
Provision	(28)	298 371 210	146 172 348
Deferred tax liabilities	(39)	600 754 800	486 668 452
Total non-current liabilities		**15 267 066 961**	**12 735 545 439**
Current Liabilities			
Provisions	(28)	1 179 173 978	1 080 035 813
Suppliers, contractors and notes payable	(38)	586 041 708	542 229 514
Creditors and other credit balances	(29)	7 003 341 755	4 289 507 630
Current land purchase creditors	(27)	1 228 073 990	823 239 650
Current tax liability	(39)	1 155 286 214	891 323 621
Due to related parties	(30)	272 075 692	138 626 842
Current borrowings	(31)	2 579 165 146	955 718 518
Total Current Liabilities		**14 003 158 483**	**8 720 681 588**
Total Liabilities		**29 270 225 444**	**21 456 227 027**
Total Equity and Liabilities		**39 235 978 120**	**28 268 585 096**

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Ashraf Nessim
Group CFO

Omar El-Hamamsy
Group CEO

Auditor 's report "Attached"

Orascom Development Egypt (S.A.E.)
Consolidated statement of Profit or Loss
For the Year Ended December 31, 2023

	Note No.	31/12/2023 EGP	31/12/2022 EGP
Revenues	(5,6)	15 326 209 169	10 269 359 318
Costs	(6)	(10 487 614 116)	(7 148 069 064)
Gross Profit		**4 838 595 053**	**3 121 290 254**
Investment income	(9)	570 629 647	363 978 657
Other gains / (losses)	(10)	41 278 375	(446 412 588)
Share of profits on investmement in associates	(18)	142 610 517	134 987 420
General and administrative expenses		(304 384 665)	(215 463 221)
Interest and finance expenses	(11)	(1 123 010 516)	(388 194 399)
Profit for the year before tax		**4 165 718 411**	**2 570 186 123**
Income tax	(39)	(1 046 481 029)	(662 273 989)
Net Profit for the year after tax		**3 119 237 382**	**1 907 912 134**
Distributed as follows :			
Owners of the parent company		2 828 722 063	1 672 048 919
Non-controlling interests	(34)	290 515 319	235 863 215
		3 119 237 382	**1 907 912 134**
Basic earning per share for the year	(13)	**2.53**	**1.50**
Diluted earning per share for the year	(13)	**2.53**	**1.49**

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Ashraf Nessim	**Omar El-Hamamsy**
Group CFO	**Group CEO**

Orascom Development Egypt (S.A.E.)
Consolidated statement of other comprehensive income
For the Year Ended December 31, 2023

	31/12/2023 EGP	31/12/2022 EGP
Net profit for the year	3 119 237 382	1 907 912 134
Other comprehensive income		
Net gain on revlauation of financial assets at fair value through other comprehensive income	55 246	24 498
Exchange differences arising on translating foreign operations	(966 090)	(612 019)
Total other comprehensive income for the year	**3 118 326 538**	**1 907 324 613**
Distributed as follows :		
Owners of the parent company	2 827 811 219	1 671 461 398
Non-controlling interests	290 515 319	235 863 215
	3 118 326 538	**1 907 324 613**

-The accompanying notes are an integral part of the financial statements and to be read therewith.

Orascom Development Egypt (S.A.E.)
Consolidated Cash Flows Statement
For the Year Ended December 31, 2023

	Note No.	31/12/2023 EGP	31/12/2022 EGP
Cash Flows from Operating Activities			
Net profit for the year before tax		4 165 718 411	2 570 186 123
Adjustments to Reconcile Net profit for the year to net cash flows generated from operating activities			
Group's share in profits from investments in associates	(18)	(142 610 517)	(134 987 420)
Expected credit losses in trade and notes receivables	(22)	21 329 755	20 017 982
Reversal of expected credit losses in trade and notes receivables	(22)	(39 415 992)	(7 167 441)
Expected credit losses in due from related parties	(10,24)	40 955 560	34 630 377
Provisions formed	(28)	807 767 185	677 839 211
Provisions no longer required	(28)	(78 874 349)	--
Loan expense amortization		14 450 861	14 525 772
Gain from sale of short term investments	(10)	(356 513 121)	--
Interest and financing expenses	(11)	1 123 010 516	388 194 399
Investments revenues	(9)	(570 629 647)	(363 978 657)
Depreciation and amortization of non-current assets	(10,24)	275 148 113	204 405 760
Net foreign exchange gains / (losses)	(10)	278 199 732	422 453 831
Operating profits before changes in the working capital		**5 538 536 507**	**3 826 119 937**
Changes in Working Capital			
(Increase) in trade and notes receivables		(2 016 432 979)	(1 654 527 053)
(Increase) in inventory		(2 285 018 092)	(876 781 622)
(Increase) in debtors, other debit balances and due from related parties		(668 050 187)	(351 310 686)
Decrease in suppliers, contractors and notes payable		(449 339 197)	(110 540 981)
Increase in creditors, other credit balances and due to related parties		2 827 468 150	1 156 932 527
Employees dividends		(118 634 704)	(68 464 887)
Cash generated from operating activities		**2 828 529 498**	**1 921 427 235**
Income tax paid		(718 934 335)	(577 012 904)
Interest paid		(825 516 991)	(298 860 078)
Net cash generated from operating activities		**1 284 078 172**	**1 045 554 253**
Cash Flows from Investing Activities			
Payments for purchase of fixed assets and projects under construction	(14,15,24)	(2 457 486 492)	(1 347 187 062)
Interest received	(9)	304 064 625	209 414 363
Proceeds from sale of short-term investments	(10)	356 513 121	--
Dividends received	(18)	101 304 000	79 596 000
Movement of treasury bills - more than three months-net		23 031 967	178 661 309
Net cash (used in) investing activities		**(1 672 572 779)**	**(879 515 390)**
Cash Flows from Financing Activities			
Proceeds from exercising the ESOP		--	2 441 319
Proceeds from sale treasury shares - net		153 702 773	--
(Repayment) / proceeds from loans and credit facilities - net		1 904 427 560	739 369 078
Net cash (used in) / generated from financing activities		**2 058 130 333**	**741 810 397**
Net change in cash and cash equivalents		1 669 635 726	907 849 260
Cash and cash equivalents at the beginning of the year	(26)	3 802 814 863	2 894 965 603
Cash and cash equivalents at the end of the year	(26)	**5 472 450 589**	**3 802 814 863**

Non cash transactions

-The effect of the revaluation of foreign currency movement of the loans amounting to EGP 953 million has been eliminated.

-The accompanying notes form an integral part of the financial statements and to be read therewith.

Orascom Development Egypt (S.A.E.)
Consolidated statement of changes in equity
For the Year Ended December 31, 2023

Description	Issued and Paid-up Capital	Legal Reserve	General Reserve	Common Control Transaction Reserve	Foreign Currencies Translation Reserve	Reserve for valuation investment	Treasury Shares	Employee stock ownership plan	Employee stock ownership plan Reserve	Retained earnings	Net Profit for the year	Equity attributable to owners of the Parent Company	Non-controlling interests	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2022	**1 130 473 523**	**281 544 123**	**1 097 676 357**	**(259 740 638)**	**6 502 536**	**(424 671)**	**--**	**(17 942 592)**	**16 616 271**	**706 299 782**	**1 208 808 605**	**4 169 813 296**	**824 718 003**	**4 994 531 299**
Net profit for the year	--	--	--	--	--	--	--	--	--	--	**1 672 048 919**	**1 672 048 919**	**235 863 215**	**1 907 912 134**
Foreign currencies translation reserve	--	--	--	--	(612 019)	--	--	--	--	--	--	**(612 019)**	--	**(612 019)**
Financial investments carried at fair value through other comprehensive income - change in fair value	--	--	--	--	--	24 498	--	--	--	--	--	**24 498**	--	**24 498**
Total comprehensive income for the year	--	--	--	--	**(612 019)**	**24 498**	--	--	--	--	**1 672 048 919**	**1 671 461 398**	**235 863 215**	**1 907 324 613**
Transferred to retained earnings	--	--	--	--	--	--	--	--	--	1 208 808 605	(1208 808 605)	--	--	--
Transfer to legal reserve	--	35 882 569	--	--	--	--	--	--	--	(35 882 569)	--	--	--	--
Employees dividends	--	--	--	--	--	--	--	--	--	(68 464 887)	--	**(68 464 887)**	--	**(68 464 887)**
The effect of exercising the option during the year	--	--	--	--	--	--	--	2 441 319	(15 004 419)	15 004 419	--	**2 441 319**	--	**2 441 319**
Change of non-controlling interests in a subsidary	--	--	--	(19 325 245)	--	--	--	--	--	--	--	**(19 325 245)**	**(4 149 030)**	**(23 474 275)**
Balance as of December 31, 2022	**1 130 473 523**	**317 426 692**	**1 097 676 357**	**(279 065 883)**	**5 890 517**	**(400 173)**	**--**	**(15 501 273)**	**1 611 852**	**1 825 765 350**	**1 672 048 919**	**5 755 925 881**	**1 056 432 188**	**6 812 358 069**
Balance as of January 1, 2023	**1 130 473 523**	**317 426 692**	**1 097 676 357**	**(279 065 883)**	**5 890 517**	**(400 173)**	**--**	**(15 501 273)**	**1 611 852**	**1 825 765 350**	**1 672 048 919**	**5 755 925 881**	**1 056 432 188**	**6 812 358 069**
Net profit for the year	--	--	--	--	--	--	--	--	--	--	**2 828 722 063**	**2 828 722 063**	**290 515 319**	**3 119 237 382**
Foreign currencies translation reserve	--	--	--	--	(966 090)	--	--	--	--	--	--	**(966 090)**	--	**(966 090)**
Financial investments carried at fair value through other comprehensive income - change in fair value	--	--	--	--	--	**55 246**	--	--	--	--	--	**55 246**	--	**55 246**
Total comprehensive income for the year	**--**	**--**	**--**	**--**	**(966 090)**	**55 246**	**--**	**--**	**--**	**--**	**2 828 722 063**	**2 827 811 219**	**290 515 319**	**3 118 326 538**
Transferred to retained earnings	--	--	--	--	--	--	--	--	--	1 672 048 919	(1672 048 919)	--	--	--
Transfer to legal reserve	--	37 861 718	--	--	--	--	--	--	--	(37 861 718)	--	--	--	--
Employees dividends	--	--	--	--	--	--	--	--	--	(118 634 704)	--	**(118 634 704)**	--	**(118 634 704)**
Share in the fair value of options granted (Note 35)	--	--	--	--	--	--	(14 376 289)	15 501 273	(1 611 852)	--	--	**(486 868)**	--	**(486 868)**
Sale of treasury shares (Note 35)	--	--	--	--	--	--	14 376 289	--	--	139 813 352	--	--	--	--
Balance as of December 31, 2023	**1 130 473 523**	**355 288 410**	**1 097 676 357**	**(279 065 883)**	**4 924 427**	**(344 927)**	**--**	**--**	**--**	**3 481 131 199**	**2 828 722 063**	**8 618 805 169**	**1 346 947 507**	**9 965 752 676**

-The accompanying notes are an integral part of the financial statements and to be read therewith.

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 at 1st of January and ends at 31st of December of each year.
- The company's objective is undertaking the following activities in Egypt or outside:
  - Establishing of tourist villages, cities and hotels; development of lands including providing them with public utilities and the necessary infrastructure (division of lands- establishment of roads and gardens- setting up networks of water, lighting, sanitary drainage, public transportation and wired and wireless communications- hospitals- schools- health, cultural and entertaining centers, Places of worship god).
  - Building and construction of low-cost houses (Community housing)
  - Establishing, preparation and furnishing of industrial installations
  - (A). Reclaiming and providing land with main utilities for cultivation,
    (B). 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 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 26 street, El Mohandessin, Agouza, Giza. There is another branch for the company at Building No.2005A, Nile City Towers, Corniche El Nile, Ramlet Boulaq South Tower, Floor 9 Cairo.
- The Chairman is Dr/ Mohamed Samy Saad Zaghloul and the Group CEO is Mr. Omar El-Hamamsy.
- The consolidated financial statements for the period ended December 31, 2023, includes the financial statements of Orascom Development Egypt (Holding Company) and its subsidiaries (referred to as the "Group"), in addition to the Group's share of the profits or losses of the associated companies. The Group is involved in many activities represented in hotels, real estate, constructions, lands, tourism, and other.

2. Accounting framework for the preparation of the consolidated financial statements

The attached consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards Issued by the Minister of Investment Decree No. 110 of 2015 and in the light of the applicable Egyptian laws and regulations. To be applicable from January 2016.

3. Significant accounting policies

3.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards.

3.2. Basis of Preparation

The Company's consolidated financial statements have been prepared on historical cost basis except for financial instruments that are measured by fair value or amortized cost, which are evaluated at fair value. Historical cost is generally based on the fair value of the delivered in an asset exchange

3.3. Basis of Consolidated financial statement

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

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

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

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

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received or receivable and the fair value of any retained interest from investments and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary that lost control of assets are carried at re-valued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Parent Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable EAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under EAS 26 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4. Business combinations

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

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with EAS 24 Income Taxes and EAS 38 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with EAS 39 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with EAS 32 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

When the consideration transferred from the group – within a business combination – includes assets and liabilities arising from a conditional agreement, the conditional consideration is measured at the fair value at the acquisition date and recognized as part of the consideration transferred in business combination. If any changes occurred – other than those that match measurement period adjustments in the fair value for the conditional consideration, then these adjustments should be adjusted retroactively against goodwill. Measurement period adjustments are defined as adjustments results from additional information arise during the period (12 months from acquisition date) about events and facts on the acquisition date.

The subsequent treatment for the fair value changes – of the conditional consideration which doesn't match the definition of the measurement period adjustments – based on the classification of the conditional consideration. If the conditional consideration is classified as owners' equity it shouldn't be remeasured in the subsequent periods and should be included in the equity, If it is classified as a monetary asset or liability it should be measured in the subsequent periods according to EAS No. 26 or EAS No. 28 "Contingent assets and contingent liabilities provisions" and recognizing the profit or loss in the income statement.

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

3.5. Investment accounted for using the equity method

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

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

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss. The requirements of EAS 26 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with EAS 31 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with EAS 31 to the extent that the recoverable amount of the investment subsequently increases.

3.6. Goodwill

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

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

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

3.7. Foreign currencies

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

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

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

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on monetary items that qualify as hedging instruments in transactions entered to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

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

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

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

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

Currency table	**2023**		**2022**	
	Average	**Year end**	**Average**	**Year end**
1 US Dollar	30.68	30.96	18.90	24.80
1 Euro	33.17	34.23	19.87	26.52
1 Oman-Riyal	79.73	80.32	49.10	64.32
1 Morocco-Dirham	3.03	3.13	1.86	2.37
1 Jordan-Dinar	43.25	43.55	26.65	34.86
1 United Kingdom-Sterling	38.14	39.39	23.32	29.84
1 United Arab Of Emirates-Dirham	8.35	8.42	5.14	6.74
1 CHF	34.15	36.72	19.78	26.78

3.8. Taxation

3.8.1 Current income tax

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

3.8.2 Deferred income tax

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

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

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

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

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

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

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

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

3.8.3 Current and deferred tax for the year

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

3.9. Property, plant and equipment

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

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

Depreciation of buildings, plant and equipment as well as furniture and fixtures commence when the assets are ready for their intended use. Freehold land is not depreciated.

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership of the leased asset will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

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

3.10. Impairment of tangible assets

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

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

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

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

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

3.11. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable production overheads as well as other costs incurred in bringing the inventories to their present location and condition, are assigned to inventories by the method most appropriate for each category of inventory, with the majority being valued on a weighted average basis. For items acquired on credit and where payment terms of the transaction are extended beyond normal credit terms, the cost of that item is its cash price equivalent at the recognition date with any difference from that price being treated as an interest expense on an effective-yield basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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

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

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

3.12. Provisions

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

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

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

According to the Egyptian accounting standard No. (28) The company discloses the contingent liabilities and provisions and also applying Paragraph 92 in the standard regarding the cases stated in the standard.

3.13. Investment property

Investment properties are properties (land or a building – or part of a building – or both) held by the Group entities to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost net of accumulated depreciation including accumulated impairment and according to depreciation percentages determined by management for each category.

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

3.14. Cash and Cash Equivalents

For the purpose of preparing of the consolidated cash flows statement, cash and cash equivalents are comprised of cash on hand and at banks, deposits, bank overdrafts and treasury bills not exceeding three months.

3.15. Borrowing costs

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

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

- Where hedge accounting is not applied to minimize the interest rate risk on borrowings used to fund that asset and, therefore derivatives are classified as at fair value through profit or loss, all gains / losses on non-hedging derivatives are immediately recognized in profit or loss.
- Where variable rate borrowings are used to finance a qualifying asset and a derivative is designated to cash flow hedge the variability in interest rates on such borrowings, any gain or loss on the hedging derivative that is effective and, therefore previously recognized in other comprehensive income, is reclassified from equity to profit or loss when the hedged risk impacts profit or loss.
- Where fixed rate borrowings are used to finance a qualifying asset and a derivative is designated to hedge the fair value exposure to changes in interest rates of such borrowings, the synthetic floating interest rate that is achieved as a result of a highly effective hedge is capitalized, so that borrowing costs always reflect the hedged interest rate. The amount of borrowing costs capitalized in such a case comprises the actual fixed rate on the borrowings plus the effect of swapping this fixed rate into floating rates.

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

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

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

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

3.16. Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control of a product or service to a customer. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

Accounting policies	Segments classified by type of activity
A) Revenue on sale of land	Sale of land
B) Revenue from agreements for construction of real estate	Real estate and construction
C) Revenue from rendering of services	Hotels
	Destination management
	Other operations

A) Revenue on sale of land

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

B) Revenue from agreements for construction of real estate

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

-Apartments

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

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

The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations. The contractors' progress reports are used to measure the percentage of completion.

-Villas

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

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

Revenue for the second performance obligation, being the construction of the land, is recognized over time as construction progresses. The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations. The contractors' progress reports are used to measure the percentage of completion.

-Financing component

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

C) Revenue from the rendering of services

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

3.17. Cost of sales

Cost of sales comprises costs related directly to the sale of goods or rendering of services. These costs include also administration expenses of revenue generating entities in the Group. Under administration expenses are costs allocated for corporate and head quarter functions as well as non-revenue generating entities, such as holding companies and startup companies.

3.18. Leases

The Group as lessee

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

Initial measurement of lease liability:

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

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

A) Fixed lease payments less any lease incentives.

B) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date

C) The amount expected to be payable by the lessee under residual value guarantees.

D) The exercise price of purchase options, If the lessee is reasonably certain to exercise the options;

E) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate

<u>Subsequent measurement of lease liability:</u>

The lease liability is subsequently measured as follows:

A- Increase the carrying amount to reflect interest on the lease liability

B- Reducing the carrying amount to reflect the lease payments made.

- In which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease term has changed or there is a change in the assessment of exercise of a purchase option.

- There is a change in the valuation of the option to purchase the underlying asset and the lessee must determine the lease payments adjusted to reflect the change in the amounts payable under the purchase option.

-A lease contract is modified, and the lease modification is not accounted for as a separate lease If there is a change in future lease payments resulting from a change in the rate used to determine those payments or a change in the amounts expected to be payable under the residual value guarantee, the lessee must re-measure the lease liability to discount the adjusted lease payments using the same discount rate unless there is a change in lease payments resulting from a change in the variable interest rates, in this case the lessee must use a modified discount rate that reflects changes in the interest rate.

<u>Initial measurement of Right of use assets:</u>

The cost of right-of-use assets include:

A) The initial measurement of the corresponding lease liability at the present value of the unpaid lease payments at that date. Lease payments are discounted using the interest rate stated in the contract if that rate can be easily determined. If this rate cannot be determined, the lessee must use the interest rate on the additional borrowings.

B) Any lease payments made on or before the lease start date subtract any lease incentives received.

C) Any initial direct costs

D) Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. Unless those costs are incurred to produce inventory, the lessee incurs obligations for these costs, whether on the date of the beginning of the lease contract or as a result of the use of the asset of the contract during a certain period.

<u>Subsequent measurement of Right of use assets:</u>

Right of use assets are subsequently measured at cost:

A) less Accumulated depreciation and impairment losses.

B) Any amounts resulting from revaluation of lease liability

If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects

that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated from the commencement date over the useful life of the underlying asset. Other than the previous conditions the depreciation starts at the commencement date of the lease till the end of the useful life of the asset or end of lease contract whichever is earlier.

The Group applies EAS 31 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are include in the line "administrative expenses" in the statement of profit or loss. Currently, the Group does not have such variable rents.

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

The Group as lessor

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

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

3.19. Earnings Per Share

Basic: Basic earnings per share is calculated by dividing the profit or loss of the shareholders for their ordinary shares in the company by the weighted average number of outstanding ordinary shares during the year.

Diluted: The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares, assuming that all financial instruments are transferred to shares and stock options.

3.20. Noncurrent Assets held for sale

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

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

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

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

When the above criteria required for the held for sale classification are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. At that date, the Group measures any non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale.

Its recoverable amount at the date of subsequent decision not to sell.

The Group includes any required adjustment to the carrying amount of a non-current asset (or disposal group), that ceases to be classified as held for sale, in profit or loss from continuing operations in the period in which the criteria of held for sale classification are no longer met. The Group presents that adjustment in the same caption in the statement of comprehensive income used to present any gain or loss recognized on the remeasurement of that non-current asset (or disposal group) that had been previously classified as held for sale provided that it had not met the definition of a discontinued operation upon initial classification as held-for-sale.

Comparative figures in the financial statements for prior periods presented are not restated as a result of the change in the plan to sell unless the non-current asset (or disposal group) had previously met the definition of a discontinued operation, in which case, the results of operations of the component previously presented in discontinued operations is reclassified and included in income from continuing operations for the prior period presented in the statement of comprehensive income. This also applies to the presentation of the statement of cash flows.

3.21. Financial instruments

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

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

3.21.1. Financial assets

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

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

A) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost less impairment loss:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- All other financial assets are subsequently measured at fair value.

B) Effective interest method

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

Income is recognized on an effective interest basis for debt instruments measured subsequently at amortized cost. Interest income is recognized in profit or loss.

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

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

A financial asset is held for trading if:

It has been acquired principally for the purpose of selling it in the short term; or

On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

A derivative is not designated and effective as a hedging instrument or a financial guarantee.

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

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of EAS 25.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established in accordance with EAS 48 Revenue. Dividends earned are recognized in profit or loss and are included in the 'investment income' line item.

D) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at fair value through profit or loss, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Debt instruments that do not meet the amortized cost are measured at fair value through profit or loss. In addition, debt instruments that meet the amortized cost criteria but are designated as at fair value through profit or loss are measured at fair value through profit or loss. A debt instrument may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instrument as at fair value through profit or loss.

Debt instruments are reclassified from amortized cost to fair value through profit or loss when the business model is changed such that the amortized cost criteria are no longer met. Reclassification of debt instruments that are designated as at fair value through profit or loss on initial recognition is not allowed.

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in the 'other gains and losses' line item in the consolidated statement of comprehensive income. Fair value is determined in the manner.

Interest income on debt instruments as at fair value through profit or loss is included in the net gain or loss described above.

Dividend income on investments in equity instruments at fair value through profit or loss is recognized in profit or loss when the Group's right to receive the dividends is established in accordance with EAS 48 Revenue and is included in the net gain or loss as described above.

E) Impairment of financial assets

Financial assets that are measured at amortized cost are assessed for impairment at the end of each reporting period.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It is becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

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

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

F) <u>De-recognition of financial assets</u>

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

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

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

3.21.2. Financial liabilities and equity instruments

A) Classification as debt or equity

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

B) Equity instruments

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

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

a) The instrument includes no contractual obligation:

i. to deliver cash or another financial asset to another entity; or

ii. To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

b) If the instrument will or may be settled in the issuer's own equity instruments, it is:

i. a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or

ii. a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

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

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

C) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

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

i. It is expected to be settled in the entity's normal operating cycle
ii. It is held primarily for the purposes of trading;
iii. It is due to be settled within twelve months after the reporting period;
iv. The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
v. All other financial liabilities are classified as non-current.

D) Derecognition of financial liabilities

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

3.22. Share Based Payment

The fair value a of share-based payment transactions at the (granting date) in the form of equity instruments is recognized as an expense and as a corresponding increase in equity during the due year, the amount recognized as an expense is adjusted to reflect the number of grants for which the related services and performance conditions are expected to be met. The amount recognized at the end is based on the number of granted equity instruments that met the relevant terms of service and non-market conditions of performance on the due date.

4. Critical accounting judgments and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

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

4.1.1 Deferred income tax

The deferred tax assets and liabilities depends on the management judgment. A deferred tax asset shall be recognized to the extent that it is probable that it can be utilized. This Judgment depends on the probability of achieving future taxable profits which allows offsetting with these temporary differences, which needs to estimate a lot of factors including future taxable profits. When the actual

figures differ from the estimated ones it may results in changes of estimating the recoverability of deferred assets, therefore the treatment of this case if any, will be based on future bases for the accounting periods affected by the changes.

4.1.2 Revenues generated from real estate construction contracts

The company uses the percentage of completion policy to measure the progress towards meeting the performance obligation. The evaluation of the percentage of completion involves a significant degree of estimation uncertainty

Evaluation of percentage of completion involves a significant degree of estimation uncertainty because it needs to be evaluated based on expected future estimates of contract outcomes as well as on contractors' reports. For more details about the accounting policy used, please refer to Note 3-16

4.2 Key sources of estimation uncertainty

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

4.2.1 Estimated useful lives of property, plant and equipment

Management's assessment of the useful life of property, plant and equipment is based on the expected use of the assets, the expected physical wear and tear on the assets, technological developments as well as past experiences with comparable assets. A change in the useful life of any asset may affect the amount of depreciation that is to be recognized in profit or loss for future periods.

4.2.2 Provisions

The carrying amount of provisions at the end of the current reporting period is EGP 1,5 Billion (31 December 2022: EGP 1,2 Billion). This amount is based on estimates of future costs for infrastructure completion, legal cases, government fees, employee benefits and other charges including taxes in relation to the Group's operations. As the provisions cannot be determined exactly, the amount could change based on future developments. Changes in the amount of provisions due to change in management estimates are accounted for on a prospective basis and recognized in the period in which the change in estimates arises. According to the EAS No. (28) The company discloses the contingent liabilities and provisions and also applying paragraph 92 in the standard regarding the cases stated in the standard.

4.2.3 Impairment of financial assets

An allowance for doubtful receivables is recognized to record expected credit losses arising from events such as a customer's insolvency. The carrying amount of the expected credit loss for trade and other receivables at the end of the current year is EGP 213 million (31 December 2022: EGP 232 million). In determining the amount of the impairment, several factors are considered. These include the aging of accounts receivables balances, the current solvency of the customer and the historical write-off experience.

4.2.4 Net realizable value of inventory

Inventory mainly includes real estate construction work under progress which is recognized at cost or net realizable value. The majority of real estate under construction (approximately three quarters) is already sold at market prices which are significantly higher than construction cost. Therefore, the estimation uncertainty only relates to the unsold real estate under construction. In general, the profit margins on these real estate projects are high and management currently does not expect any of these projects to be sold below cost.

4.2.5 Infrastructure cost

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

4.2.6 Impairment in the value of tangible assets and investments in associates companies

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

If such an indication exists, then the recoverable amount of the asset is estimated in order to determine the size of the impairment loss (if any). If the group is unable to estimate the recoverable amount of an individual asset, then the group estimates the recoverable amount of the cash-generating unit to which that asset belongs. If it is possible to reach a stable and reasonable basis for distribution - then the general assets of the enterprise are also distributed to the individual cash-generating units, or they are distributed - otherwise - on the level of the smallest group of cash-generating units under which a stable and reasonable basis can be found for distributing those assets to them.

In light of the political developments taking place in Egypt, the management reconsidered the recoverable values of the group's most important fixed assets and investments in associates which are presented in the consolidated statement of financial position on December 31, 2023, amounting to EGP 6.2 Billion and EGP 450 Million respectively (December 31, 2022: an amount of EGP 5.4 Billion, and an amount of EGP 409 Million).

In 2023, the impairment review did not result in any impairment losses in tangible assets and investments in associates (2022: nil).

5. Revenue

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

	31/12/2023 EGP	31/12/2022 EGP
Revenue from the rendering of services and rental income (i)	4 932 807 434	2 927 966 901
Revenue from Real Estate contracts (ii)	10 000 257 285	7 341 392 417
Revenue from the sale of land (iii)	393 144 450	--
Total	**15 326 209 169**	**10 269 359 318**

(i) An amount of EGP 3 267 million (2022: EGP 1 694 million) is recognized from revenues from the rendering of services and rental income at a point in time and an amount of EGP 1 665 million is recognized over a period of time (2022: EGP 1 234 million).

(ii) An amount of EGP 1 950 million (2022: EGP 1 183 million) is recognized from the total revenues from real estate contracts at a point in time, and an amount of EGP 8 050 million is recognized over a period of time (2022: EGP 6 158 million).

(iii) Revenue from the sale of land is recognized at a point in time.

The contractual assets and liabilities related to the above-mentioned revenues are recorded in the following items in the statement of financial position:

EGP	31/12/2023	31/12/2022
Contractual assets		
Trade and notes receivable (net) - non-current	3 950 545 786	2 513 280 141
Trade and notes receivable (net) - current	4 942 328 231	3 720 194 459
Due from related parties (note 24)	161 483 181	105 659 389
Debtors and other debit balances (Prepaid sales commission) - (note 23)	1 026 435 585	614 993 955
Total	**10 080 792 783**	**6 954 127 944**
Contractual liabilities		
Construction contract obligations	1 609 527 423	1 609 527 423
Other liabilities (Advance from customers) – (note 29)	4 143 604 137	2 133 648 834
Total	**5 753 131 560**	**3 743 176 257**

6. Segment Reporting

The Group has four reportable segments, which is reported as indicated below. The strategic divisions offer different products and services and are managed separately because they require different skills or have different customers, the Country's CEOs and the Head of Segment review the internal management reports at least on a quarterly basis. The accounting policies of the reportable segments are the same as the Group's accounting policies described in the consolidated financial statements for the previous year.

– **Hotels** –Providing hospitality services in three to five-star hotels owned by the Group which are managed by international or local hotel chains or by the Group itself.

– **Real estate**– Include acquisition of land in undeveloped areas and addition of substantial value by building residential real estate and other facilities in stages.

– **Land sales** – Include sale of land and land rights to third parties on which the Group have developed or will develop its infrastructure facilities and where the Group does not have further development commitments.

– **Town management** – Include provision of facilities and infrastructure services at resorts and towns.

– **Other activities** – Include the provision of services to businesses not allocated to any of the segments listed above comprising rentals from investment properties, mortgages, sports, hospital services, educational services, marina rentals, limousine rentals and other services. None of these segments meets any of the quantitative or qualitative thresholds for determining a reportable segment in 2022 and 2023.

6-1 The Main Revenues Contribution by each Segment

Segment	Product	Revenue from External Customers 2023	Revenue from External Customers 2022
Hotels	Hotels managed by international chains	498 063 595	323 092 235
	Hotels managed by local chains	527 376 321	273 287 652
	Hotels managed by the Group	2 014 989 175	966 874 305
	Total Segment	**3 040 429 091**	**1 563 254 192**
Real estate		**10 000 257 285**	**7 341 392 417**
Land Sales		**393 144 450**	**--**
Town management	Operating utilities (electricity, water)	**1 139 880 110**	**878 731 427**
Other Operations	Rentals	226 379 699	162 621 308
	Sports (Golf)	42 126 015	21 091 568
	Medical services	183 458 819	109 027 973
	Educational services	45 802 571	34 936 744
	Limousine	390 823	243 610
	Marina	250 911 973	155 491 929
	Others	3 428 333	2 568 150
	Total Segment	**752 498 233**	**485 981 282**
Total revenues		**15 326 209 169**	**10 269 359 318**

6-2 Segment Income Statement

EGP	Total segment revenue		Inter-segment revenue		Revenue from external customers		Cost of revenue		Depreciation		Gross profit		Segment result	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Hotels (i)	3 074 707 679	1 583 214 999	(34 278 588)	(19 960 807)	3 040 429 091	1 563 254 192	(1 777 927 754)	(1 075 269 464)	(127 131 630)	(87 653 777)	1 135 369 707	400 330 951	1 237 538 083	457 428 209
Real estate (ii)	10 000 257 285	7 341 392 417	--	--	10 000 257 285	7 341 392 417	(6 846 932 742)	(4 624 492 920)	(31 274 714)	(23 596 511)	3 122 049 829	2 693 302 986	3 534 279 174	3 446 439 146
Land (iii)	393 144 450	--	--	--	393 144 450	--	(27 506 544)	(9 715 881)	(11 225 799)	(11 175 963)	354 412 107	(20 891 844)	277 156 936	(6 735 138)
Town management	1 985 961 938	1 346 018 620	(846 081 828)	(467 287 193)	1 139 880 110	878 731 427	(978 045 406)	(703 012 848)	(57 549 020)	(51 716 653)	104 285 684	124 001 926	110 969 531	126 876 136
Other operations	779 177 410	506 880 020	(26 679 177)	(20 898 738)	752 498 233	485 981 282	(582 053 557)	(531 172 191)	(47 966 950)	(30 262 856)	122 477 726	(75 453 765)	135 420 219	(44 054 773)
Total	**16 233 248 762**	**10 777 506 056**	**(907 039 593)**	**(508 146 738)**	**15 326 209 169**	**10 269 359 318**	**(10 212 466 003)**	**(6 943 663 304)**	**(275 148 113)**	**(204 405 760)**	**4 838 595 053**	**3 121 290 254**	**5 295 363 943**	**3 979 953 580**
Investment Revenue													94 169 194	71 226 406
Other gains / (losses)													(377 483 536)	(1 089 944 046)
Share of profits of associates													142 610 517	134 987 420
General and administrative expense													(304 384 665)	(215 463 221)
Interest and financing expenses													(684 557 042)	(310 574 016)
Profit for the year before tax													**4 165 718 411**	**2 570 186 123**
Income tax													(1 046 481 029)	(662 273 989)
Net Profit for the year after tax													**3 119 237 382**	**1 907 912 134**

i) The main reason for the increase in the revenues of the hotel sector is due to the increase in the demand for travel in general, and the group's hotels showed strong growth during 2023, mainly driven by the increase in the demand for leisure tourism. Our hotels have benefited from the improvement in the performance of the tourism sector in Egypt.

ii) The main reason for the increase in real estate revenue was due to the acceleration of the construction process in the company's projects in El Gouna, Makadi and Orascom Real Estate O West, which resulted in an increase in revenue during the year.

iii) During the year,the company sold some plots of land of 45,350 square meters in El Gouna with a total amount of 390 million EGP for the purpose of building a school (Note 37-B)

6-3 Segment Assets and Liabilities

EGP	**2023**	**2022**
Segment Assets		
Hotels	6 205 517 837	5 059 978 526
Real estate	28 605 881 885	21 387 587 100
Land	5 287 333 645	2 703 303 941
Town management	3 179 332 140	2 613 183 647
Other operations	2 761 340 483	2 267 476 542
Segment asset before elimination	**46 039 405 990**	**34 031 529 756**
Inter-segment elimination	(7 316 306 953)	(7 309 503 381)
Segment assets after elimination	**38 723 099 037**	**26 722 026 375**
Unallocated assets	512 879 083	1 546 558 721
Total Consolidated assets	**39 235 978 120**	**28 268 585 096**

EGP	**2023**	**2022**
Segment liabilities		
Hotels	2 849 044 091	2 604 373 337
Real estate	20 731 185 223	15 507 567 914
Land	1 691 383 286	395 345 884
Town management	2 623 784 759	2 212 848 361
Other operations	1 559 685 715	1 377 523 956
Segment liabilities before elimination	**29 455 083 074**	**22 097 659 452**
Inter-segment elimination	(6 042 762 146)	(6 103 482 159)
Segment libilities after elimination	**23 412 320 928**	**15 994 177 293**
Unallocated libilities	5 857 904 516	5 462 049 734
Total Consolidated liabilities	**29 270 225 444**	**21 456 227 027**

Additions to non-current assets

	31/12/2023 EGP	31/12/2022 EGP
Hotels	439 624 941	547 079 475
Town management	442 658 083	156 755 698
Real estate and construction	1 109 405 772	421 398 722
Other activities	485 797 696	221 953 167
Total	**2 457 486 492**	**1 347 187 062**

7. Employee benefits expense

	31/12/2023 EGP	31/12/2022 EGP
Thereof included in cost of sales	1 384 688 323	878 101 347
Thereof included in administration expenses	193 577 832	157 638 092
	1 578 266 155	**1 035 739 439**

8. Dividends distributions

The Company did not declare dividends distribution on shareholders for the period starting from January 1, 2023 to December 31, 2023.

9. Investment revenues

	31/12/2023 EGP	31/12/2022 EGP
Interest revenues and treasury bills	304 064 625	209 414 363
Interests on long-term receivables	266 565 022	154 564 294
	570 629 647	**363 978 657**

10. Other gains / (losses)

	31/12/2023 EGP	31/12/2022 EGP
Net foreign exchange gains (losses) (i)	(278 199 732)	(422 453 831)
Proceeds from sale of financial investments(ii)	356 513 121	--
Expected credit losses due from related parties (Note 24)	(40 955 560)	(34 630 377)
Other gains / (losses)	3 920 546	10 671 620
	41 278 375	**(446 412 588)**

i. Net foreign exchange gains / (losses) resulting from revaluation of financial assets and liabilities in foreign currencies.

ii. This amount mainly represents gains on the sale of short-term investments bought and sold during the year.

11. Interest and financing expenses

	31/12/2023 EGP	31/12/2022 EGP
Interest on loans and others	1 350 316 467	388 194 399
Capitalized interest	(227 305 951)	--
Total	**1 123 010 516**	**388 194 399**

* The rate used by the Group to determine the amount of borrowing costs eligible for capitalization is 21.7% per annum.

12. Compensation of key management personnel

	31/12/2023 EGP	31/12/2022 EGP
Board of director's allowances	6 130 000	4 800 000
Total compensation of key management personnel	**6 130 000**	**4 800 000**

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

13. Basic/ Diluted earnings per share in profits for the year

Basic/ Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year.

The profits and the number of shares used in the calculation of basic earnings per share are as follows:

EGP	31/12/2023	31/12/2022
Net Profit	2 828 722 063	1 672 048 919
Weighted average number of ordinary shares for the purpose of basic EPS	1 119 091 766	1 114 972 250
Basic earnings per share in profits for the year	**2.53**	**1.50**

And by granting the ESOP Stock options the EPS equals:

Weighted average number of ordinary shares including ESOP Shares	1 119 199 262	1 115 200 366
Diluted earnings per share in profits for the year	**2.53**	**1.49**

14.1 Fixed Assets (Net)

	Lands	Infra- struture, Buildings and Land Improvments	Machinery and Equipments	Furniture and Fixtures	Total
	EGP	EGP	EGP	EGP	EGP
Cost					
Cost as of 1/1/2023	**486 336 822**	**5179 065 207**	**1157 125 414**	**582 231 378**	**7404758821**
Additions during the year	112 398 836	124 844 414	229 671 522	252 112 437	719 027 209
Transfer from projects under construction	--	347 837 402	43 403 313	27 329 432	418 570 147
Foreign currencies translation	--	11 643 666	162 325	483 872	12 289 863
Cost as of 31/12/2023	**598 735 658**	**5663 390 689**	**1430 362 574**	**862 157 119**	**8554 646 040**
Accumulated depreciation					
Balance as of 1/1/2023	**--**	**(1041 304 654)**	**(718 474 277)**	**(366 069 471)**	**(2 125 848 402)**
Depreciation for the year	--	(115 986 839)	(77 831 109)	(66 080 434)	(259 898 382)
Foreign currencies translation	--	(1 655 318)	(320 717)	(273 177)	(2 249 212)
Balance as of 31/12/2023	**--**	**(1158 946 811)**	**(796 626 103)**	**(432 423 082)**	**(2 387 995 996)**
Net book value as of 31/12/2023	**598 735 658**	**4504 443 878**	**633 736 471**	**429 734 037**	**6166 650 044**
Net book value as of 31/12/2022	**486 336 822**	**4137 760 553**	**438 651 137**	**216 161 907**	**5278 910 419**

(i) The net book value of pledged fixed assets to secure borrowings amounted to EGP 1.4 Billion (December 31, 2022 EGP 999 million) refer to (note 31.1).

14.1 Fixed Assets (Net)

	Lands	Infra- structure, Buildings and Land Improvements	Machinery and Equipment	Furniture and Fixtures	Total
	EGP	EGP	EGP	EGP	EGP
Cost					
Cost as of 1/1/2022	**486 336 822**	**4 275 833 059**	**1047 169 136**	**449 400 431**	**6 258 739 448**
Additions during the year	--	191 202 033	49 191 188	71 199 346	311 592 567
Transferred from projects under construction	--	694 843 121	60 605 282	60 921 375	816 369 778
Foreign currency translation	--	17 186 994	159 808	710 226	18 057 028
Cost as of 31/12/2022	**486 336 822**	**5 179 065 207**	**1 157 125 414**	**582 231 378**	**7 404 758 821**
Accumulated depreciation					
Balance as of 1/1/2022	--	**(948 434 829)**	**(659 920 966)**	**(327 019 346)**	**(1 935 375 141)**
Depreciation for the year	--	(90 562 461)	(58 104 744)	(38 661 586)	(187 328 791)
Foreign currency translation	--	(2 307 364)	(448 567)	(388 539)	(3 144 470)
Balance as of 31/12/2022	--	**(1041 304 654)**	**(718 474 277)**	**(366 069 471)**	**(2 125 848 402)**
Net book value as of 31/12/2022	**486 336 822**	**4 137 760 553**	**438 651 137**	**216 161 907**	**5 278 910 419**
Net book value as of 31/12/2021	**486 336 822**	**3 327 398 230**	**387 248 170**	**122 381 085**	**4 323 364 307**

(i) The net book value of pledged fixed assets to secure borrowings amounted to EGP 999 million (December 31, 2021 EGP 713 million) refer to (note 31.1).

14.2 Right of use assets (Net)

	Infra- struture, Buildings and Land Improvments EGP	Machinery and Equipment EGP	Total EGP
Cost			
Cost as of 1/1/2023	**91 041 349**	**52 722 622**	**143 763 971**
Additions during the year	7 061 171	--	7 061 171
Cost as of 31/12/2023	**98 102 520**	**52 722 622**	**150 825 142**
Accumulated depreciation			
Balance as of 1/1/2023	**(43 615 786)**	**(27 670 199)**	**(71 285 986)**
Depreciation for the year	(6 848 598)	(706 316)	**(7 554 914)**
Balance as of 31/12/2023	**(50 464 384)**	**(28 376 515)**	**(78 840 900)**
Net book value as of 31/12/2023	**47 638 136**	**24 346 107**	**71 984 242**
Net book value as of 31/12/2022	**47 425 563**	**25 052 423**	**72 477 985**

	2023	2022
Net book value - Fixed assets	6 166 650 044	5 278 910 419
Net book value - Right of use assets	71 984 242	72 477 985
	6 238 634 286	**5 351 388 404**

15. Projects under construction

	31/12/2023 EGP	31/12/2022 EGP
Cost		
Opening balance	919 667 813	747 594 670
Additions	1 731 398 112	988 442 921
Transferred to fixed assets	(418 570 147)	(816 369 778)
	2 232 495 778	**919 667 813**

16. Goodwill

	31/12/2023 EGP	31/12/2022 EGP
Cost		
Opening balance	51 110 181	51 110 181
Accumulated impairment losses	--	--
	51 110 181	**51 110 181**

16.1 Goodwill distribution on the cash generating units in the annual impairment test

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

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

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

Cost	Sector	31/12/2023 EGP	31/12/2022 EGP
Hotel Companies*	Hotels	**51 110 181**	**51 110 181**

*Each subsidiary have been considered separately from the rest of the companies (each separately).

Hotels

- The recoverable value of each cash generating unit was determined based on the "estimated value of use" formula, which is based on forecasting future cash flows according to the financial budgets approved by the administration, which covers a period of five years. By applying an average annual discount rate of 37.7% (2022: 30.7%) was used to calculate the value in use. The discount rate used was based on a risk-free interest rate of 22.1% in addition to a risk rate of 15.6%. Cash beyond the five-year period using a 3% growth rate to calculate the final value.
- The aforementioned impairment test did not result in recognition of the impairment loss during 2023 (2022: nil). According to the sensitivity analysis used by the administration, if the average discount rate had increased by 4.5% and the growth rate decreased by 0.5% - which, from the management's point of view, represented a reasonably possible change in the underlying assumptions - this did not lead to exceeding the total book value on The total recoverable amount of the cash-generating unit.

- Moreover, management believes that any reasonably possible change in the underlying assumptions (sensitivity analysis) on which the recoverable value is based will not result in exceeding the total carrying value over the total recoverable amount of the cash-generating unit.

17. Financial investments at fair value through other comprehensive income

	31/12/2023 EGP	31/12/2022 EGP
Arena for Hotels Company	15 000	15 000
Egyptian Resort Company	85 728	30 482
	100 728	**45 482**

18. Investment accounted for using the equity method

			Ownership Percentage (%)		Carrying Value (EGP)	
Associate name	**Country**	**Segment**	**2023**	**2022**	**2023**	**2022**
Red Sea for Construction & Development (i)	Egypt	Real estate & Construction	40.20%	40.20%	450 198 370	409 046 853
Total					**450 198 370**	**409 046 853**

Below is a summary of financial information with respect to the group's investment in the associate companies:

EGP	2023	2022
Current Assets	4 993 730 014	4 020 121 612
Non-Current Assets	511 518 837	430 301 586
Current Liabilities	4 385 352 408	3 432 893 713
Net Assets	**1 119 896 443**	**1 017 529 485**
Revenues	1 989 577 130	1 727 999 894
Net profits for the year after tax	354 752 530	335 789 602
Groups' share in net profits	**142 610 517**	**134 987 420**

Below is a reconciliation of the summarized financial information and the company's book value for Red Sea for Construction & Development value recognized in its consolidated financial statement:

EGP	2023	2022
Net assets of red sea for construction & development	1 119 896 443	1 017 529 485
Group interest in red sea for construction & development	40.20%	40.20%
Book value of the group interest in red sea for construction & development	**450 198 370**	**409 046 853**

(i) Red sea for construction & development

- The company operates at real estate development, construction, building and contracting for projects located in Egypt. There were no changes in the proportion of ownership interest held by the Group compared to the prior year. On March 7, 2021, the Extraordinary General Assembly of the Red Sea for construction & development company decided to increase the Company's capital to 1 500 000 shares (one million five hundred thousand shares) from the retained earnings, so the number of company shares becomes 601 500 (six hundred and one thousand five hundred shares) with a value of 60 150 000 pounds (sixty million one hundred and fifty thousand Egyptian pounds).

- During the first Quarter 2023, the company paid dividends to its shareholders, the group's share in the dividends amounted to EGP 101 304 000
-

19. Subsidiary companies

The following are the Group's most significant subsidiaries:

Description	Country	Ownership Percentage 2023	Ownership Percentage 2022	Main activity
International Hotels Holding	Egypt	98.69 %	98.69 %	Hotels
Taba Heights	Egypt	98.00 %	98.00 %	Services Taba Area
Orascom Limousine	Egypt	55.32 %	55.32 %	Car Renting
El Gouna Limousine	Egypt	55.28 %	55.28 %	Car Renting
Misr El Fayoum for Touristic Development	Egypt	99.96 %	99.96 %	Real-Estate
El Gouna Hospital	Egypt	74.75 %	74.75 %	Hospital
El Gouna for Services	Egypt	99.00 %	99.00 %	Services
El Gouna Paul Rhan for Educational Services	Egypt	75.00 %	75.00 %	Education
El Gouna for Schools	Egypt	95.05 %	95.05 %	Education
El Gouna for Farms	Egypt	95.05 %	95.05 %	Agriculture
El Roboue for Touristic Development	Egypt	99.88 %	99.88 %	Real-estate
El Wekala for Hotels	Egypt	74.21 %	74.21 %	Hotels
Taba for Hotels	Egypt	59.48 %	59.48 %	Hotels
Taba Laundry *	Egypt	61.55 %	61.55 %	Services
Taba First Hotel Company	Egypt	59.77 %	59.77 %	Hotels
Orascom for Marines Management	Egypt	98.97 %	98.97 %	Services
International Company for Taba Touristic Projects	Egypt	64.59 %	64.59%	Hotels
El Gouna Laundry *	Egypt	96.43 %	96.43 %	Services
Orascom Housing	Egypt	98.36 %	98.36 %	Housing
Makadi Heights for tourism development	Egypt	74.02 %	74.02 %	Real-Estate
Ancient Sands Ltd.	Egypt	99.80 %	99.80 %	Real-Estate
Ancient Sands Golf	Egypt	99.90 %	99.90 %	Real-Estate
Orascom for Touristic Sports	Egypt	95.95 %	95.95 %	Services
Bayoud El Gouna for Real-Estate Investment	Egypt	99.95 %	99.95 %	Real-Estate
Fanadir El Gouna for Real-Estate Investment	Egypt	99.95 %	99.95 %	Real-Estate
Um Jamar El Gouna for Real-Estate Investment	Egypt	99.95 %	99.95 %	Real-Estate
Sabina El Gouna for Real-Estate Investment	Egypt	99.95 %	99.95 %	Real-Estate
Orascom for projects and tourism development	Egypt	98.95 %	98.95 %	Services
Ancient Sands for Hotels S.A.E.	Egypt	98.69 %	98.69 %	Hotels
Orascom Real Estate	Egypt	70.00 %	70.00 %	Real-Estate
Orascom For Electricity	Egypt	69.58 %	69.58 %	Services
O west Club Investment	Egypt	69.79 %	69.79 %	Services
O west For Services and Projects Management	Egypt	70.00 %	--	Services

20. Investment Property

The below schedule shows a summary of the movement which occurred during the year, and the effect on the carrying value of the investment property:

EGP	**31/12/2023**	**31/12/2022**
Cost		
Balance as of January 1	**244 581 841**	**213 538 276**
Additions	**--**	31 043 565
Total	**244 581 841**	**244 581 841**
Accumulated depreciation		
Balance as of January 1	**(61 363 556)**	**(50 793 066)**
Depreciation for the year	(7 694 817)	(10 570 490)
Total	**(69 058 373)**	**(61 363 556)**
Balance at the end of the year	**175 523 468**	**183 218 285**

During 2023, EAS 34 "Investment Property" was amended to allow all entities to use either the cost model option or the fair value model option in the subsequent measurement of their real estate investments,although the Company currently uses the cost model.

The fair value of the investment property in 2023 was EGP 358 million (2022: EGP 313 million).

	2023	**2022**
	EGP	**EGP**
Rental income from investment properties	226 379 699	162 621 308
Direct operating expenses (including repairs and maintenance) arising from investment properties	13 622 432	8 806 317

21. Inventory

	2023	**2022**
	EGP	**EGP**
Land held for development (i)	11 273 996 778	8 437 545 884
Work in progress - construction (ii)	1 016 726 607	463 074 134
Other (iii)	516 291 415	321 098 143
	12 807 014 800	**9 221 718 161**

(i) The value of the land stated above, is the value of the lands allocated for the real estate development, which were not developed yet.

(ii) This amount includes works in progress in the real estate sector which was sold under construction of the project.

(iii) This amount includes the construction materials, the hotels inventories, and the completed units.

-The increase in inventory was due to the agreement signed with the Egyptian Government, where the Tourism Development Authority approved a new master plan for the undeveloped plot of land in the city of El Gouna, as well as the modification of the beach campus for the undeveloped plot of land, which increased the inventory of land during the period.

- On 26th of November 2018, Orascom Development Egypt S.A.E & Orascom Real-Estate company (Developer of O West project) signed an agreement with the New Urban Communities Authority (NUCA) to co-develop an integrated residential project with an area of 1,000 acres (4.2 million square meters) in the 6th of October city, west of Cairo, within a ten years period. The two parties agreed that the land will be allocated to the company on a revenue sharing model where by NUCA is entitled to 26% of total residential sales collections and the company to 74%.

- During the first quarter of 2019, the land was received, and the plan was approved, also Orascom Development Egypt announced the official launch of its first project in the 6th of October City (O-West), which includes 950 residential units (villas, townhouses, twin houses and apartments).

22. Trade and notes receivable (net)

	Non-current		Current	
	31/12/2023 EGP	**31/12/2022 EGP**	**31/12/2023 EGP**	**31/12/2022 EGP**
Accounts receivable	1 230 592 130	703 233 046	1 469 827 236	1 089 212 495
Notes receivable and checks under collection	2 723 276 705	1 813 736 078	3 682 654 997	2 858 856 269
Expected credit loss	(3 323 049)	(3 688 983)	(210 154 002)	(227 874 305)
	3 950 545 786	**2 513 280 141**	**4 942 328 231**	**3 720 194 459**

Movement in the expected credit loss as follows (note 41):

	31/12/2023 EGP	**31/12/2022 EGP**
Balance at beginning of year	(231 563 288)	(218 712 747)
Impairment losses recognised on receivables	(21 329 755)	(20 017 982)
Reverse of impairment losses	39 415 992	7 167 441
	(213 477 051)	**(231 563 288)**

23. Debtors and other debit balances

	31/12/2023 EGP	**31/12/2022 EGP**
Advance to suppliers	332 198 472	264 505 845
Other debit balances	213 021 251	130 067 676
Prepaid sales commissions related to uncompleted units (i)	1 026 435 585	614 993 955
Deposit with others	50 959 698	45 700 584
Prepaid expenses	56 198 381	31 805 946
	1 678 813 387	**1 087 074 006**

i. The prepaid sales commissions represent the amount of commissions receivable on the sale of units which will be charged to the Statement of Profit and Loss when the revenue from the sale of the units shall be recognized.

24. Due from related parties

	31/12/2023	31/12/2022
	EGP	EGP
Three corners Company (i)	245 220 669	154 142 200
FTI (ii)	161 483 181	105 659 389
Business park one for office management	120 461 849	115 465 300
Arabian Peninsula company for hospitality (i)	113 573 306	113 573 306
El Gouna sports club	59 306 487	36 443 811
Red sea for construction (ii)	41 927 055	150 217 283
El Gouna for educational services and buildings	28 842 289	5 866 570
Orascom development management	3 215 034	3 215 034
Orascom construction industries	--	11 064 913
Arena for hotels company	--	5 889 757
Other (less than half million EGP)	7 802 887	4 240 877
Expected credit loss due from related parties (note 10)	(77 399 371)	(36 443 811)
	704 433 386	**669 334 629**

(i) The Companies own non-controlling interests in some of the subsidiaries. The balance represents amounts paid to shareholders to be then settled through dividends.
(ii) Transaction with related parties (note 37).

25. Treasury bills

	31/12/2023	31/12/2022
	EGP	EGP
Treasury bills - more than three months	--	25 564 533
Less: unrealized interest income - more than three months	--	(2 532 566)
Treasury bills - less than three months	326 124 542	758 409 110
Less: unrealized interest income -less than three months	(17 769 909)	(15 165 682)
	308 354 633	**766 275 395**

The balance is represented in treasury bills with several government and private banks, the interest rate on treasury bills ranges from 24.50% to 25.20% annually.

26. Cash and Cash Equivalents

	31/12/2023	31/12/2022
	EGP	EGP
Banks – current accounts	3 399 544 177	1 263 661 318
Banks – time deposits	1 761 560 671	1 792 639 091
Cash on hand	2 991 108	3 271 026
	5 164 095 956	**3 059 571 435**

For the purposes of preparing the consolidated statement of cash flows, cash and cash equivalents are as follows:

	31/12/2023 EGP	31/12/2022 EGP
Cash and Cash Equivalents	5 164 095 956	3 059 571 435
Treasury bills - less than three months	326 124 542	758 409 110
Less: unrealized interest income - less than three months	(17 769 909)	(15 165 682)
	5 472 450 589	**3 802 814 863**

27. Land purchase creditors

The reason for The increase in land purchase creditors is due to the current and non-current obligations of one of the subsidiaries (Orascom Properties, the developer of the O West project in Sixth of October) with the Urban Communities Authority (NUCA) in relation to the participatory allocation contract as per the agreement signed with the Egyptian government, which led to an increase in the balance of land purchase creditors during the year (Note 21), the outstanding amount will be paid in 15 annual instalments.

28. Provisions

	31/12/2023 EGP	31/12/2022 EGP
Long-term Provisions	298 371 210	146 172 348
Short-term Provisions	1 179 173 978	1 080 035 813
	1 477 545 188	**1 226 208 161**

Provisions movements are as follows:

EGP	Provision for infrastructure (i)	Provision for legal cases (ii)	Provision for contingent claims	Other Provision	Total
Balance as of January 1, 2023	**307 854 528**	**35 213 818**	**635 068 211**	**248 071 604**	**1 226 208 161**
Provision formed	298 530 547	51 907 588	88 463 783	368 865 267	807 767 185
Provision no longer required	(77 269 214)	(1 342 476)	(2 660)	(259 999)	(78 874 349)
Provision Used	(40 736 699)	(12 527 206)	(422 708 775)	(1 583 129)	(477 555 809)
Balance as of December 31, 2023	**488 379 162**	**73 251 724**	**300 820 559**	**615 093 743**	**1 477 545 188**
Long term provisions	**--**	**25 879 131**	**242 492 079**	**30 000 000**	**298 371 210**
Short term provision	**488 379 162**	**47 372 593**	**58 328 480**	**585 093 743**	**1 179 173 978**

(i) Provision for infrastructure completion relates to the cash flows expected for the development of the necessary infrastructure to qualify the project area - which is usually located in remote regions – and turned into habitable and attractive area.

(ii) Provision for legal cases consists of cash outflows expected for the settlement of pending litigations

- The provisions are related to claims from some external parties arising from the normal activities of the group, Until full settlement of such disputes and arriving to final results the management and its consultants take the necessary studies to arrive to the best estimates , provision is revised and amended on annual basis according to latest updates and discussions between management and consultants

29. Creditors and other credit balances

	31/12/2023 EGP	31/12/2022 EGP
Advances from customers	4 143 604 137	2 133 648 834
Accrued expenses	883 794 147	591 302 986
Other credit balances	933 821 654	476 467 953
Deposits from others	628 267 785	390 767 581
Taxes (excluding income tax)	233 495 889	175 029 314
Management Companies- current account	53 128 734	30 704 663
Shareholders – current account *	127 229 409	491 586 299
	7 003 341 755	**4 289 507 630**

*The item mainly includes an amount due to the Company main shareholders related to the financing of the construction of a conference center in El Gouna (Note 37.B)

30. Due to related parties

	31/12/2023	31/12/2022
Orascom Hotel Management SAE	91 716 459	13 636 849
Arena for Hotels company	57 894 808	--
Orascom Construction industries	69 659 326	--
Orascom Development Holding AG	33 700 995	124 260 150
El Gouna For Educational Establishments & Technology	18 312 750	--
Others (Less than EGP 500 000)	791 354	729 843
	272 075 692	**138 626 842**

31. Borrowing

	Non-current		Current	
	31/12/2023 EGP	31/12/2022 EGP	31/12/2023 EGP	31/12/2022 EGP
Bank Loans	5 124 812 811	4 676 769 381	2 579 165 146	955 718 518
Borrowings from Holding Company	929 010 000	--	--	--
	6 053 822 811	**4 676 769 381**	**2 579 165 146**	**955 718 518**

31.1 Summary of Borrowing Arrangements

(1) The weighted average contractual effective interest rate for all financial liabilities is 13.9 % for 2023 (2022:10.54%). It was calculated through the weighted average of each debt and its related interest expense from the total debts and credit facilities.

(2) Bank loans are current and long-term loans with variable and / or fixed interest rates and the value of the pledged fixed assets as collateral for these loans amounted to EGP 1 400 million (2022: EGP 999 million) and the value of the mortgage investment property amounted to EGP 87 million (2022: EGP 90 million) There are also guarantees to the shares of subsidiaries companies. For details of loans carrying a fixed and variable interest rate, see Note 41-8-1.

(3) Some loans and credit facilities contracts between the company and the lending bank includes covenants by the company, indicating not to distribute dividends until the due installments and the interest of such loans and the credit facilities are paid for the year.

(4) Some loan contracts include financial covenants that the company must comply with. During the year, the company complied with all its financial covenants mentioned in the loan contracts.

31.2 Borrowing Agreements

- On November 19, 2020, Orascom Development Egypt signed a credit 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 at an interest rate of 4.25% above the SOFR rate, 4.75% above Euribor rate and 1.25% for the EGP above the corridor rate, in addition to the equivalent of 50 million USD as Tranche (B) in EGP only at an interest rate of 8% for half of the tranche according to the initiative of the Central Bank and the other half at the same interest rates as tranche (A). The banks involved in the agreement are four Egyptian banks: CIB (the creditor agent), Banque Misr, Banque du Caire and HSBC.
  On December 23, 2020, the contract was activated, and on 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 issued for expansion in the hotels segment and projects in the hospitality sector in subsidiaries. During 2022 and 2023, the company used EGP 344 million from tranche B. The loan will be repaid over seven years, including a grace period of 2.5 years, the first instalment was due in June 2023. The loan will expire on 23 December 2027 compared with CTIA loans, which had a due date on December 31, 2024.
- On January 28, 2022, Orascom Development Egypt (Standalone) has signed a contract for financing under discounting of commercial papers with the Arab Investment Bank for a total of EGP 132 million and a current net value of EGP 123 million at a discount rate of 10.5%. The total loan was repaid in September 2022.
- On 24 July 2022, Orascom Real Estate Company (a subsidiary company) signed a credit facility agreement worth EGP 1.5 billion with CIB to help the acceleration of the construction process of O West project in 6th of October. The company used the full amount of the loan EGP 1.5 billion until June 30, 2023. On 5 November 2023, as an alternative to the above facility agreement, Orascom real estate signed a syndicated loan agreement for EGP 6.0 billion to finance its project in West Cairo, O West, which will be partially used to refinance the existing EGP 1.5 billion facility mentioned above, with a ten-year term.
- During the year, Orascom Development Egypt has signed an agreement to borrow USD 30 million (928 million Egyptian pounds) from its parent company (Orascom Development Holding Company) to pay the special obligation of the agreement signed with the Egyptian Government in 2023 at an interest rate of 3.75%
- During the year, Makadi Heights for Tourism Development company (a subsidiary company) signed a leasing contract with Globalcorp for Financial Services in order to lease some plots of land and the buildings on them with total amount of 429 million EGP, an amount of EGP 371 million has been utilized until 31 December 2023 with repayment starting from January 2026. the company also has signed a new leasing contract with Al-Tameer Leasing and Factoring Company (Aloula company) with total amount of EGP 150 Million, where the company disbursed a total amount of EGP 27 million until 2023 that will be repaid by June 2024.

32. Capital

The authorized capital

- The authorized capital of the company was set at 5 billion Egyptian pounds.

Issued and Paid-up Capital

- The authorized capital of the company is EGP 5 billion (five billion Egyptian pounds) the issued and paid-up capital became EGP 1 108 307 385 (one billion, one hundred and eight million, three hundred and seven thousand three hundred and eighty-five Egyptian Pounds) distributed to 1 108 307 385 shares (one billion, one hundred and eight million, three hundred and seven thousand three hundred and eighty-five Shares) with a share value of EGP 1.
  instead of 221 661 475 shares (two hundred and twenty-one million six hundred and sixty-one thousand four hundred and seventy-five shares). This is in accordance with the decision of the Extraordinary General Assembly held on March 19, 2018 to divide the nominal value of the share from five pounds to one Egyptian pound.
- The necessary legal procedures have been completed with Misr for Central Clearing, Depository and Registry (MCDR) and the Egyptian Exchange (EGX) regarding the finalization of the split, and the shares were traded at par value (post-split) as of 7 May 2018.
- In accordance with the Extraordinary General Assembly Resolution held on 8 November 2018 the capital was increased by EGP 22 166 138 for the number of shares of 22 166 138 shares, the value of each share is EGP 1, all of which are cash shares. The capital amounted to EGP 1 130 473 523 with aim of financing the increase according to Articles 6 and 7.
  The increase was recognized in the Commercial Register on 19 December 2018.
- During 2020, 2 285 252 shares of ESOP were exercised, the value of each share is one Egyptian pound, and all of them were cash shares.
- During 2021, 1 938 294 shares of ESOP were exercised, the value of each share is one Egyptian pound, and all of them were cash shares.
- During 2022, 2 441 319 shares of ESOP were exercised, the value of each share is one Egyptian pound, and all of them were cash shares.
- On 16th of March 2023, the board of directors approved 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 2 May 2023, and the conversion was executed on June 21, 2023 On 25 September 2023, the sale of all shares with gross amount of EGP 155 012 730 was executed.

33. Reserves

	31/12/2023	**31/12/2022**
	EGP	**EGP**
Legal reserve	355 288 410	317 426 692
General reserve	1 097 676 357	1 097 676 357
Common control transaction reserve	(279 065 883)	(279 065 883)
Employee stock ownership plan *	--	(15 501 273)
Employee stock ownership plan reserve *	--	1 611 852
Foreign currency translation reserve	4 924 427	5 890 517
Investment valuation reserve	(344 927)	(400 173)
	1 178 478 384	**1 127 638 089**

*** Employee stock ownership plan:**

-The Extraordinary General Assembly held on November 8, 2018 decided to increase the capital by EGP 22,166,138 by a number of 22,166,138 shares, the value of each share is one Egyptian pound, all of them are cash shares, with the aim of financing the Company's ESOP on December 19, 2018.

On October 1, 2019, the Company activated the ESOP for employees according to a Share-Based payment system, as the Company granted 6 931 968 options to some of the Company's employees, and the employees will have the right to exercise the option to purchase these shares over three years, provided that the employees remain at the company during that period . Employees will be granted those shares at nominal value (1 Egyptian pound), provided that the equity instruments for share based payments are recognized at fair value on the granting date are charged to the profit or loss statement according to the accrual principle during the three-year period against the increase in shareholders' equity.

-The fair value was calculated using the Black-Scholes Model on the basis of the purchase price of 1 Egyptian pound and the market price per share at the grant date was 6,85 EGP at an average age of 3 years based on a risk-free annual rate of return of 15.7% and a sensitivity rate of 31.52% and assuming no dividends distribution The fair value was calculated at the date of grant spread over the vesting period.

-On March 16, 2023, the board of Directors approved the proposal to suspend and terminate the program of the system of proof and motivation and transfer the remaining 15,501,273 shares of the system to treasury shares and on May 2, 2023, the General Assembly approved and on June 21, 2023 the transaction was executed. On September 25, 2023, the sale of all shares was carried out with a total value of EGP 155 012 730.

The stock options movement during the year are as follows:

	Exercise Price	2023 Number of shares choices
Stocks balance at the beginning of the year	--	**267 103**
Options granted not yet exercised	--	(267 103)
Stocks balance at 31 December 2023	--	--

34. Non-controlling interests

	31/12/2023 EGP	31/12/2022 EGP
Balance at the beginning of the year	1 056 432 188	824 718 003
Non-controlling interest in profits for the year	290 515 319	235 863 215
Non-controlling interest share in the change in equity of subsidiaries	--	(4 149 030)
	1 346 947 507	**1 056 432 188**

During 2022, the group increased its share in Misr Fayoum Tourism Development Company to become 99.96% (2021: 75.63%)

35. Treasury shares

On March 16, 2023, the board of Directors approved the proposal to suspend and terminate the program of the system of proof and motivation and transfer the remaining 15,501,273 shares of the system to treasury shares and on May 2, 2023, the General Assembly approved and on June 21, 2023 the transaction was executed. On September 25, 2023, the sale of all shares was carried out with a total value of 155 012 730 EGP

36. Main shareholders

The following are significant shareholders:

	2023		2022	
	Number of shares	**%**	**Number of shares**	**%**
Orascom Development Holding AG	848 953 970	75.10 %	848 953 970	75.10 %
Other investors	281 519 553	24.90 %	266 018 270	23.53 %
Employee stock ownership plan	--	--	15 501 283	1.37 %
Total	**1 130 473 523**	**100 %**	**1 130 473 523**	**100 %**

37. Transaction with related parties

Details of transactions with the main shareholder of the holding Company.

A. Taba Heights Company

One of the Group companies had been granted the right to acquire freehold title to the project's land by the Tourism Development Authority. Due to foreign ownership restrictions on the Sinai Peninsula becoming applicable in connection with the reorganization, the respective Group company had to be transferred to major shareholder entered into a binding agreement to retransfer these shares subject to approval of the competent authorities, and the holding company becomes a swiss company and that until such retransfer, the Group would be put into a position as the full economic beneficiary of these shares. This entails, inter alia, an irrevocable assignment of dividends and the authorization to collect dividends, exercise voting rights related to these shares and cause the sale of shares with no additional rights in any value received.

B. Other Transactions

- During 2014, the main shareholder of the Holding Company acquired a 35% stake in FTI the fourth largest tour operator in Europe. During 2020, he increased his share in the company to be 75.1%). As of 31th of December 2023, transactions amounting to EGP 366 million were concluded with FTI.
- The total amount of construction work and services with Red sea for Construction & Development S.A.E (Related party 40.20%) reached EGP 4 898 million as of December 2023.
- The total amount of construction work and services with Orascom Construction company (related party) reached EGP 197 million during the year.
- The main shareholder of the holding company is financing the construction of a conference center in El Gouna with the amount of EGP 84 million till December 31, 2023 included in creditors and other credit balances.
- During the year, Orascom Development Egypt sold three pieces of land with a total area of 45,350 square meters in El Gouna to El Gouna for Educational Services and buildings Company owned by the main shareholder of the holding company, Engineer/Samih Sawiris, with a total amount of EGP 393 million for the purpose of building a school (Note 6-2)

38. Suppliers, contractors and notes payable

	Non-current		Current	
	31/12/2023 EGP	**31/12/2022 EGP**	**31/12/2023 EGP**	**31/12/2022 EGP**
Suppliers, contractors and Notes payable	36 431 327	29 223 504	574 379 181	535 529 040
Contract lease liability*	39 244 842	36 798 300	11 662 527	6 700 474
	75 676 169	**66 021 804**	**586 041 708**	**542 229 514**

* The balance is relating to lease contracts of the right of use assets (note 14-B)

39. Current and deferred income tax

Income tax recognized in profit or loss

EGP	31/12/2023	31/12/2022
Current tax		
Current tax expense for the current year	1 148 063 959	892 797 007
Deferred tax		
Deferred revenue tax expense recognized in the current year	(101 582 930)	(230 523 018)
Total income tax expense recognized in the current year	**1 046 481 029**	**662 273 989**

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

EGP	2023	2022
Profit before tax	4 165 718 411	2 570 186 123
Income tax	937 286 642	578 291 878
Net effect of expense that are not deductible in determining taxable profit	109 194 387	83 982 111
Income tax expense recognized in profit or loss	**1 046 481 030**	**662 273 989**

The balance of the deferred tax assets and liabilities is represented as follows:

	Beginning balance	Charged to profit or loss	Ending balance
Assets			
Fixed assets	494 637	(2 453)	492 184
Unrealized foreign currency differences	316 165 215	215 671 731	531 836 946
	316 659 852	**215 669 278**	**532 329 130**
Liabilities			
Fixed assets	(421 852 791)	(63 033 829)	(484 886 620)
Investment property	(3 540 364)	--	(3 540 364)
Unrealized foreign currency differences	(61 275 297)	(51 052 519)	(112 327 816)
	(486 668 452)	**(114 086 348)**	**(600 754 800)**
Net tax resulting in taxable (liability) / asset	**(170 008 600)**	**101 582 930**	**(68 425 670)**

The income tax liability is as follows:

EGP	2023	2022
Income tax (liability)	**1 155 286 214**	**891 323 621**

40. Long Term Contract liabilities

This balance represents the value of the non-cash portion due to the New Urban Communities Authority on one of the subsidiary companies - Orascom Real Estate Company - according to the contract as explained in Note No. (21), amount represents units due with a total building area of 281 105 square meters, which The company is obliged to deliver in accordance with the timeline specified in the contract starting from year 2026 for a period of two years, and during the year the company did not start any work for those units. The amount was calculated at fair value of EGP 1 609 527 423.

EGP	2023	2022
Long Term contract liabilities	1 609 527 423	1 609 527 423
	1 609 527 423	**1 609 527 423**

EGP	2023	2022
Opening balance	1 609 527 423	1 609 527 423
Total	**1 609 527 423**	**1 609 527 423**

41. Financial risks management

The Group is exposed to the following financial risks as a result of using the financial instruments:

- Capital risk management
- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk
- Interest rate risk

This disclosure presents information related to the Group's exposure to the above mentioned risks in addition to the company's objectives, policies, methods of measuring and managing the risk, and the Holding Company's management of capital, as well as some additional quantitative disclosures included in these consolidated financial statements.

The Holding Company's Board of Directors undertakes the full responsibility of preparing and monitoring the Group's risk management in addition to determining and analyzing the risks that are facing the Group in order to specify the levels of risks and the appropriate supervision, in addition to monitoring these risks and determining to what extent management is obligated to these levels.

The Group's management aims at creating a constructive disciplined control environment to ensure that all the employees are aware of their roles and obligations.

41.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings, as detailed in note 31, offset by cash and bank balances) and equity of the Group (comprising issued capital, share premium, reserves, retained earnings and non-controlling interests as detailed in notes 32 to 35).

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

According to the Group's internal policies and procedures, the Executive Management reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at 31 December 2023 of 32% (see below)

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

EGP	2023	2022
Debt (i) (note 31)	8 632 987 957	5 632 487 899
Cash and cash equivalents (note 26)	(5 472 450 589)	(3 802 814 863)
Net debt	**3 160 537 368**	**1 829 673 036**
Equity (ii)	**9 965 752 676**	**6 814 798 915**
Net debt to equity ratio	**32%**	**27%**

(i) Debt is defined as long- and short-term borrowings excluding derivatives, as detailed in (note 31).

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

41.2 Categories of financial instruments

EGP	2023	2022
Financial assets		
Cash and bank balances	5 472 450 589	3 802 814 863
Fair value through other comprehensive income	100 728	45 482
Financial assets measured at amortised cost (i)	10 836 764 239	7 650 311 706
Financial liabilities		
Financial liability measured at amortised cost (ii)	20 964 025 105	16 750 377 959

(i) Includes customers and receivables as well as those other current assets that meet the definition of a financial asset. A total of EGP 439 million (2022: EGP 342 million) of other current assets does not meet the definition of a financial asset.

(ii) Includes trade and other payables, borrowings, notes, other financial liabilities as well as other current liabilities that meet the definition of a financial liability. A total of EGP 4 144 million (2022: EGP 2 134 million) of other current liabilities does not meet the definition of a financial liability.

41.3 Credit risk

Credit risk represents the risk that counterparty would fail to fulfill its contractual obligations, resulting in financial loss for the other party. This risk mainly arises from trade receivables and the other debtors for the group.

Trade receivables and other debtors

The Group exposure to credit risk is mainly affected by the individual characteristics of each customer. The demographic characteristics for the group receivables including the failure risk of the operation have less impact on the credit risk.

Group sales are the sales to a large number of local and foreign customers therefore there is no concentration of credit risk in respect to geographical areas.

The Group's management placed a set of credit policies whereby a credit analysis can be performed for each customer against payment and delivery terms. The Group aims at obtaining advance payments, and so far, no losses have resulted from dealing with customers.

The Group recognizes the impairment losses which represent its estimation of the loss incurred by trade receivables and other debtors in the light of historical data related to their transactions.

41.4 Liquidity risk

Liquidity risk represents the Group's failure to fulfill its obligations on its due dates.

The Group's approach in managing liquidity is making sure – whenever possible – that it has sufficient liquidity to meet its obligations on its due date in the normal and critical circumstances without incurring unacceptable losses or causing any damage to the company's reputation. The Group also makes sure that it has sufficient cash resources to meet its expected operation expenses for a suitable period including the financial liabilities burden and excluding any critical circumstances, which cannot be predicted such as natural disasters and terrorism.

The group expects to be committed to its other obligations from the cash inflows from operations and the proceeds from the earned financial assets.

The Group has the following credit facilities:

EGP	**2023**		**2022**	
Counterparty Rating	**Credit limit**	**Carrying amount**	**Credit limit**	**Carrying amount**
B1	--	--	4 678 082 924	4 678 082 924
B	993 576 195	993 576 195	855 744 900	855 744 900
Caa1	6 240 841 725	6 240 841 725	--	--
--	469 560 037	469 560 037	98 660 075	98 660 075
Total	**7 703 977 957**	**7 703 977 957**	**5 632 487 899**	**5 632 487 899**

41.5 Impairment loss on financial assets

Impairment of financial assets

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

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

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

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

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

Trade and notes receivables of hotels and destination management segments

	Trade receivables – days past due						
31 December 2023	**Not past due**	**0-30**	**31-60**	**61-180**	**181-360**	**>360**	**Total**
Expected credit loss rate	5%	9%	15%	33%	45%	100%	
Gross carrying amount at default	452 424 156	49 407 506	35 514 516	55 459 395	49 945 333	12 595 084	**655 345 990**
Lifetime ECL	**22 576 788**	**4 477 579**	**5 197 008**	**18 433 828**	**22 608 499**	**12 595 084**	**85 888 786**

	Trade receivables – days past due						
31 December 2022	**Not past due**	**0-30**	**31-60**	**61-180**	**181-360**	**>360**	**Total**
Expected credit loss rate	4%	10%	20%	36%	61%	100%	
Gross carrying amount at default	370 055 956	61 273 913	13 567 660	46 132 012	25 881 723	13 123 829	**530 035 093**
Lifetime ECL	**14 435 865**	**6 295 450**	**2 667 386**	**16 732 433**	**15 897 528**	**13 123 829**	**69 152 491**

Trade and notes receivables of real estate segment

	Trade receivables – days past due						
31 December 2023	**Not past due**	**0-30**	**31-60**	**61-180**	**181-360**	**>360**	**Total**
Expected credit loss rate	1%	7%	11%	14%	39%	100%	
Gross carrying amount at default	8 192 876 797	72 136 508	39 213 210	57 978 015	25 944 683	62 855 865	**8 451 005 078**
Lifetime ECL	**37 374 374**	**5 082 597**	**4 194 889**	**7 906 440**	**10 174 100**	**62 855 865**	**127 588 265**

	Trade receivables – days past due						
31 December 2022	**Not past due**	**0-30**	**31-60**	**61-180**	**181-360**	**>360**	**Total**
Expected credit loss rate	2%	7%	12%	15%	40%	100%	
Gross carrying amount at default	5 716 322 063	77 683 959	28 697 773	44 875 795	24 794 474	42 628 731	**5 935 002 795**
Lifetime ECL	**94 639 440**	**5 522 241**	**3 306 297**	**6 512 096**	**9 801 992**	**42 628 731**	**162 410 797**

Cash and cash equivalent

The assessment of whether lifetime ECL should be recognized is based on the existence of significant increases in the probability or risk of default since initial recognition.
Expected credit losses are measured as a probability-weighted estimate of credit losses (ie the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive. Because ECL takes into account the amount and timing of payments, credit losses arise even if the entity expects it to be paid - in full - but later after it becomes payable under the contract. The Group has assessed the credit rating based on external ratings of banks, in addition to other factors as described below:

The principal credit risk on cash with a short-term maturity (up to three months) is limited. As 65% of banks have an investment grade credit rating, 35% have neither a credit rating nor a rating below investment grade. Credit ratings indicate long-term credit risk and do not properly represent credit risk of the short-term nature of cash. Therefore, the Group evaluates cash and cash equivalents at the date of the financial statements and assigns an internal short-term rating.

Cash and cash equivalents at the end of the year receive an internal “performance” rating. Performance means that the counterparty has a strong financial position and there are no historical defaults, no overdue amounts, and no indications of default during the holding period. The credit risk assessment for cash and cash equivalents has not changed since initial recognition. Therefore, cash and cash equivalents are considered to have low credit risk. The group calculated the expected credit losses during the year and resulted in an immaterial amount and therefore there is no impairment in the value of cash and cash equivalents on December 31, 2023 (2022: nil).

Other financial assets at amortised cost

The Company estimates the expected credit losses associated with debt instruments carried at amortized cost and the impairment depends on whether there has been a significant increase in credit risk. The group calculated the expected credit losses during the year and resulted in an amount of impairment in the due from related parties amounting to EGP 40.9 million (2022: EGP 34.6)

41.6 Market risk

The Group's activities expose it primarily to financial risks arising from fluctuations in foreign currency exchange rates (refer to Note 41.7 below) and fluctuations in interest rates.

When needed, the Group’s policy is to enter into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

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

41.7 Currency risk

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

The Group’s main foreign exchange risk arises from sales in foreign currency to the tourism / real estate industry, which generates a net foreign currency surplus for the Group. The Group has strong inflows in foreign currency, mainly US Dollar, Euro and Sterling Pound. To mitigate the above risk exposures, where possible, the Group borrows in matching currencies to create a natural hedge.

The following table shows the carrying amounts of borrowings, at the end of the reporting period, In the major currencies in which they are issued:

EGP	**2023**		**2022**	
USD	3 802 317 159	44%	2 474 715 034	44%
EGP	2 818 301 594	33%	1 481 807 925	26%
EUR	2 012 369 204	23%	1 675 964 940	30%
Total	**8 632 987 957**	**100%**	**5 632 487 899**	**100%**

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

EGP	**Liabilities**		**Assets**	
	2023	**2022**	**2023**	**2022**
Currency-USD	3 802 317 159	2 474 715 034	4 421 279 688	3 335 387 465
Currency-EUR	2 012 369 204	1 675 964 940	138 196 275	87 315 665
Total	**5 814 686 363**	**4 150 679 974**	**4 559 475 963**	**3 422 703 130**

Residual foreign exchange exposure is managed by hedging through entering into foreign currency forward contracts if needed.

41.7.1 Foreign currency sensitivity analysis

As discussed above, the Group is mainly exposed to the US Dollar (USD), Euro (EUR) and Great Britain Pound (GBP) arising from sales in these currencies to the tourism / real estate industry.

The following table details the Group's sensitivity to a 60% increase and decrease in EGP (2022 5%) against the relevant foreign currencies. The 60% (2022 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 60% (2022 5%) change in foreign currency rates.

The sensitivity analysis includes outstanding borrowings, impact of the changes in the fair value of derivative instruments designated as cash flow hedges and receivables in foreign currencies and, where appropriate, loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.
A positive number below indicates an increase in profit or equity where the EGP strengths 60% (2022 5%) against the relevant currency. If the EGP weakens by 60% (2022 5%) against the relevant foreign currency There would be a comparable impact on the profit or equity, and the balances below would be negative.

EGP	**USD currency impact**		**EUR currency impact**	
	2023	**2022**	**2023**	**2022**
Profit or loss	367 699 638	43 033 622	(1 124 503 757)	(79 432 464)

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

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency receipts within 25% to 30% of the exposure generated. At 31 December 2023, the Group has no outstanding forward foreign currency exchange contracts. During the current year the Group did not enter into any forward foreign currency exchange contracts to hedge part of the Group's receivables denominated in EUR and USD.

41.8 Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite limits to ensure the most cost-effective hedging strategies are applied in the most efficient and cost-effective manner possible. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. During 2022 and 2023 the Group did not hold any derivative financial instruments.

41.8.1 Interest rate sensitivity analysis

- The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A '100 basis point' (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.
- If interest rates had been 600 basis points higher / lower (2022 100 Points) and all other variables were held constant, the Group's profit for the year ended 31 December 2023 would increase / decrease by EGP 418 million (2022: increase / decrease by EGP 54 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.
- The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Maturities of non-derivative financial liabilities: -

2023	**Weighted average effective interest rate**	**Less 6 than months**	**6 months to one year**	**1 – 7 years**	**Total**
EGP					
Non-interest-bearing instruments		7 861 459 155			7 861 459 155
Variable interest rate instruments	**13.43%**	1 968 022 361	519 108 458	4 813 021 961	7 300 152 780
Fixed interest rate instruments		1 271 586 388	48 521 931	9 554 918 988	10 875 027 307
Total		**11 101 067 904**	**567 630 389**	**14 367 940 949**	**26 036 639 242**

2022	**Weighted average effective interest rate**	**Less 6 than months**	**6 months to one year**	**1 – 7 years**	**Total**
EGP					
Non-interest bearing Instruments		4 970 363 986	--	--	**4 970 363 986**
Variable interest rate instruments	**10.61%**	90 187 424	823 639 378	4 385 472 365	**5 299 299 167**
Fixed interest rate instruments		842 018 629	26 769 178	7 713 575 925	**8 582 363 732**
Total		**5 902 570 039**	**850 408 556**	**12 099 048 290**	**18 852 026 885**

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

41.9 Fair value measurement

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2023 **EGP**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	--	--	100 782	**100 782**

2022 **EGP**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	--	--	45 482	**45 482**

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

41.9.1 Fair value of financial instruments carried at amortized cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31 December 2023		**31 December 2022**	
EGP	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
Borrowings and bank loans	**7 703 977 957**	**7 845 253 546**	**5 632 487 899**	**5 368 005 357**

42. Postdated checks (not included in financial position items)

The value of post-dated cheques that are not included in the statement of financial position for units for which the performance obligation has not been fulfilled in accordance with the payment terms of each customer in accordance with the contracts.

EGP	2023	2022
Post-dated cheques – real estate	24 324 787 592	15 481 480 136
Post-dated cheques – destination management	1 366 480 135	980 242 097
	25 691 267 727	**16 461 722 233**
Post-dated cheques - due within 12 months-Short term	6 329 245 976	4 014 173 913
Post-dated cheques - due after 12 months-Long term	19 362 021 751	12 447 548 320
	25 691 267 727	**16 461 722 233**

43. 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%.

Corporate Tax:

- Examined and settled till December 2017.
- Examined years 2018/2019 and waiting for the result.
- Tax returns till 2022 were submitted on date.

Salary Tax:

- Examined and settled till year 2020

Stamp duty Tax:

- Examined and settled till year 2018

44. Material events during the current financial year

- 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; o Amending the transfer fee on real estate rights (State right) for the remaining undeveloped land bank in El Gouna. The transfer fee is fixed for a period of 10 years and shall be paid in advance over 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.

- 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, 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 met 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 on June 21, 2023. On September 25, 2023, the sale of all shares with gross amount of EGP 155 012 730 was executed.
- Majority approval of the appointment of Mrs. Noura Magdy Selim Ahmed Abdelwahab as a female member of the company’s board of directors in line with article (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 14 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. Lamia El Sayed Mohamed Ahmed Kamel (member of the board of directors), in line with article (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).
- In its meeting held on August 3, 2023, the Monetary Policy Committee (MPC) of Central Bank of Egypt’s (CBE) decided to raise the overnight deposit rate, overnight lending rate, and the rate of the main operation to 19.25 %, 20.25 %, and 19.75 %, respectively. The discount rate was also raised to 19.75 %.

- On 6 March 2023, the Prime Minister's Decision No. (883) of 2023 was issued to amend the Accounting Standards:

New or reissued standards	Summary of key amendments	Potential impact on financial statements	History of the app
Revised EAS No. (10) 2023 "Fixed Assets and their Depreciation" and Revised EAS No. (23) 2023 "Intangible Assets"	1- These standards were reissued in 2023, where the use of the revaluation model was allowed when measuring the subsequent measurement of fixed assets and intangible assets. - This resulted in amending the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, as follows: - EAS (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - EAS 24 "Income Taxes" - EAS 30 "Periodic Financial Statements" - EAS 31 "Impairment of Assets" - EAS No. (49) "Leases"	The Company's management will not utilise the revaluation model during the current year.	The amendments to add the option to apply the revaluation model to financial periods beginning **on or after 1 January 2023**, with **retrospective** effect, with the cumulative effect of the initial application of the revaluation model being recognised in the revaluation **surplus account in equity at the beginning of the financial period in which the company first applies the model.**
Egyptian Accounting Standard (EAS) 34, amended 2023 "Property Investment"	1-This standard was reissued in 2023, as the use of the fair value model on subsequent measurement of real estate investments was permitted. 2-This resulted in amending some paragraphs related to the use of the fair value model option in some of the applicable Egyptian the following is a statement of those standards: Accounting Standards (EAS): - EAS 1 "Presentation of Financial Statements" - EAS 5 "Accounting Policies, Changes in Accounting Estimates and Errors" - EAS 13 "Effects of Changes in Foreign Currency Exchange Rates" - EAS 24 "Income Taxes" - EAS No. (30) "Periodic Financial Statements" - EAS 31 "Impairment of Assets" - EAS 32 "Non-current assets held for sale and discontinued operations" - EAS 49 "Leases"	The Company's management will not utilise the revaluation model during the current year.	The amendments to add the option to use the fair value model for financial periods **beginning on or after 1 January 2023**are applied **retrospectively**, with the cumulative effect of applying the fair value model initially recognised in **profit or loss carried forward at the beginning of the financial period in which the company first** applies it.

- On 16 May 2023, Prime Minister's Decision No. 1847 of 2023 was issued to replace the texts of paragraphs 5/(c), (7) and (9) of Annex C to EAS 13 "Effects of Changes in Foreign Exchange Rates" added by Prime Minister's Decision No. 4706 of 2022, referred to above, with the following texts:
- Paragraph 5 (c): The financial period for applying the special accounting treatment in this annex is the financial year or period that begins before 27 October 2022, the date of the exchange rate movement, and ends on or after this date, and the subsequent financial period or year.
- Paragraph (7): An entity that, prior to the Exchange Rate Hike Date, acquired fixed assets and/or real estate investments, exploration and evaluation assets, intangible assets (other than goodwill) and/or leasehold assets, financed by liabilities existing on that date in foreign currencies, may recognise within the cost of those assets the currency differences resulting from the paid portion of those liabilities during the financial period for the application of this special accounting treatment, in addition to the currency difference resulting from the translation of the remaining balance of these liabilities at the end of 31 December 2023 or at the end of the closing date of the financial statements for the financial period applying this special accounting treatment, using the exchange rate used at that date. The entity may apply this option for each asset individually.
- Paragraph (9): As an exception to the requirements of paragraph 28 of EAS 13 "Effects of Changes in Foreign Exchange Rates on the Recognition of Currency Differences", an entity whose results of operations are affected by net currency gains or losses as a result of foreign exchange rate movements, whether its functional currency is the Egyptian pound or any other foreign currency, may recognise in other comprehensive income the net currency debit and credit differences realised during the period, in addition to the differences resulting from the retranslation of the balances of items of a monetary nature existing at the end of 31 December 2023 or the end of the closing date of the financial statements for the financial period applying this special accounting treatment, using the exchange rate used on that date, less any currency translation differences recognised as a cost of assets in accordance with paragraph 7 of this annex, as these differences are mainly due to unusual exchange rate movements.

- In October 2023, a war broke out between Israel and the Palestinian people, with repercussions on the region and the global economy, especially Egypt due to its proximity to the current events. However, it is too early to fully assess the impact of the war and it is not currently possible to predict the extent to which further escalation will impact the Red Sea region, but indications are that there is currently no material impact on the Red Sea region, especially El Gouna, which has not been affected, unlike Taba, whose hotels have seen a decrease in occupancy rates due to its close proximity to the war zone. Therefore, the company's short-term strategy in Taba will focus on developing and leveraging existing and anticipated business opportunities with local as well as European tour operators to ensure a steady flow of tourists to the hotels.

The Company's management remains confident in the Company's ability to maintain its position as one of the leading property and tourism companies in Egypt on the operational and financial side, underscoring the strong position of the Company and its ability to face future crises, strengthening the Company's position against any unforeseen challenges in the market

- On 5 November 2023, Orascom Real Estate, a subsidiary, announced that it has entered into a syndicated loan agreement worth EGP 6 billion to finance its O West project in West Cairo. The loan has a repayment period of 10 years. The loan will be used to refinance the previous EGP 1.5bn credit facility obtained by the company in 2022 and will also be used to finance and accelerate the pace of construction for the phases of the project that have already been launched.

45. Events Subsequent to the Financial Statements date

- On 6 March 2024, the Monetary Policy Committee decided in its extraordinary meeting to raise the overnight deposit and lending rates and the Central Bank's main operation rate by 600 bps to 27.25%, 28.25% and 27.75%, respectively, while the credit and debit rate was raised by 600 bps to 27.75%.
- The Central Bank of Egypt announced that the exchange rate of foreign currencies against the Egyptian pound will be allowed to be liberalised according to market mechanisms as of 6 March 2024.

46. Financial Statements Approval Date

On 10th of March 2024 the Board of Directors were approved the consolidated financial statements for the financial year ended at December 31, 2023

Group CFO	**Group CEO**
Ashraf Nessim	Omar El-Hamamsy