



ORASCOM  
DEVELOPMENT



DELIVERING **GROWTH,**  
**ACCELERATING** VALUE

ANNUAL REPORT 2022



# CONTENTS

<b>01 AT A GLANCE</b>	<b>03</b>
1.1 Company Profile .....	04
1.2 Destinations Map .....	05
1.3 Chairman's Note .....	06
1.3 CEO's Note .....	09
1.4 Key Highlights of 2022 .....	20
<b>02 COUNTRIES</b>	<b>27</b>
2.1 Egypt .....	31
2.2 Oman .....	52
2.3 UAE .....	62
2.4 Montenegro .....	65
2.5 Switzerland .....	70
2.6 Morocco .....	75
2.7 UK .....	76
<b>03 OUR PEOPLE</b>	<b>80</b>
3.1 Our People .....	81
<b>04 CORPORATE GOVERNANCE</b>	<b>83</b>
4.1 Group Structure and Significant Shareholders .....	84
4.2 Capital Structure .....	88
4.3 Board of Directors .....	92
4.4 Executive Management .....	102
4.5 Employees .....	106
4.6 Compensation and Shareholding Loans .....	106
4.7 Shareholders' Participation .....	107
4.8 Changes of Control and Defense Measures .....	109
4.9 External Auditors .....	110
4.10 General Blackouts Periods .....	112
4.11 Information Policy .....	113
<b>05 COMPENSATION REPORT</b>	<b>115</b>
<b>06 INVESTOR INFORMATION</b>	<b>130</b>
<b>07 FINANCIAL STATEMENTS AND AUDITOR'S REPORT</b>	<b>137</b>
7.1 Consolidated Financial Statements .....	138
7.2 Statutory Financial Statements .....	233
<b>08 GLOSSARY</b>	<b>246</b>



# 01 AT A GLANCE

# 1.1 COMPANY PROFILE



Orascom Development Holding (ODH) is a leading developer of fully integrated destinations, with more than 33 years of experience and a proven track record of sustainable development, including hotels, private villas, and apartments, as well as leisure facilities that include golf courses, marinas, and supporting infrastructure.

The Group is listed on the SIX Swiss Exchange. Our strategy is to create value through our extensive and diverse land bank for medium- and long-term stakeholders. To that end, we accumulate large tracts of land with enough space to develop self-sufficient communities and towns.

As a hotel owner and operator, we have 33 hotels with more than 7,000 rooms in six countries, with facilities that are either self-managed by Orascom Hotels Management (OHM) or by selected third-party hotel managers under management contracts. We operate our hotels alongside internationally renowned strategic franchise partners, including Rotana, Steigenberger, Sheraton, Movenpick, Radisson, and the ultra-high-end luxury

brand, Chedi, or as independently branded properties. The Group has secured a land bank of 101.4 million m<sup>2</sup> across jurisdictions as of the end of December 2022. Our nine destinations are already completely operational, and they include El Gouna on the Red Sea Coast, Taba Heights in the Sinai Peninsula, Makadi Heights in the Red Sea district, Byoum in Fayoum, The Cove in Ras Al Khaimah in the United Arab Emirates (UAE), Jebel Sifah and Hawana Salalah in Oman, Luštica Bay in Montenegro, and Andermatt in Switzerland (in which the Group currently holds a 49% stake). In addition, O West in Egypt, the Group's newest fully integrated destination, and Eco-Bos in the United Kingdom (UK), are now in various stages of development and are expected to be operational by 2023.

9

Operating  
Destinations

9,103

Employees  
in 2022

101.4 mn  
m<sup>2</sup>

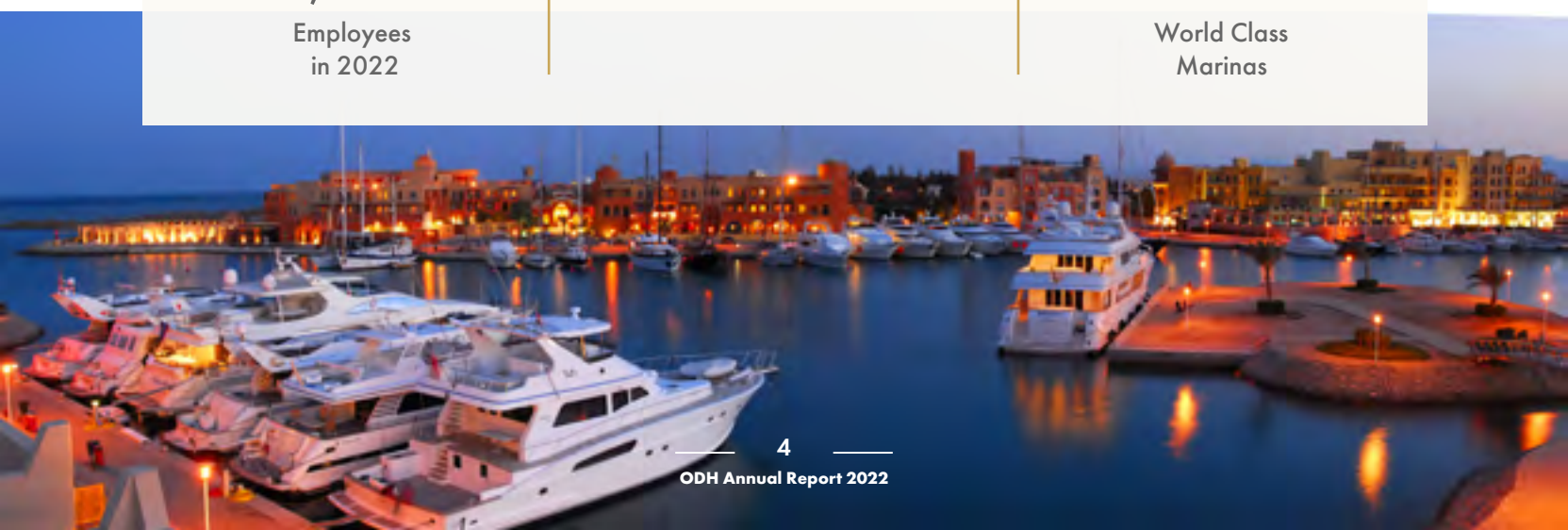
One of the Largest  
Land Banks

7,143

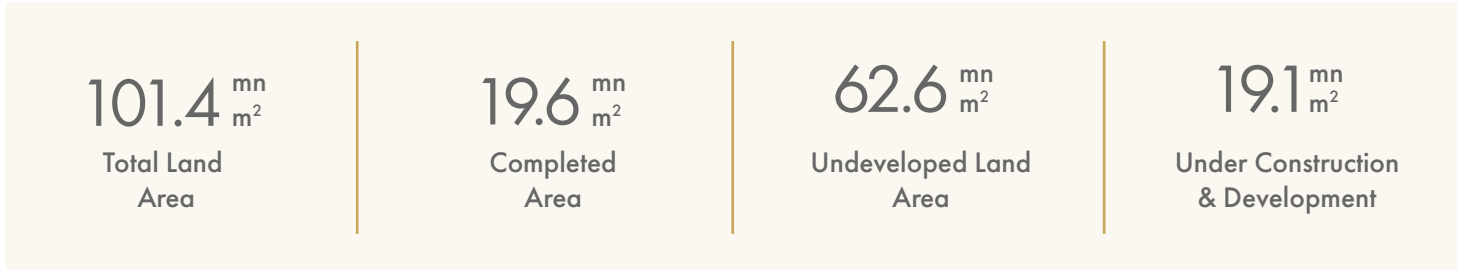
Rooms Across  
33 Hotels

7

World Class  
Marinas



# 1.2 DESTINATIONS MAP



# CHAIRMAN'S NOTE



"I AM CONFIDENT THAT OUR LONG-TERM PERSPECTIVE, INNATE UNDERSTANDING OF OUR CUSTOMERS, AND INNOVATIVE APPROACH TO DESTINATION DEVELOPMENT WILL CONTINUE TO DRIVE OUR SUCCESS."



Dear shareholders,

2022 was a year of growth for Orascom Development Holding. Despite the challenging macroeconomy, we achieved record-high financial results and significant progress with our long-term strategy.

## Guiding Principles for Our Next Era of Growth

As Chairman since May 2022, I am grateful to lead an exceptional company that began with one destination on the Red Sea's shores more than 30 years ago and now has destinations across three continents. Our foundation is strong. I am confident that our long-term perspective, innate understanding of our customers, and innovative approach to destination development will continue to drive our success.

Change is constant. We've seen much of it these last few years and will doubtlessly experience it in the coming years. The Board has worked closely with executive

management to develop a refined growth strategy that positions us well for long-term, sustainable growth. This strategy is anchored to our guiding principles. Additionally, we are opportunistically exploring new ways to monetize select existing assets and focus on our role as both a master planner and developer of our communities.

## 2022: A Year of Delivering Growth, Accelerating Momentum

Orascom Development Holding reached record-high figures across many key metrics of our FY 2022 financial results, despite ongoing macroeconomic headwinds and currency devaluations. We delivered remarkably strong top-line and bottom-line results, with total revenues up 28.1% to CHF 689.7 million and net profit up 440.0% to CHF 51.3 million during FY 2022. Our margin strength demonstrates the quality of our portfolio and improving revenue mix across our business segments.



Overall, our results reflect our ability to identify unique business opportunities, mitigate systemic challenges and respond swiftly to changing market conditions. In light of the Egyptian pound's devaluation, we continue to monitor economic dynamics and assess the situation from a position of strength and experience to continue executing our strategy.

To keep building on our success, we aim to expand our ecosystem and bring world-class partners with complementary expertise to the table. A few examples of this include:

- » The partnership between Andermatt Swiss Alps and Vail Resorts, Inc. initiated in August 2022, in which Vail Resorts bring extensive ski mountain management and operations experience to Andermatt and will invest in enhancing the guest experience and infrastructure on the mountain. We will continue to explore similar opportunities to streamline our focus as a master planner and developer of our communities while monetizing assets to lighten up our balance sheet.
- » The development of a comprehensive milestone master agreement with the Egyptian authorities for El Gouna, which we worked on throughout 2022 and signed in February 2023. This will unlock significant value creation for El Gouna across the board and accelerate our intent for El Gouna as a leading, global destination.

### Forging Ahead

While we turn to a new chapter of our company's journey, we will continue to honour and uphold Samih Sawiris' vision. This means remaining laser-focused on our customers, always thinking long-term, and embracing that same creative spirit that has shaped who we are today.

I also would like to thank our Board of Directors for their stewardship and our Executive team for turning our strategy into action daily. None of our accomplishments would be possible without the hard work and dedication of our team members around the world, and we are truly grateful for their efforts.

With continued support of our customers, partners, and shareholders, we remain resolute in our promise to create value for all and in our vision to become a global leader in destination development.

Sincerely,  
**Naguib S. Sawiris**  
Chairman  
Orascom Development Holding

# UNIFYING PRINCIPLES

Our unifying principles include our shared vision, mission, and values across ODH.

## VISION

We aim to become a global leader in destination development and a partner of choice for transforming land into thriving centres of life.

## MISSION

We create integrated destinations and build vibrant communities where people are inspired to live, play, and work with passion and purpose.

Our shared values will continue to drive our success:

- We are **customer obsessed**, putting our customers and communities at the centre of everything we do.
- We are **team oriented**, recognizing that we win when we work as one team.
- We are **driven and resourceful**, creating positive impact by being relentless in our determination.
- We are **unwavering in our integrity**, aiming to do what is right, always.





# CEO'S NOTE



OUR TOP LINE, BOTTOM LINE, AND REAL ESTATE SALES FIGURES WERE THE HIGHEST IN MORE THAN 10 YEARS.

**Dear shareholders,**

Orascom Development Holding's performance in 2022 was very strong as we delivered all-time highs across several key metrics, surpassing pre-pandemic performance in most cases, despite macroeconomic challenges.

We have a unique business model of developing integrated towns and building communities in Egypt, the GCC and Europe. Two years ago, we were at a critical moment, as the world faced significant political and economic uncertainty. We bolstered our business, activated key

levers and successfully re-gained momentum to outperform the market and strengthen our industry position.

Our robust record of accomplishments can be attributed to how we tailor our offering to fit with our local offering and build our capabilities, people, systems, and products, to match our Group's growth model. These investments drive the future of our company and enable it to grow and prosper over the long-term, which is reflected in our financial and operational figures accomplished in 2022.

### KEY FINANCIAL FIGURES:

- » Total revenues reached CHF 689.7 million, up by a solid 28.1% vs. FY 2021.
- » Gross profit increased by 36.0% to CHF 212.1 million (FY 2021: CHF 155.9 million) with a gross margin of 30.8% vs. 29.0% in FY 2021.
- » Adjusted EBITDA increased by 42.6% to CHF 186.7 million (FY 2021: CHF 130.9 million).
- » Other gains and losses reported a loss of CHF 59.6 million vs. a loss of CHF 25.6 million in FY 2021 mainly resulting from the devaluation of the Egyptian currency.
- » Our share of associates reported a profit of CHF 23.7 million vs. a loss of CHF 4.8 million in FY 2021. The enhanced performance in the associates was mainly driven by the better performance of our share in Andermatt Swiss Alps, whereby the company reported a net profit of CHF 16.9 million vs. a net loss of CHF 5.1 million in FY 2021.
- » Finance costs increased by 14.9% to CHF 37.8 million (FY 2021: CHF 32.9 million) due to increase in interest rates.
- » Net income increased by 440.0% to reach CHF 51.3 million (FY 2021: CHF 9.5 million).
- » Cash flow from operations increased by 9.6% to reach CHF 75.5 million in 2022.
- » Total cash and cash equivalent balance reached CHF 181.2 million, and net debt reached CHF 286.6 million during 2022.



## GROUP REAL ESTATE

**Group Real Estate: Recorded the highest net value of contracted units in ODH history.**

Our outstanding Real Estate performance is a testament to our track record, brand equity, and customer trust in the quality of our developments. Our sales reflect the Group's solid sales and pricing strategies and diverse portfolio, ranging from multi-tenant properties to high-end luxury villas in several locations across Egypt, the GCC, and Europe. Revenues also benefited from increasing the construction pace across our projects.

### REAL ESTATE KEY FIGURES:

- » FY 2022 real estate value of contracted units reached CHF 714.2 million, a 7.5% increase over FY 2021.
- » Real estate revenues increased by 21.7% to CHF 463.5 million (FY 2021: CHF 380.9 million).
- » Adjusted EBITDA increased by 20.0% to CHF 174.8 million in FY 2022.
- » Total deferred revenue from real estate that is yet to be recognized until 2027 reached CHF 696.6 million in FY 2022.





## EGYPT

In Egypt, the FY 2022 net real estate sales performance of ODE, our Egyptian subsidiary, increased in Egyptian pounds, although it was not wholly reflected in ODH's value of contracted units when being translated into Swiss Francs due to the Egyptian currency devaluation.

**El Gouna** remains the flagship of our portfolio in Egypt, and we brought on Mohamed Amer in May 2022, as our new CEO of El Gouna. He has quickly gained traction, working to re-energize El Gouna's leadership team and advance the vibrant, sustainable town. FY 2022 new real estate sales were CHF 223.9 million (FY 2021: CHF 235.7 million). Although the net real estate sales for El Gouna increased by 9.5% in Egyptian Pounds (EGP) vs. FY 2021, this progress was not reflected when translated into CHF, due to the EGP currency devaluation. Average selling prices increased by 2.1% to CHF 3,641/sqm vs. FY 2021. We delivered all 285 planned units for FY 2022, given our solid construction pace kept us on track. Real estate revenues were up by 19.8% to CHF 195.0 million (FY 2021: CHF 162.8 million).

**West** made significant progress in FY 2022, increasing its position to be a leader in the competitive market of

West Cairo. Our FY 2022 sales value reached CHF 289.6 million, a 25.3% increase vs. FY 2021. We also managed to increase our average selling prices by 8.3% to CHF 1,934/sqm vs. FY 2021. On the development side, we are speeding up our construction pace, whereby we completed the construction of 444 villas and are progressing with the construction of 1,015 apartments and 236 townhouses, with plans to start delivering 710 units in Q1 2023. Real estate revenues increased by 46.4% to CHF 146.0 million (FY 2021: CHF 99.7 million).

**Makadi Heights** is an emerging destination in the Red Sea area. FY 2022 net real estate sales decreased by 30.3% to CHF 48.0 million (FY 2021: CHF 68.9 million), as we purposefully slowed sales in the first half until we resolved the land concern issue with the Tourism Development Authority (TDA) in June 2022 and subsequent delayed permit approvals from the TDA. Nevertheless, the continued acceleration of real estate construction activity, coupled with on-track delivery schedules, led to the delivery of all 248 planned units. Real estate revenues decreased by 22.7% to CHF 30.0 million in FY 2022.





Our Omani destinations witnessed a positive change, operationally and financially, with the government lifting COVID-19 restrictions since the beginning of 2022. Net real estate sales from Hawana Salalah and Jebal Sifah increased by 40.6% to CHF 53.3 million (FY 2021: CHF 37.9 million). Construction progress and real estate deliveries in Hawana Salalah are continuing at a steady speed across multiple projects. During 2022, we completed handover of more than 150 units. Real estate revenues were CHF 42.2 million in FY 2022 vs. CHF 47.6 million.

In January 2023, we appointed Wael Al Lawati as our new CEO of Muriya. He is responsible for setting the business agenda for the Group's Oman destinations, including leading the overall strategy in alignment with Orascom

Development's strategy, facilitating delivery against the annual business plans and instilling best practices throughout these destinations. We are confident that Wael's leadership, experience, and proven track record of delivering results in real estate, tourism, and other sectors will help us capture new growth opportunities in Oman and deliver value for our customers and partners. As a seasoned Omani National, he has held several other leadership positions including CEO of Oman Tourism Development Company (OMRAN) and founder of The Wave Muscat (AlMouj), where he successfully led Oman's first integrated tourism and real estate development. More recently, Wael served as COO for a real estate advisory and spearheaded international growth at DAMAC Properties. Additionally, he was a board member of Muriya between 2008 and 2015.





 EUROPE

**Luštica Bay** witnessed extraordinary progress during 2022. The additional activities to enhance the overall appeal of our destination in Montenegro, supported by the regional sales efforts, contributed to the general improvement. Net real estate sales increased by 54.3% to CHF 90.1 million (FY 2021 CHF 58.4 million). The highest sales ever since the project launch. Our average selling prices have also increased by 11.7% to CHF 5,685/sqm vs. FY 2021. We are progressing on construction including 138 units in the “Centrale” and “Marina Village” areas where we handed over 79 units in both areas during 2022. Real estate revenues were flat at CHF 31.1 million in FY 2022.

**Andermatt Swiss Alps** has continued to flourish, whereby net real estate sales reached an all-time high, up 23.9% to CHF 151.1 million (FY 2021: CHF 122.0 million). Average selling prices have grown considerably by 16.9% to CHF 17,280/sqm vs. FY 2021. Andermatt Swiss Alps has not only benefited from the general real estate boom in Switzerland, but above all, from the increased attractiveness of the destination. Throughout 2022, each of the newly launched apartment buildings at Andermatt Swiss Alps sold out within a matter of weeks.

## GROUP HOTELS

**Group Hotels: Q4 2022 surpasses pre-pandemic levels, with significant increase in revenues and GOP across all our hotels.**

Our hotels exhibited solid growth during 2022, primarily driven by strong average daily rates and enduring leisure demand, further improvements in operational efficiencies. With further room for occupancy to increase, we look forward to steady growth in the future. Both the summer and winter seasons completed with promising results, as guests travelled further, stayed longer, and spent more at our hotels.

### HOTEL KEY FIGURES

- » FY 2022 hotel revenues increased by 63.2% to CHF 142.5 million (FY 2021: CHF 87.3 million)
- » GOP increased by 138.5% to CHF 50.8 million (FY 2021: CHF 21.3 million)
- » Adjusted EBITDA increased by 285.9% to CHF 32.8 million (FY 2021: CHF 8.5 million)





## EGYPT

### El Gouna

hotels continues to adjust its business model, and shifting direct business conversions to higher average daily rates delivered good quarterly results, benefiting from the destination's leading local and regional market positioning. Hotels in El Gouna continued their impressive growth trajectory benefiting from the recovery of the hospitality sector although the COVID-19 Omicron variant had an impact on our figures during Q1 2022. Revenues soared by 47.1% to CHF 73.4 million (FY 2021: CHF 49.9 million) and occupancy rates reached 70% (FY 2021: 45%). Revenues were near pre-pandemic levels, despite the devaluation of the Egyptian currency. GOP, on the other hand, increased by 65.6% to CHF 37.1 million during FY 2022. Foreigners represented 80% of the hotels' occupancy for FY 2022.

We also achieved significant progress on hotel development throughout the year. We initiated the renovation process of three hotels, Steigenberger, Sheraton, and Ocean View, and are on track to finalise them during Q1 2023. Additionally, we successfully completed renovations to transform Bellevue Hotel into The Chedi El Gouna luxury hotel with 82 rooms and opened in early December 2022.



## GCC

### Hawana Salalah

continued to witness a positive change of events, operationally and financially, with COVID-19 restrictions being lifted in Oman. The hotels achieved notable revenue growth as demand started to pick up again. Total revenues increased by 291.3% to CHF 27.0 million (FY 2021: CHF 6.9 million). While the GOP reached CHF 4.9 million in FY 2022 vs. negative CHF 4.6 million in FY 2021. Occupancy rates increased by 28 basis points to reach 41% in FY 2022 vs. 13% in FY 2021.

During Q4 2022, we reopened Rotana Salalah Hotel and Juhweira Hotel. All hotels are now operational with 100% capacity. We commenced construction works for 123 additional hotel rooms at the Al Fanar Hotel to begin in

### Taba Heights

remains the most challenging destination for the group. Nevertheless, the continuous efforts to regain the destination's position on the international travel map have started to show some positive effects, supported by cost control measures, and an increase from the local and regional businesses, which afforded an increase in revenues and GOP. Taba Heights witnessed an improvement during FY 2022 reporting a 29% occupancy rate vs. 11% in FY 2021. For the first time since 2019, the hotels reported a positive GOP of CHF 1.7 million in FY 2022 vs. a negative CHF 1.7 million in FY 2021. To date, of the six hotels, only two hotels are open (Strand Hotel & Mosaique Hotel) with 929 rooms, and we plan to open another hotel by 2023. Our short- to medium-term strategy for Taba Heights remains focused on developing and promoting existing and potential business opportunities with local operators, in addition to several European tour operators to secure a steady flow of business for the hotels. Total revenues from Taba Heights soared by 178.4% to CHF 10.3 million (FY 2021: CHF 3.7 million).

2023, bringing its total to 700 rooms by the end of the year. Upon completion, the Group's minimum building obligations in Oman will be satisfied.

### The Cove

in the UAE's Ras Al Khaimah witnessed a positive performance in 2022, with total revenues up by 18.4% to CHF 23.2 million (FY 2021: CHF 19.6 million). Occupancy rate increased by 10 basis points to reach 65% in FY 2022 up from 55% in FY 2021. In FY 2022, TRevPAR increased by 23.5% to CHF 147, while GOP PAR also increased by 34.4% to CHF 43 compared to last year. During 2022, we continued to capitalize on local and regional business through targeted sales promotions and marketing campaigns.





## EUROPE

### Luštica Bay

benefited from remarkable progress during 2022, additional activities to enhance the destination's overall appeal, and regional sales efforts. The Chedi Luštica Bay witnessed a 17.5% increase in revenues to CHF 6.7 million vs. FY 2021, driven by a joint charter operation with FTI. Occupancy rates reached 46% during FY 2022 (FY 2021: 45%), coupled with a 3.9% increase in ARR to CHF 186 (FY 2021: CHF 179).

### Andermatt Swiss Alps

maintained its strong performance during 2022, The Chedi Andermatt reported a 68% occupancy and Radisson Blu Hotel Reussen's occupancy reached 48%. Overall, the occupancy for Andermatt hotels reached 55% (FY 2021: 53%). Total hotel revenues reached CHF 55.7 million during FY 2022.

## GROUP DESTINATION MANAGEMENT

**Group Destination Management: Continued growth with scalability, more recurring revenues to the Group.**

The destination management segment continued to deliver strong revenue and margin growth, reaping the benefits of the successful restructuring implementation. The notable increase in revenues were supported by the implementation of a rich calendar of events in the different destinations and improving the quality and profitability of our amenities.

### DESTINATION MANAGEMENT KEY FIGURES:

- » Revenues increased by 19.1% to CHF 83.7 million (FY 2021: CHF 70.3 million)
- » Adjusted EBITDA increased by 134.0% to CHF 12.4 million in FY 2022 vs. FY 2021



**El Gouna** leveraged on our steady growth by further increasing the number of residents, demonstrating our successes in disciplined deliveries, and targeting across all destinations. We increased focus on ancillary services such as home renovation and successfully introduced standard home renovation packages tailored for owners' needs, with better payment terms. We are raising Marina berthing fees and increasing berthing fees applied to non-owners' boats. During 2022, the destination hosted many events, including El Gouna Tough Mudder, Nefertiti Golf Tournament, All African Golf Tournament, El Gouna Watersports Festival, The Aquaman Challenge, El Gouna Dance Festival, El Gouna International Squash Open, Opera Aida, Raabta Wellness Festival, El Gouna Half Marathon, El Gouna Flying Rally, Forbes 30 Under 30, and El Gouna Christmas and New Year's week event. Town management continued its positive momentum with revenues up 17.1% to CHF 65.6 million (FY 2021: CHF 56.0 million).

**Luštica Bay** enjoyed a busy entertainment schedule throughout 2022, increasing the venue's appeal and footfall with several lively events, including Back to the Roots, Luštica Bay Lightwave 2.0, Luštica Bay Water Polo Camp, Basketball Camp, International Carnival, and Colour Bay Festival. A number of sports and kids' events, weekly live music concerts in the amphitheatre, movie screenings, arts and crafts workshops for children, and other activities were also held throughout the year. Our town management revenues increased by 123.3% to CHF 6.7 million during FY 2022.

**Andermatt Swiss Alps** continues to energize the Alpine village. The accessibility, the plethora of outdoor and cultural offerings – including Andermatt Music with Lena-Lisa Wüstendörfer – as well as trendy events such as Verve Techno or Gravel Bike for a young audience, plus the further upgrading of the gastronomy and retail offerings make Andermatt an attractive year-round destination.

In August 2022, Andermatt Swiss Alps entered a partnership with Vail Resorts, Inc. for the latter to invest CHF 149 million into the destination Andermatt-Sedrun to accelerate the destination's journey to be "The Prime Alpine Destination". Related enhancements to the guest experience including lifts, snowmaking, gastronomy, leisure offerings and infrastructure on the mountain are already underway.

## Looking forward in 2023

We entered 2023 from a position of strength and with momentum in all our core segments. Despite the macroeconomic challenges of the past few years, we forge ahead with confidence that we are on the right path for further growth and we continue to invest in our business for the long-term.

Although we have navigated many external challenges in the past few years, we expect the macroeconomic circumstances we will face in 2023 will require high ambitions coupled with prudent decision-making. Our goal remains to deliver sustainable growth and value creation while we expect that we will need to aim higher and efficiently manage our spending even more than before. Our commitment to resilience situates the Group to withstand market conditions and cultivate vast development in the coming years. We are getting back on track to achieving our financial goals in the next five to seven years even with the global economic headwinds that the world is facing.

I would like to express my gratitude to our shareholders, Board of Directors and business partners for their commitment to our progress across all fronts. Most of all, I want to thank Orascom's employees for their commitment and tireless efforts across all our destinations. The recovery witnessed in 2022 could not have been possible if not for the dedicated efforts of every member of our teams. I have a great appreciation for the commitment and tireless efforts of our employees, and I take great pride in our accomplishments.

We are proud of what we have achieved and what we have been able to overcome in the past couple of years, and it is with this same determination that we enter 2023. We remain confident that the solid foundations we have built, the resilience of our operations, and the strength of our team will carry us into a new and compelling growth stage for ODH, and by doing so, create greater long-term value for our shareholders and all our key stakeholders.

Sincerely,

**Omar El Hamamsy**

Group Chief Executive Officer

Orascom Development Holding

# 1.4 FY 2022 KEY HIGHLIGHTS

Total revenues up  
**28.1%**  
to CHF 689.7 million

Cash flow  
from operations up  
by **9.6%** to  
CHF 75.5 million

Opened  
**Chedi El Gouna**  
by December 2022

Town Management  
revenues up  
**19.1%**  
to CHF 83.7 million

Adj. EBITDA up  
**42.6%**  
to CHF 186.7 million

Value of contracted  
units reached  
**CHF 714.2 million**  
the highest in  
ODH's history

Transaction closing  
between  
**Vail Resorts, Inc.  
and Andermatt  
Swiss Alps AG** was  
concluded for  
CHF 149 million

Opened our  
**first global sales  
office in Dubai**  
in April 2022

Closed the year  
with a net profit of  
**CHF 51.3 million**  
the highest since 2013

Real estate revenues  
increased by  
**21.7%**  
to CHF 463.5 million  
(FY 2021: CHF 380.9 million)

EBITDA  
up **50%** to  
CHF 150.8 million

Net debt to Adj.  
EBITDA reached  
**1.5x in 2022**  
vs. **1.7x** in 2021

Our share of associates  
reported a profit of  
**CHF 23.7 million**  
vs. a loss of  
**CHF 4.8 million** in  
FY 2021

Hotels Segment revenues  
during 2022 increased  
by **63.2%** to  
CHF 142.5 million

**Makadi Heights land**  
issue with the Egyptian  
government was  
resolved in ODH's favor  
mid June 2022

Signed a master  
agreement for  
**El Gouna**  
in February 2023

## FY 2022 INCOME STATEMENT



(CHF mn)	Unit	FY 2022	FY 2021
<b>Revenue</b>	<b>CHF, 000</b>	<b>689.7</b>	<b>538.5</b>
Cost of sales	CHF, 000	(477.6)	(382.6)
<b>Gross profit</b>	<b>CHF, 000</b>	<b>212.1</b>	<b>155.9</b>
Gross profit margin	%	30.8%	29.0%
Investment income	CHF, 000	18.8	16.0
Administrative expenses	CHF, 000	(44.2)	(41.0)
<b>Adj. EBITDA</b>	<b>CHF, 000</b>	<b>186.7</b>	<b>130.9</b>
Adj. EBITDA margin	%	27.1%	24.3%
Other gains and losses	CHF, 000	(59.6)	(25.6)
Share of associates gains/losses	CHF, 000	23.7	(4.8)
<b>EBITDA</b>	<b>CHF, 000</b>	<b>150.8</b>	<b>100.5</b>
Depreciation	CHF, 000	(28.4)	(24.6)
Finance costs	CHF, 000	(37.8)	(32.9)
Income tax expense	CHF, 000	(33.3)	(33.5)
Net profit for the period	CHF, 000	51.3	9.5
<b>Attributed as follows:</b>			
ODH shareholders	CHF, 000	22.9	(5.7)
Non-controlling interest	CHF, 000	28.4	15.2
<b>Basic EPS (CHF)</b>	<b>CHF</b>	<b>0.57</b>	<b>(0.14)</b>



## BALANCE SHEET



(CHF mn)	Unit	31.12.2022	31.12.2021
Property, plant, and equipment	CHF, 000	742.5	797.8
Inventory	CHF, 000	437.0	595.3
Receivables	CHF, 000	271.5	270.2
Cash and bank balances	CHF, 000	180.3	207.0
Investments in associates	CHF, 000	51.3	39.4
Other assets	CHF, 000	141.4	155.5
<b>Total assets</b>	<b>CHF, 000</b>	<b>1,824.0</b>	<b>2,065.2</b>
Borrowings	CHF, 000	467.7	445.2
Payables	CHF, 000	281.0	423.3
Provisions	CHF, 000	65.3	63.6
Other liabilities	CHF, 000	567.3	614.3
<b>Total liabilities</b>	<b>CHF, 000</b>	<b>1,381.3</b>	<b>1,546.4</b>
Non-controlling interests	CHF, 000	157.9	171.2
Equity to ODH shareholders	CHF, 000	284.8	347.6
<b>Total liabilities and equity</b>	<b>CHF, 000</b>	<b>1,824.0</b>	<b>2,065.2</b>



## FY 2022 REVENUE ANALYSIS



### Delivering robust growth

	Revenue		
(CHF mn)	FY 2022	FY 2021	Δ in %
Hotels	142.5	87.3	63.2%
Real Estate	463.5	380.9	21.7%
Town Management <sup>1</sup>	83.7	70.3	19.1%
Corporate & Unallocated Items	–	–	–
ODH Group	689.7	538.5	28.1%
	EBDITA		
(CHF mn)	FY 2022	FY 2021	Δ in %
Hotels	30.9	8.7	255.2%
Real Estate	188.9	141.1	33.9%
Town Management <sup>1</sup>	16.6	(0.6)	2866.7%
Corporate & Unallocated Items	(85.6)	(48.7)	(75.8%)
ODH Group	150.8	100.5	50.0%
	Adjusted EBITDA <sup>2</sup>		
(CHF mn)	FY 2022	FY 2021	Δ in %
Hotels	32.8	8.5	285.9%
Real Estate	174.8	145.7	20.0%
Town Management <sup>1</sup>	12.4	5.3	134.0%
Corporate & Unallocated Items	(33.3)	(28.6)	(16.4%)
ODH Group	186.7	130.9	42.6%

<sup>1</sup> Town Management include revenues from utilities and services, hospital, marina, golf, rentals, educational services, limousine, and other town amenities.

<sup>2</sup> Adjusted EBITDA: EBITDA adjusted for non-cash items (which includes provisions and impairments, other gains and losses, FX gains and share in associates).

## FY 2022 REAL ESTATE SALES KPIS

Unique proposition of integrated masterplans and superior quality helped to deliver consistent growth in sales performance

Country	Destination	Net value of contracted units (CHF mn)		
		FY 2022	FY 2021	Δ in %
Egypt	El Gouna	223.9	235.7	(5.0%)
	Makadi Heights and Byoum*	48.0	69.2	(30.6%)
	O West	289.6	231.2	25.3%
Oman	Jebel Sifah	16.4	27.5	(40.4%)
	Hawana Salalah	36.9	10.4	254.8%
Montenegro	Luštica Bay	90.1	58.4	54.3%
UK	Eco Bos	9.3	31.9	(70.8%)
Switzerland	Andermatt	151.1	122.0	23.9%
ODH excluding Andermatt**		714.2	664.3	7.5%
ODH including Andermatt**		865.3	786.3	10.1%





## FY 2022 REAL ESTATE SALES KPIS (CONTINUED)



## Number of contracted units

Country	Destination	FY 2022	FY 2021	Δ in %
Egypt	El Gouna	389	381	2.1%
	Makadi Heights and Byoum *	224	344	(34.9%)
	O West	831	730	13.8%
Oman	Jebel Sifah	54	87	(37.9%)
	Hawana Salalah	149	63	136.5%
Montenegro	Luštica Bay	88	113	(22.1%)
UK	Eco Bos	26	130	(80.0%)
Switzerland	Andermatt	70	92	(23.9%)
ODH excluding Andermatt**		1,761	1,848	(4.7%)
ODH including Andermatt**		1,831	1,940	(5.6%)

Average selling price (CHF/m<sup>2</sup>)

Country	Destination	FY 2022	FY 2021	Δ in %
Egypt	El Gouna	3,641	3,565	2.1%
	Makadi Heights and Byoum *	1,796	1,767	1.6%
	O West	1,934	1,786	8.3%
Oman	Jebel Sifah	2,729	2,331	17.1%
	Hawana Salalah	2,428	2,093	16.0%
Montenegro	Luštica Bay	5,685	5,091	11.7%
UK	Eco Bos	3,629	3,098	17.1%
Switzerland	Andermatt	17,960	15,368	16.9%

\* Net sales value for FY 2021 includes 3 units sold in Fayoum for CHF 0.3mn.

\*\* Andermatt figures are not included in ODH net sales figures as ODH owns a 49% stake of Andermatt; thus, it is not consolidated.

In local currency, value of contracted units' performance of the largest Egyptian subsidiary of the Group (Orascom Development Egypt) has improved during FY 2022. This operational enhancement was not totally reflected in the Group's value of contracted units when being translated into CHF because of the EGP devaluation.

## FY 2022 HOTEL KPIs



Strong rebound in performance during challenging market environment

Destination	Occ. for available rooms (%)		ARR (CHF)		TRevPAR (CHF)		GOP PAR (CHF)	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
El Gouna	70%	45%	82	85	82	53	41	24
Taba Heights	29%	11%	50	31	19	5	3	(3)
Byoum, Fayoum <sup>1</sup>	–	15%	–	66	–	15	–	(4)
Hawana Salalah	41%	13%	110	89	68	18	12	(12)
Jebal Sifah	38%	40%	126	110	112	81	(9)	(6)
UAE	65%	55%	124	132	147	119	43	32
Montenegro	46%	45%	186	179	166	140	14	8
<b>ODH Group</b>								
Andermatt <sup>2</sup>	55%	53%	518	515	475	475	108	124

<sup>1</sup> The hotel is closed for renovation.

<sup>2</sup> Andermatt figures are not included in ODH numbers as ODH owns 49% stake of Andermatt and thus it is not consolidated. Occupancy rates reflects the occupancy from hotel guests only, not factoring in the room nights generated with residence owners.



# 02 COUNTRIES

# 2.0 COUNTRIES

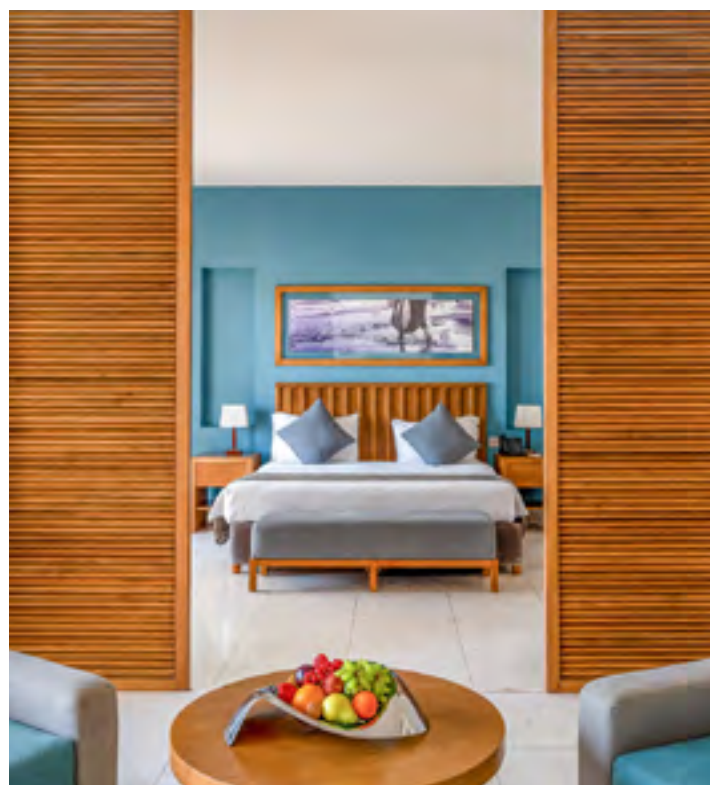


ODH has a diversified portfolio of destinations that spread over seven countries, including Egypt, the United Arab Emirates, Oman, Switzerland, Morocco, Montenegro, and the United Kingdom.

ODH is a leading developer of fully integrated and infrastructure-supported destinations that comprise hotels, private villas, apartments, and leisure facilities, including state-of-the-art golf courses and marinas.

Our strategy is based on creating value through our extensive land bank for medium- and long-term stakeholders. To that end, we accumulate large tracts of spacious land to develop self-sufficient, vibrant communities and towns.

As a hotel owner and operator, we have 33 hotels with more than 7,000 rooms in six countries. We operate our hotels alongside internationally renowned strategic franchise partners, including Rotana, Steigenberger, Sheraton, Movenpick, Radisson, and the ultra-high-end luxury brand, Chedi, or as independently branded properties.



The Group has secured a land bank of 101.4 million m<sup>2</sup> across different jurisdictions as of the end of December 2022. Moreover, Orascom Development holds its undeveloped land banks primarily by way of contractual rights or usufructs, with the option to acquire legal title.

The nine destinations are already completely operational, and they include El Gouna on the Red Sea Coast, Taba Heights in the Sinai Peninsula, Makadi Heights in the Red Sea district, Byoum in Fayoum, The Cove in Ras Al Khaimah in the UAE, Jebel Sifah and Hawana Salalah in Oman, Luštica Bay in Montenegro, and Andermatt in Switzerland (in which the Group currently holds a 49% stake). In addition, O West in Egypt, the Group's newest fully integrated destination, and Eco-Bos in the UK, are now in various stages of development and are expected to be operational by 2023.



## ORASCOM DEVELOPMENT'S LAND BANK

The following table provides an overview of the Group's or its associates' land bank, presented in million m<sup>2</sup>.

Destination Name	Total Land Bank	Completed	Under Construction	Under Development	Undeveloped
<b>EGYPT</b>	<b>50.25</b>	<b>14.75</b>	<b>8.07</b>	<b>3.29</b>	<b>24.15</b>
El Gouna	36.92	11.00	7.00	2.30	16.62
O West	4.23	0.09	0.90	0.57	2.67
Makadi Heights	3.75	0.76	0.15	0.34	2.50
Taba Heights	4.27	2.56	0.00	0.02	1.69
Byoum	1.08	0.34	0.02	0.06	0.67
<b>UNITED ARAB EMIRATES</b>	<b>0.29</b>	<b>0.285</b>	<b>0.00</b>	<b>0.005</b>	<b>0.00</b>
The Cove	0.29	0.285	0.00	0.005	0.00
<b>OMAN</b>	<b>20.84</b>	<b>3.14</b>	<b>0.43</b>	<b>2.19</b>	<b>15.08</b>
Jebel Sifah	6.20	1.08	0.30	0.42	4.40
Hawana Salalah	13.60	2.06	0.13	0.97	10.44
As Sodah Island	1.00	0.00	0.00	0.80	0.20
City Walk	0.04	0.00	0.00	0.00	0.04
<b>SWITZERLAND</b>	<b>1.57</b>	<b>1.26</b>	<b>0.04</b>	<b>0.27</b>	<b>0.00</b>
Andermatt	1.57	1.26	0.04	0.27	0.00
<b>MOROCCO</b>	<b>15.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.00</b>	<b>12.00</b>
Chbika	15.00	0.00	0.00	3.00	12.00
<b>MONTENEGRO</b>	<b>6.92</b>	<b>0.20</b>	<b>0.70</b>	<b>0.39</b>	<b>5.63</b>
Luštica Bay	6.92	0.20	0.70	0.39	5.64
<b>UNITED KINGDOM</b>	<b>6.54</b>	<b>0.00</b>	<b>0.20</b>	<b>0.56</b>	<b>5.78</b>
Eco Bos	6.54	0.00	0.20	0.56	5.78
<b>Total</b>	<b>101.4</b>	<b>19.64</b>	<b>9.44</b>	<b>9.70</b>	<b>62.64</b>
<b>Percentage of Total Land Bank Size</b>		<b>19.36%</b>	<b>9.30%</b>	<b>9.57%</b>	<b>61.77%</b>

Land Categories	Definition
<b>Total Land Bank</b>	Any plot of land developed or undeveloped, that is under the direct or indirect possession of Orascom Development by virtue of lease, usufruct, and/or ownership rights; and over which Orascom Development may have further rights to develop, fully own, lease to third parties, sell to third parties, grant sub-usufruct rights to third parties, or otherwise dispose to third parties. Each plot of land is governed by the respective agreement between Orascom Development (directly or indirectly) and the respective governmental entity, shareholders, and/or investors.
<b>Completed</b>	Any plot of land where infrastructure is completed, and individual elements of the projects are completed.
<b>Under Construction</b>	Any plot of land where infrastructure is completed, and individual elements of the projects are under construction.
<b>Under Development</b>	Any plot of land where infrastructure is under construction and not yet completed.
<b>Undeveloped</b>	Any plot with zero infrastructure (raw land).



# EL GOUNA – EGYPT



El Gouna is the Group's flagship project, situated along Egypt's Red Sea coastline. El Gouna offers opportunities for those seeking cosmopolitan and seaside living, as well as the exclusivity of a self-contained community. A multinational town that continues to grow with every passing year, El Gouna spans over 10 km of shoreline on the Red Sea coast with a total land area of 36.9 million m<sup>2</sup>, of which 16.6 million m<sup>2</sup> is undeveloped land. El Gouna is a fully integrated, self-sufficient town adhering to the highest global standards.





El Gouna is a Red Sea coastal destination that encourages relaxed, resort-like sophistication. Year-round sunshine, shimmering lagoons, turquoise beaches, and its location—a mere four-hour flight from Europe—make El Gouna the ultimate paradise escape. The town offers a unique leisure destination brimming with inspiring possibilities. Investing in El Gouna way of life guarantees a future filled with the exceptional experiences, quality time with loved ones, indulgence in favored leisure activities, superior gastronomic tastes, and the chance to become an active part of El Gouna’s sophisticated, multinational, and child-friendly community.

Part of El Gouna’s appeal relates to its fully integrated urban infrastructure, which has made the town visually attractive, easy to live in, and largely self-sufficient. El Gouna is home to a variety of sought-after amenities, including 18 reputable hotels, banks, two golf courses, a world-class international hospital, schools, universities, co-working spaces, and an airport. The first stage of the Gouna Conference and Culture Center has been completed, which will give the destination even more appeal as a dynamic

and constantly evolving town. The upcoming phases of the complex will include a 600-seat concert hall and a 2,000-seat conference center.

El Gouna’s perfect year-round weather and thoughtful urban planning allow its residents to enjoy healthier and more outdoor-focused lifestyles. Water sports and aquatic activities are possible year-round thanks to the sheltering influence of a reef headland. On top of being an international kite surfing destination, El Gouna also has water sport facilities and dive centers located throughout the town.

Home to three marinas, including the Abu Tig Marina, boat owners pursue their nautical adventures freely and without impediment. El Gouna offers over 100 exciting restaurants, bars, and eateries that encompass an impressive variety of international cuisines. The town also hosts a number of high-profile cultural events and festivals and boasts a vibrant nightlife.

“A PARADISE DESTINATION ALONG THE RED SEA”





# 2022 HIGHLIGHTS



223.9 CHF mn

Net value of contracted units during FY 2022 reached CHF 223.9 million compared to CHF 235.7 million during FY 2021.



4.4 EGP bn

In local currency, the value of contracted units' performance during FY 2022 grew by 9.5% to EGP 4.4 billion compared to EGP 4.0 billion in the previous year. However, this operational enhancement was not completely reflected into Swiss Francs because of the devaluation of the local currency.

During 2022, we increased our USD real estate cap rate from EGP 19.75 to close the year at a cap rate of EGP 26.5. Currently the cap rate stands at EGP 33.0.



3,641 CHF m<sup>2</sup>

Increased our real estate average selling prices vs. FY 2021 by 2.1% to CHF 3,641/m<sup>2</sup>.

The inauguration of the first building of the Uri-Schule El Gouna campus took place in October 2022. The Swiss school is the first in the MENA region and Africa to be directly supervised by the Swiss authorities.



The occupancy levels of hotels in El Gouna increased by 25pp from 45% during FY 2021 to 70% in FY 2022. Foreigners represented 80% of our total hotels' occupancy during FY 2022.





## 285 units

ODH continued to accelerate real estate construction activity, keeping our delivery schedule on track, and we managed to deliver all 285 planned units during FY 2022.

The Group is finalizing the renovation process that started during 2022 across Ocean View, Steigenberger, and Sheraton, with plans to finalize renovations during Q1 2023.



## Chedi El Gouna

ODH successfully finalized the renovation process of turning Bellevue Hotel into Chedi Hotel with 82 rooms. The hotel opened its doors in mid-December 2022.



In cooperation with SolarizeEgypt, EGP 97.0 million was invested in a solar power plant in El Gouna. The solar plant covers an area of 245,000 m<sup>2</sup>, producing 14 GWh annually. El Gouna's solar plant has a 25-year Independent Power Producer (IPP) self-consumption system and a capacity of 7.128 MWp to cover 16% of the town's needs. The solar power produced supports lighting the town's streets and buildings, reducing pressure on energy consumption throughout the year. El Gouna also plans to expand the plant's capacity and double production in the near future. The impact of clean energy generated by the solar plant is equivalent to approximately removing 1,187 cars off the road for one year, saving 1,007,969 gallons of gas, reducing 7,106.6 kg of carbon dioxide (CO<sub>2</sub>) emissions, eliminating 2,879.7 kg of standard coal, and planting 384.9 trees.



c. 247.0 <sup>USD</sup><sub>mn</sub>


During 2022, we added c. USD 48.0 million of new inventory in Shedwan and Cyan The Range projects, and we also launched The Nines, Pearl, Caspian, Kamaran, and Miramar Residences real estate projects with an inventory value of USD 199.2 million.

The first phase of the new sports district was finalized and inaugurated, which includes eight tennis courts, four squash courts, a 500-meter and four-lane jogging track, three paddle courts, two multipurpose courts, a football field, a CrossFit arena, and a 1,000-m<sup>2</sup> kids' area. Additionally, phase 2 of the dry storage area at the marina was finalized, adding more than 40 berths to its capacity.



## El Gouna First Sustainability Campaign

In Q4, we launched our first communication campaign communicating El Gouna sustainability initiatives with a tagline that reads “El Gouna ... A town Green on all sides” showing the town’s different initiatives of waste management, eco-friendly transportation, sustainable construction techniques, renewable energy usage, saving marine life preservation, green start awarded hotels, zero plastic bags usage, green community initiatives, wild life preservation, mangrove rehabilitation program, wastewater treatment, and recycled water irrigation.

 **73.4** CHF mn

The revised business model of El Gouna hotels—which demonstrated special focus on direct business conversions at higher average daily rates—delivered good results, benefiting from the destination’s leading local and regional market positioning. The Hotels’ revenues in FY 2022 increased by 47.1% to CHF 73.4 million compared to CHF 49.9 million in FY 2021.

During 2022, the destination hosted a lot of events, including El Gouna Tough Mudder, Nefertiti Golf Tournament, All African Golf Tournament, El Gouna Watersports Festival, The Aquaman Challenge, El Gouna Dance Festival, El Gouna International Squash Open, Opera Aida, Raabta Wellness Festival, El Gouna Half Marathon, El Gouna Flying Rally, Forbes 30 Under 30, and El Gouna Christmas and New Year’s week event.



## Contact

ODH signed a cooperation agreement with Contact Financial Holding to enable homeowners to renovate, modify, and expand their unit—before and after delivery—in installments at a preferential interest rate. Contact will finance the cost of renovating and modifying the units of El Gouna’s owners with tenors that last for up to five years without any down payments or administrative fees, and without the owners having to put up their units as a guarantee for payment.

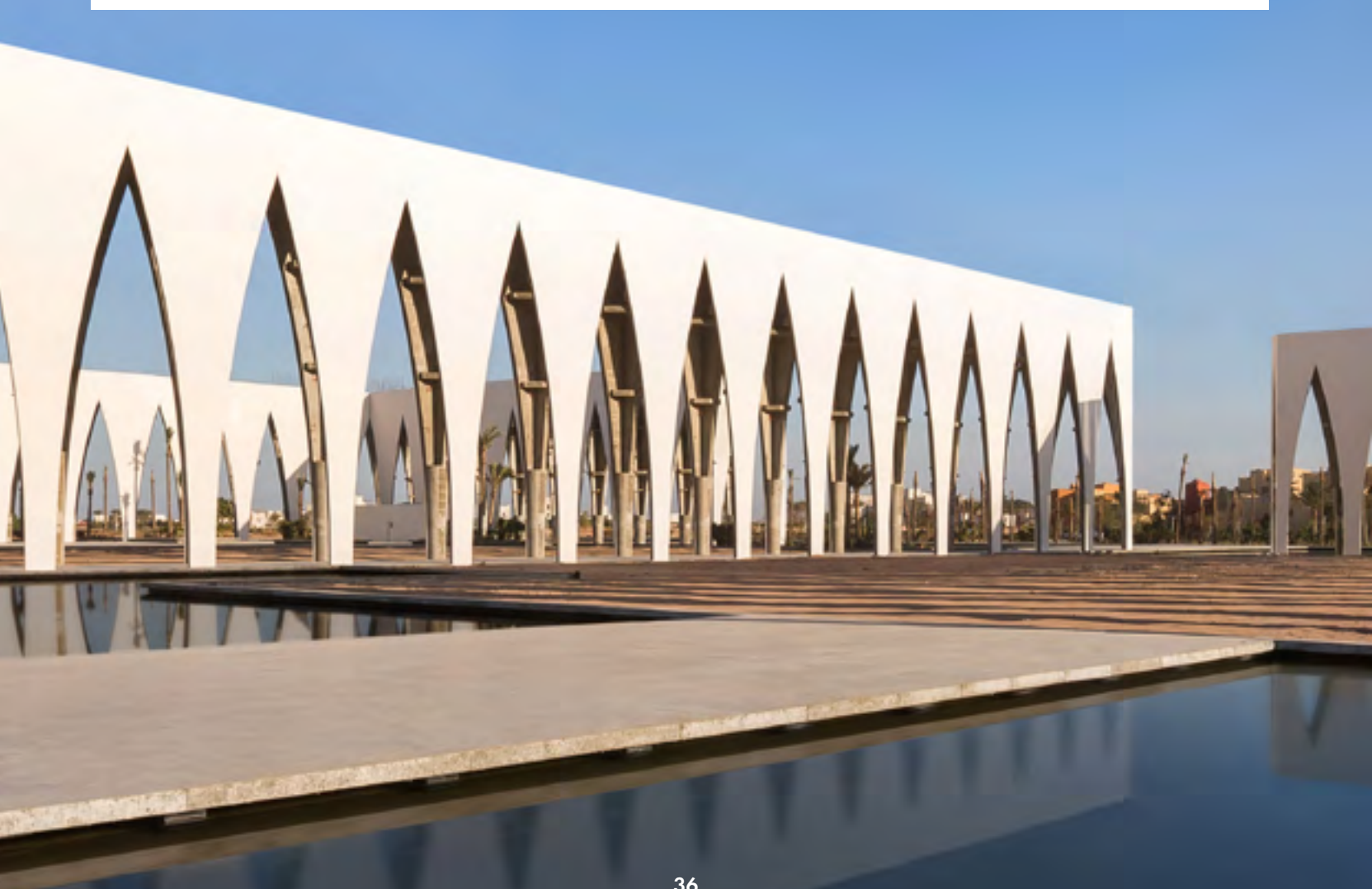
## EVENTS CALENDAR



6 MAY	Tough Mudder
19–22 MAY	Nefertiti Golf Tournament
27 MAY–3 JUNE	El Gouna International Squash Open
23 JUNE–2 JULY	Watersports Festival
1 JULY	The Aquaman Challenge
15–19 SEPTEMBER	El Gouna Dance Festival
26–30 SEPTEMBER	All African Golf Tournament
13 OCTOBER	Opera Aida
2–4 NOVEMBER	Manial Palace Festival
3–5 NOVEMBER	Raabta Wellness Festival
12 NOVEMBER	Half Marathon
18 NOVEMBER	Flying Rally
24–26 NOVEMBER	Forbes 30 Under 30

## Operating Destinations - Egypt

KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>			
Total Number of Rooms	2,676	2,683	(0.3%)
Occ. of Available Rooms (%)	70%	45%	55.6%
TRevPAR (CHF)	82	53	54.7%
ARR (CHF)	82	85	(3.5%)
GOP PAR (CHF)	41	24	70.8%
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	223.9	235.7	(5.0%)
No. of Contracted Units	389	381	2.1%
Avg. selling price (CHF/m <sup>2</sup> )	3,641	3,365	2.1%
Deferred Revenue (CHF mn)	165.3	229.7	(28.0%)
<b>Revenues (CHF mn)</b>			
Hotels	73.4	49.9	47.1%
Real Estate	195.0	162.8	19.8%
Destination Management	65.6	56.0	17.1%
<b>El Gouna Total</b>	<b>334.0</b>	<b>268.7</b>	<b>24.3%</b>





# ○ WEST – EGYPT



Located in West Cairo, ○ West is ODH’s latest addition to its portfolio and the Group’s debut entry into the first-home market. Marketed as a beacon of integrated living, all the details within ○ West are intelligently and harmoniously designed to offer a true town-living experience in the heart of 6th of October.

Stretching over an area of 4.23 million m<sup>2</sup>, ○ West is designed by the world-renowned HOK—one of the largest and most acclaimed architectural design firms worldwide. Their work on the iconic ○ West masterplan creates the perfect balance between nature and urban landscape, as the development is built to preserve and complement the natural environment of the site and promote green living. ○ West is designed with the idea of bringing the natural landscape to the forefront for seamless integration into the project’s urban plan; an effort to counter sprawling urban developments across West Cairo.

As an urban, community-focused project, ○ West encourages its residents to lead active lifestyles with spaces and facilities for cycling and walking in an urban environment surrounded by natural scenery. The project

promotes green living through “Green Fingers”, an initiative that creates the perfect environment for outdoor activities and social interaction through the lush green spaces that span the entire development.

○ West’s landscape is designed by EDSA, a global landscaping firm with core expertise in creating distinctive, innovative, and inspiring environments. Through working with and around nature to achieve remarkable results, EDSA offers a variety of landscaping themes, from expansive open spaces to small urban communities, providing residents and visitors with environments that encourage community living. The design and architecture employed in ○ West is tailored to capture the essence of a modern and dynamic community. In line with ODH’s ethos of creating green and sustainable towns, ○ West is strategically designed





to reflect and offer ideal homes that balance aesthetics, functionality, and environmental preservation.

Each neighborhood in O West offers various types of units and façades that cater to the needs and preferences of different residents and future members of its community, along with all the services and facilities needed to provide residents with a true township living experience. Residential units spread over 3.5 million m<sup>2</sup> of land, an education hub spans over 91,311 m<sup>2</sup>, a sports club sprawls 142,923 m<sup>2</sup>, the hospital area stretches over 22,441 m<sup>2</sup>, and commercial

and retail facilities cover over 192,209 m<sup>2</sup>. Community centers exist in every neighborhood to provide residents with the utilities and maintenance services that will help them run their home with ease.

“A VIBRANT NEW DEVELOPMENT IN EGYPT’S WEST CAIRO”



4.23 <sup>mn</sup>  
m<sup>2</sup>  
Total Land Area

2.67 <sup>mn</sup>  
m<sup>2</sup>  
Undeveloped  
Land Area

146.0 <sup>CHF</sup>  
mn  
Total Revenue

289.6 <sup>CHF</sup>  
mn  
Net Value of  
Contracted Units

3,677  
memberships -  
O West Club  
(as of FY 2022)

# 2022 HIGHLIGHTS



289.6 <sup>CHF</sup><sub>mn</sub>

O West continues to affirm its leading position in West Cairo and recorded CHF 289.6 million in residential contracted units for FY 2022, a growth of 25.3%, vs. CHF 231.2 million in FY 2021. In terms of Egyptian pounds, net real estate sales recorded a 44.3% increase to reach EGP 5.7 billion vs. FY 2021.



256.3 <sup>CHF</sup><sub>mn</sub>

A new inventory of approximately CHF 256.3 million was launched in Hillside Villas, Whyt, Spring Valley Villas, Club Yard Apartments, Club Residences, and Tulwa during 2022.



8.3%

We increased our average selling prices by 8.3% to CHF 1,934/m<sup>2</sup> in FY 2022.



250,000 <sup>EGP</sup><sub>mn</sub>

The O West Club membership fees increased to reach EGP 250,000, and the number of members reached 3,677, which will provide the project with a steady, recurring income stream.



710 units

Construction was accelerated in 2022, with 444 villas completed, while 1,015 apartments and 236 townhouses saw great progress, along with the construction of 119 units in O West Business District (OBD), with plans to start delivering some units in Q2 23 (710 units).

The construction of O West Club is progressing at a steady pace, with plans to become partially operational by Q3 2023.



The construction of five schools was finalized during FY 2022. Two of the schools had been operational since September 2021, while the remaining schools became fully operational in 2022.





76.4 CHF  
mn

A facility agreement of CHF 76.4 million was signed in July 2022 to partially finance the development of the project and help accelerate construction of phases already launched.



2.46 EGP  
mn

On 25 October 2022, Orascom Development Egypt (ODE), Orascom Development Holding AG's largest Egyptian subsidiary, announced that it had received a preliminary non-binding offer (NBO) from Sixth of October Development and Investment Company S.A.E (SODIC) for the acquisition of the entire share capital of ODE's subsidiary Orascom for Real Estate S.A.E. (ORE), the owner of O West project. ODE currently owns 70% of ORE. On March 23, 2023; ODH announced that ODE and SODIC have mutually decided to discontinue discussions on a potential acquisition of ORE and the O West project by SODIC.

Four best-in-class padel courts became fully operational in 2022 as part of the project's efforts to encourage community participation and engagement. "Padel Fest" was held under the auspices of the Ministry of Youth and Sports and featured world-class padel players, various challenges and activities, live performances, a shopping bazaar, workshops, and more.



O West hosted an array of lifestyle and sports events throughout the year, giving homeowners and prospective clients a chance to witness the project's progress and to further promote community interaction. The events included international and local padel tournaments; the Ramadan football tournament; and the O West Juniors League, held in partnership with O West Educational Hub schools.





KPIs	FY 2022	FY 2021	% Chg
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	289.6	231.2	25.3%
No. of Contracted Units	831	730	13.8%
Avg. Selling Price (CHF/m <sup>2</sup> )	1,934	1,786	8.3%
Deferred Revenue (CHF mn)	345.4	408.2	(15.4%)
<b>Revenues (CHF mn)</b>			
Real Estate	146.0	99.7	46.4%
<b>O West Total</b>	<b>146.0</b>	<b>99.7</b>	<b>46.4%</b>



# MAKADI HEIGHTS – EGYPT



Located in the burgeoning destination of Makadi Bay by the Red Sea, Makadi Heights originated following ODH's pioneering decision to create city life surrounded by beautiful scenery with temperate weather all-year-round.





Stretching over an area of 3.75 million m<sup>2</sup> and 20 minutes away from Hurghada, the fully operational Makadi Heights flourishes on an elevated land 78 meters above sea level, affording residential units panoramic and scenic views of the land and seascape. Prototypes vary from standalone villas, twin houses, townhouses, and 1–4-bedroom apartments, all surrounded by attractive water features and open green spaces.

Boasting a wide array of options, Makadi Heights is more than just a residence; it also provides a well-rounded lifestyle and is home to a welcoming multicultural community. A fully integrated destination, Makadi Heights offers diversified facilities, including commercial areas, a medical center with a clinic and pharmacy, a clubhouse, a kids’ aqua park, and a gym, as well as restaurants, kids’ areas, sports courts, and a variety of entertainment amenities. As it strives to become the go-to multicultural seaside town along the Red Sea offering leisure and superior amenities to families, Makadi Heights is always in season.

“A GROWING COMMUNITY OVERLOOKING THE RED SEA.”



3.75 <sup>mn</sup>  
m<sup>2</sup>  
Total Land Area

32.1 <sup>CHF</sup>  
mn  
Total Revenue

2.5 <sup>mn</sup>  
m<sup>2</sup>  
Undeveloped Land Area

48.0 <sup>CHF</sup>  
mn  
Net Value of Contracted Units

# 2022 HIGHLIGHTS



1.75 mn  
m<sup>2</sup>

On 26 January 2022, ODH announced that its subsidiary, Makadi Heights for Tourism Development Company (Makadi Heights), had been notified by the Egyptian Tourism Development Authority (TDA) of a decision to reduce the land plot previously allocated to Makadi Heights by 1.75 million m<sup>2</sup>. ODH then submitted a formal petition against the TDA's decision.



3.75 mn  
m<sup>2</sup>

On 16 June 2022, the Egyptian Grievance Committee at the Egyptian General Authority for Investment and Free Zones (GAFI) accepted the petition submitted by Makadi Heights and cancelled the decision issued in January 2022, reversing the TDA's land reduction. Accordingly, the total land bank available for development at the Makadi Heights destination stands at 3.75 million m<sup>2</sup>.



48.0 CHF  
mn

Real estate sales rebounded during the second half of the year. Net value of contracted units during FY 2022 decreased by 30.3% to reach CHF 48.0 million vs. CHF 68.9 million in FY 2021. The decline in sales was mainly attributed to an internal decision that we took to purposefully slowdown our sales until we resolved the land issue with the TDA in June 2022.

A landmark partnership with Metropolitan Schools for Educational Services was signed to open its first branch for pre-primary education in the Red Sea. The new academic year will start in FY 23/24.




1,796 CHF  
m<sup>2</sup>

Real estate average selling prices were increased by 1.6% to CHF 1,796/m<sup>2</sup> vs. FY 2021.





 7,000 m<sup>2</sup>

As part of the efforts to continuously prioritize the needs of Makadi Heights residents, “Bayou Lagoon”, which spreads over 7,000 m<sup>2</sup>, was delivered and launched well ahead of its planned operation in 2024.

 248 units delivered

During 2022, Makadi Heights faced more limitations in terms of construction due to delayed permit approvals from the TDA, which disrupted progress. Nevertheless, the continued acceleration of real estate construction activity, coupled with on-track delivery schedules, led to the delivery of all 248 planned units during FY 2022.

106.5 <sup>CHF</sup><sub>mn</sub>

The newest project “Ledge” was launched in early Q3 2022, with a total inventory of EGP 2.8 billion (CHF 106.5 million) spread over a land area of 238,000 m<sup>2</sup> and with 477 units planned to be delivered after three and half years. Ledge enjoys a premium location next to the downtown area and is engulfed by vast water features and a walking track that surrounds the whole project. The location aims to promote a number of activities, such as rowing, hiking, and water sports.



A partnership with Buy Now, Pay Later (BNPL) platforms BelCash and valU were signed to offer homeowners financing solutions for maintenance, renovation fees, and furnishing. Under the agreement, Makadi Heights’ homeowners will be able to cover maintenance and renovation costs through flexible and accessible payment plans.



During 2022, the destination hosted many events, including the “Out-of-the-Blue”, three-day event celebrating the delivery of the first phase; Christmas and new year’ celebration events; and the second edition of “Makadi Fishing Tournament.”



## Operating Destinations - Egypt

KPIs	FY 2022	FY 2021	% Chg
Real Estate			
Net Value of Contracted Units (CHF mn)	48.0	68.9	(30.3%)
No. of Contracted Units	224	342	(34.5%)
Avg. Selling Price (CHF/m <sup>2</sup> )	1,796	1,767	1.6%
Deferred Revenue (CHF mn)	57.4	71.8	(20.1%)
Revenues (CHF mn)			
Real Estate	30.0	38.8	(22.7%)
Destination Management	2.1	1.5	40.0%
<b>Makadi Heights Total</b>	<b>32.1</b>	<b>40.3</b>	<b>(20.3%)</b>

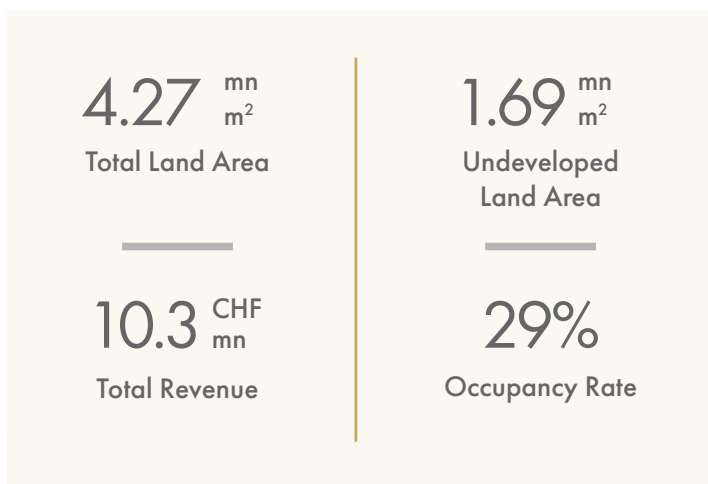




# TABA HEIGHTS – EGYPT



Taba Heights is our second fully self-sufficient resort town after El Gouna. It is located in South Sinai over a total land area of approximately 4.27 million m<sup>2</sup>, of which approximately 2.56 million m<sup>2</sup> have been developed. Bathed in this breathtaking natural setting, our lavish star hotels provide our guests with an unparalleled experience in relaxation and leisure.



Taba Heights is approximately 200 km north of Sharm el-Sheikh and 20 km south of the Israeli town of Eilat. Its position makes it a popular starting point for touristic excursions to UNESCO World Heritage sites, such as the Monastery of St Catherine, the rose-red city of Petra, the desert of Wadi Rum, the holy city of Jerusalem, and the Dead Sea. Taba Heights is easily accessible via Taba International Airport, at a distance of 25 km.

The town offers six four- and five-star hotels with a total of 2,349 guest rooms and a wide array of international-standard facilities, including a medical center, a man-made salt cave, 25 hotel swimming pools, numerous spas, a five-star water sports center, tennis and squash courts, childcare services, as well as 111 commercial outlets that include cafés, bars, restaurants, and shopping facilities. In addition, Taba Heights offers a yacht marina with a berthing capacity of 50 yachts and overnight mooring services.



# 2022 HIGHLIGHTS




Taba Heights remains the most challenging destination for the group. Nevertheless, the continuous efforts to regain the destination's position on the international travel map have started to show some positive outcomes, supported by cost control measures and an increase in local and regional businesses, which resulted in a significant increase in revenues and gross operating profits (GOP).



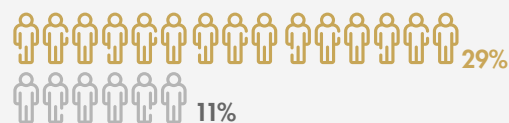
Taba Hotels witnessed a strong summer and winter season, reporting a 30% occupancy rate during Q4 2022 vs. 14% in Q4 2021, while the overall FY 2022 occupancy rate increased by 18pp to reach 29%, up from 11% in FY 2021.

 1.7 CHF mn

For the first time since 2019, the hotels reported a positive GOP of CHF 1.7 million in FY 2022 vs. a negative CHF 1.7 million in FY 2021.

 929 rooms

During 2022, only two hotels out of the six hotels were open, namely Strand Hotel and Mosaique Hotel, with 929 rooms, with plans to open Bay View Hotel by April 2023.



Until the resumption of tourism in the area and the need for full operational capacity, ODH continues to follow a scaled-back strategy reducing the cash burn rate and matching operational capacity to the current needs.



The short-to medium-term strategy for Taba Heights is to unlock additional aviation capacity to allow for higher year-round occupancy. We have secured solid pipeline business especially from Poland, Czech Republic, Hungary, Slovakia, and France and are promoting the destination extensively in Egypt and Jordan.







KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>			
Total Number of Rooms	2,349	2,349	-
Occ. for Available Rooms (%)	29	11	163.6%
TRevPAR (CHF)	19	5	280.0%
GOP PAR (CHF)	3	(3)	200.0%
ARR (CHF)	50	31	61.3%
<b>Revenues (CHF mn)</b>			
Hotels	9.3	3.0	210.0%
Destination Management	1.0	0.7	42.9%
<b>Taba Heights Total</b>	<b>10.3</b>	<b>3.7</b>	<b>178.4%</b>

# BYOUM AL FAYOUM – EGYPT



Located in the historical and culturally-rich region of Fayoum, Byoum came to life in 2008 and spans an area of over 1.0 million m<sup>2</sup> overlooking the picturesque Lake Qarun. Just 90 km away from Cairo, Byoum is a proximate getaway for those who yearn for nature-related activities and peace of mind.

Byoum covers an area of 1.1 million m<sup>2</sup> at the heart of Al Fayoum, with a premium location overlooking the iconic Lake Qarun. Located 90 km away from Cairo, Byoum is a winter destination offering a quick getaway for adventure seeking urban dwellers with a love for nature and tranquility. The destination combines a residential real estate project and a four-star hotel housing 53 rooms.

Byoum’s residential project offers diversified units varying from standalone villas with their own vast private garden to apartments with views of prime landscape. Byoum Residence is close to Al Fayoum’s main attractions and landmarks, engulfing the residents within the unique culture and history of the main city through a one-of-a-kind experience.

Byoum Hotel provides a place for short-duration travelers to explore the charming area of Al Fayoum, where they can enjoy the hotel’s high-end services, well-equipped rooms, and its unmatched hospitality.

As of 2022, all hotel activities were put on hold for renovations, in an effort to offer third-party operators the opportunity to take over Byoum and enhance the guest experience. Until the conclusion of a new third-party arrangement, as well as the ongoing renovations, the hotel will remain closed to the public. The destination’s real estate sales were put on hold during 2022.

1.08 mn  
m<sup>2</sup>

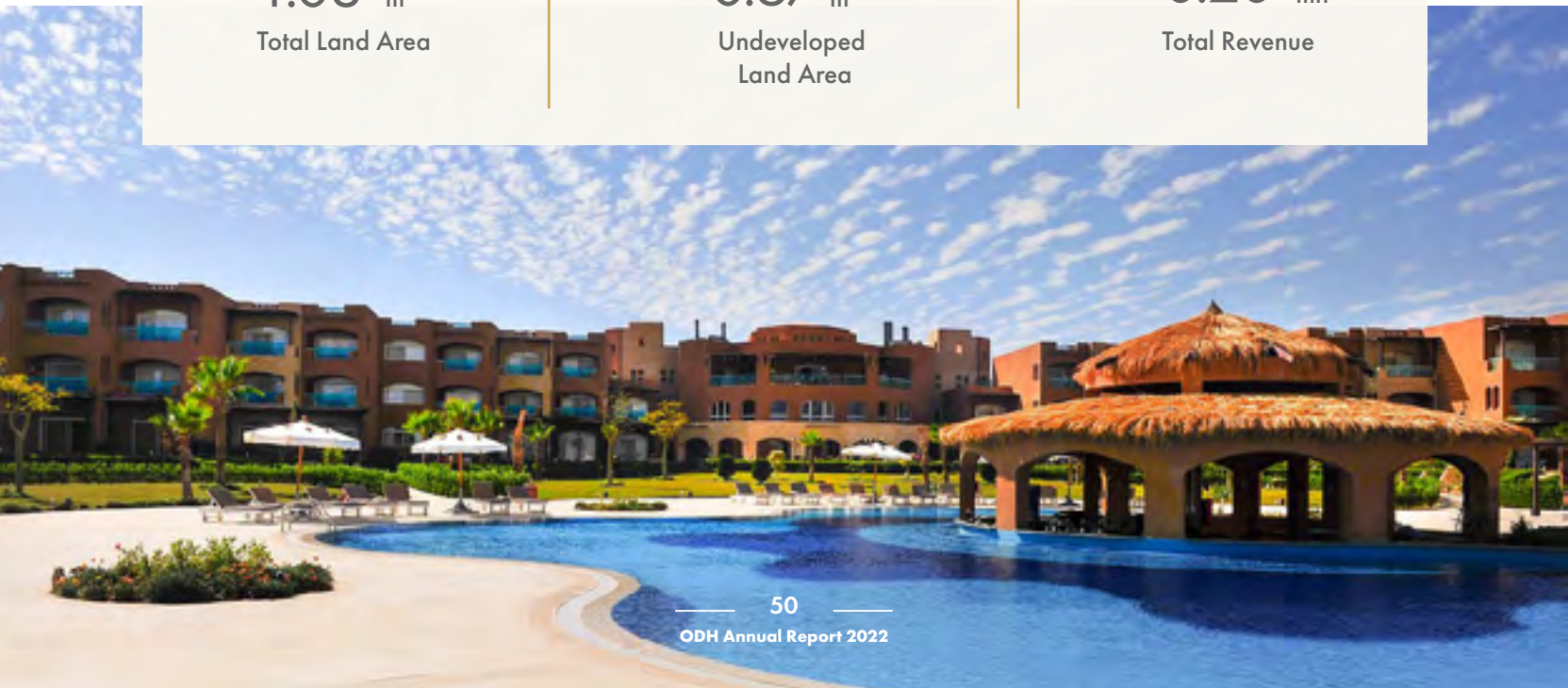
Total Land Area

0.67 mn  
m<sup>2</sup>

Undeveloped  
Land Area

0.20 CHF  
mn

Total Revenue



## Operating Destinations - Egypt

KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>			
Total Number of Rooms	53	53	-
Occ. for Available Rooms (%)	-	15	-
TRevPAR (CHF)	-	15	-
GOP PAR (CHF)	-	(4)	-
<b>Real Estate</b>			
Value of Contracted Units (CHF mn)	-	0.3	-
No. of Contracted Units	-	2	-
Avg. Selling Price (CHF/m2)	-	754	-
Deferred Revenue (CHF mn)	0.2	0.3	(33.3%)
<b>Revenues (CHF mn)</b>			
Hotels	0.1	0.3	(66.7%)
Real Estate	0.1	1.1	(90.9%)
<b>Byoum Total</b>	<b>0.2</b>	<b>1.4</b>	<b>(85.7%)</b>

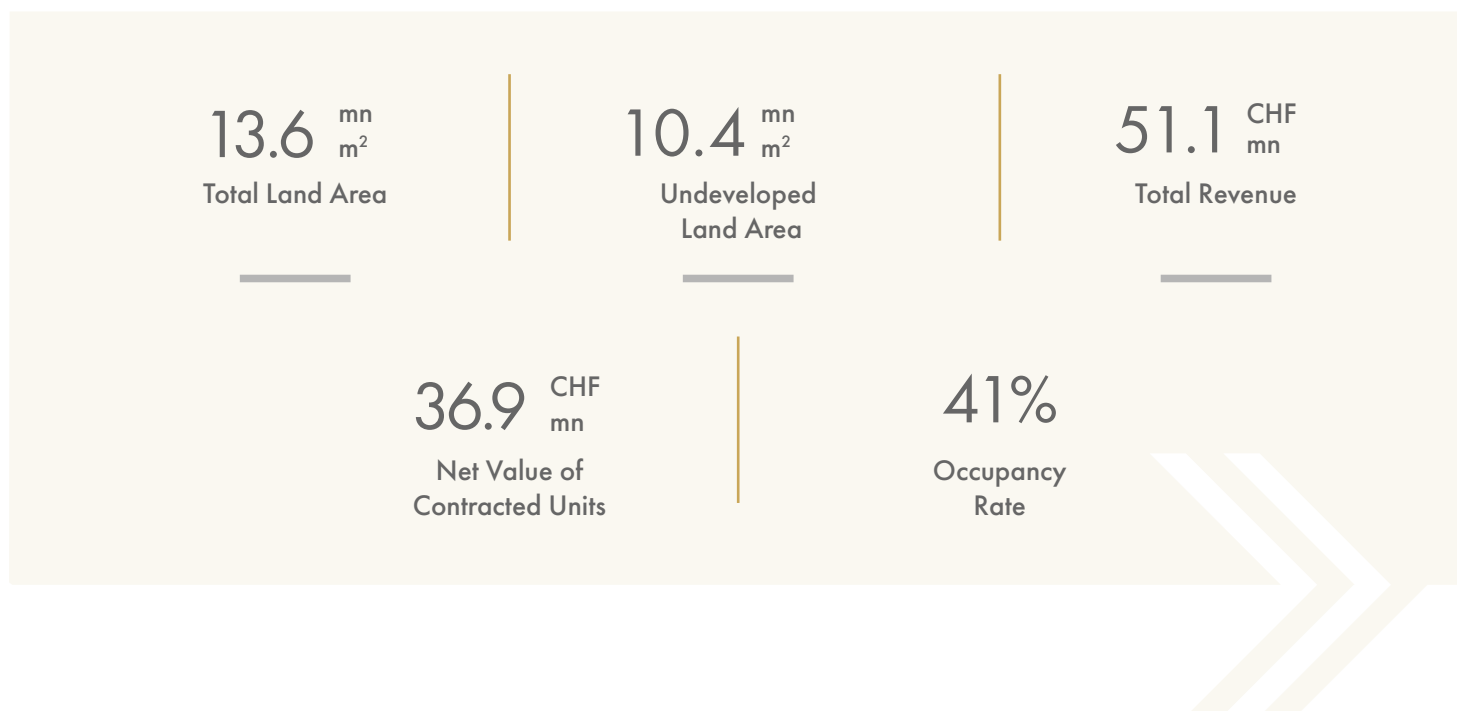


# HAWANA SALALAH – OMAN



Hawana Salalah, ODH's flagship destination in Oman, is located in the Dhofar Governorate and follows the Group's successful model in El Gouna. Spreading across 7 km of the Indian Ocean's white coastline and spanning over 13.6 million m<sup>2</sup> of land, Hawana Salalah is Oman's largest tourism destination.





Hawana Salalah provides its foreign clients with residency in Oman through a variety of units for prospective homeowners, thus enabling a flourishing cosmopolitan community. All properties enjoy breathtaking views of either the ocean, marina, or tranquil lagoons.

The destination has 1,100 hotel rooms spread among three of the Group’s finest hotels: the popular five-star Fanar Hotel & Residences with three breathtaking beaches, the elegant five-star Salalah Rotana Resort with waterways and a coconut-fringed private beach, and the marina-side Juweira Boutique Hotel and Souly Lodge, featuring 21 oceanfront, handcrafted wooden, and palm-frond huts.

Hawana Salalah offers residents and tourists an extensive range of facilities, including its 170-berth superyacht marina and Oman’s first water theme park, the Hawana Aqua Park. Brimming with life all year round, Hawana Salalah offers a variety of activities and a wide array of restaurants, bars, and cafes. With its tropical weather and light breeze, there is no better place to enjoy the thrill of numerous water sports than at Hawana Salalah, beyond the coastline of the Indian Ocean.

Hawana Salalah is only a 20-minute drive from Salalah International Airport, which operates regular direct flights from neighboring countries and a number of destinations in Europe.



# 2022 HIGHLIGHTS



100%

Hawana Salalah has witnessed positive results since the beginning of 2022, especially after COVID-19 restrictions were lifted and hotels were allowed to operate at 100% capacity. Hotel occupancy rates started to recover, with increasing demand from Muscat residents. Moreover, charter flights resumed operations, facilitating travel from Europe to Hawana Salalah and driving occupancy rates at the operative ODH hotels.



27.0 <sup>CHF</sup><sub>mn</sub>

Our hotels achieved notable growth in revenues, up from CHF 6.9 million in FY 2021 to CHF 27.0 million in FY 2022, amounting to a 291.3% increase.



44.4%

The town management achieved notable growth in revenues, increasing by 44.4% from CHF 2.7 million in FY 2021 to CHF 3.9 million in FY 2022.

Occupancy rates increased by 28pp, reaching 41% in FY 2022 vs. 13% in FY 2021.



36.9 <sup>CHF</sup><sub>mn</sub>

Net value of contracted units recorded a 254.8% increase in FY 2022 reaching CHF 36.9 million vs. CHF 10.4 million recorded in FY 2021.





## 718 rooms

The construction of 123 additional rooms at the Al Fanar Hotel started by the beginning of 2023, thus increasing the hotel's total number of rooms to 718 rooms. The expansion is expected to be finalized by the end of 2023. Upon completion, the Group's minimum building obligations in Oman will be met.

Only Al Fanar Hotel & Residences has been operating at full capacity since the beginning of 2022, while Salalah Rotana Resort (422 rooms) was open until 20 April before closing for maintenance. It later reopened in the second half of 2022. Juweira Boutique Hotel (64 rooms) had been closed since 2021 for renovation; however, it is now fully operational with a new "adults only" policy, serving guests on BB and HB bases.

A new community app is set to be launched in Q2 2023.



## 113 units

Construction progress and real estate deliveries in Hawana Salalah maintain a steady pace across multiple projects. During 2022, 113 units were delivered across all real estate projects.



## Amazi

At the end of 2022, we launched a 1.0 million m<sup>2</sup> project, Amazi, in Hawana Salalah that features four neighborhoods, a beach club, hotels, a spa, restaurants, an activity center, and more.

Several facilities were added at the destination, including a new beach for residents and padel courts.



Various events were held at Hawana Salalah weekly throughout 2022, including live performances, concerts, DJ shows, and kids' shows, as well as an official public sailing event. Additionally, many homeowner activations were organized to encourage interaction within the community, including sporting tournaments and wellness activities. Oman's biggest food festival was held for the first time at Hawana Salalah and welcomed thousands of visitors daily. The destination also hosted IRONMAN Salalah, welcoming more than 800 participants.



KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>			
Total Number of Rooms	1,081	1,081	-
Occ. of Available Rooms (%)	41%	13%	215.4%
TRevPAR (CHF)	68	18	277.8%
ARR (CHF)	110	89	23.6%
GOP PAR (CHF)	12	(12)	200.0%
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	36.9	10.4	254.8%
No. of Contracted Units	149	63	136.5%
Avg. Selling Price (CHF/m <sup>2</sup> )	2,428	2,093	16.0%
Deferred Revenue (CHF mn)	23.4	6.3	271.4%
<b>Revenues (CHF mn)</b>			
Hotels	27.0	6.9	291.3%
Real Estate	20.2	21.6	(6.5%)
Destination Management	3.9	2.7	44.4%
<b>Hawana Salalah Total</b>	<b>51.1</b>	<b>31.2</b>	<b>63.8%</b>





# JEBEL SIFAH – OMAN



Jebel Sifah is an integrated tourism complex (ITC) that caters to international visitors and residents and offers unique real estate, tourism, and hospitality options and experiences. It has grown into the home of a multicultural community and an expression of Oman’s vibrant growth and culture. With over 85% of open space, Jebel Sifah is Muscat’s lowest density destination.

Jebel Sifah offers a full range of freehold residential properties overlooking the beachfront, mountains, golf course, or marina. Its long list of expertly crafted properties includes the Marina Apartments, Sifah Farms, The Beachfront, Golf & Sea view luxury villas. It also comprises the Golf Lake and Sifah Heights developments, which consist of a range of apartments—from studios to three-bedroom units—overlooking the golf course and the sea.

The growing destination offers something for homeowners and visitors with different needs and tastes, especially with the additional benefit of being easily accessible by car and private boats. Whether by choosing to journey through the mountains or get closer to the pristine turquoise waters of the Arabian Sea, Jebel Sifah promises visitors a one-of-a-kind captivating experience and a lasting reflection of life as it should be.





The spectacular Jebel Sifah Golf Course is home to nine holes set amid the majestic Hajar Mountains and Arabian Sea. The golf course is designed by Harradine as their first seaside course, and the length of the site ranges between 5,686 and 7,268 yards.

Jebel Sifah’s picturesque 117-berth marina is a haven for yacht owners, guests, and residents looking to unwind at the Sifawy Boutique Hotel or its lively restaurants. The sophisticated marina offers an array of recreational and entertainment facilities, including a diving center, exhilarating water activities, and much more.

In 2022, we have opened new padel courts and a residents beach.

Jebel Sifah’s culinary experiences include the recently opened Dunes Beach Club, a brand-new gastronomic experience that redefines luxurious seaside entertainment in Oman, as well as a variety of cafes and restaurants offering different cuisines to suit every palate. BakeAway is another new addition to the destination, and Tugra, a restaurant featuring Turkish cuisine, opened in January 2022.






## 2022 HIGHLIGHTS




 40.4%

Net value of contracted units decreased by 40.4% to reach CHF 16.4 million in FY 2022 vs. CHF 27.5 million in FY 2021.

Construction and real estate deliveries in Jebel Sifah are progressing at a steady pace across multiple projects. 

 80 units

Phase I of the Beachfront project is progressing as scheduled, and more than 80 units have been delivered.


A new community app is set to be launched in Q2 2023. 

Dedicated efforts are continuously made to transform Jebel Sifah into the premier weekend destination in Muscat. Accordingly, a serviced beach was launched in 2022. Additional food and beverage (F&B) outlets in the marina are being finalized to complement the destination's existing offering. 

As part of the efforts made to provide new and improved community experiences and in line with the strategy to reposition the destination, a new restaurant, Sakana, that offers sushi and teppanyaki opened in Q1 2023. 

 117 berths

The marina's capacity increased from 83 to 117 berths through the addition of floating pontoons. The expansion capitalizes on boat owners' need to move their boats to Sifah and, eventually, increasing the number of prospect boat owners through growing the homeowner community.

The destination's calendar of events, which launched in late 2021, resulted in a tremendous increase of footfall given the various events and activities held in Sifah. For example, Dunes Beach Club hosted many well-known international performers and artists, such as Tamer Hosny. 



The design and tender package of Sifah Farms, which began in November 2021, has been completed. Six villa footings have been casted, and the project is set for completion in December 2023, noting that 50% of construction work has already been finalized.

## Operating Destinations - Oman

KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>			
Total Number of Rooms	68	68	-
Occ. of Available Rooms (%)	38%	40%	(5.0%)
TRevPAR (CHF)	112	81	38.3%
ARR (CHF)	126	110	14.5%
GOP PAR (CHF)	(9)	(6)	(50.0%)
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	16.4	27.5	(40.4%)
No. of Contracted Units	54	87	(37.9%)
Avg. Selling Price (CHF/m <sup>2</sup> )	2,729	2,331	17.1%
Deferred Revenue (CHF mn)	21.7	26.0	(16.5%)
<b>Revenues (CHF mn)</b>			
Hotels	2.8	2.0	40.0%
Real Estate	22.0	26.0	(15.4%)
Destination Management	2.5	2.1	19.0%
<b>Jebal Sifah Total</b>	<b>27.3</b>	<b>30.1</b>	<b>(9.3%)</b>





# AS SODAH ISLAND – OMAN



1.00 <sup>mn</sup>  
m<sup>2</sup>

Total  
Land Area

0.80 <sup>mn</sup>  
m<sup>2</sup>

Undeveloped  
Land Area



Covering around 1.0 million m<sup>2</sup>, As Sodah Island is located off the southern coast of Oman, opposite the city of Salalah. The project will become a niche destination, comprised of a 32-room, five-star luxury boutique hotel, boasting exclusive pavilions with swimming pools, private beach access, a main lodge, and a spa.

# CITY WALK MUSCAT – OMAN



0.04 <sup>mn</sup>  
m<sup>2</sup>

Total  
Land Area

0.04 <sup>mn</sup>  
m<sup>2</sup>

Undeveloped  
Land Area



City Walk Muscat is a beachfront commercial and business complex with approximately 47,499 m<sup>2</sup> of development area located in North Al Hail, Muscat. The project has a stunning 355-meter waterfront, and will include a five-star luxury hotel, exclusive retail outlets, restaurants and cafes, a cinema complex, and a commercial area with offices and business headquarters.

In November 2016, the Group signed the development agreement based on a usufruct concession for 50 years, with fees payable starting from the sixth year.

# THE COVE – UAE



The Cove Rotana Resort in Ras Al Khaimah (RAK) is located in an idyllic inlet along the city’s beachfront, overlooking the tranquil waters of the Arabian Gulf. The Cove is just 8 km from the City Center, 20 km from the Ras Al-Khaimah Airport, and 87 km from Dubai.

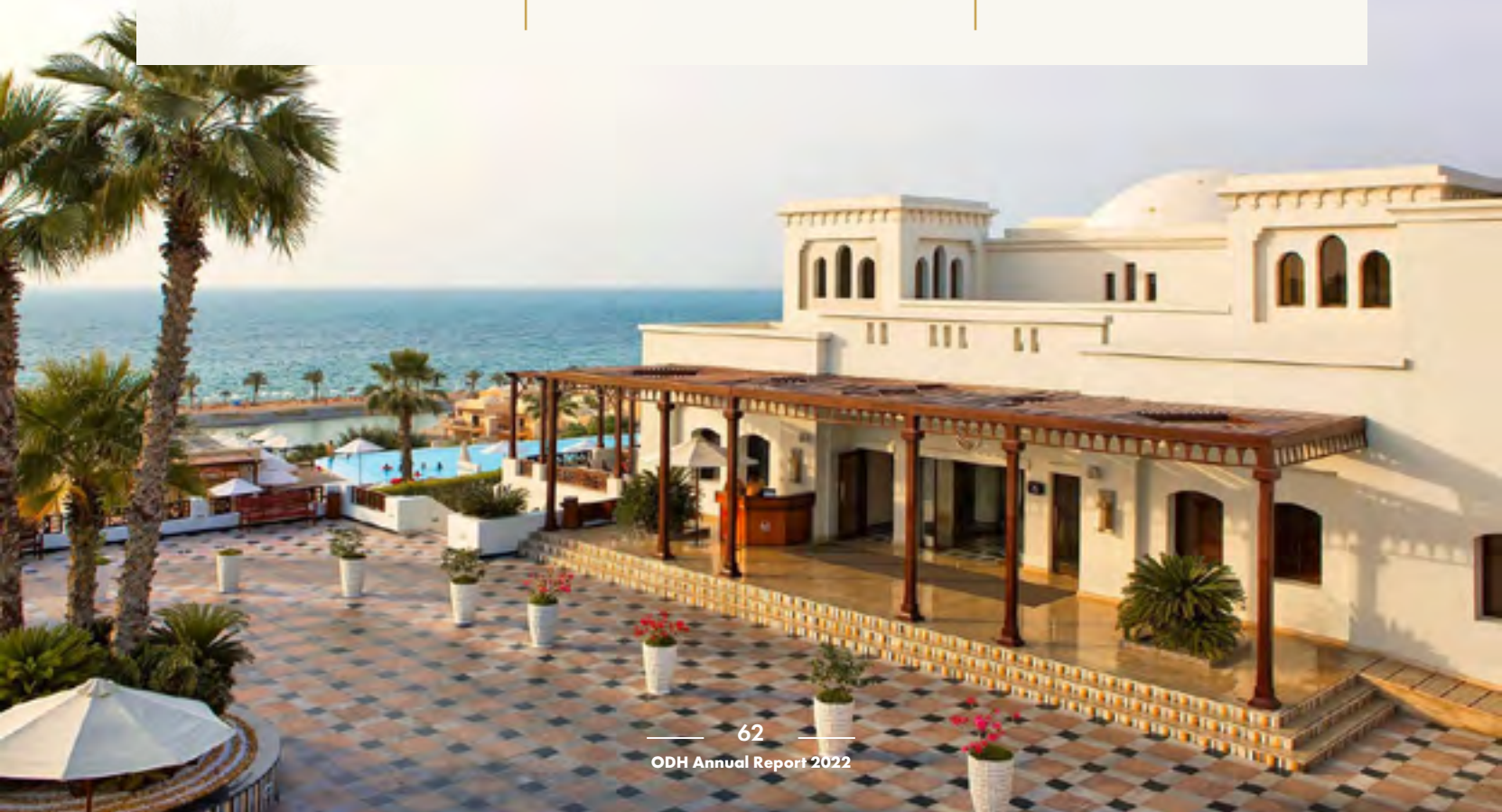
The Cove sits on a total area of c. 290,000 m<sup>2</sup>, of which c. 285,000 m<sup>2</sup> have been developed since its inauguration in February 2009. The resort offers a total of 432 rooms, including 83 rooms across 39 residential units and 349 hotel rooms, 204 of which are from the hotel’s initial capacity and were renovated in 2022, and 145 of which were converted from executive staff housing and were added to the hotel capacity in June 2017.

The Cove Rotana Resort is an ideal destination for leisure and weekend getaways. The property offers a pristine beach, three swimming pools, three water slides, a children’s area, a fully equipped Bodylines Fitness and Wellness Club, four exquisitely designed massage rooms, three state-of-the-art meeting rooms, and six different restaurants, bars, and lounges. The Cove Rotana is managed by Orascom Hotels Management (OHM) under a Rotana franchise agreement starting 2020.

0.29 <sup>mn</sup>  
m<sup>2</sup>  
Total Land Area

23.2 <sup>CHF</sup>  
mn  
Total Revenue

65%  
Occupancy Rate





# 2022 HIGHLIGHTS



23.2 <sup>CHF</sup><sub>mn</sub>

Total revenues increased by 18.4% to reach CHF 23.2 million in FY 2022 vs. CHF 19.6 million in FY 2021.



147 CHF

In FY 2022, TRevPAR increased by 23.5%, reaching CHF 147, and GOP PAR also increased by 34.4%, reaching CHF 43.

Occupancy rates increased to reach 65% in FY 2022 vs. 55% in FY 2021.



204 rooms

The renovation of 204 rooms was finalized by the end of Q3 2022.

Targeted sales promotions and marketing campaigns were employed to capitalize on local and regional business growth.





KPIs	FY 2022	FY 2021	% Chg
Hotels			
Total Number of Rooms	432	440	(1.8%)
Occ. of Available Rooms (%)	65%	55%	18.2%
ARR (CHF)	124	132	(6.1%)
TRevPAR (CHF)	147	119	23.5%
GOP PAR (CHF)	43	32	34.4%
Revenues (CHF mn)			
The Cove Total	23.2	19.6	18.4%

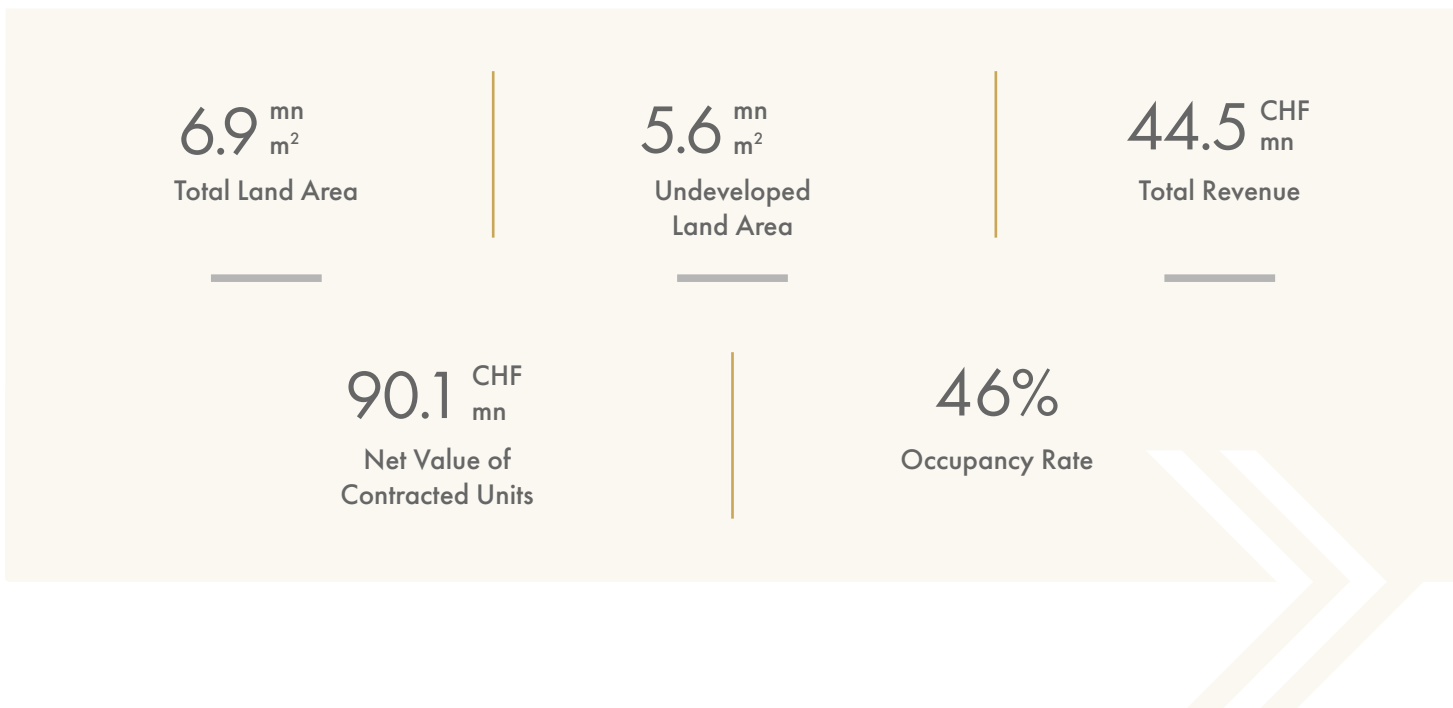


# LUŠTICA BAY – MONTENEGRO



Orascom Development has successfully established a vibrant living community in the Luštica Peninsula, one of the natural jewels of the Adriatic Sea. Situated at the entrance of the stunning Bay of Kotor, Luštica Bay is an exceptional destination stretching over 6.9 million m<sup>2</sup> by the coast of the Adriatic Sea.





Luštica Bay is the result of an extraordinary vision for the development of a global community with shared ideals of culture, nature, and quality of life. The project unites the old-world charm of Montenegro’s traditional fishing villages with luxurious modern amenities against unmatched panoramic sea and mountain views. Orascom Development continues to bring this uncompromising vision into reality, attracting tourists and residents from around the world to experience the award-winning Luštica Bay. The first phase of the mixed-use development is well underway, with Luštica Bay’s Marina Village serving as the hub of activity. Marina Village features a shopping and dining promenade, a 115-berth marina, more than 380 residential units, and the community’s

first hotel – the 111-room, five-stars Chedi Luštica Bay. Five beaches, seven different sports courts, a golf course, twenty four retail spaces, and a lively schedule of activities and events add to the destination’s leisure and entertainment offerings. A medical facility is now operational, providing emergency services to the community.

The pace of unit construction and delivery remains steady, in line with Luštica Bay’s master plan. Our newly appointed regional sales force has been instrumental in driving growth in real estate unit sales and hotel occupancy as Luštica Bay continues to emerge as a world-class destination.



# 2022 HIGHLIGHTS



90.1 CHF mn

The destination's net value of contracted units increased by 54.3%, reaching CHF 90.1 million in FY 2022 vs. CHF 58.4 million in FY 2021, recording the highest sales since the destination's launch.



138 units

Construction began on 138 units in the Centrale and the Marina Village areas.



79 units

79 units were delivered across the Centrale area and the Marina Village.

Luštica Bay earned the International Property Award for Best Mixed-use development Montenegro.



The Chedi Hotel reported a 46% occupancy rate during FY 2022 vs. 45% in FY 2021 and witnessed a strong summer season from local and international markets. With the support of the newly appointed regional sales force, the team managed to capitalize on new feeder markets. Serbia represented the strongest of these markets throughout the peak season, with the Albanian market and German charter operations supporting low season occupancy.





Medical and ambulance services were launched, providing the destination with the needed facilities for prompt response in emergency situations.



## 28 berths

Future phase for an additional marina pontoon is to be increased with 28 berths. The capacity of the existing marina parking was increased to accommodate 82 vehicles, and a new parking facility on the upper marina was added with 44 additional parking spots.

Two tennis courts, two padel courts, a basketball court, a beach volleyball court, and a multisport court were added to the destination's amenities.



Azzure Beach is operative, adding a VIP area for homeowners and hotel guests. A new garden lounge was constructed next to the Marina beach.



The Town Center Piazza and retail outlets are under construction and due for launch during 2023.

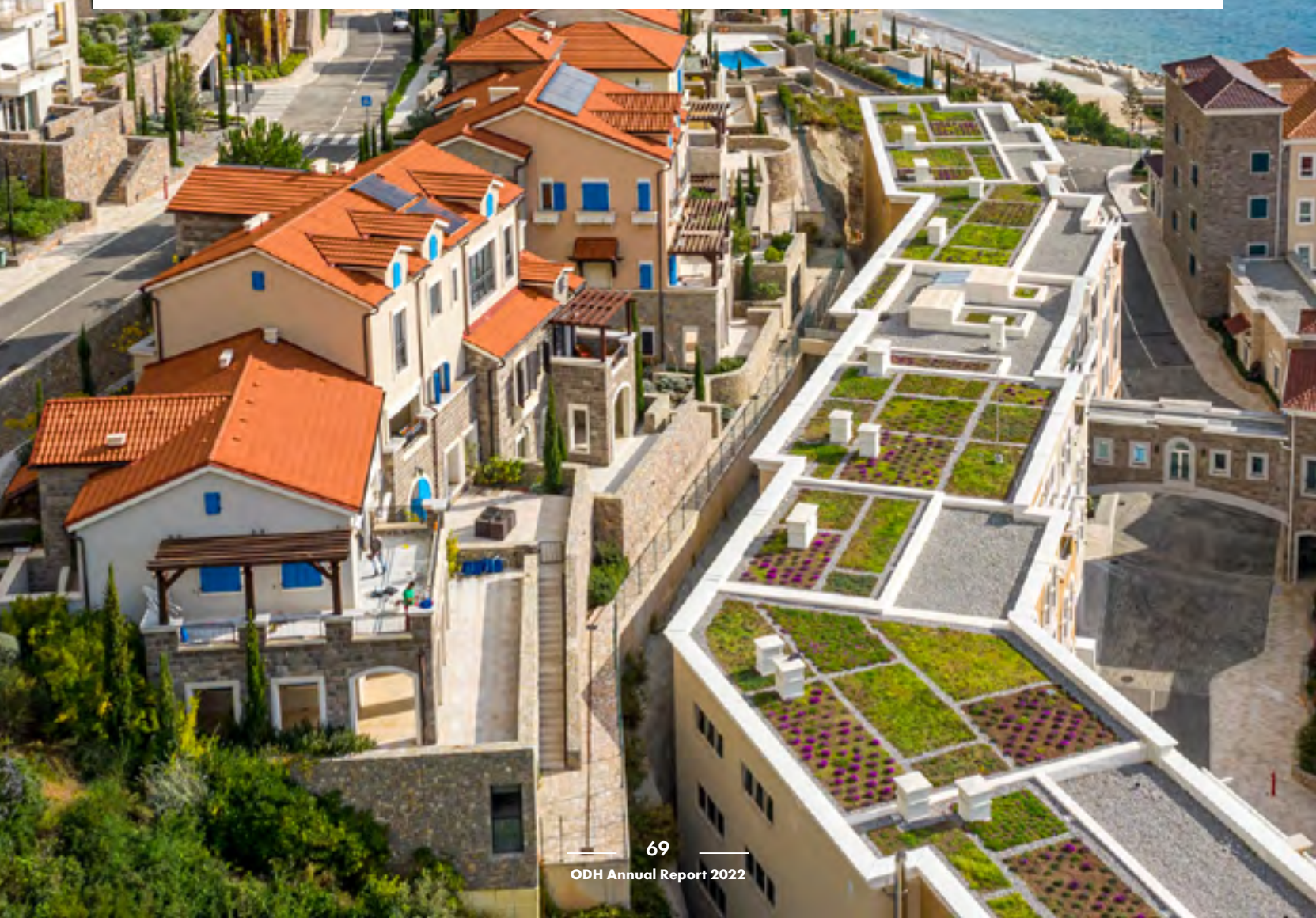


The destination enjoyed a busy entertainment schedule throughout 2022, increasing the venue's appeal and footfall with a myriad of lively events, including Back to the Roots, Luštica Bay Lightwave 2.0, Luštica Bay Water Polo Camp, Basketball Camp, International Carnival, and Colour Bay Festival. A number of sports' and kids' events, weekly live music concerts in the amphitheater, movie screenings, arts and crafts workshops for children, and other activities were also held throughout the year.



## Operating Destinations - Montenegro

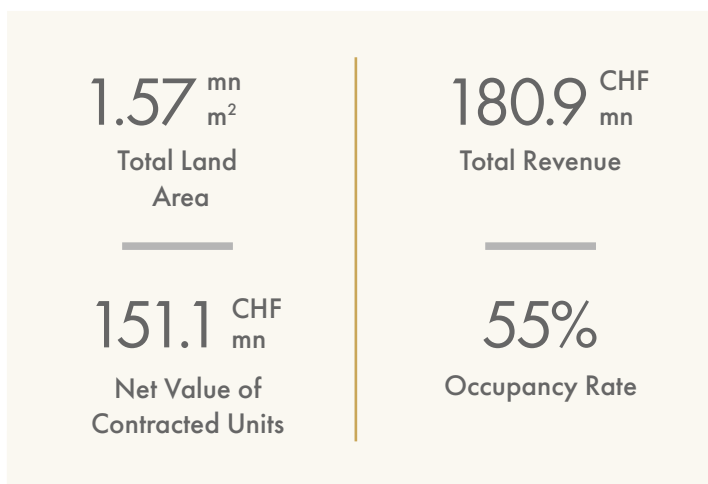
KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>			
Total Number of Rooms	111	111	–
Occ. of Available Rooms (%)	46%	45%	2.2%
TRevPAR (CHF)	166	140	18.6%
ARR (CHF)	186	179	4.2%
GOP PAR (CHF)	14	8	75.0%
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	90.1	58.4	54.3%
No. of Contracted Units	88	113	(22.1%)
Avg. Selling Price (CHF/m <sup>2</sup> )	5,685	5,091	11.7%
Deferred Revenue (CHF mn)	83.2	32.9	152.9%
<b>Revenues (CHF mn)</b>			
Hotels	6.7	5.7	17.5%
Real Estate	31.1	31.1	-
Destination Management	6.7	3.0	123.3%
<b>Luštica Bay Total</b>	<b>44.5</b>	<b>39.8</b>	<b>11.8%</b>



# ANDERMATT SWISS ALPS – SWITZERLAND



The innovative and sustainable Andermatt Reuss — part of the traditional Swiss alpine village of Andermatt — is an attractive year-round destination.



With a total land bank of approximately 1.57 million m<sup>2</sup>, Andermatt is situated 1,444 meters above sea level and is an hour and half from Zurich and two hours from Milan by car. Andermatt’s central location makes it easily accessible via major national and international transport routes.

Andermatt Swiss Alps looks back on a record year, as property sales exceeded CHF 150 million in 2022. The company sold 70 apartments (vs. 92 apartments in 2021), with the average price/m<sup>2</sup> increasing by 17%. The resort’s m<sup>2</sup> prices have increased by more than 50% between 2012 and 2022, while the average price/m<sup>2</sup> for the resort’s luxury units have increased at an even higher rate.

Every building in the Andermatt Swiss Alps Development is individually designed by one of over 30 select architects from Switzerland and abroad to create a beautiful and eclectic appearance for the master-planned resort. To date, 19 apartment houses have been finalized and handed over to homeowners, with the latest being Altera, Koya, and Elva. We are in the process of constructing four additional apartment houses, namely Mira, Silva, Pazola, and Yara. To date, 650 apartments and hotel-serviced residences have been sold out of the 655 properties that have been built since the development’s launch. In 2022, we completed



construction on 20,000 m<sup>2</sup> of infrastructure plinth to accommodate 15 new apartment houses, an additional 230 car parking spaces, as well as apartment house storage units and technic rooms. To maintain a perfectly harmonious and peaceful environment that facilitates green living, Andermatt Reuss is a car-free zone, with underground parking spaces provided for visitors and residents.

Healthy living and sustainability remain core considerations for the planning and development of Andermatt Reuss. The resort's accommodation and sports facilities are ideal for outdoor summer and winter activities alike. The resort's ecologically designed 18-hole golf course meets international tournament standards, and vibrant ski facilities stretching from Andermatt to Disentis offer 180 km of slopes suitable for all skill levels.

On 3 August 2022, Andermatt Swiss Alps AG successfully closed a transaction with Vail Resorts, Inc. (Vail Resorts) with investments worth CHF 149 million in the destination Andermatt-Sedrun. Together, both partners will accelerate the destination's transformation into "The Prime Alpine Destination". Andermatt Swiss Alps has also earmarked

additional investments of CHF 500 million for its core business of real estate, hospitality, and infrastructure in the coming years.

The Andermatt Responsible initiative remains ongoing to ensure the sustainability of the destination. In the 2022 Minergie rating, which assess energy-efficient construction, Andermatt received the highest ratings in the "Medium-Sized Municipalities" category. The village quarter Andermatt Reuss features high-density construction in order to keep building footprints small. In addition, all buildings, hotels, and the company's golf club house are heated in an environmentally neutral manner, using district heating from the Göschenen heating plant. The properties are powered with 100% renewable energy supplied by the Ursern Power Station (EWU). EWU has four hydroelectric power stations of its own and four wind turbines on the mountain Güttsch. Andermatt Swiss Alps aims to achieve climate neutrality by 2030.

The Group has a share interest of 49% in Andermatt Swiss Alps AG and remains committed to the project, while benefiting from any further upside.

# 2022 HIGHLIGHTS



151.3 CHF mn

The destination witnessed a positive sales momentum throughout 2022, whereby net value of contracted units increased by 24.0% to CHF 151.3 million in FY 2022 (vs. CHF 122.0 million in FY 2021).



17,960 CHF m<sup>2</sup>

The average selling price/m<sup>2</sup> increased by 16.9% vs. FY 2021 to reach CHF 17,960/m<sup>2</sup> in FY 2022.



650 Apartments

By the end of FY 2022, 650 of a total of 655 apartments (completed or under construction) and hotel residences had been sold.



149 CHF mn

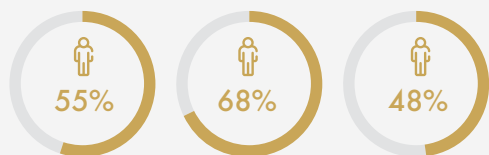
On 3 August 2022, Andermatt Swiss Alps AG (ASA) successfully closed the transaction with Vail Resorts, Inc., which invested a total of CHF 149 million to buy the majority stake (55%) in Andermatt-Sedrun Sport AG (ASS). ASA remains the minority shareholder, owning c. 40%. The successful transaction is a milestone that will help realize Andermatt's goal of developing "The Prime Alpine Destination".







The occupancy rate across all Andermatt Swiss Alps Group's hotels reached 55% in FY 2022 vs. 53% in FY 2021. The Chedi Andermatt reported a 68% occupancy rate, while the Radisson Blu Hotel Reussen's occupancy rate reached 48%.



In the village district of Andermatt Reuss, a new shopping and restaurant mile is to be built by the end of 2024. This plan will accommodate 12 retail areas and three food and beverage outlets, on which we will cooperate with strong retail and restaurant partners.



Andermatt was ranked among the top 10 Prime Ski Resorts by The Savills Ski Report for 2022/23.



## 6 Apartments

The construction of six apartment buildings and initial work on the new lifestyle and sports hotel are planned to begin in 2023.

## Operating Destinations - Switzerland

KPIs	FY 2022	FY 2021	% Chg
<b>Hotels</b>	<b>Hotels</b>		
Total Number of Rooms	373	373	–
Occ. for Available Rooms (%)	55%	53%	3.8%
TRevPAR (CHF)	475	475	–
GOP PAR (CHF)	108	124	(12.9%)
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	151.1	122.0	23.9%
No. of Contracted Units	70	92	(23.9%)
Avg. Selling Price (CHF/m <sup>2</sup> )	17,960	15,368	16.9%
<b>Revenues (CHF mn)</b>			
Hotels	55.7	58.1	(4.1%)
Real Estate	125.2	122.4	2.3%
<b>Total Andermatt Swiss Alps*</b>	<b>180.9</b>	<b>180.5</b>	<b>0.2%</b>

\* FY 2021 financial statements have been restated as the destination management operations have been discontinued since August 2022—as we have sold the majority stake in the ski business to Vail Resorts in 2022.



# CHBIKA – MOROCCO



Chbika is a place of untapped potential and unparalleled beauty whose unique landscape combines the ocean, mountains, and sand, partaking in the molding of its architecture. Ideally located approximately 400 km south of Agadir, directly opposite the Canary Island of Fuerteventura on the Atlantic Ocean, Chbika has a total land area of 15.0 million m<sup>2</sup>.

15 mn  
m<sup>2</sup>

Total Land  
Area

12 mn  
m<sup>2</sup>

Undeveloped  
Land Area

The project company (Oued Chbika), holding the status of a newly integrated tourism zone, has the right to acquire and transfer freehold titles to the land area of approximately 5 million m<sup>2</sup> (Phase 1) and approximately 10 million m<sup>2</sup> (Phase 2)—subject to certain conditions—with the exception of golf areas that will be regulated under long-term lease agreements. The project company has the right to transfer its rights under the development agreement.

The master plan of the project is a modern and harmonious oasis characterized by a cultural blend between the West and Morocco. Home to world-class hotels, villas, apartments, as well as highly customizable mansions in the Kosour neighborhood, Chbika will feature—like all other Orascom Development signature towns—state-of-the-art facilities, including a marina, shops, dining outlets, a medical facility, and a medina-style handcraft center.

In line with the sustainable development agreement signed with the Moroccan government and with Morocco's Vision 2030, we aim to develop a dynamic tourist hub of social and cultural development that would empower local people in the provinces of southern Morocco.



# WEST CARCLAZE GARDEN VILLAGE

VILLAGE – CORNWALL – ECO BOS – UK



WEST CARCLAZE  
GARDEN VILLAGE – CORNWALL



Orascom Development Holding (ODH) partnered with Imerys, a mineral extraction specialist with a long history in Cornwall and the West Country, to establish UK-based Eco Bos in 2010. Eco Bos is 75% owned by ODH and 25% owned by Imerys. The strategic partnership is dedicated to developing a mixed-use, sustainable communities in the UK. In 2011, a 20-year option agreement was established for a total of 6.61 million m<sup>2</sup> of land previously owned by Imerys, divided between six sites in Cornwall, UK. The development of communities on this land will benefit both investors and the local economy, increase tourism, provide green housing and amenities, and expand local employment opportunities.

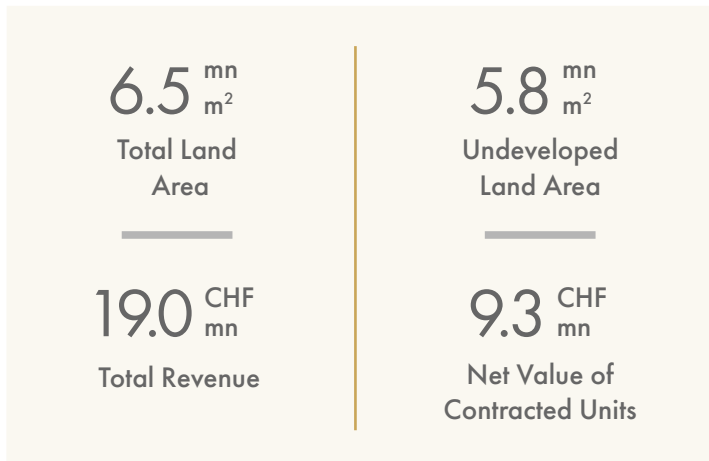




The company's land holdings include two sites currently marked for development. Work has begun on West Carclaze Garden Village near St Austell, and development of Par Harbour will soon commence. Both developments are set to elevate standards and become models for future sustainable communities.

The 500-acre flagship West Carclaze Garden Village will set new standards for sustainable community development in the market. Set amid the historic community of St Austell, overlooking the picturesque Cornish coast, the development combines the best of West Country values with contemporary living. West Carclaze Garden Village is designed to organically complement and benefit from the surrounding natural beauty, offering residents seamless access to the surrounding landscape and historic Sky Tip. Progressive ideals are prioritized throughout every aspect of the development, which is associated with NHS England's Healthy New Towns program. The award-winning master plan includes walking trails, running facilities, areas for local food production, and a 350-acre country park set among five lakes.

Sustainability is one of the project's pillars as exemplified by the development's 7.5 MW on-site solar farm\*, which generates clean energy to power over 1,100 homes. West Carclaze homes achieve the highest eco-standards, and are EPC "A" rated, a feat accomplished by less than 0.2% of homes in England\*\*. The development provides homes that are entirely electric and less costly to run than the average gas-powered home. On average, the



development's homes require approximately 32% of the energy consumed by the typical UK home and achieve c. 4.6t carbon saving (94%)\*\*\*.


Eco Bos is set to further the initial pre-development process at Par Harbour, which the company identifies as a unique opportunity to establish an up-and-coming coastal leisure and lifestyle destination in Cornwall. Par Harbour will be developed with the same community and sustainability ideals found in Garden Village, in an unmatched seaside setting.

Day-to-day operations are managed by a team of real estate experts with experience in the UK and international markets.

\*Delivered by partners Clean Earth Energy  
 \*\*Source ONS correct as of July 2021  
 \*\*\*Using SAP 10.1 carbon factors





# 2022 HIGHLIGHTS






 <p>21 homes</p> <hr/> <p>21 new homes are under construction</p>	 <p>9.3 <sup>CHF</sup><sub>mn</sub></p> <hr/> <p>The value of contracted units reached CHF 9.3 million</p>
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 <p>EPC "A" rating achieved</p>	 <p>+5 tonnes</p> <hr/> <p>Over 5 tonnes of carbon saved per home per year</p>	 <p>65 homes</p> <hr/> <p>65 homes are completed</p>
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## KEY FACTS

 <p>1,500</p> <hr/> <p>Energy Efficient New Homes</p>	 <p>500</p> <hr/> <p>Acres</p>	 <p>7.5 mw</p> <hr/> <p>Solar Park</p>	 <p>210</p> <hr/> <p>Place Primary School and Nursery</p>
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 <p>5</p> <hr/> <p>Stunning Lakes</p>	<p>Activities</p>  <hr/> <p>Walking Trails, Cycle Paths, Bridle Paths</p>	<p>Amenities</p>  <hr/> <p>Retail and Dining Outlets, Community Center, Clinics, Dental Centers</p>
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KPIs	FY 2022	FY 2021	% Chg
<b>Real Estate</b>			
Net Value of Contracted Units (CHF mn)	9.3	31.9	(70.8%)
No. of Contracted Units	26	130	(80.0%)
Avg. Selling Price (CHF/m <sup>2</sup> )	3,629	3,098	17.1%
<b>Revenues (CHF mn)</b>			
Real Estate	19.0	0.7	2,614.3%
<b>Eco Bos Total</b>	<b>19.0</b>	<b>0.7</b>	<b>2,614.3%</b>



03

## OUR PEOPLE



# 3.1 OUR PEOPLE



## THE PURSUIT OF GROWTH THROUGH OUR PEOPLE

We at ODH believe that our company’s strength lies in the power of our people. As our operations and team continue to grow throughout 2022, we have been working on core human capital pillars to create an environment where everyone is provided a foundation on which to thrive.

## A NEW CORE AND LEADERSHIP COMPETENCY MODEL

As part of our journey to become a global leader in destination development, we are undertaking several initiatives to empower our leaders and help them enhance their teams’ performance. We revamped our core and leadership competency model to ensure we consistently define and measure our people’s skills, knowledge, and behavioral requirements across the organization.

Our “O Star” performance management system emphasizes on the “HOW” the way we do things at ODH as much as the “WHAT”. In 2022 we focused on unifying a competency framework that is relevant to our strategy, people capability, and culture. The new framework will enable us to attract and retain the right talents and design the relevant development plans to upskill our people with the necessary competencies.

## SUCCESSION PLANNING

As we execute our growth strategy, and to ensure business continuity, we are focused on developing talents that are ready for the future by accelerating, reskilling, and upskilling at scale. During the year, we developed our succession plan model and identified critical roles across destinations. Based on readiness level, and with the support of the ExCom members, we identified potential successors for each role. We also plan to adopt a consistent set of assessment tools to support the selection and development of senior leaders for those critical roles. Our aim in 2023 is to empower our internal bench strength for succession through designing customized development journeys.





## TALENT MANAGEMENT

To achieve corporate excellence, performance on its own is not enough; our objective is to identify ODH's future leaders. Focusing on high potential individuals on our team remains a key objective. We are continuously working towards identifying our talent indicators, coaching and developing our leaders to identify talents in their teams, and retaining our talents through adequate development journeys.



## LEARNING & DEVELOPMENT

Learning and development is our key to growth. In Q4 2022, we built our L&D platform, consisting of three main pillars: fulfilling our learning requirements and gaps, creating a digital platform for learning flexibility, and implementing our leadership journey, **LeaderSHIFT**. Leadershift came to life by involving our very top management in the process to identify our core competency gaps. The program equips our leaders to acquire the skills of change and agility, applied thinking, and team collaboration.

In 2023, we will continue developing our technical tracks across our core functions, "O Academies" will cater for our people's functional needs through very refreshing learning journeys.





04

# CORPORATE GOVERNANCE

# 4.1 GROUP STRUCTURE AND SIGNIFICANT SHAREHOLDERS



## GROUP STRUCTURE

The operating business of Orascom Development Holding AG ("Orascom Development" or the "Company", and together with its subsidiaries the "Group") is organized along the following segments: Hotels, Real Estate and Construction, Land Sales, Destination Management, and other operations. The Group operates pursuant to a destination-based approach. The overall responsibility for each of the destinations operated by the Group lies with a destination CEO who reports to the Group CEO. The hotels' strategy for each destination is the responsibility of the destination CEO. Monitoring the hotels' operator

within each destination is the responsibility of the owner representative and the destination CEO. See note 6 (Segment Information) on page 171 of the notes to the consolidated financial statements for our segment reporting.

The shares of the Company are listed on the SIX Swiss Exchange according to the International Reporting Standard. In addition, the shares of the Company's subsidiary Orascom Development Egypt S.A.E are listed on the Egyptian Exchange (EGX). More information on the listing is presented below:

Company	Listing Venue	
Orascom Development Holding AG (Altdorf, Switzerland)	<b>Listing on the SIX Swiss Exchange</b>	
	Exchange	SIX Swiss Exchange
	Market Capitalization	CHF 300.4 million as of 31 December 2022
	Symbol	ODHN
	Security Number	003828567
	ISIN	CH0038285679
Orascom Development Egypt S.A.E. (Cairo, Egypt)	<b>EGX Registration</b>	
	Exchange	EGX Egyptian Exchange
	Market Capitalization	EGP 7.9 billion as of 31 December 2022
	Symbol	ORHD
	ISIN	EGS70321C012
	Orascom Development Egypt S.A.E. is 75.1% owned by Orascom Development as of 31 December 2022	



The Group has control over all the subsidiaries below, either directly or indirectly through subsidiaries controlled by the Company. Details of the Group's most significant subsidiaries in terms of revenue contribution for the Group at the end of the reporting period are as follows:

Company Name	Registered Office	Share Capital	Percentage of Ownership Interest and Voting Power Held by the Group
Abu Tig for Hotels Company	Red Sea, Egypt	EGP 6,000,000	73.93%
Accasia for Hotels Company	Giza, Egypt	EGP 25,000,000	74.04%
Arena for Hotels Company S.A.E.	Red Sea, Egypt	EGP 20,000,000	99.91%
Captain for Hotels Company	Red Sea, Egypt	EGP 768,700	73.77%
El Dawar for Hotels Company	Red Sea, Egypt	EGP 9,560,000	74.04%
El Khamsa for Hotels and Touristic Establishments	Giza, Egypt	EGP 48,000,000	74.09%
El Golf for Hotels Company and Touristic Establishments	Giza, Egypt	EGP 26,800,000	74.07%
El Gouna for Hotels Company S.A.E.	Giza, Egypt	EGP 79,560,000	52.41%
El Gouna Hospital Company	Giza, Egypt	EGP 19,000,000	56.13%
El Gouna Services Company	Red Sea, Egypt	EGP 1,000,000	74.35%
El Mounira for Hotels Company S.A.E.	Red Sea, Egypt	EGP 14,000,000	55.42%
El Tebah for Hotels and Touristic Establishments Company	Giza, Egypt	EGP 52,000,000	52.40%
International Hotel Holding	Giza, Egypt	EGP 452,367,300	74.11%
Marina 3 for Hotels and Touristic Establishments Company	Giza, Egypt	EGP 26,000,000	74.07%
Misr El Fayoum for Touristic Development Company S.A.E.	Giza, Egypt	EGP 28,000,000	75.07%
Mokbela for Hotels Company S.A.E.	Taba, Egypt	EGP 85,000,000	61.02%
Mowassem for Touristic Hotels S.A.E.	Red Sea, Egypt	EGP 7,500,000	73.38%
Orascom Housing Company	Giza, Egypt	EGP 22,000,000	73.86%
Orascom Real Estate	Cairo, Egypt	EGP 62,687,500	52.57%
Paradisio for Hotels and Touristic Establishments Company S.A.E.	Red Sea, Egypt	EGP 18,500,000	74.09%
Makadi Heights for Tourism Development	Cairo, Egypt	EGP 50,000,000	55.59%
Tawila for Hotel Company S.A.E.	Giza, Egypt	EGP 68,000,000	74.04%
Business Park one for Office Management	Red Sea, Egypt	EGP 812,500	100%



Company Name	Registered Office	Share Capital	Percentage of Ownership Interest and Voting Power Held by the Group
Luštica Development Ad Podgorica	Podgorica, Montenegro	EUR 69,559,781	92.76%
LB Development and Partners AD Tivat Company	Podgorica, Montenegro	EUR 25,000	92.75%
Qued Chibika Development	Casablanca, Morocco	MAD 412,291,560	55%
Chbika Rive Hotel	Casablanca, Morocco	MAD 16,500,000	65%
Madrakah Hotels Management Company LLC	Muscat, Oman	OMR 4,350,000	70%
Muriya Tourism Development Company (S.A.O.C.)	Muscat, Oman	OMR 28,505,800	70%
Salalah Beach Contracting LLC	Muscat, Oman	OMR 250,000	70%
Salalah Beach Tourism Development Company (S.A.O.C.)	Muscat, Oman	OMR 73,633,542	70%
Salalah Investment and Development LLC	Muscat, Oman	OMR 150,000	70%
Sifah Tourism Development Company	Muscat, Oman	OMR 49,605,530	70%
Wateera Property Management Company	Muscat, Oman	OMR 270,000	70%
RAK Tourism Investment FZC	Ras al Khaimah, UAE	AED 7,300,000	73%
Eco-Bos Development Limited	Cornwall, UK	GBP 10,000,000	75%
Darbat Hotel Management LLC	Muscat, Oman	OMR 8,347,120	70%



## SIGNIFICANT SHAREHOLDERS

The following shareholders have disclosed as holding a participation in the Company of 3% or more in voting rights in accordance with Art. 120 of the Financial Market Infrastructure Act (FinMIA):

Shareholder	Number of Shares and Voting Rights	Percentage of Voting Rights
Samih O. Sawiris et al. <sup>1</sup>	27,361,067	67.4%

The number and percentage of shares and voting rights shown above conform to the situation at the time of the respective disclosure. They do not necessarily show the precise number as of 31 December 2022, as any changes only need to be reported if a relevant disclosure threshold is reached or crossed.

Aside from the above, the Company is not aware of a shareholder holding a participation of 3% or more voting rights as of 31 December 2022. One notification regarding the disclosure of shareholdings was received by

the Company and published on the reporting platform of the SIX Swiss Exchange during the reporting year. This and past notifications can be accessed through <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>.

## CROSS-SHAREHOLDINGS

There are no cross-shareholdings between the Company and any other entity that exceed 5% of capital or voting rights on both sides.



<sup>1</sup> The group of shareholders comprised the following individuals and entities: Samih O. Sawiris, Naguib S. Sawiris, Taya S. Sawiris, Tary S. Sawiris, Talia Sawiris, and Ines Sawiris as beneficial owners and SOS Holding Ltd, Thursday Holding Ltd, and LPSO Holding as direct shareholders.

## 4.2 CAPITAL STRUCTURE



### CAPITAL

As of 31 December 2022, the Company's issued share capital amounted to CHF 202,968,745.00 and was divided into 40,593,749 registered shares with a nominal value of CHF 5.00 each. The Company has authorized share capital in the maximum amount of CHF 100,000,000.00 and conditional share capital in the maximum amount of CHF 29,080,885.00.

### AUTHORIZED AND CONDITIONAL CAPITAL

#### Authorized Capital

Pursuant to Art. 4a of the Articles of Incorporation (available on the Company's website: <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents) regarding authorized capital, the Company's Board of Directors is authorized to increase the Company's share capital by a maximum of CHF 100,000,000.00 by issuing up to 20,000,000 fully paid-up registered shares with a nominal value of CHF 5.00 each until 10 May 2024. Partial increases are permitted. The amount of CHF 100,000,000 corresponds to approximately 49.3% of the existing share capital.

The Company's Board of Directors determines the date of the issue, the issue price, the type of contribution, the conditions for the exercise of pre-emptive rights, and the commencement of dividend entitlement. It is authorized to restrict or withdraw the subscription rights (Bezugsrechte) of the shareholders and allocate such rights to individual shareholders or third parties (a) in the event of issuance of shares for the participation of strategic partners or for the purpose of broadening the shareholder constituency or in connection with a listing of shares on domestic or foreign stock exchanges; (b) for the acquisition of a company, parts of a company, participations, or for new investments or for the financing and/or refinancing of such transactions; or (c) in the event of new shares being placed nationally or internationally at market conditions for the purpose of raising equity in a swift and flexible manner that would be difficult to arrange or, only at much less favorable conditions, if the subscription rights to the new shares were not restricted or withdrawn.

For the full wording regarding the authorized share capital, see Art. 4a of the Articles of Incorporation (available on the Company's website: <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).







### Conditional Capital

Pursuant to Art. 4b of the Articles of Incorporation (available on the Company's website: <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents) regarding conditional capital, the Company's share capital may be increased by a maximum amount of CHF 29,080,885.00 through the issuance of up to 5,816,177 fully paid registered shares with a nominal value of CHF 5.00 each, (a) up to the amount of CHF 4,080,885.00 corresponding to 816,177 fully paid registered shares through the exercise of option rights granted to the members of the board and the management, further employees and/or advisors of the company or its subsidiaries, (b) up to the amount of CHF 25,000,000.00 corresponding to 5,000,000 fully paid registered shares through the exercise of conversion rights and/or warrants granted in connection with the issuance of newly or already issued bonds or other financial instruments by the Company or one of its group companies. The amount of

CHF 29,080,885.00 corresponds to approximately 14% of the existing share capital.

The subscription rights of the shareholders shall be excluded. The Board of Directors may restrict or withdraw the right for advance subscription (Vorwegzeichnungsrecht) of the shareholders in connection with (i) the financing (refinancing inclusively) of acquisitions of enterprises or parts thereof, participations or other investment projects of the company and/or its subsidiaries, or (ii) the placement of convertible bonds or financial instruments with conversion or option rights on the national or international capital market.

For the full wording regarding the conditional share capital, see Art. 4b of the Articles of Incorporation (available on the Company's website: <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).



## CHANGES IN CAPITAL IN THE PAST THREE YEARS

### 2020

The Company's annual general meeting held on 20 May 2020 resolved to reintroduce authorized capital in the amount of CHF 65,000,000.00 corresponding to 13,000,000 registered shares with a nominal value of CHF 5.00 each.



### 2021

During the year 2021, the capital structure of the Company remained unchanged.



### 2022

The Company's annual general meeting held on 10 May 2022 resolved to reintroduce authorized capital in the amount of CHF 100,000,000.00 corresponding to 20,000,000 registered shares with a nominal value of CHF 5.00 each.



## SHARES AND PARTICIPATION CERTIFICATES

All of the 40,593,749 registered shares with a nominal value of CHF 5.00 are fully paid in. They are in the form of dematerialized securities (Wertrechte, within the meaning of the Swiss Code of Obligations) and intermediated securities (Bucheffekten, within the meaning of the Swiss Federal Intermediated Securities Act). Each registered share carries one vote and an equal right to dividend payments. No preferential or similar rights have been granted.

No participation certificates (Partizipationsscheine) have been issued.



## PROFIT SHARING CERTIFICATES

The Company has not issued any profit-sharing certificates (Genussscheine).



## LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

### Limitations on Transferability for Each Share Category; Indication of Statutory Group Clauses and Rules for Granting Exceptions

The Company maintains a share register in which the full name, address, and nationality (in case of legal entities, the company name, and registered office) of the holders and beneficial owners of registered shares are recorded. Upon application to the Company, acquirers of registered shares will be recorded in the share register as shareholders with the right to vote, provided that they explicitly declare to have acquired the shares in their own name and for their own account.

Acquirers who do not make this declaration will be recorded in the share register as shareholders without the right to vote (for an exception to permit nominee registrations, see below).

### Exemptions in the Year Under Review

No exemptions from the limitations on transferability of shares have been granted in the year under review.



### Permissibility of Nominee Registrations; Indication of any Percent Clauses and Registration Conditions

The Company may register a nominee in its share register as a shareholder with the right to vote if either such nominee's shareholdings do not exceed 5% of the issued share capital as set forth in the Commercial Register, or, if such nominee's shareholdings exceed that threshold, the respective nominee discloses to the Company the names, addresses, locations or registered offices, nationalities, and the number of shares held on behalf of all beneficial owners whose beneficial shareholdings exceed 0.5% of the issued share capital.

### Procedure and Conditions for Cancelling Statutory Privileges and Limitations on Transferability

The Articles of Incorporation do not provide for any privileges. The limitations on transferability of the Company's shares, as described before, may be cancelled by a resolution (amending the Articles of Incorporation) of a general meeting of shareholders reuniting the absolute majority of votes represented at the general meeting, or by a resolution of an extraordinary general meeting of shareholders reuniting a majority of two thirds of the votes represented (see section [4.7] below).

### Convertible Bonds and Warrants/Options

As of 31 December 2022, the Company had no convertible bonds, warrants, or options outstanding.

## 4.3 BOARD OF DIRECTORS



### INTRODUCTION

As communicated on 15 December 2021, Mr. Samih O. Sawiris stepped down from his position as Chairman and member of the Board of Directors. Consequently, Mr. Samih O. Sawiris did not stand for re-election at the annual general meeting held on 10 May 2022. Mr. Naguib S. Sawiris was elected as new Chairman of the Board of Directors. Furthermore, Ms. Carolina Müller-Möhl, Ms. Barbara Heller, and Mr. Jürg Weber decided not to stand for re-election at the annual general meeting held on 10 May 2022. All other members of the Board of Directors were re-elected

for a term of one year. Ms. Maria Davidson (nee Rioumine) was elected as new member of the Board of Directors at the annual general meeting held on 10 May 2022 for a term of one year.

Information regarding Mr. Samih O. Sawiris, Ms. Carolina Müller-Möhl, Mr. Barbara Heller and Mr. Jürg Weber can be found in the Corporate Governance section on p. 76 et seqq. of the 2021 Annual Report which is available under <https://www.orascomdh.com/investor-relations/financial-info>.





## Naguib S. Sawiris

Non-Executive Member, Chairman

Mr. Naguib S. Sawiris is an entrepreneur and executive. Mr. Sawiris drives the asset management of a multinational private investment portfolio. He is also an active venture technology investor. He serves as member of the board at Andermatt Swiss Alps AG (2020-present) and Tawkify Inc. (2019-present), founding chairman of the board of trustees at Egyptian Leadership Academy (2021-present), chairman of the board at Manara School (2022-present), chairman of the foundation board at Egyptian Education Foundation (2022-present) and as the key shareholder representative, chairing the shareholder committee, at FTI Touristik GmbH (2021-present). He further is a founding partner of Anchor (2022-present), a venture development platform and dedicated fund. Mr. Sawiris was the founder and CEO (2013-2020) and board member (2020-2022) of Yup Technologies Inc., an education technology company based in San Francisco acquired by Prenda Inc. where Mr. Sawiris serves as a board member (2022-present). He attended Stanford University, majoring in Economic and Enterprise Engineering.

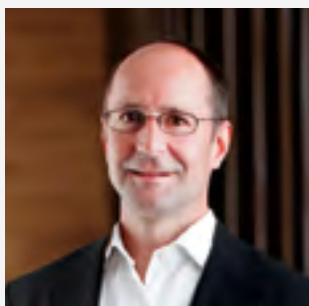


## Jürgen Fischer

Non-Executive Member, Lead Director

Mr. Jürgen Fischer provides senior management and leadership support for hospitality, travel, leisure, and real estate companies. Mr. Fischer served as non-executive member of the board (2008-2014) and as chairman (2014-2018) of Mövenpick Hotels & Resorts Management. From 2008 to 2014, Mr. Fischer worked for several subsidiaries of Dubai Holding, including as CEO of Dubai Properties LLC (2010-2014), and as senior vice president at Tatweer LLC (2008-2012). He held several senior positions with Hilton International Hotels, including president for Europe, Middle East & Africa, president of Scandic Hotels and president commercial, international operations. For the Walt Disney Company, he had senior management roles in Florida and Paris (1989-1995). Since 2022, Mr. Fischer is a non-executive member of the board at Economic Cities & Free Zones, a subsidiary of AD Ports Group, Abu Dhabi. Mr. Fischer is also a member of the board of directors of Andermatt Swiss Alps AG (since 2022). Mr. Fischer started his professional life as a chef, graduated from the Ecole Hôtelière de Lausanne, Switzerland, and obtained an MBA with honors from IMD/IMEDE.





**Franz Egle**  
Non-Executive Member

Mr. Franz Egle's background lies in public affairs/government relations and corporate communications/media relations. After holding senior positions in the private sector, he was head of communications at the Swiss Federal Department of Foreign Affairs and an advisor to the Minister of Foreign Affairs from 1993 to 1998. Mr. Egle is a co-founder and senior partner (as from 1 January 2023: senior counselor) of Dynamics Group (since 2006), a Swiss company providing strategic consulting, communication management and research analysis, for which he was also member of the board of directors (2006-2020) and acted as chairman of the board (2006-2014). Mr. Egle is also a member of the board of directors of Andermatt Swiss Alps AG (since 2007). He holds a doctorate in sociology from the University of Zurich.



**Amine Omar Tazi-Riffi**  
Non-Executive Member

Amine Omar Tazi-Riffi is a former Senior Partner of McKinsey (1993-2017), based in the Geneva and Zurich offices. He is now an independent advisor, PE investor and board member.

During his nearly 25-year career at McKinsey, Amine Omar Tazi-Riffi served leading institutions and governments, both in Switzerland and in emerging economies (mainly in the Middle East, Africa and Central & Eastern Europe). He is the founder of the North & West Africa practice and then co-led the expansion on the continent. He also served as co-leader of the Global Energy & Mining, Infrastructure & Logistics, Telecom & High-Tech practices as well as regional leader for the Public & Social Sector practice in Europe, Middle East and Africa. He has extensive experience in the Travel & Hospitality sector both as a consultant and in the PE space.

Mr. Tazi-Riffi is a senior advisor with GlobalSouth Partners, Advisory & Investments in Dubai (2019-present) and collaborates with PE platforms in the Middle East & Africa. He is the founder and executive chairman of Rolling Laser Solutions, Switzerland (2019-present). He also serves on the board of directors of Lonrho Holdings Limited (2020-present) and Togo Telecom (2021-present). He was a senior advisor at TELL AG (2018-2020) and senior adviser and shareholder representative with FTI Touristik GmbH (January 2021-October 2021) and is currently an independent advisor at ATRAI (2019-present).

Mr. Tazi-Riffi holds a BSc. and MSc. from Ecole Polytechnique Fédérale de Lausanne (EPFL) in Electrical Engineering & Telecommunications; an MSc. from MIT in Electrical Engineering & Computer Science; and an MBA from INSEAD.





## Eskandar Tooma

Non-Executive Member

Eskandar Tooma is a professor of finance with the School of Business at the American University in Cairo since 2003. He has also held a visiting professorship position, in the 2008/2009 academic year, with Imperial College's Business School in London, England.

Mr. Tooma has always combined academic experience with practical exposure through assuming a variety of professional assignments. He was a senior advisor to the Egyptian Capital Market Authority (2005-2007), as well as a member of a variety of committees including the EGX30 Index Committee (in 2006), Market Advancement Committee at the Egyptian Stock Exchange (in 2006), and a member of the Derivatives and Commodities Exchange Task Force (in 2007) and a consultant to the Ministry of International Cooperation in order to document Egypt's Debt Swap Experience (in 2004). Privately, he has advised leading financial institutions including but not limited to: Citadel Capital (Qalaa Holdings) Private Equity, Beltone Financial Holding and the Arab African International Bank. Mr. Tooma sat on the boards (as a non-executive member) of EGX listed and actively traded companies, including Telecom Egypt (2015-2017), Egyptian Resorts Company (2009-2019), Orascom Development Egypt (formerly Orascom Hotels and Development; 2013-2016), Vodafone Egypt (2015-2019) and the oversight board of the HSBC Egypt's money market fund (2015-present). He currently sits on the boards of Red Sea for Construction and Development (2016-present) as well as EGX listed Madinet Nasr for Housing and Development (2013-present) and Taaleem Management Services (2021-present). Mr. Tooma was previously a member of the Board of Directors of the Company (2013-2016) and of Andermatt Swiss Alps (2014-2020) and served as Chief Financial Officer of the Company on an ad interim basis (2013-2016).

Mr. Tooma obtained his BA in business from The American University in Cairo and Adelphi University. He holds two MS degrees, the first in finance and the second in international economics from Adelphi and Brandeis Universities, respectively. Finally, he holds a PhD in finance from Brandeis University.



## Maria Davidson

### Non-Executive Member

Ms. Maria Davidson is the CEO, founder and a board member (2018-present) of Kojo Technologies, Inc., a software company based in San Francisco, United States, that is modernizing the processing of building materials and has received \$84 million in funding to date from investors including Battery Ventures and Tiger Global. She also co-founded Real Capital Innovation (2007-2020), a financial technology company providing financial forecasting solutions to institutional investors, which was acquired by Addepar in December 2020. She was previously Chief of Staff (2016-2018) to Joe Lonsdale, Co-Founder of Palantir, and helped him build 8VC, a venture capital fund with over \$3.5bn in assets under management. Ms. Davidson formerly worked as investment banking analyst in Investment Banking at Goldman Sachs focused on the Real Estate, Healthcare, and Consumer sectors (2014-2016). Ms. Davidson holds an MA in Philosophy, Politics, and Economics from Oxford University, where she was also president of the Oxford Union.



## MEMBERS OF THE BOARD OF DIRECTORS

Name	Function	Nationality	Year of Birth	First Elected	Elected Until	Audit Committee	Nomination and Compensation Committee
Naguib S. Sawiris	Chairman	Egyptian	1991	2016	2023		Chairman
Jürgen Fischer	Member, Lead Director	Swiss	1955	2014	2023	Chairman	Member
Franz Egle	Member	Swiss	1957	2008	2023		
Eskandar Tooma	Member	Egyptian, Canadian, and Cyprian	1977	2013*	2023	Member	Member
Amine Omar Tazi-Riffi	Member	Swiss and Moroccan	1970	2021	2023	Member	
Maria Davidson	Member	British	1991	2022	2023		

\*First tenure until 2016. Elected again in 2021.

The current members of the Board of Directors were all non-executives as of 31 December 2022.

Other than as individually mentioned above, none of these members, and no enterprise or organization represented by them, maintains any substantial business relationship with the Company or any of its subsidiaries.



## EXTERNAL MANDATES

For restrictions regarding the number of external mandates see Art. 20 of the Articles of Incorporation, which are available on the Company's website <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).

## ELECTIONS AND TERMS OF OFFICE

The members of the Board of Directors and its Chairman are elected individually by the general meeting of shareholders for a term of one year until the completion of the next ordinary general meeting. The Board is composed of a minimum of three and a maximum of 15 members. The members may be re-elected.

## INTERNAL ORGANIZATIONAL STRUCTURE

### BOARD OF DIRECTORS

The Board of Directors governs the Company and is ultimately responsible for the Company's business strategy and management. It has the authority to decide on all corporate matters not reserved by law or the Articles of Incorporation to the general meeting of shareholders or to another body.

Subject to its inalienable duties pursuant to the law and to a number of additional reserved matters, the Board of Directors has delegated the management of the Company's business to the CEO. The Board of Directors appoints the CEO and the other members of Executive Management.

Subject to the power of the general meeting, the Board of Directors constitutes itself autonomously and appoints its Secretary, who does not have to be a member of the Board of Directors. It is quorate if the majority of members is present at a meeting. Decisions are taken by the majority of votes cast. In case of a deadlock, the Chairman has a casting vote. A member of the Board of Directors shall abstain from voting if he or she has a personal interest in a matter other than an interest in his or her capacity as shareholder of the Company.

In order to ensure good corporate governance and a balance of leadership and control for the Company, Jürgen Fischer has been appointed as Lead Director by the Board of Directors since 10 May 2022. The Lead Director must be non-executive. He has the right to access any files or records of the Company and to have any information provided by the members of the Executive Management at any time.





## COMMITTEES

Two permanent committees have been formed to support the Board of Directors: the Audit Committee and the Nomination and Compensation Committee. The duties and competences of both committees are outlined below.

### Audit Committee

The Audit Committee currently consists of three non-executive members of the Board of Directors (see section 4.3 (Members of the Board of Directors) above for the members of the Audit Committee). The members and the chairman of the Audit Committee are elected by the Board of Directors. The chairman of the Audit Committee appoints a secretary, who does not have to be a member of the Audit Committee. The three current members of the Audit Committee have broad experience in finance and accounting on the basis of their professional backgrounds.

The mission of the Audit Committee is to assist the Board of Directors in the discharge of its responsibilities with respect to financial reporting and audit. The committee reports and issues recommendations to the Board of Directors regarding yearly and interim financial statements, the auditing process, the internal control system, the integrity and effectiveness

of the Company's external and internal auditors and other topics submitted to it by the Board from time to time. The Audit Committee has no decision-making power.

### Nomination and Compensation Committee

The Nomination and Compensation Committee currently consists of three non-executive members of the Board of Directors (see section 4.3 (Members of the Board of Directors) above for the members of the Nomination and Compensation Committee). The members are elected individually by the general meeting of shareholders for a term of one year until the completion of the next ordinary general meeting. The chairman of the Nomination and Compensation Committee is appointed by the Board of Directors. The chairman of the Committee appoints a secretary, who does not have to be a member of the committee.

The mission of the Nomination and Compensation Committee is to assist the Board of Directors in the discharge of certain responsibilities of the Board relating to compensation and nomination of members of the Board of Directors and Executive Management.



The Nomination and Compensation Committee issues recommendations to the Board of Directors regarding matters of the compensation of members of the Board of Directors and Executive Management and regarding other matters of compensation. It also issues recommendations regarding the nomination of members of the Board of Directors and of Executive Management, and other topics submitted to it by the Board for the committee's consideration. The Nomination and Compensation Committee has no decision-making power.

The Articles of Incorporation containing the principal duties of the Nomination and Compensation Committee (Art. 16) are available on the Company's website (<https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).

### Work Methods of the Board of Directors and its Committees

Invitations to attend meetings of the Board of Directors or the committees are extended by the respective chairman or the secretary on his behalf. Any member of the Board of Directors or a committee may request the chairman of the Board of Directors or the committee, respectively, to convene a meeting. The members of the Board of Directors and the committees are provided with all necessary supporting material before a meeting is held, enabling them to prepare for discussion of the relevant agenda items.

The Board of Directors meets as often as business requires, but as a general rule at least six times per year. On average, meetings therefore take place at least every two months. The committees of the Board of Directors shall, in principle, convene at least once (in the case of the Nomination and Compensation Committee) or twice a year (in the case of the Audit Committee), but can be summoned by their respective chairman as often as the business requires. Following meetings of the committees, the committee chairman informs the Board of Directors at its next meeting about the matters discussed in the committee meeting.

In the 2022 financial year, the Board of Directors convened for ten meetings, and passed one circular resolution. The meetings were either held in hybrid form (i.e., with only some members attending physically and others joining virtually or by telephone) or by way of telephone or video conferences with an average duration of four hours. The Audit Committee

convened for five meetings with an average duration of one and a half hours. The Nomination and Compensation Committee convened for one meeting. Meetings of the Board of Directors and its committees may, upon invitation by the chairman, be attended by members of Executive Management. Members of Executive Management do not have a right to attend meetings of the Nomination and Compensation Committee or the Board of Directors at which their compensation is discussed, or decisions are taken regarding their compensation, or otherwise to participate in the decision-making process. As a rule, the Company's CEO and CFO attend meetings (or parts thereof) of the Board of Directors, which was the case in eight of the ten meetings held in the reporting year. Further, the Company's CFO attended all meetings of the Audit Committee in the reporting year. No advisors attended any meetings of the Board of Directors or the committees, other than representatives of the Company's auditors who attended all of the meetings of the Audit Committee in 2022.

See sections 4.3 (Board of Directors) and 4.3 (Committees) above for information on the interaction between the Board of Directors and its committees as well as the division of authorities.





### Definition of Areas of Responsibility

The Board of Directors has entrusted the preparation and the execution of its decisions and the supervision of certain tasks to the permanent committees. The Board of Directors has delegated the management of the Company's business to the CEO, who may further delegate any of his duties and competencies to Executive Management and other members of the Company's management, although the CEO remains fully responsible for all duties and competencies delegated to him by the Board of Directors.

In addition to the inalienable duties of the Board of Directors pursuant to statutory law (Art. 716a of the Swiss Code of Obligations) and the duties of the Board of Directors' permanent committees (as described above), certain important matters have been excluded from such delegation to the CEO and thus remain reserved to the Board of Directors, including the following:

- » Issuance of securities or other capital market transactions in excess of CHF 80 million per annum.
- » Entering into loan agreements in excess of CHF 80 million per annum.
- » Approval of material investments, acquisitions, including land acquisitions (whether by way of contract or by rights in rem) or acquisitions of companies and participations in companies, divestments, and disposals in excess of CHF 20 million.
- » Entering into agreements with a value in excess of CHF 20 million, subject to the agreements mentioned above.
- » Provision of material guarantees, suretyships, liens, pledges, and other securities in excess of CHF 20 million.
- » Approval of material inter-company agreements in excess of CHF 20 million.
- » Decisions with respect to conflicts of interests and related party transactions.



### Information and Control Instruments vis-a-vis Senior Management

To ensure that comprehensive information is provided to the Board of Directors on the performance of the functions delegated by it, members of Executive Management are regularly invited to attend meetings of the Board to inform the Board of current business developments and major business transactions of the Group or Group companies, or to participate when individual agenda items are discussed, as described above. The Executive Management prepares an extensive quarterly report for the Board of Directors, which contains key statements on the Group and market development, information and key figures on the Group's revenue, occupation of hotel rooms, sales and profit development (incl. on a destination and country basis), expectations of the operational management on the development of results until the end of the financial year, information on the status of projects, a foreign exchange sensitivity analysis, information on the development of the workforce as well as market expectations in regard to the business development. Individual members of the Board of Directors also support the Executive Management from time to time in various projects. Furthermore, members of the Board of Directors cultivate an informal exchange of ideas with the Company's management.

During the year under review, PwC Muscat has been appointed to provide the services of internal audit in Oman. In general, the internal audit function performs ad-hoc assignments in addition to the pre-planned assignments. For each assignment, a report of major findings is presented to and discussed with the management on the entity level, and corrective actions are agreed. [The Group is currently

in the process of appointing a Head of Internal Audit who will perform the internal audit for the Company's largest subsidiary in Egypt, Orascom Development Egypt S.A.E., with the support of an external auditing firm.] The Head of Internal Audit will further be tasked with building the internal audit function across the Group from 2023.

Executive Management meetings, usually chaired by the CEO, are held at least on a monthly basis in which performance of operating projects is reviewed alongside the budget and previous financial year. Key performance indicators are reviewed and updates on new projects, whether off-plan or under construction, are shared and future steps agreed upon.

The Board of Directors has implemented a comprehensive system for monitoring and controlling the risks associated with business activities. This process includes risk identification, analysis, control, and reporting. Operationally, the Executive Management is responsible for controlling risk management. In addition, responsible persons are designated in the Group for significant individual risks. These responsible parties decide on specific actions for risk mitigation and monitor their implementation. Significant risks are also constantly discussed in the meetings of the Executive Management, the Audit Committee, and the Board of Directors, which take place on a regular basis.

For information on the management of financial and market risks see note 33 (Capital risk management) to 33.10 (Liquidity risk management) on page 212 of the notes to the consolidated financial statements.



## 4.4 EXECUTIVE MANAGEMENT

### DEFINITION OF AREAS OF RESPONSIBILITY

The CEO, responsible for the day-to-day operational management of the Company, is supported by the Executive Management who assists the CEO in developing and implementing the overall strategic business plans for the Company as well as for the principal businesses, subject to approval by the Board of Directors. No management functions have been delegated to third parties.

The Executive Management further reviews and coordinates significant initiatives, projects, and business developments in the segments, regions, and corporate services functions, and also implements Group-wide policies.



**Omar El Hamamsy**  
Chief Executive Officer

Mr. Omar El Hamamsy, an Egyptian and Canadian national, serves as the Chief Executive Officer of the Company since 2020. He is also a board member and CEO of Orascom Development Egypt since 2020 and sits on the board of other subsidiaries of the Group. Previously, he was senior partner in the Middle East office (from 2002 to 2020) and the Belgium office (from 2003 to 2004) of McKinsey & Company. In his 18 years at McKinsey, he led various practices, including travel and transport. In his client work, his main focus was leading comprehensive transformations of multinational companies in the Middle East and Europe. He also worked on a number of cross-border acquisitions and integrations for these companies. His clients at McKinsey spanned many sectors and Mr. El Hamamsy supported them on topics ranging from strategy, organization to sales and marketing, operations, and finance. Prior to joining McKinsey, Mr. El Hamamsy worked for six years at AT&T's Bell Labs in the US, where he was managing a global engineering team for wireless product development.

He holds a master's degree in electrical engineering from Stanford University. Mr. El Hamamsy sits on the regional board of directors of Injaz Al-Arab (a member of Junior Achievement Worldwide) since 2007, a non-profit organization focused on youth education where he leads the board's operations committee. Mr. El Hamamsy currently also acts as a consultant to the family office of Mr. Samih O. Sawiris, Orascom Development's major shareholder, with respect to certain other investments including FTI Group, Raiffeisen Touristik, and Andermatt Swiss Alps.



### Ashraf Nessim

Chief Financial Officer

Mr. Ashraf Nessim, an Egyptian national, has more than 25 years of experience in various fields, including finance, infrastructure, and hospitality. Since 2017, he holds the position of Chief Financial Officer of Orascom Development, after having already served in this function on an ad interim basis since 2016. He is also the Chief Financial Officer and a board member of Orascom Development Egypt (ODE), the largest Egyptian subsidiary of the Group, since 2012 and held the position of Co-CEO of ODE from January 2020 to September 2020) and sits on the board of several subsidiaries. Prior to joining the Group, he was the Chief Financial Officer representing Beltone Private Equity in their Pick Albatros Investment from 2010 until 2012.

From 2007 to 2010, he was the Group Chief Financial Officer of Mobiserve, a key player in the mobile telecom network infrastructure in nine countries within the Middle East and South Asia. Prior to shifting his career to finance, he established the operation of Raya Distribution in Algeria and managed merchandising activities in all 34 shops of Nokia and Samsung in Egypt from 2004 until 2006.

Mr. Nessim holds a bachelor's degree in mechanical engineering and has obtained the Chartered Financial Analyst (CFA) designation in 2004.





## Tarek Gadallah

### Group General Counsel

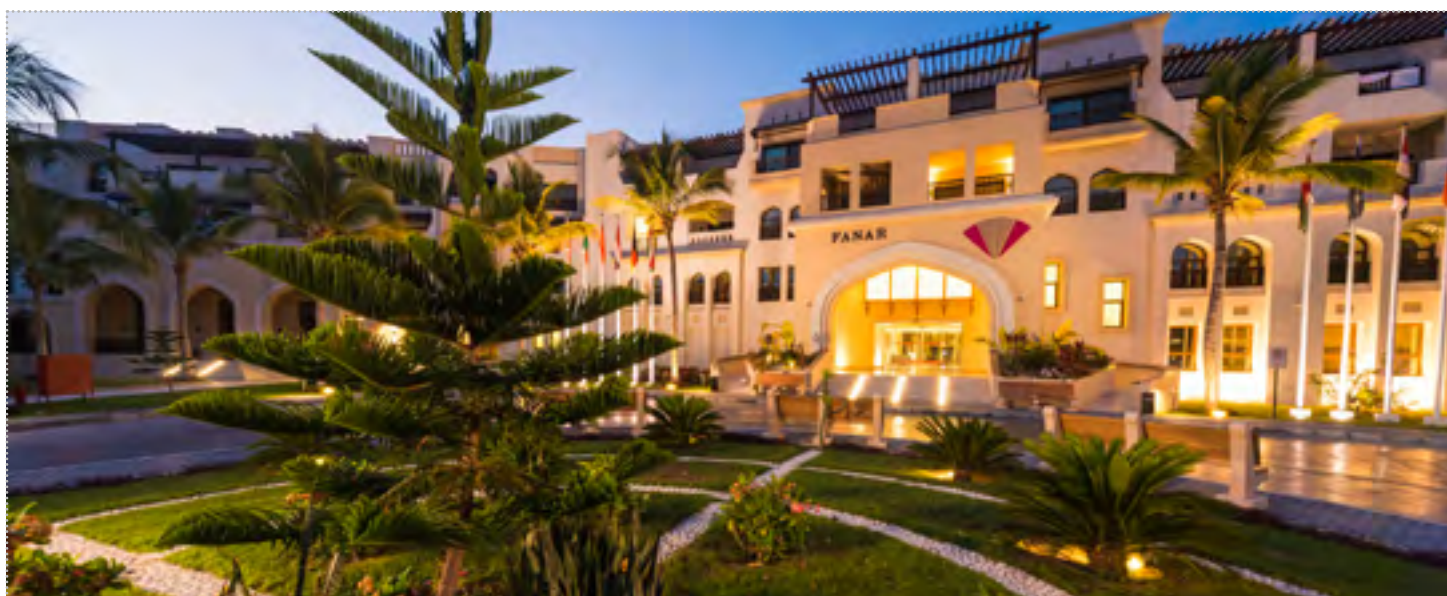
Mr. Tarek Gadallah, an Egyptian national, serves as General Counsel of the Group since 2017 and sits on the board of several subsidiaries. He has extensive experience in mergers and acquisitions, private equity, restructuring and debt, and equity capital markets transactions. His experience also includes project financing and public-private partnership (PPP) projects covering all stages of the process from inception to commercial operations. From 2009 until 2016, Mr. Gadallah worked in a private practice as senior partner with Ibrachy Legal Consultancy (I&P), a top tier law firm in Egypt, where he advised local and international clients on high value, complex, and cross-border transactions across a wide range of industries, including financial services, real estate, tourism, energy, and pharmaceuticals.

He also advised public companies on regulatory, compliance, and corporate governance issues. In conjunction with his corporate practice, Mr. Gadallah has handled a number of high value and complex international commercial arbitration and represented financial institutions and investors in several securities and capital markets litigation. Prior to his private practice, he worked as Group General Counsel at Naeem Holding, a regional investment bank from 2006 until 2009, where he handled a variety of debt and equity transactions in Egypt and the Gulf Cooperation Council (GCC) region.

Mr. Gadallah received his Master of Law from Cairo University and executive education in accounting and finance from Cambridge Judge Business School and M&A executive education from Wharton Business School.







## Tarek Kamel

Chief Executive Officer of O West

Mr. Tarek Kamel, an Egyptian national, had led O West's overall strategic direction, business operations and plans from April 2021 to December 2022. Prior to that he was the CEO of the Group's El Gouna destination since 2019, where he successfully integrated the destination's three business segments. He led the destination's real estate growth and enabled the destination's business units to operate with higher autonomy which resulted in considerable improvement in the town operations and commercial results.

Before joining the Group, Mr. Kamel was the Corporate Sales Director for the North East Africa region at Nestle for more than sixteen years (2003-2019) during which he moved between different positions including marketing, sales and business management.

Mr. Kamel obtained a bachelor's degree from Cairo University with a major in economics and a minor in political science in 1997. He holds a Master's degree in business administration with a marketing focus from Maastricht School of Management.

### Material Changes Since the Balance Sheet Date

Tarek Kamel has resigned and left the Group as of 1 January 2023.

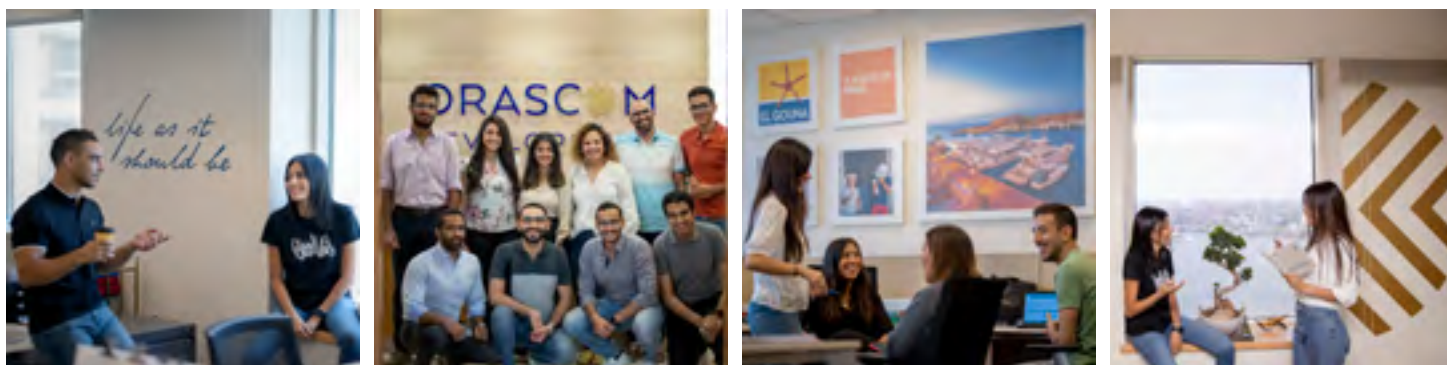
### EXTERNAL MANDATES

For restrictions regarding the number of external mandates see Art. 20 of the Articles of Incorporation, which are available on the Company's website (<https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).

## 4.5 EMPLOYEES



As of 31 December 2022, the Company had 9,103 employees worldwide, of which 6,905 were in Egypt.



## 4.6 COMPENSATION, SHAREHOLDINGS, AND LOANS



For detailed information regarding the compensation determination procedure and compensation paid to the members of the Board of Directors and Executive Management for the financial year 2022, and on shares and options held by and loans granted to these persons as of 31 December 2022, please refer to the Compensation Report 2022 and to note 35.3 on page 218 of the consolidated financial statements.

### PRINCIPLES ON COMPENSATION IN THE ARTICLES OF INCORPORATION

See Art. 21 of the Articles of Incorporation, which are available on the Company's website (<https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).

### LOANS, CREDIT AND PENSION CONTRIBUTIONS

See Art. 26 of the Articles of Incorporation, which are available on the Company's website (<https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).

### SHAREHOLDER APPROVAL OF COMPENSATION

See Art. 22 of the Articles of Incorporation, which are available on the Company's website (<https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents).

## 4.7 SHAREHOLDERS' PARTICIPATION

### VOTING RIGHTS AND REPRESENTATION RESTRICTIONS

With the exception of restrictions on the registration of shares (see section 4.2 "Limitation on Transferability and Nominee Registrations" above), there are no limitations on voting rights. At a general meeting of shareholders, each share entitles its owner to one vote. By means of a

written proxy, each shareholder may be represented by a third person who does not need to be a shareholder. Shareholders may also have their shares represented by an independent proxy and have the possibility to authorize and instruct such independent proxy electronically.

### STATUTORY QUORA

According to Art. 10 of the Articles of Incorporation (available on the Company's website <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents), the holders of at least 25% of issued shares must be present or represented at an ordinary general meeting of shareholders for the meeting to be validly constituted. Similarly, holders of at least 50% of issued shares must be present or represented at an extraordinary general meeting of shareholders for the meeting to be validly constituted.

Resolutions are passed, in the case of an ordinary general meeting of shareholders (except for matters subject to a

higher majority requirement by law), with the absolute majority of the shares represented. In the case of an extraordinary general meeting of shareholders, resolutions are generally passed with a majority of two-thirds of the shares represented.

Resolutions relating to the following matters, however, require a majority of 75% of shares represented at the meeting: (a) ordinary capital increases and reductions of the share capital, (b) dissolving the Company before its termination date or changing its duration (which is 99 years from its formation), (c) changing the Company's purpose, and (d) any merger with another company.





## CONVOCAATION OF THE GENERAL MEETING OF SHAREHOLDERS

An ordinary general meeting of shareholders is to be held annually within six months following the close of the financial year. It is called by the Board of Directors or, if necessary, by the auditors. Extraordinary general meetings may be called by the Board of Directors, the auditors, the liquidators, creditors, or by a shareholders' meeting.

One or more shareholders representing at least 10% of the share capital may request in writing that the Board of Directors calls an extraordinary general meeting of shareholders. The request must state the purpose of the meeting and the agenda to be submitted. General meetings of shareholders are held at the statutory seat of

the Company or at such other place as determined by the Board of Directors.

Notice of a general meeting of shareholders is given by means of a single publication in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) or by registered letter to the shareholders of record. There must be a time period of not less than 20 days between the day of the publication or the mailing of the notice and the scheduled date of the meeting. The notice of the general meeting of shareholders must indicate the agenda and the motions by the Board of Directors.

## AGENDA

Shareholders who represent shares with a nominal value of at least CHF 1,000,000 may request that an item be placed on the agenda. The request must be communicated to the

Board of Directors in writing, stating the item to be placed on the agenda and the shareholder's corresponding motion, at least 45 days prior to the general meeting of shareholders.

## RECORD DATE FOR ENTRY INTO THE SHARE REGISTER

Only shareholders who are registered in the share register as shareholders with voting rights on the record date are entitled to attend a general meeting and to exercise their voting rights. The registration follows the procedure set out in Art. 5 of the Articles of Incorporation (available on the Company's website <https://www.orascomdh.com>,

following the links to Investor Relations and Corporate Documents). The record date is set as close as possible to the date of the general meeting. The record date is published together with the invitation to the general meeting in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt).





## 4.8 CHANGES OF CONTROL AND DEFENSE MEASURES

### DUTY TO MAKE AN OFFER

The Company's Articles of Incorporation do not provide for any 'opting out' or 'opting up' arrangements within the meaning of Art. 125 and Art. 135 of the FMIA.

### CLAUSES OF CHANGE OF CONTROL

No change of control clauses benefiting members of the Board of Directors, Executive Management, or other members of the Company's management have been agreed upon, other than customary acceleration provisions regarding the contingent compensation of Omar El Hamamsy, the Company's CEO (please refer to section 4.2.1.3 of the Compensation Report 2022).

## 4.9 EXTERNAL AUDITORS



### DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

Since the foundation of the Company on 17 January 2008, Deloitte AG, Zurich, has been the external auditor with responsibility for the audit of the Company's non-consolidated and consolidated financial statements. The Company's subsidiary, Orascom Development Egypt S.A.E., is audited by Saleh, Barsoum Abdel Aziz, Cairo. Since the 2020 financial year, Chris Krämer is the auditor in charge for the Company at Deloitte AG. A rotation cycle

of seven years is foreseen for the position of the auditor in charge. The Board of Directors will propose to the ordinary general meeting of shareholders on 9 May 2023 to re-elect Deloitte AG, Zurich, as the external auditor for the 2023 financial year. In selecting the auditors, the Board of Directors takes various criteria into account, in particular the independence, quality, reputation, and costs of the external auditor.

### AUDITING FEES

Deloitte received the following fees for its services as the external auditor of the Company and selected Orascom Development companies on the one hand, and for audit-related services on the other hand:

In CHF	2022	2021
Audit Services	683,874	1,443,217
Audit-Related Services	105,000	22,496
<b>Total Fees</b>	<b>788,874</b>	<b>1,465,714</b>





## INFORMATIONAL INSTRUMENTS PERTAINING TO THE EXTERNAL AUDIT

The Board of Directors' Audit Committee is responsible for ensuring the effective and regular supervision of the auditors' reporting with the aim of ensuring its integrity, transparency, and quality. In advance of the audit for each financial year, the proposed auditing schedule is presented to and discussed with the Audit Committee.

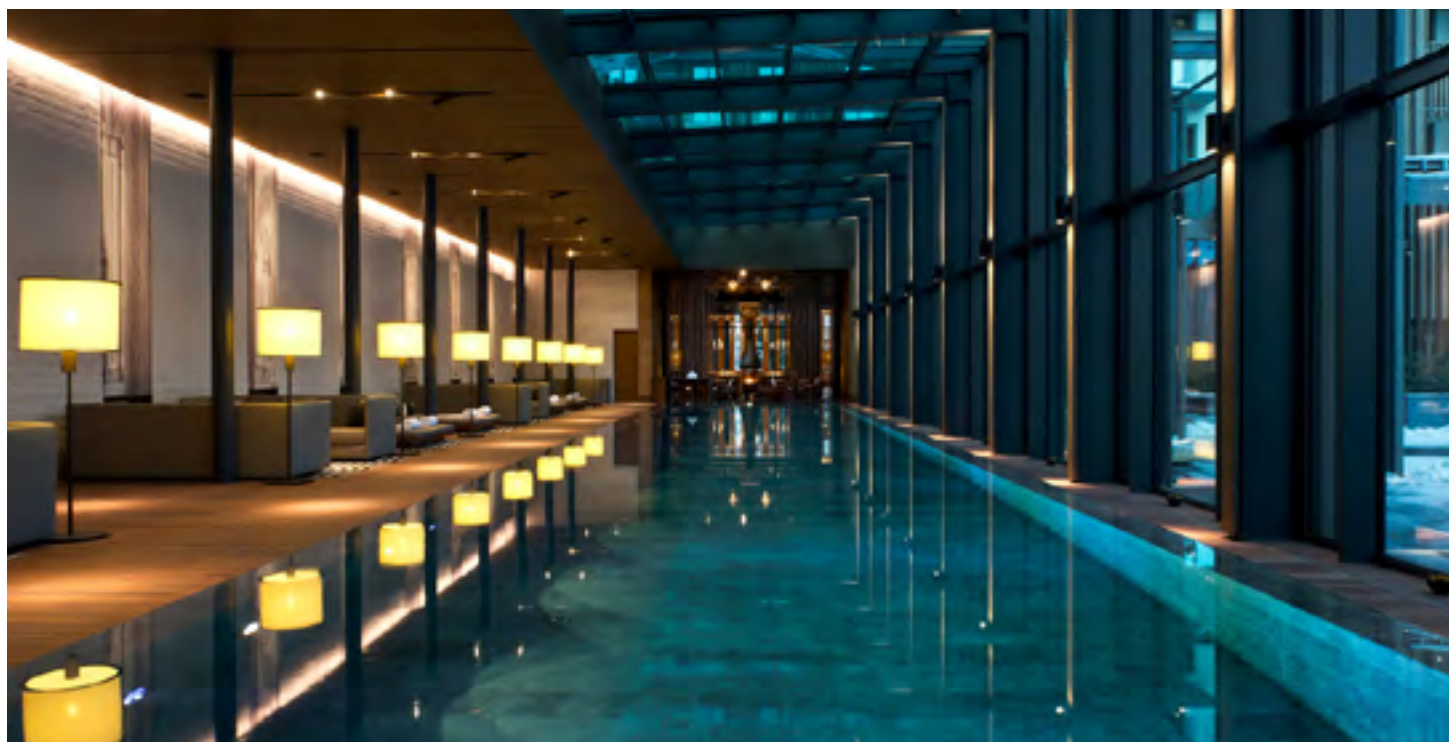
During the audit, the Audit Committee holds one or more update meetings with the auditors to monitor the progress of the audit and take any required actions. After the audit, important observations by the auditors, together with appropriate recommendations, are presented to the Audit Committee (after discussions with the CFO) during its relevant meeting. Subsequently, the auditors' management letter is issued in final form. The chairman of the Audit Committee informs the Board of Directors at each meeting of any observations and recommendations discussed with the external auditor.

The Board of Directors decides on any necessary measures based on recommendations made by the Audit Committee. During the year, the external auditor is in regular contact

with the chairman of the Audit Committee to discuss matters arising in the performance of its task.

Based on these communications, the Audit Committee discusses its impression of the performance, integrity, effectiveness, fees, and independence of the external auditor's work, and issues a recommendation to the Board of Directors concerning the proposal to the general meeting of shareholders whether to re-elect the auditor for the following year. The Audit Committee uses the following criteria to assess the performance and fees of the auditors: technical and operational expertise and quality, independence and objectivity, appropriate use of resources, focus on areas that involve significant risks for the Group, ability to provide effective, practical recommendations in all of the Group's relevant destinations, as well as open and efficient communication and coordination with the Audit Committee and the Executive Management.

In 2022, representatives of the external auditor attended all of the meetings of the Audit Committee.



## 4.10 GENERAL BLACKOUT PERIODS



The Company's general blackout periods apply from the last day of the period for which financial performance data for public release are established (i.e., 31 December for the annual results, 30 June for the half-year interim results, and 31 March and 30 September for quarterly results) until one full trading day after the public release of the financial performance data.

During the blackout period, no director, officer, or employee of the Group may trade in shares of the Company or the Company's listed Egyptian subsidiary, Orascom Development Egypt S.A.E., or any other relevant securities (such as option rights or other financial instruments related to any traded security of the Company or any subsidiary).

The Audit Committee together with the CEO may grant exceptions.





## 4.11 INFORMATION POLICY



The CEO, the CFO, and the Investor Relations Department are primarily responsible for the communication with investors. The Company updates the financial community through press releases, discussions, and presentations held through various road shows, as well as earnings results and other investor conferences.

Orascom Development is committed to an open information policy and provides shareholders, the capital market, employees, and all stakeholders with open, transparent, and timely information. The information policy accords with the requirements of the SIX Swiss Exchange and the relevant statutory requirements. As a company listed on SIX Swiss Exchange, Orascom Development also publishes information relevant to its stock price in accordance with Art. 53 of the Listing Rules of the SIX Swiss Exchange (ad hoc publicity). Any such releases can be accessed

on the Company's website <https://www.orascomdh.com> (following the links to Investor Relations and Press Releases). In addition, interested parties can subscribe to receive any releases by e-mail on the Company's website <https://www.orascomdh.com> (following the links to Investor Relations and Contact IR).

The financial reporting system is comprised of quarterly, interim (semiannual), and annual reports. Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) in compliance with Swiss law and the rules of the SIX Swiss Exchange.

The statutory publication organ of the Company is the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt).

### CORPORATE CALENDAR





## FURTHER INFORMATION AND CONTACT

Investors and other interested stakeholders can find further information on Orascom Development online at <https://www.orascomdh.com>. Stakeholders may subscribe to the Company's e-mail alert service to receive news releases at <https://www.orascomdh.com/investor-relations/contact-ir>. Investors may also contact the Investor Relations Department as follows:

### **Ashraf Nessim**

Chief Financial Officer

Tel: +20 224 61 89 61

Mobile: +20 1222 131 612

E-Mail: [ir@orascomdh.com](mailto:ir@orascomdh.com)

### **Ahmed Abou El Ella**

Director of Investor Relations

Tel: +20 (0)22 461 89 61

Mobile: +012 2129 5555

E-Mail: [ahmed.aboueilla@orascomdh.com](mailto:ahmed.aboueilla@orascomdh.com)

E-Mail: [ir@orascomdh.com](mailto:ir@orascomdh.com)

### **REGISTERED OFFICE**

The Company's

registered office is at

Gotthardstrasse 12, 6460

Altdorf, Switzerland.





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# COMPENSATION REPORT



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## Report on the Audit of the Remuneration Report according to Art. 14-16 Ordinance

To the General Meeting of

### **ORASCOM DEVELOPMENT HOLDING AG, ALTDORF**

Report on the Audit of the Compensation Report

### **OPINION**

We have audited the Compensation Report of Orascom Development Holding AG (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) within section 5 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the accompanying Remuneration Report complies with Swiss law and Art. 14-16 of the Ordinance.

### **BASIS FOR OPINION**

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **OTHER INFORMATION**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables "audited" in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE REMUNERATION REPORT

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE COMPENSATION REPORT

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### DELOITTE AG



Chris Kraemer  
Licensed Audit Expert  
Auditor in Charge



Adrian Kaeppli  
Licensed Audit Expert

Zurich, March 30, 2023

# 5.0 COMPENSATION REPORT 2022



## 1.0 INTRODUCTION

This Compensation Report provides details of the compensation of the members of the Board of Directors and the Executive Management of Orascom Development Holding AG (“ODH” or the “Company”, together with its subsidiaries the “Group”) for the reporting year which ended 31 December 2022, together with comparative figures for the prior financial year. Furthermore, it provides an overview of ODH’s compensation policy and principles as well as the architecture of the compensation of the Board of Directors and the Executive Management and describes the governance of the determination of compensation. The report was prepared in accordance with the Swiss Ordinance against Excessive Compensation in Listed Stock Companies and the Corporate Governance Directive of the SIX Swiss Exchange and takes the principles of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse* into account.

Please refer to section 4.3 of the corporate governance section of the financial statements for the 2022 financial year for information on functions held by the members of the Board of Directors and the Executive Management in companies outside the Group.

## 2.0 PRINCIPLES OF COMPENSATION

The compensation principles of the Group are designed to support a performance culture which fosters teamwork and collaboration and in which both company performance and individual contributions are recognised and rewarded. Furthermore, it aims to promote effective risk management practices.

The principles take into account the long-term performance of the Group and balance the fixed and variable compensation components to reflect the value and

responsibility of the roles that the Board of Directors and the Executive Management perform. They are aimed at attracting and retaining employees and motivating employees to achieve results with integrity and fairness. Furthermore, the compensation principles are framed to achieve an appropriate balance between the interests of employees and shareholders in order to create sustainable value for the Group.

Any revisions of the compensation principles are reviewed by the Nomination and Compensation Committee and approved by the Board of Directors.





## 3.0 COMPENSATION GOVERNANCE

### 3.1 Articles of Incorporation

The Company's articles of incorporation (the "Articles") contain the following rules regarding compensation which are summarized below:

- » Compensation policy – Board of Directors (art. 21 para. 1 of the Articles): The members of the Board of Directors receive a fixed amount of cash or shares of the Company. The value of the shares at grant shall not exceed the compensation in cash.
- » Compensation policy – Executive Management (art. 21 para. 2 and art. 25 of the Articles): The compensation for the members of the Executive Management comprises fixed and performance-related elements, each of which may be paid, in whole or in part, in cash or in restricted or unrestricted shares or in entitlements to shares of the Company. The performance-related compensation may as a rule amount up to 200% of the fixed compensation.
- » Approval (art. 22 para. 1 of the Articles): The shareholders' meeting approves prospectively and on an annual basis, based on proposals submitted to it by the Board of Directors, the maximum total amount for the Executive Management for the following business year and the maximum total amount for the Board of Directors for the period until the next ordinary shareholders' meeting.
- » Supplementary amount (art. 23 of the Articles): For new members of the Executive Management appointed after the approval of the compensation by the shareholders' meeting a supplementary amount of 120%, on a pro rata basis, of the highest fixed compensation paid to a member of Executive Management in the year preceding the last ordinary shareholders' meeting is available without further approval by the shareholders. The Company is allowed to pay a premium to the new member of the Executive Management to compensate any disadvantages resulting from the member's change of job.
- » Loan, credits and pension benefits (art. 26 of the Articles): Loans and credits may be awarded to members of the Board of Directors or the Executive Management up to an amount of CHF 1,000,000 per member. Pension benefits may only be paid as part of a domestic or foreign pension benefit plan or equivalent plan of the Company or its affiliates.

### 3.2 Nomination and Compensation Committee

The Nomination and Compensation Committee ("NCC") currently consists of three members of the Board of Directors elected annually by the shareholders' meeting. The current members are Naguib S. Sawiris (chairman), Eskandar Tooma (member) and Jürgen Fischer (member), all of which were non-executive as of 31 December 2022.

The NCC assists the Board of Directors in the discharge of its responsibilities relating to compensation and nomination of members of the Board of Directors and of the Executive Management in an advisory capacity. The Articles and the Company's organizational regulations do not provide for decision-making powers of the NCC. Pursuant to Art. 16 of the Articles (available on the Company's website <https://www.orascomdh.com>, following the links to Investor Relations and Corporate Documents), the NCC has in particular the following duties and responsibilities:

- » Issue and review the compensation policy and the performance criteria and the periodical review of the implementation and submission of suggestions and recommendations to the Board of Directors.
- » Preparation of the decisions for the Board of Directors regarding the compensation of the members of the Board of Directors and the Executive Management

and submission of suggestions to the Board of Directors regarding the content and amount of the annual compensation of the members of the Board of Directors and the Executive Management and a suggestion on the total amount of compensation.

- » Submission of suggestions to the Board of Directors regarding the recipients of performance-related compensations and submission of suggestions to the Board of Directors regarding the definition of the annual targets for performance-related compensations.
- » Decision making or preparation of the decision making according to the applicable law, the Articles or the organizational regulations.
- » In addition, the NCC issues recommendations regarding the nomination of members of the Board of Directors or Executive Management, and regarding other topics submitted to the NCC by the Board of Directors for the NCC's consideration.

The chairman of the NCC submits the committee's recommendation to the Board of Directors and informs the Board of Directors after each meeting. Members of Executive Management do not have the right to attend meetings of the NCC at which decisions are taken regarding their compensation.





### 3.3 Board of Directors

Subject to the approval of the maximum amounts of compensation by the shareholders' meeting, the Board of Directors has the ultimate decision-making power with respect to compensation matters. Members of the Executive Management do not attend those parts of the meetings of the Board of Directors where their compensation is discussed or determined.

### 3.4 Shareholders' meeting

The ordinary shareholders' meeting each year approves the following amounts of compensation with binding effect:

- » the maximum total amount for the Board of Directors for the period until the next ordinary shareholders' meeting;
- » the maximum total amount (including both the fixed and variable compensation) for the Executive Management for the following business year.

### 3.5 Determination of compensation

The split of responsibilities between the various bodies of the Company in determining the compensation is illustrated below.

Decision on	CEO	NCC	Board of Directors	AGM
Compensation principles in the Articles			Proposal	Binding vote
Compensation policy and principles in line with the Articles		Proposal	Approval	
Incentive compensation plans of the Company including share-based compensation		Proposal	Approval	
Maximum aggregate amount of compensation for the Board of Directors and the Executive Management		Proposal	Review	Binding vote
Individual compensation of members of the Board of Directors		Proposal	Approval	
Individual compensation of the CEO		Proposal	Approval	
Employment and termination agreements for the CEO		Proposal	Approval	
Individual compensation of the other members of the Executive Management	Proposal	Review	Approval	
Employment and termination agreements for the other members of the Executive Management	Proposal	Review	Approval	
Compensation report			Approval	Consultative vote

## 4.0 ARCHITECTURE OF COMPENSATION

### 4.1 Compensation of the Board of Directors

The members of the Board of Directors only receive fixed compensation. No performance-related compensation is paid to any member of the Board of Directors. The compensation consists of a fixed annual base fee and fixed annual committee fees for the members of the Audit Committee and the NCC. An additional fixed annual fee is paid to the Lead Director. The chairmen of the Board of Directors and the committees are not entitled to any additional fees.

With the exception of the compensation for the year of departure for members who resign or decide not to stand for re-election, which is paid in cash, the compensation

of the members of the Board of Directors is fully paid in shares of the Company. The share price that is relevant to determine the number of ODH shares to be granted to each member of the Board of Directors is the average of the daily volume-weighted average ODH share prices at SIX Swiss Exchange during the 10-trading day period ending on 31 January 2023 (grant date). To determine the number of shares that each member of the Board of Directors receives, the amount of compensation for such member net of any deductions for social security and pension contributions and withholding tax, to the extent applicable, is divided by the average share price as determined pursuant to the above.

	Gross annual fee (in CHF)	Payment in
Board of Directors membership fee	120'000	100% in shares of ODH <sup>1</sup>
Committee membership fee	20'000	100% in shares of ODH <sup>1</sup>
Lead Director fee	40'000	100% in shares of ODH <sup>1</sup>

<sup>1</sup> With the exception of the compensation for the year of departure of board members, which is paid fully in cash.



Certain members of the Board of Directors decided to forego their compensation for the financial year 2022 (see table in section 5.1 of the Compensation Report)

### 4.2 Compensation of the Executive Management

#### 4.2.1 Chief Executive Officer (CEO)

The compensation of the Chief Executive Officer consists of a fixed base salary, a cash bonus and contingent compensation payments as further described below.

##### 4.2.1.1 Base salary

The base salary of the CEO is paid fully in cash on a monthly basis. The base salary is complemented by a monthly lump sum for expenses and a car provision.

##### 4.2.1.2 Cash bonus

The CEO is entitled to receive an annual cash bonus. From the 2023 financial year, the cash bonus will be based on the achievement of non-financial metrics and financial metrics to be agreed prior thereto between the CEO and the Company. Until and including the 2022 financial year, the cash bonus of the CEO is guaranteed subject to the CEO remaining employed by the Company.

##### 4.2.1.3 Contingent compensation

The employment contract with the CEO provides for contingent compensation payments based on incremental improvements of the market capitalization of the Company. The contingent compensation is designed as a long-term incentive compensation component. Accordingly, in order for the CEO to achieve the maximum pay-out (i.e., pay-out of all contingency payments) ODH would have to become a multi-billion CHF company. Each contingent compensation payment is expressed as a percentage of the relevant increment of improvement. Upon achievement of a relevant incremental improvement the respective payment will be made in instalments over a period of several months, subject to the condition of the CEO remaining employed by the Company. The compensation may be paid, at the Company's discretion, in cash or in shares of the Company based on an average of the ODH share prices during a period prior to the triggering of the specific

contingent payment. As the employment contract with the CEO was entered into in 2020 and thus the grant date for such contingent compensation for the purposes of disclosure in the Compensation Report was in 2020, the aggregate maximum pay-out amount of all contingent compensation payments relating to improvements of market capitalization that may potentially be paid to the CEO over the life of the employment contract was disclosed as part of the compensation for the 2020 financial year in the 2020 Compensation Report.

In addition, the CEO and the Company have agreed to negotiate in good faith and to agree on the terms and conditions of a contingent compensation based on a combination of financial metrics and targets (such as adjusted EBITDA, net income, free cash flow, return on invested capital, return on capital employed and debt levels) which shall apply from the 2023 financial year with the first pay-out (if any) to occur in 2024 at the earliest. Subject to the agreed targets being met, the CEO may receive a compensation of up to 2.5% of the then issued shares of the Company which, at the Company's discretion, may be paid in cash or in shares of the Company. The amount of contingent compensation based on financial metrics will be disclosed in the compensation report for the relevant grant year, i.e., the year when the Company and the CEO agree on the terms and conditions.



### 4.2.2 Other members of the Executive Management

Compensation of the members of Executive Management for their service consists of a base salary and performance related remuneration.

#### 4.2.2.1 Base salary

The base salaries of the members of the Executive Management are paid fully in cash on a monthly basis. The base salary is complemented by a monthly lump sum for expenses and a car provision. The base salary is determined on the basis of the scope and responsibilities of the position, the market value of the role and the qualifications and experience of the respective member.

#### 4.2.2.2 Performance related remuneration

The current employment agreements of the members of Executive Management provide for the possibility to pay a cash bonus and a long-term incentive award. The cash-bonus can reach up to 50% of the relevant Executive Management member's annual gross base salary.

The cash bonus is based on the achievement of individual goals of the respective member of Executive Management and/or on the (financial) performance of the Company or its segments or certain destinations, depending on the relevant member's area of responsibility. The individual goals may also include objectives related to management of strategic projects in the relevant reporting period and leadership.

In addition, the members of Executive Management may be eligible to participate in incentive plans of the Company. In the reporting year, no members of the Executive Management were awarded any stock options or other entitlement under any such plans.

### 4.3 Employment terms and conditions

All members of the Group Executive Management have employment contracts with notice periods of six months, except for the CEO of the Company who has a notice period of twelve months. The employment agreements do not entitle the members of the Group Executive Management to severance payments.



## 5.0 COMPENSATION AND SHARE OWNERSHIP

### 5.1 Board of Directors

The table below shows the compensation of the members of the Board of Directors for the 2022 financial year.

Compensation for 2022 CHF (gross amounts)		Occ. for available rooms (%)	Gross value of unrestricted shares	Other benefits (car, insurance, etc.)	Pension contributions	Total remuneration
<b>BOARD OF DIRECTORS</b>						
Samih O. Sawiris <sup>1,6</sup>	Chairman until 10 May 2022	0	0	0	0	0
Naguib S. Sawiris <sup>2</sup>	Member until 10 May 2022; Chairman since 10 May 2022	0	0	0	0	0
Jürgen Fischer <sup>3</sup>	Member	0	180'000	0	0	180'000
Franz Egle	Member	0	120'000	0	0	120'000
Eskandar Tooma <sup>4</sup>	Member	0	0	0	0	0
Amine Omar Tazi-Riffi <sup>5</sup>	Member	0	0	0	0	0
Carolina Müller-Möhl <sup>6</sup>	Member until 10 May 2022	40'000	0	0	0	40'000
Jürg Weber <sup>6</sup>	Member until 10 May 2022	60'000	0	0	0	60'000
Barbara Heller <sup>6</sup>	Member until 10 May 2022	46'667	0	0	0	46'667
Maria Davidson	Member since 10 May 2022	0	80'000	0	0	80'000
<b>TOTAL COMPENSATION</b>		146'667	380'000	0	0	526'667

<sup>1</sup> Messrs. Samih O. Sawiris, Naguib S. Sawiris, Eskandar Tooma and Amine Tazi-Riffi decided to forego and waive their compensation for the financial year 2022.

<sup>2</sup> Chair of the Nomination and Compensation Committee.

<sup>3</sup> Lead Director, Member of the Nomination and Compensation Committee and Chair of the Audit Committee.

<sup>4</sup> Member of the Nomination and Compensation Committee and Member of the Audit Committee.

<sup>5</sup> Member of the Audit Committee.

<sup>6</sup> Mr. Samih O. Sawiris, Ms. Carolina Müller-Möhl, Mr. Jürg Weber and Ms. Barbara Heller did not stand for re-election at the Annual General Meeting 2022 of 10 May 2022. Therefore, only services rendered until 10 May 2022 were remunerated. See footnote 1 for Samih O. Sawiris.

## Compensation Report

The total amount of the compensation of the Board of Directors for the 2022 financial year is below the maximum amount of the compensation by the shareholders' meetings held in 2021 (for the period from 1 January 2022 to the shareholders' meeting held in 2022) and in 2022 (for the period from such shareholders' meeting until 31 December 2022).

The table below shows the compensation of the members of the Board of Directors for the 2021 financial year.

Compensation for 2021 CHF (gross amounts)		Gross value of fees	Gross value of unrestricted shares	Other benefits (car, insurance, etc.)	Pension contributions	Total remuneration
<b>BOARD OF DIRECTORS</b>						
Samih O. Sawiris <sup>1</sup>	Chairman	0	0	0	0	0
Franz Egle	Member	0	126'667	0	0	126'667
Jürgen Fischer <sup>3</sup>	Member	0	133'333	0	0	133'333
Carolina Müller-Möhl	Member	0	120'000	0	0	120'000
Naguib S. Sawiris <sup>1,2</sup>	Member	0	0	0	0	0
Jürg Weber <sup>4</sup>	Member	0	180'000	0	0	180'000
Eskandar Tooma <sup>1,3,5</sup>	Member since 6 May 2021	0	0	0	0	0
Amine Omar Tazi-Riffi <sup>1</sup>	Member since 6 May 2021	0	0	0	0	0
Barbara Heller <sup>5</sup>	Member since 6 May 2021	0	93'333	0	0	93'333
Adil Douiri <sup>6</sup>	Member until 6 May 2021	0	46'667	0	0	46'667
Marco Sieber <sup>6</sup>	Member until 6 May 2021	0	46'667	0	0	46'667
<b>TOTAL COMPENSATION</b>		0	746'667	0	0	746'667

<sup>1</sup> Messrs. Samih O. Sawiris, Naguib S. Sawiris, Eskandar Tooma and Amine Tazi-Riffi decided to forego and waive their compensation for the financial year 2021.

<sup>2</sup> Chair of the Nomination and Compensation Committee.

<sup>3</sup> Member of the Nomination and Compensation Committee.

<sup>4</sup> Lead Director and Chair of the Audit Committee.

<sup>5</sup> Member of the Audit Committee

<sup>6</sup> Mr. Adil Douiri and Mr. Marco Sieber did not stand for re-election at the Annual General Meeting 2021. Therefore, only services rendered until 6 May 2021 were remunerated.

## Compensation Report

As at 31 December 2022 and 2021 the members of the Board of Directors held the following number of shares in the Company.

		2022	2021
<b>BOARD OF DIRECTORS</b>			
<b>Samih O. Sawiris<sup>1,2</sup></b>		0	26'794'923
<b>Naguib S. Sawiris<sup>4</sup></b>	Chairman	259'439	259'439
<b>Franz Egle</b>	Member	130'149	59'439
<b>Jürgen Fischer</b>	Member	143'902	134'395
<b>Carolina Müller-Möhl<sup>3</sup></b>	Member	0	88'911
<b>Jürg Weber<sup>3</sup></b>	Member	0	102'360
<b>Eskandar Tooma</b>	Member	200'000	200'000
<b>Barbara Heller<sup>3</sup></b>	Member	0	0
<b>Amine Omar Tazi-Riffi</b>	Member	0	0
<b>Maria Davidson<sup>5</sup></b>	Member	0	0
<b>TOTAL HOLDING OF SHARES</b>		<b>733'490</b>	<b>27'639'467</b>

<sup>1</sup> Including related parties (other than other members of the Board of Directors).

<sup>2</sup> Chairman until 10 May 2022.

<sup>3</sup> Member until 10 May 2022.

<sup>4</sup> Chairman since 10 May 2022.

<sup>5</sup> Member since 10 May 2022.

No loans or credits were granted to members of the Board of Directors or parties closely linked to them during 2022 and 2021.

## 5.2 EXECUTIVE MANAGEMENT

The table below shows the compensation of the members of the Executive Management for the 2022 financial year.

Compensation in 2022 CHF	Gross value of base salaries	Gross value of cash bonuses	Other benefits (car, insurance, etc.)	Pension contributions	Total remuneration
<b>EXECUTIVE MANAGEMENT</b>					
Omar El Hamamsy, CEO	1'560'000	1'040'000	48'000	0	2'648'000
Total other members of Executive Management	1'131'297	418'000	96'000	0	1'645'297
<b>TOTAL COMPENSATION</b>	<b>2'691'297</b>	<b>1'458'000</b>	<b>144'000</b>	<b>0</b>	<b>4'293'297</b>

The table below shows the compensation of the five members of the Executive Management for the 2021 financial year.

Compensation in 2021 CHF	Gross value of base salaries	Gross value of cash bonuses	Other benefits (car, insurance, etc.)	Pension contributions	Total remuneration
<b>EXECUTIVE MANAGEMENT</b>					
Omar El Hamamsy, CEO	1'500'000	1'000'000	48'000	0	2'548'000
Total other members of Executive Management	1'179'229	450'000	96'000	0	1'725'229
<b>TOTAL COMPENSATION</b>	<b>2'679'229</b>	<b>1'450'000</b>	<b>144'000</b>	<b>0</b>	<b>4'273'229</b>



## Compensation Report

As at 31 December 2022 and 2021 the members of the Executive Management held the following number of shares in the Company:

		2022	2021
<b>EXECUTIVE MANAGEMENT</b>			
Omar El Hamamsy	CEO	0	0
Ashraf Nessim	CFO	0	0
Tarek Gadallah	Group General Counsel	0	0
Tarek Kamel <sup>1</sup>	Member of the Executive Management	0	0
<b>TOTAL HOLDING OF SHARES</b>		0	0

<sup>1</sup> Member of the Executive Management as of 31 March 2021 until 31 December 2022.

No loans or credits were granted to members of the Executive Management or parties closely linked to them during 2022 and 2021.



06

# INVESTOR INFORMATION

# 6.0 INVESTOR INFORMATION



Orascom Development Holding AG has a primary listing on the main board of the SIX Swiss Exchange (SIX), while ODH's largest subsidiary in Egypt, Orascom Development Egypt (ODE), has a primary listing on the main board of the Egyptian Stock Exchange (EGX).

## OVERVIEW

Switzerland	31/12/2022	31/12/2021
Shares Held with SIX and Registered in the Share Register	23,491,339	30,865,650
Dispo Shares	17,102,410	9,728,099
<b>Total Number of Shares</b>	<b>40,593,749</b>	<b>40,593,749</b>
<b>Market Capitalization (in CHF Million)</b>	<b>300.4</b>	<b>436.8</b>

## SHARE INFORMATION <sup>1</sup>

Shares Listing	Zurich, Switzerland
Number of Shares	40,593,749
ISIN Code	CH0038285679
Currency	Swiss Franc (CHF)
Index	SPI
Ticker Code (Bloomberg)	ODHN:SW
Ticker Code (Reuters)	ODHN.S

## PER SHARE DATA<sup>2</sup>

	31/12/2022	31/12/2021
Share Price at Year-end (in CHF)	7.40	10.76
Highest Share Price During the Year (in CHF)	11.00	13.36
Lowest Share Price During the Year (in CHF)	6.80	9.00
Number of Traded Shares (in millions)	1.36	2.76
Value of Traded Shares (in CHF million)	11,47	30.45
Average Number of Traded Shares per Day	5,163	10,871
Average Traded Value per Day (in CHF)	45,187	119,865

<sup>1</sup> As of end of 2022    <sup>2</sup> Source: Bloomberg

## SHAREHOLDING STRUCTURE

### Shareholders by Type

Categories	Number of Shareholders	Number of Registered Shares
Natural Persons	3,085	16,637,561
Legal Persons	64	4,633,711
Banks	21	1,463,876
Investment Funds	31	600,314
Public Corporations	2	190
Pension Funds	13	93,037
Foundations	6	52,501
Insurance Companies	1	10,149
<b>Total</b>	<b>3,223</b>	<b>23,491,339</b>





## Shareholders by Nationality

Categories	Number of Registered Shares	Number of Shareholders
Switzerland	5,491,655	3,099
United States	326,810	4
Germany	39,196	51
United Kingdom	197,700	2
Luxembourg	1,177,881	2
Egypt	12,101,249	5
Italy	14,210	7
Austria	48,010	13
Cayman Islands	3,845,702	3
Netherlands	3,720	5
Slovenia	210	1
Spain	1,873	7
Belgium	1,010	1
Portugal	35	1
Romania	500	1
Hungary	120	1
Turkey	111	1
France	145,152	2
Liechtenstein	19,648	5
Denmark	4,115	2
Macedonia	190	1
Canada	4,241	1
Slovakia	50	1
Moldova	100	1
Others	3,000	3
Croatia	10	1
Isle of Man	64,641	1
Finland	200	1
<b>Total</b>	<b>23,491,339</b>	<b>3,223</b>



## Significant Shareholders <sup>1</sup>

NAME OF MAJOR SHAREHOLDERS	2022		2021	
	Number of Registered Shares	Percentage of Ownership (%)	Number of Registered Shares	Percentage of Ownership (%)
Samih O. Sawiris et al. <sup>2</sup>	27,361,067	67.4%	26,576,323	65.5%
Community of Heirs of Khaled Bichara	-	-	1,503,972	3.7%
Others	13,232,682	32.6%	12,513,454	30.8%
<b>Total</b>	<b>40,593,749</b>	<b>100.0%</b>	<b>40,593,749</b>	<b>100.0%</b>

<sup>1</sup> Overview of significant shareholders as of 31 December 2022.

<sup>2</sup> For further details, please see the shareholder notification dated 16 June 2022, available at [<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/shareholder-details/TBM6F00011>]. The group of shareholders comprised the following individuals and entities: Samih O. Sawiris, Naguib S. Sawiris, Taya S. Sawiris, Tary S. Sawiris, Talia Sawiris, and Ines Sawiris as beneficial owners and SOS Holding Ltd, Thursday Holding Ltd, and LPSO Holding as direct shareholders.



## ORASCOM DEVELOPMENT EGYPT (ODE) SHARE INFORMATION



## OVERVIEW

Egypt	31 / 12 / 2022	31 / 12 / 2021
Total Number of Shares	1,130,473,523	1,130,473,523
Market Capitalization (in EGP million)	7,913	6,783

SHARE INFORMATION <sup>1</sup>

Shares Listing	Cairo, Egypt
Number of Shares	1,130,473,523
ISIN Code	CH0038285679
Currency	Egyptian Pound (EGP)
Ticker code (Bloomberg)	ORHD:SW
Ticker code (Reuters)	ORHD.S

PER SHARE DATA<sup>3</sup>

	31 / 12 / 2022	31 / 12 / 2021
Share Price at Year-End (in EGP)	7.00	6.00
Highest Share Price During the Year (in EGP)	7.55	6.23
Lowest Share Price During the Year (in EGP)	3.35	4.50
Number of Traded Shares (in millions)	231.4	228.5
Value of Traded Shares (in EGP millions)	1,175.1	1,225.2
Average Number of Traded Shares per Day	948,195	948,147
Average Traded Value per Day (in EGP)	4,815,858	5,083,742



<sup>1</sup> As of end of 2022    <sup>2</sup> Source: Bloomberg

## CORPORATE CALENDAR

15TH ANNUAL GENERAL ASSEMBLY MEETING	<b>9 MAY 2023</b>
1 Q 2023 RESULTS	<b>17 MAY 2023</b>
1H 2023 RESULTS	<b>17 AUGUST 2023</b>
9M 2023 RESULTS	<b>16 NOVEMBER 2023</b>



## INVESTOR CONTACTS

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07

# FINANCIAL STATEMENTS AND AUDITOR'S REPORT

## ORASCOM DEVELOPMENT HOLDING AG

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

CHF	Notes	2022	2021
Revenue	5/6	689,716,328	538,501,408
Cost of sales	6.2	(535,827,582)	(426,004,756)
Impairment losses recognised on receivables	33.9	(3,452,318)	(3,614,344)
<b>Gross profit</b>		<b>150,436,428</b>	<b>108,882,308</b>
Investment income	8	18,832,662	16,029,538
Other gains	9	11,012,117	6,007,522
Administrative expenses		(44,778,566)	(42,803,842)
Finance costs	10	(37,816,548)	(32,883,181)
Share of profit/(losses) of associates	18	23,719,614	(4,788,053)
Other losses	11	(36,770,582)	(7,504,264)
<b>Profit before tax</b>		<b>84,635,125</b>	<b>42,940,028</b>
Income tax expense	12	(33,323,523)	(33,471,648)
Profit for the year		51,311,602	9,468,380
<b>Other comprehensive (loss)/income, net of income tax</b>			
<b>Items that will not be reclassified subsequently To profit or loss</b>			
Gain on revaluation of property, plant and equipment reclassified to investment property	15	-	729,036
Net (loss) on revaluation of financial assets at fvtoci		(11,511)	(309)
Remeasurement of defined benefit obligation	32	512,127	197,856
Share of other comprehensive income of associates	18	1,606,955	876,017
		<b>2,107,571</b>	<b>1,802,600</b>
<b>Items that may be reclassified subsequently To profit or loss</b>			
Exchange differences arising on translation of foreign operations		(131,857,970)	16,555,122
		<b>(131,857,970)</b>	<b>16,555,122</b>
Total other comprehensive (loss)/income for the year, net of income tax		(129,750,399)	18,357,722
<b>Total comprehensive loss/income for the year</b>		<b>(78,438,797)</b>	<b>27,826,102</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the parent company		22,885,746	(5,684,075)
Non-controlling interests		28,425,856	15,152,455
		51,311,602	9,468,380
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the parent company		(63,107,366)	6,936,579
Non-controlling interests		(15,331,431)	20,889,523
		<b>(78,438,797)</b>	<b>27,826,102</b>
<b>Earnings per share from continuing operations</b>			
Basic	13	0.57	(0.14)
Diluted	13	0.57	(0.14)



Naguib S. Sawiris  
Chairman of the Board



Ashraf Nessim  
Group CFO

## ORASCOM DEVELOPMENT HOLDING AG

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

CHF	Notes	31 December 2022	31 December 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	742,495,934	797,829,382
Investment property	15	36,895,453	37,319,156
Goodwill	16	1,908,454	2,974,101
Investments in associates	18	51,346,118	39,366,941
Non-current receivables	19	106,813,094	104,557,688
Deferred tax assets	12.4	13,526,260	1,598,384
Other financial assets	20	2,035	1,460
<b>Total non-current assets</b>		<b>952,987,348</b>	<b>983,647,112</b>
<b>Current assets</b>			
Inventories	21	437,025,570	595,291,026
Trade and other receivables	22	164,655,322	165,642,846
Current receivables due from related parties	35.1	21,833,394	21,896,170
Other current assets	23	67,249,217	91,731,541
Cash and bank balances	24	180,298,029	206,999,539
<b>Total current assets</b>		<b>871,061,532</b>	<b>1,081,561,122</b>
<b>Total assets</b>		<b>1,824,048,880</b>	<b>2,065,208,234</b>

## ORASCOM DEVELOPMENT HOLDING AG

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

CHF	Notes	31 December 2022	31 December 2021
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Issued capital	25	202,968,745	202,968,745
Reserves	26	329,490,811	417,004,375
(Accumulated losses)		(247,650,476)	(272,381,871)
<b>Equity attributable to owners of the parent company</b>		<b>284,809,080</b>	<b>347,591,249</b>
<b>Non-controlling interests</b>		<b>157,949,560</b>	<b>171,197,040</b>
<b>Total equity</b>		<b>442,758,640</b>	<b>518,788,289</b>
<b>Non-current liabilities</b>			
Borrowings	27	418,407,070	412,272,778
Trade and other payables	28	243,104,128	361,055,952
Contract liabilities	29	60,099,754	93,658,401
Notes payable		70,615	66,273
Provisions	30	20,613,065	24,243,648
Retirement benefit obligation	32	433,948	677,841
Deferred tax liabilities	12.4	24,512,092	28,764,778
<b>Total non-current liabilities</b>		<b>767,240,672</b>	<b>920,739,671</b>
<b>Current liabilities</b>			
Trade and other payables	28	37,896,237	62,226,631
Borrowings	27	49,287,553	32,937,238
Due to related parties	35.1	20,311,188	31,221,766
Current tax liabilities	12.3	40,304,227	38,428,497
Provisions	30	44,660,414	39,410,843
Other current liabilities	31	421,589,949	421,455,299
<b>Total current liabilities</b>		<b>614,049,568</b>	<b>625,680,274</b>
<b>Total liabilities</b>		<b>1,381,290,240</b>	<b>1,546,419,945</b>
<b>Total equity and liabilities</b>		<b>1,824,048,880</b>	<b>2,065,208,234</b>



Naguib S. Sawiris  
Chairman of the Board



Ashraf Nessim  
Group CFO

## ORASCOM DEVELOPMENT HOLDING AG

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## FOR THE YEAR ENDED 31 DECEMBER 2022

CHF	Issued Capital	Share premium	Treasury shares	Share-based payment reserve	PP&E revaluation reserve	Investments revaluation reserve	General reserve	Foreign currency translation reserve	Reserve from common control transactions	(Accumulated losses)	Attributable to owners of the Parent Company	Non-controlling interests	Total
<b>Balance at 1 January 2021</b>	202,968,745	836,985,769	(3,000,993)	171,052	5,133,570	(1,114,786)	4,916,868	(364,734,431)	(72,519,921)	(270,113,897)	338,691,976	148,018,808	486,710,784
Profit for the year	-	-	-	-	-	(309)	-	-	-	(5,684,075)	(5,684,075)	15,152,455	9,468,380
Other comprehensive income for the year, net of income tax	-	-	-	-	729,036	(309)	-	10,818,054	-	1,073,873	12,620,654	5,737,068	18,357,722
<b>Total comprehensive income for the year</b>	-	-	-	-	729,036	(309)	-	10,818,054	-	(4,610,202)	6,936,579	20,889,523	27,826,102
Acquisition of treasury shares	-	-	(1,869,529)	-	-	-	-	-	-	(1,869,529)	-	-	(1,869,529)
Board of Directors distribution	-	-	555,111	-	-	-	-	-	-	326,140	881,251	-	881,251
Other disposal of treasury shares	-	-	1,687,488	-	-	-	-	-	-	111,837	1,799,325	-	1,799,325
Share-based payments (note 34)	-	-	-	513,156	-	-	-	-	-	-	513,156	-	513,156
Share-based payments subsidiaries	-	276,137	-	-	-	-	-	-	-	-	276,137	91,570	367,707
Recycling of revaluation gain on reclassification of investment property to property, plant and equipment	-	-	-	-	(1,223,617)	-	-	-	-	1,223,617	-	-	-
Recycling of foreign exchange difference on disposal of investment in associate	-	-	-	-	-	-	-	192,876	-	-	192,876	-	192,876
Effect of exercised options in subsidiaries	-	(511,156)	-	-	-	-	-	-	-	680,634	169,478	(169,478)	-
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,366,617	2,366,617
<b>Balance at 31 December 2021</b>	202,968,745	836,750,750	(2,627,923)	684,208	4,638,989	(1,115,095)	4,916,868	(353,723,501)	(72,519,921)	(272,381,871)	347,591,249	171,197,040	518,788,289
<b>Balance at 1 January 2022</b>	202,968,745	836,750,750	(2,627,923)	684,208	4,638,989	(1,115,095)	4,916,868	(353,723,501)	(72,519,921)	(272,381,871)	347,591,249	171,197,040	518,788,289
Profit for the year	-	-	-	-	-	(11,511)	-	(88,100,683)	-	22,885,746	22,885,746	28,425,856	51,311,602
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(11,511)	-	-	-	2,119,082	(85,993,112)	(43,757,287)	(129,750,399)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(11,511)	-	(88,100,683)	-	25,004,828	(63,107,366)	(15,331,431)	(78,438,797)
Acquisition of treasury shares	-	-	(699,940)	-	-	-	-	-	-	-	(699,940)	-	(699,940)
Board of Directors distribution	-	-	421,450	-	-	-	-	-	-	270,444	691,894	-	691,894
Other disposal of treasury shares	-	-	784,706	-	-	-	-	-	-	(125,898)	658,808	-	658,808
Share-based payments (note 34)	-	-	-	513,156	-	-	-	-	-	-	513,156	-	513,156
Effect of exercised options in subsidiaries	-	(420,742)	-	-	-	-	-	-	-	560,265	139,523	(139,523)	-
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	-	(978,244)	(978,244)	(210,024)	(1,188,268)
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,433,498	2,433,498
<b>Balance at 31 December 2022</b>	202,968,745	836,330,008	(2,121,707)	1,197,364	4,638,989	(1,126,606)	4,916,868	(441,824,184)	(72,519,921)	(247,650,476)	284,809,080	157,949,560	442,758,640

## ORASCOM DEVELOPMENT HOLDING AG

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

CHF	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Profit for the year		51,311,602	9,468,380
<b>Adjustments for:</b>			
Income tax expense recognized in profit or loss	12.1	33,323,523	33,471,648
Share of (gains)/losses of associates	18	(23,719,614)	4,788,053
Finance costs recognized in profit or loss	10	37,816,548	32,883,181
Investment income recognized in profit or loss	8	(18,832,662)	(16,029,538)
Impairment loss on trade receivables and other assets	33.9	3,452,318	3,823,741
Reversal of impairment loss on trade receivables	33.9	(946,867)	(3,811,983)
Impairment losses on inventory	21	2,342,412	-
Impairment losses on related party receivables	11	2,133,771	154,515
Impairment loss on property, plant and equipment	11/14	9,780,475	7,140,352
Depreciation of property, plant and equipment	14	25,412,083	24,662,720
Gain on revaluation of investment properties	15	(3,534,120)	(1,891,515)
Loss/(gain) on disposal of investment in associates	9/18	-	(2,665,681)
Provision formed	30	46,981,726	42,098,189
Share-based payments	34.1	513,156	513,156
Share-based payments subsidiaries	34.2	-	367,707
Net foreign exchange losses / (gains)	11	22,513,924	(487,243)
<b>Movements in working capital</b>			
(Increase) in trade and other receivables		(105,740,613)	(103,886,370)
(Increase) in inventories		(35,828,065)	(51,177,808)
(Increase) in other current assets		(11,189,282)	(8,263,128)
(Decrease)/increase in trade and other payables		(7,900,864)	42,207,524
(Decrease) in provisions		(25,298,475)	(11,943,765)
Increase in other current liabilities		72,949,034	67,520,889
<b>Cash generated by operations</b>		<b>75,540,010</b>	<b>68,943,024</b>
Interest paid		(22,047,290)	(17,899,577)
Income tax paid		(30,490,760)	(9,298,746)
<b>Net cash generated by operating activities</b>		<b>23,001,960</b>	<b>41,744,701</b>

## ORASCOM DEVELOPMENT HOLDING AG

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

CHF	Notes	2022	2021
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment and investment property	14/15	(101,704,810)	(57,609,489)
Proceeds on sale of investment in associates	18	-	2,858,557
Proceeds/(payments) for treasury bills		6,671,213	(11,510,351)
Dividends received	18	4,589,988	3,547,939
Interest received		10,994,799	10,637,450
<b>Net cash (used in) investing activities</b>		<b>(79,448,810)</b>	<b>(52,075,894)</b>
<b>Cash flows from financing activities</b>			
Payments for treasury shares		(41,132)	(70,205)
Non-controlling interests shares in change of equity for consolidated subsidiaries		2,433,498	2,366,617
Repayment of lease liabilities	27.3	(948,455)	(1,143,901)
Repayment of borrowings		(26,706,977)	(31,780,662)
Proceeds from borrowings		116,230,684	45,627,963
<b>Net cash generated by financing activities</b>		<b>90,967,618</b>	<b>14,999,812</b>
Net increase in cash and bank balances		34,520,768	4,668,619
Cash and bank balances at the beginning of the year		206,999,539	195,715,406
Effects of exchange rate changes on the balance of cash held in foreign currencies		(61,222,278)	6,615,514
<b>Cash and bank balances at the end of the year</b>	24	<b>180,298,029</b>	<b>206,999,539</b>

# INDEX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.	General information	145
2.	Application of new and revised international financial reporting standards ("IFRS")	145
3.	Significant Accounting Policies	146
4.	Critical accounting judgments and key sources of estimation uncertainty	166
5.	Revenue	169
6.	Segment information	171
7.	Employee benefits expense	176
8.	Investment income	176
9.	Other gains	176
10.	Finance costs	177
11.	Other losses	177
12.	Income taxes	177
13.	Earnings per share	180
14.	Property, plant and equipment	181
15.	Investment property	182
16.	Goodwill	183
17.	Subsidiaries	185
18.	Investments in associates	188
19.	Non-current receivables	191
20.	Other financial assets	192
21.	Inventories	192
22.	Trade and other receivables	193
23.	Other current assets	193
24.	Cash and bank balances	193
25.	Capital	194
26.	Reserves (net of income tax)	195
27.	Borrowings	197
28.	Trade and other payables	200
29.	Contract liabilities	200
30.	Provisions	200
31.	Other current liabilities	201
32.	Retirement benefit plans	202
33.	Financial instruments	205
34.	Share-based payments	215
35.	Related parties	216
36.	Non-cash transactions	219
37.	Leases	219
38.	Commitments for expenditure	221
39.	Post-dated cheques	225
40.	Significant events during the financial period	226
41.	Litigation	227
42.	Subsequent events	228
43.	Approval of financial statements	228



## Orascom Development Holding AG

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 1. General information

Orascom Development Holding AG ("ODH" or "the Parent Company"), a limited company incorporated in Altdorf, Switzerland, is a public company whose shares are traded on the SIX Swiss Exchange.

The Company and its subsidiaries (the "Group") is a leading developer of fully integrated towns that include hotels, private villas and apartments, leisure facilities such as golf courses, marinas and supporting infrastructure. The Group's diversified portfolio of projects is spread over seven jurisdictions (Egypt, UAE, Oman, Morocco, Montenegro and United Kingdom), with primary focus on touristic towns and recently primary housing. The Group currently operates ten destinations; five in Egypt (El Gouna, Taba Heights, Fayoum, Makadi and O-West), The Cove in the United Arab Emirates, Jebel Sifah and Hawana Salalah in Oman, Luštica Bay in Montenegro and Cornwall in the UK.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

## 2. Application of new and revised international financial reporting standards ("IFRS")

### 2.1. Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the current year. These revised Standards have not had a material effect on these consolidated financial statements. The details of the revised Standards are as follows:

#### Amendments to IAS 16 Property, Plant and Equipment

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

#### Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

#### Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Annual Improvements include amendments to the following applicable standards:

### IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

### IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

## 2.2 Standards and Interpretations in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not adopted the following Standards that have been issued but are not yet effective. They will be effective for annual periods beginning on or after the dates indicated below, with earlier application permitted.

Amendments to IFRS 16	Lease liability in a sale leaseback	1 January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 1	Disclosure of accounting policies	1 January 2023
Amendments to IAS 8	Difference between accounting policies and accounting estimates	1 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

Management of the Group does not expect that the adoption of the amended Standards listed above will have a material impact on the financial statements of the Group in future periods. In addition to the amended Standards mentioned above, there are other Standards applicable starting next year, which are immaterial or not applicable for the Group.

## 3. Significant Accounting Policies

### 3.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### 3.2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate and investment properties that are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

### 3.3. Basis of consolidation

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 recognised 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 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 are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised 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 IFRSs). 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 IFRS 9 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 acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised 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 recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 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 acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (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 acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised 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 recognised amounts of the acquiree'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 IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree 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 recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3. The policy described above is applied to all business combinations that took place on or after January 2010.

For common control transactions in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory, the Group recognises the difference between purchase consideration and carrying amount of net assets of acquired entities or businesses as an adjustment to equity. This accounting treatment is also applied to later acquisitions of some or all shares of the non-controlling interests in a subsidiary.

### **3.5. Investments in associates**

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 recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Any other changes in equity recognised directly through equity in the associates is recognised directly through equity of the Group. 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 recognising its share of further losses. Additional losses are recognised 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 recognised at the date of acquisition is recognised 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 recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise 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 IAS 36 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 recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 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 (see note 3.4) 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 recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on the acquisition of an associate is described in note 3.5.

### 3.7. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises 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. The Group is always acting as principal in relation to its contracts with customers.

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
3.7.1 Revenue on sale of land	Sale of land
3.7.2 Revenue from agreements for construction of real estate	Real estate and construction
	Hotels
3.7.3 Revenue from the rendering of services	Destination management
	Other operations

#### 3.7.1. Revenue on sale of land

Revenue from sale of land, sale of land right and associated cost are recognised 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.

### 3.7.2. Revenue from agreements for construction of real estate

In general, the revenue is recognised 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 recognised over time as construction progresses.

The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations as based on management's assessment this represents best the progress of the respective performance obligation. 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 control 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 recognised at the point in time where land control 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 villas, is recognised over time as construction progresses. The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations as based on management's assessment this represents best the progress of the respective performance obligation. The contractors' progress reports are used to measure the percentage of completion.

#### *Financing component*

In Montenegro, the applied milestones payment method imposes no financing component as the customer pays only when certain milestones are reached, i.e. upon the completion of relevant works.

In Egypt and Oman, the time to build a unit is approximately two to four 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 expenses and revenue are accounted for in Egypt by discounting contract value.

### 3.7.3. Revenue from the rendering of services

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

### 3.7.4. 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 corporate companies, holding companies and start-up companies. Companies providing these services are marked as HQ in the subsidiaries' list in note 17.

### 3.8. Leasing

#### The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises 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 recognises 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.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, for some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or to terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal or to terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate the lease.

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:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate

The lease liability is subsequently measured increase the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.



Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment on exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the leases payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets recognised within property, plant and equipment comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers 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 over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

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 recognised as an expense in the period in which the event or condition that triggers those payments occurs and are include in the lines "cost of sales" and "administrative expenses" in the statement of profit or loss.

As a practical expedient IFRS 16 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 leases is recognised 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 recognised on a straight-line basis over the lease term.

### 3.9. 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 Swiss Franc (CHF), 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 recognised 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 recognised 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 into 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 recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Swiss Francs (CHF) 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 recognised 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 is 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 recognised in equity.

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

Currency table	2022		2021	
	Average	Year end	Average	Year end
1 EGP Egyptian Pound	0.05056	0.0373	0.0583	0.0582
1 USD US Dollar	0.9551	0.9262	0.9144	0.9142
1 EUR Euro	1.0046	0.9901	1.0814	1.0351
1 OMR Oman Rial	2.4821	2.4017	2.3753	2.3751
1 AED United Arab Emirates Dirham	0.2600	0.2518	0.2490	0.2489
1 MAD Moroccan Dirham	0.0941	0.0885	0.1017	0.0989
1 JOD Jordanian Dinar	1.3469	1.3018	1.2901	1.2897

### 3.10. 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 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. The hedged interest component of the qualifying asset (hedged risk) impacts profit or loss when the qualifying asset is amortized, impaired or sold.
- 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 capitalisation.

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

As the financing activity is co-ordinated centrally and generally by the parent and some of the main subsidiaries, the group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation 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 capitalises 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).

### 3.11. Retirement benefit costs

Employee pension and retirement benefits are based on the regulations and prevailing circumstances of those countries in which the Group is represented. In Switzerland, ordinary pension and retirement benefit plans qualify as defined-benefit plans and are accounted for in conformity with IAS 19 Employee Benefits.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognized immediately through other comprehensive income, whereas past service-costs (vested and unvested) are recognized immediately in profit or loss.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contribution.

Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

### 3.12. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 3.12.1. Current 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.

#### 3.12.2. Deferred tax

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 recognised if the temporary difference arises from goodwill and no deferred tax assets or liabilities are recognised 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 recognised 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 recognised 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 realised, 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 manner 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.

### **3.12.3. Current and deferred tax for the year**

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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.

### **3.12.4. Income Taxes**

Significant judgement is required in determining liabilities related to uncertain tax positions. A tax provision is recognised when the Group has a present obligation as a result of a past event, and it is more likely than not that the Group will be required to settle that obligation. A current tax provision is measured using the single best estimate of the likely outcome approach.

### 3.13. 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 in the course of construction for production, administrative purposes or for a currently undetermined future use are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy as described in note 3.10. 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.

Hotels managed by third party companies are classified within property, plant and equipment as the Group is exposed to the entire risk and reward of the hotel as if it is managed by the Group itself. The only income the management company receives from the ongoing operation is a management fee out of operational income for their services as the hotel management company.

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 so as 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.

An item of property, plant and equipment is derecognised 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 recognised 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 – 15 years

### 3.14. 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 fair value at the end of each reporting period. Gains and losses arising from changes in the fair value of investment properties are recognised in profit or loss including an adjustment to the related deferred tax position in the period in which they arise.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value of investment properties reflects market conditions at the end of each reporting period and is determined without any deduction for transaction costs which the Group may incur on sale or other disposal. The fair value of investment properties is determined based on evaluations performed by independent valuers or internal valuations.

Property is only transferred to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. If property becomes an investment property which is carried at fair value, any difference at the date of change in use between the carrying amount of the property and its fair value is recognised through other comprehensive income.

An investment property is derecognised 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 derecognised.

### 3.15. 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 recognised 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### 3.16. 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 to the particular class 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 (see note 10).

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 realisable 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.

### 3.17. Provisions

Provisions are recognised 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 recognised 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 recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



### 3.18. Financial instruments

Financial assets and financial liabilities are recognised 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 recognised immediately in profit or loss.

### 3.19. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised 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 recognised financial assets are initially measured at fair value and subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 3.19.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- 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.

In general, cash and bank balances, trade and other receivables as well as amounts due from related parties are measured at amortised cost. All other financial assets are subsequently measured at fair value.

#### 3.19.2. Effective interest method

The effective interest method is a method of calculating the amortised 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 recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

### 3.19.3. 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 near 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
- it is a derivative that 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 recognised in other comprehensive income and accumulated in the investment 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 IFRS 9. These are included in other financial assets.

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

### 3.19.4. Impairment of financial assets

Financial assets that are measured at amortised cost as well as financial assets held at FVTOCI are assessed for impairment at the end of each reporting period.

Expected Credit Losses ("ECL") are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In general, ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Loss given default ("LGD") is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements. Further, the probability of default is determined based on historical data of cash flows from receivables. However, in certain cases, the Group may also consider a financial asset to be in default when internal and external information indicates that the Group is unlikely to receive the outstanding contractual amount in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Impairment models used by the Group to calculate the ECL of its trade receivables are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to note 33.9 for further details on credit-impaired financial assets.

In order to calculate ECL, the Group has established an impairment test model that uses the flow rate approach to get the weighted probability of default for diverse aging buckets, i.e. the average percentage of irregular clients for each bucket is derived by computing the historical 'flow rate' of trade receivables, based on their ageing and arriving at an average loss rate.

The flow rate shows the percentage of receivables in an aging bucket that have not been collected on their due dates (i.e. during the month/ quarter they should have been collected) and have therefore moved into the next aging bucket in the following month/quarter's ageing).

Based on Group's business history and the time value of money concept, management assumes loss rate to be 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 since less than 360 days, are projected from the flow rate study.

For assets measured at amortized cost other than receivables, the Group evaluates at every reporting date whether the debt instrument is considered to have low credit risk or not, using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation. The Group reassesses the credit rating of the financial asset using either external or internal credit ratings. In order to ensure reliability, internal credit ratings are usually mapped to external ratings or supported by default studies.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of 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 recognised 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 recognised, the previously recognised 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 amortised cost would have been had the impairment not been recognised.

### 3.19.5. De-recognition of financial assets

The Group derecognises 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 recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is reclassified to retained earnings.

## 3.20. Financial liabilities and equity instruments

### 3.20.1. 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.

### 3.20.2. 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 unfavourable 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.

A contract that will be settled by the Group entity receiving or delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset is an equity instrument.

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

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

### 3.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

- It is expected to be settled in the entity's normal operating cycle
- It is held primarily for the purposes of trading;
- It is due to be settled within twelve months after the reporting period;
- The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other financial liabilities are classified as non-current.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

#### *Derecognition of financial liabilities*

The Group derecognises 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 derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## 3.21. Share-based payment arrangements

### 3.21.1. Share-based payment transactions of the Parent Company

Share-based payment transactions in which the terms of the arrangement provide the entity with the choice to settle the transaction in cash (or other assets) or in equity instruments issued by the entity, are accounted for as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

Share-based payment arrangements whose terms provide the Company with the choice to settle the transaction in cash or, at its discretion, in its own equity shares issued to employees are accounted for as equity-settled and measured at the fair value of the contingent consideration by reference to the market price of the Company's equity shares at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transaction are set out in note 34.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve in equity.

Upon settlement of a share-based payment transaction in which the terms of the arrangement provide the entity with a choice of settlement, then:

- if the entity elects to settle in cash, the cash payment is accounted for as the repurchase of an equity interest (i.e. as a deduction from equity, except as noted below).
- if the entity elects to settle by issuing equity instruments, no further accounting is made (other than a transfer from one component of equity to another, if necessary), except as noted below.
- if the entity elects the settlement alternative with the higher fair value, as at the date of settlement, an additional expense is recognized for the excess value given (i.e. the difference between the cash paid and the fair value of the equity instruments that would otherwise have been issued, or the difference between the fair value of the equity instruments issued and the amount of cash that would otherwise have been paid, whichever is applicable).

### 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 recognised 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 recognised in the consolidated financial statements.

##### 4.1.1. Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties management concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of investment properties.

## 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. Revenue recognition of agreement for construction of real estate

The Group uses the percentage-of-completion method to measure the progress towards satisfaction of the performance obligations. The assessment of the percentage of completion involves a significant degree of estimation uncertainty as it needs to be assessed based on future estimations of the outcome of the individual contracts as well as on contractors' progress reports. For further details on the accounting policy used refer to note 3.7.2.

### 4.2.2. Impairment of tangible assets and investments in associates

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and investments in associates 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 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.

Management reconsidered the recoverability of the Group's significant items of property, plant and equipment and its investments in associates, which are included in the consolidated statement of financial position at 31 December 2022 at CHF 742,495,934 and CHF 51,346,118 respectively (31 December 2021: CHF 797,829,382 and CHF 39,366,941).

In 2022, the impairment review did result in impairment of property, plant and equipment of CHF 9.8 million in relation to development projects and leasing assets. In 2021, the impairment review resulted in an impairment of property, plant and equipment of CHF 7.1 million in relation to property under construction in Oman.

### 4.2.3. Useful lives of property, plant and equipment

The carrying value of the Group's property, plant and equipment at the end of the current reporting period is CHF 742,495,934 (31 December 2021: CHF 797,829,382). 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.

### 4.2.4. Provisions

The carrying amount of provisions at the end of the current reporting period is CHF 65,273,479 (31 December 2021: CHF 63,654,491). This amount is based on estimates of future costs for infrastructure completion, legal cases, government fees, employee benefits and other charges including taxes (other than income tax) in relation to the Group's operations (see note 30). 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.

#### 4.2.5. Impairment of financial assets

The carrying amount of the allowance for trade and other receivables at the end of the current year is CHF 25,587,961 (31 December 2021: 27,678,168).

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"

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.

The assessment of the correlation between historical observed default rates and, forecast economic conditions is considered in ECLs estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The default rates based on Group's historical credit loss experience are calibrated with diverse forecasts of economic conditions to reach most accurate estimates for customer's default in the future.

For all other financial assets held at amortised cost, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data (e.g. magnitude of instances of counter party defaulting in recent past years for similar financial assets), factoring in external and internal credit-ratings, adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Refer to note 33.9 for further details on the impairment calculation of financial assets.

#### 4.2.6. Classification and valuation of investment property

Generally real estate units are constructed either for the Group's own use or for the sale to third parties and carried at cost. However, when a unit may not be sold, as soon as a long-term rent contract over more than 1 year is agreed with a third party at market conditions, the unit is classified as an investment property and measured at the fair value determined based on internal valuation models or obtained from independent, third party valuation experts. The fair value of investment properties at 31 December 2022 is CHF 36,895,453 (31 December 2021: CHF 37,319,156).

The fair values at 31 December 2022 were determined based on an internal valuation model. Note 15 provides detailed information about the valuation techniques applied and the key assumptions used in the determination of the fair value of each investment property.



#### 4.2.7. Net realisable value of inventory

Inventory mainly includes unsold real estate construction work under progress which is recognised at cost or net realisable value. Given that the majority of real estate under construction is already sold at market prices which are significantly higher than construction cost, 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 except for the following:

In 2022, impairment losses of CHF 2.3 million (2021: none) were recognised in relation to inventory of a development project.

#### 4.2.8. 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 labour 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.

#### 4.2.9. Liquidity shortages and related uncertainties

For further details on management's plans to manage liquidity shortages and related uncertainty please refer to note 24.1.

#### 4.2.10. Minimum building obligations

One part of the Group's business is to acquire land for the development of tourism projects. Out of these business opportunities often no legally binding commitments incur however the Group has unbinding business opportunity commitments in relation to their projects. These contingent liabilities are further explained in note 38.1. Due to the complexity of the projects and the ongoing negotiations, estimation of the contingent liability involves a high degree of uncertainty.

## 5. Revenue

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

CHF	2022	2021
Revenue from the rendering of services and rental income	226,244,287	157,586,291
Revenue from agreements for construction of real estate	463,472,041	380,915,117
<b>Total</b>	<b>689,716,328</b>	<b>538,501,408</b>

Of the total revenue from the rendering of services and rental income of CHF 226.2 million (2021: CHF 157.6 million), CHF 149.2 million (2021: 93.3 million) are recognised at point in time and CHF 77.0 million (2021: CHF 64.3 million) are recognised over time.

Of the total revenue from agreements for construction of Real Estate of CHF 463.5 million (2021: CHF 380.9 million), CHF 398.9 million (2021: CHF 319.6 million) is recognised over time and CHF 64.6 million (2021: CHF 61.3 million) are recognised at point in time.

The transaction price allocated to (partially) unsatisfied performance obligation in relation to construction of real estate is CHF 99.4 million (2021: CHF 113.1 million).

Construction projects of the Group in general take several years to be finalized. The following table shows a summary of all satisfied and unsatisfied contracts for the respective financial years:

in CHF mill.	Satisfied Contracts Revenue Recognition	Unsatisfied Contracts			
		Deferred Revenue at year end		No deferred revenue at year end	
		to be recognized within 12 months	to be recognized later	to be recognized within 12 months	to be recognized later
Financial year 2021	380.9	253.8	113.1	182.7	225.6
Financial year 2022	463.5	221.6	99.4	92.9	282.7

In the table above, unsatisfied contracts are split into "deferred revenue at year end" which are contracts for which construction has already started as well as "no deferred revenue at year end" which are contracts for which constructions has not yet been started. The amounts shown are the contractual amounts of the construction contracts.

Contract assets and liabilities in relation to revenue mentioned above are recognised in the following line items of the statement of financial position:

CHF	2022	2021
<b>Contract assets</b>		
Non-current receivables (note 19)	106,813,094	104,557,688
Trade and other receivables (note 22)	164,655,322	165,642,846
Current receivables due from related parties (note 35.1)	4,258,638	3,294,047
Other current assets (prepaid sales commissions) (note 23)	23,449,545	26,843,559
<b>Total contract assets</b>	<b>299,176,599</b>	<b>300,338,140</b>
<b>Contract liabilities</b>		
Contract liabilities (note 29)	60,099,754	93,658,401
Other current liabilities (advances from customers) (note 31)	122,030,613	150,301,695
<b>Total contract liabilities</b>	<b>182,130,367</b>	<b>243,960,096</b>

In 2022, CHF 54.7 million of the advances from customers as at 31 December 2021 have been recognised within revenue.

In 2021, CHF 56.9 million of the advances from customers as at 31 December 2020 have been recognised within revenue.

## 6. Segment information

### 6.1. Products and services from which reportable segments derive their revenues

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different skills or have different customers. For each of the strategic divisions, the Country CEOs and the Head of Segments review the internal management reports at least on a quarterly basis. The following summary describes the operation in each of the Group's reportable segments:

- Hotels – Include provision of hospitality services in two- to five-star hotels owned by the Group which are managed by international or local hotel chains or by the Group itself.
- Real estate and construction – 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 certain infrastructure facilities and where the Group does not have further development commitments.
- Destination management – Include provision of facility and infrastructure services at operational resorts and towns.
- The real estate and construction segment includes two lines of business each of which is considered as a separate operating segment. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:
  - These operating segments have similar long-term gross profit margins;
  - The nature of the products and production processes are similar.

Other operations include the provision of services from businesses not allocated to any of the segments listed above comprising rentals from investment properties, mortgages, sports, hospital services, educational services, marina, limousine rentals, laundry services and other services. None of these segments meets any of the quantitative thresholds for determining a reportable segment in 2022 or 2021.

The following is an analysis of the Group's revenue from continuing operations by its major products and services.

Segment	Product	Revenue from external customers	
		2022	2021
Hotels	Hotels managed by international chains	16,331,566	10,476,428
	Hotels managed by local chains	13,814,059	9,614,778
	Hotels managed by the Group	112,410,812	67,225,941
	<b>Segment total</b>	<b>142,556,437</b>	<b>87,317,147</b>
Real estate and construction	Tourism real estate	463,472,040	380,915,117
Land sales	Sales of land and land rights	-	-
Destination management	Utilities (e.g. water, electricity)	57,070,354	46,279,771
Other operations	Sport (Golf)	1,163,134	841,328
	Rentals (i)	8,242,762	5,921,287
	Hospital services	5,508,952	5,154,667
	Educational services	1,765,972	1,739,108
	Marina	7,859,758	6,445,567
	Limousine	12,314	9,532
	Others	2,064,605	3,877,884
	<b>Segment total</b>	<b>26,617,497</b>	<b>23,989,373</b>
<b>Total</b>		<b>689,716,328</b>	<b>538,501,408</b>

- (i) In 2022, rentals include income from investment property of CHF 8,242,762 (2021: CHF 5,594,767) and income from subleasing right-of-use assets of nil (2021: CHF 326,520).

## 6.2. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

CHF	Total segment revenue		Inter-segment revenue		Revenue external customers		Cost of revenue		Depreciation		Gross profit/(loss)		Segment result	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Hotels	143,614,754	87,942,514	(1,058,317)	(625,367)	142,556,437	87,317,147	(112,927,462)	(79,061,864)	(13,362,761)	(13,842,545)	16,266,214	(5,587,262)	7,886,590	(6,881,355)
Real estate and construction	479,898,142	399,664,770	(16,426,102)	(18,749,653)	463,472,040	380,915,117	(311,153,071)	(247,347,298)	(1,212,065)	(1,377,098)	151,106,904	132,190,721	183,735,578	137,073,938
Land sales	-	-	-	-	-	-	(491,115)	(692,099)	(564,919)	(598,253)	(1,056,034)	(1,290,352)	(376,456)	(684,300)
Destination management	82,722,977	76,342,930	(25,652,623)	(30,063,159)	57,070,354	46,279,771	(49,392,025)	(44,039,252)	(6,708,089)	(6,000,891)	970,240	(3,760,372)	4,680,899	(3,832,175)
Other operations	41,747,416	35,194,030	(15,129,919)	(11,204,657)	26,617,497	23,989,373	(99,904,144)	(33,815,868)	(3,564,249)	(2,843,932)	(16,850,896)	(12,670,427)	(14,485,732)	(19,369,638)
<b>Total</b>	<b>747,983,289</b>	<b>599,144,244</b>	<b>(58,266,961)</b>	<b>(60,642,836)</b>	<b>689,716,328</b>	<b>538,501,408</b>	<b>(513,867,817)</b>	<b>(404,956,381)</b>	<b>(25,412,083)</b>	<b>(24,662,719)</b>	<b>150,436,428</b>	<b>108,882,308</b>	<b>181,440,879</b>	<b>106,306,470</b>
<b>Unallocated items<sup>1</sup>:</b>														
Share of profit/(losses) of associates													23,719,614	(4,788,053)
Other gains													-	5,863,701
Other losses													(57,623,390)	(661,196)
Investment income													3,692,996	3,479,364
Central administration costs and directors' salaries													(44,778,566)	(42,803,842)
Finance costs													(21,816,408)	(24,456,416)
<b>Profit before tax</b>													<b>84,635,125</b>	<b>42,940,028</b>
Income tax expenses													(33,323,523)	(33,471,648)
<b>Profit for the year</b>													<b>51,311,602</b>	<b>9,468,380</b>

<sup>1</sup> For the purposes of segment reporting, part of the amounts reported for these items in the consolidated statement of comprehensive income have been allocated in the table above to their relevant segments.

In 2022, of the total impairment losses CHF 5.3 million were allocated to the hotel segment, CHF 3.0 million to the real estate and construction segment, 0.3 million to the development management segment and CHF 5.7 million to other operations.

In 2021, other losses include impairment losses on property, plant and equipment of CHF 7.1 million in relation to development projects. The impairment loss is allocated to the town management segment.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits (losses) of associates, investment income, other gains and losses, finance costs and income tax expense, as included in the internal management reports that are regularly reviewed by the Board of Directors. This measure is considered being most relevant for the purposes of resources allocation and assessment of segment performance.

### 6.3. Segment assets and liabilities

#### 6.3.1. Segment assets and liabilities

CHF	31 December 2022	31 December 2021
<b>Segment assets</b>		
Hotels	516,021,008	569,324,112
Real estate and construction	1,181,551,093	1,359,750,284
Land sales	100,941,369	170,605,330
Destination management	89,309,808	100,007,828
Other operations	70,976,514	107,962,117
<b>Segment assets before elimination</b>	<b>1,958,799,792</b>	<b>2,307,649,671</b>
Inter-segment elimination	(438,102,151)	(697,201,953)
<b>Segment assets after elimination</b>	<b>1,520,697,641</b>	<b>1,610,447,718</b>
Unallocated assets	303,351,239	454,760,516
<b>Consolidated total assets</b>	<b>1,824,048,880</b>	<b>2,065,208,234</b>

CHF	31 December 2022	31 December 2021
<b>SEGMENT LIABILITIES</b>		
Hotels	333,578,984	346,684,249
Real estate and construction	761,404,713	952,351,039
Land sales	14,762,215	28,481,538
Destination management	146,429,434	138,696,484
Other operations	58,425,909	84,428,797
<b>Segment liabilities before elimination</b>	<b>1,314,601,255</b>	<b>1,550,642,107</b>
Inter-segment elimination	(244,147,060)	(424,021,730)
<b>Segment liabilities after elimination</b>	<b>1,070,454,195</b>	<b>1,126,620,377</b>
Unallocated liabilities	310,836,045	419,799,568
<b>Consolidated total liabilities</b>	<b>1,381,290,240</b>	<b>1,546,419,945</b>

For the purposes of monitoring segment performance and allocation of resources between segments, all assets and liabilities are allocated to reportable segments except for the assets of holding companies or companies which are not yet operational. Goodwill is allocated to reportable segments as described in note 16.

It is the Group's policy to reassess the classification of certain assets and liabilities within the reporting segments once a certain development stage of the destination is achieved. In 2022 and 2021 no such transfers were made.

#### 6.3.2. Additions to non-current assets

CHF	2022	2021
Hotels	35,789,957	14,501,351
Real estate and construction	21,300,732	4,957,820
Destination management	24,413,155	20,327,261
Other operations	20,200,966	27,860,387
<b>Total</b>	<b>101,704,810</b>	<b>67,646,819</b>

#### 6.4. Geographical information

The Group currently operates in seven principal geographical areas – Egypt, Oman, United Arab Emirates, Switzerland, UK, Montenegro and Morocco. The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

CHF	Revenue		Non-current assets	
	2022	2021	2022	2021
Egypt	523,674,004	414,947,652	244,884,223	312,280,381
Oman	78,360,333	61,252,365	342,277,126	347,540,056
United Arab Emirates	23,236,193	19,635,712	51,258,232	50,749,580
UK	19,024,515	700,263	77,763	99,086
Montenegro	44,545,055	39,841,547	140,875,315	125,721,156
Others	876,228	2,123,869	1,927,182	1,732,380
<b>Total</b>	<b>689,716,328</b>	<b>538,501,408</b>	<b>781,299,841</b>	<b>838,122,639</b>

The revenue realized from a single client did not exceed the rate of 10% or more of the total Group's revenue during 2022 and 2021.

Non-current assets exclude investments in associates, financial instruments and deferred tax assets.

#### 6.5. Additional information on segment results

Total segment result of CHF 181.4 million (2021: CHF 106.3 million) mainly increased by 82.2% due to the following:

- Real estate revenues increased by 21.7% to CHF 463.5 million (2021: CHF 380.9 million) benefiting from the increase in the Group's construction pace across our projects. Despite various macroeconomic challenges in the Group's region, including the Egyptian currency devaluation, the Group's operations continued to progress. The Group had a robust year with strong demand, especially in O West in Egypt, Hawana Salalah in Oman, and Luštica Bay in Montenegro.
- Orascom Development's Hotels' proven business model once again delivered impressive results, despite a challenging regional economic environment and being affected by the Omicron variant during Q1 2022. Our hotels exhibited solid growth during 2022, primarily driven by strong average daily rates and enduring leisure demand. With further room for occupancy to increase, we look forward to it growing steadily in the future. Overall, the tourism recovery has been stronger and quicker, and the Group's hotels has seen significant improvement in performance. Both the summer and winter season ended on a strong base, as guests travelled further, stayed longer, and spent more at our hotels. Total revenues for the hotels during 2022 increased by 62.9% to CHF 142.5 million (2021: CHF 87.3 million). In Egypt, the Group's hotels in El Gouna and Taba Heights have benefited from the uptick in the Egyptian hospitality segment with occupancies for 2022 reaching 70% and 29% up from 45% and 11% respectively. The Group's hotels in Hawana Salalah, Oman experienced a positive change of events since the beginning of 2022. Total occupancy during 2022 reached 41% (2021: 13%). In UAE, The Cove continues to be one of the best performing hotels destinations for the Group with occupancy up to 65% in 2022 from 55% in 2021. In Luštica Bay, Montenegro, The Chedi Hotel continued to draw a considerable attention and interest from local and international markets, reporting 46% occupancy during 2022.
- The group destination management continued growth with scalability. The destination management segment continued to grow in a very healthy way, both from a margin perspective as well as from a revenue perspective reaping the benefits of the successful restructuring implementation. Revenues increased by 23.3% to CHF 57.1 million (2021: CHF 46.3 million). The notable increase in revenues came because of the implementation of a rich calendar of events in the different destinations and improving the quality and profitability of our amenities.

## 7. Employee benefits expense

CHF	2022	2021
Employee benefits expense	103,907,999	87,374,365
Thereof included in cost of sales	76,232,094	62,185,683
Thereof included in administration expenses	27,675,905	25,188,682

## 8. Investment income

CHF	2022	2021
<b>Interest income:</b>		
- Bank deposits and treasury bills	10,994,799	10,637,607
- Net interest income related to real estate sales <sup>(i)</sup>	7,837,863	5,391,931
<b>Total</b>	<b>18,832,662</b>	<b>16,029,538</b>

<sup>(i)</sup> Interest income on receivables due from real estate buyers of CHF 14.2 million (2021: CHF 12.4 million) are partly netted off by interest expenses on advances from real estate buyers of CHF 6.4 million (2021: CHF 7.0 million). Increased interest is due to increase in units that entered the phase of construction progress being higher than received instalments based on contractual payment terms.

Investment income earned on financial assets by category of assets is CHF 18,832,662 (2021: CHF 16,029,538) for financial assets at amortised cost including cash and bank balances.

## 9 Other gains

CHF	2022	2021
Gain in relation to settlement of borrowing with a third party <sup>(i)</sup>	5,041,607	-
Gain on disposal of investment in associates <sup>(ii)</sup>	-	2,665,681
Gain from change in fair value of investment properties (note 15)	3,534,120	1,891,515
Net foreign exchange gains	-	487,243
Other gains	2,436,390	963,083
<b>Total</b>	<b>11,012,117</b>	<b>6,007,522</b>

<sup>(i)</sup> In 2022, a loan agreement in Oman was rescheduled resulting in gains in relation to the amortized cost amount of the loan- (note 27.2.2).

<sup>(ii)</sup> In 2021, the investment in Ashgar City Developments was sold. As the investment was already fully impaired, the entire proceeds from disposal resulted in a gain of CHF 2.7 million (note 18).



## 10 Finance costs

CHF	2022	2021
Interest on loans	(37,112,524)	(32,309,328)
Interest on lease liabilities	(2,426,823)	(2,291,234)
Total interest expense for financial liabilities not classified as at fair value through profit or loss	(39,539,347)	(34,600,562)
Less: amounts included in the cost of qualifying assets	1,722,799	1,717,381
<b>Total</b>	<b>(37,816,548)</b>	<b>(32,883,181)</b>

Overall finance cost increased by CHF 4.9 million from CHF 32.9 million to CHF 37.8 million due to increase in interest rates in Egypt by 8% as well as in Oman, Montenegro, UAE and UK during 2022. Interest expense further increased due to new loans for O West.

The rate used by the Group to determine the amount of borrowing costs eligible for capitalization is 9% per annum (2021: 6% per annum).

## 11 Other losses

CHF	2022	2021
Net foreign exchange losses	(22,513,924)	-
Impairment losses on property, plant and equipment <sup>(i)</sup>	(9,780,475)	(7,140,352)
Impairment losses on inventory (note 21)	(2,342,412)	-
Impairment losses on related party receivables (note 35.1)	(2,133,771)	(154,515)
Impairment losses on other current assets	-	(209,397)
<b>Total</b>	<b>(36,770,582)</b>	<b>(7,504,264)</b>

<sup>(i)</sup>In 2022, impairment losses of CHF 9.8 million were recognised on buildings, property under construction as well as leasing assets in relation to development projects (note 14). In 2021, impairment losses of CHF 7.1 million were recognised in relation to development projects due to changes in the business plans of the project as well as in relation to right-of-use assets due to damages caused by a storm (note 14).

## 12. Income taxes

### 12.1. Income tax recognised in profit or loss

CHF	2022	2021
<b>Current tax</b>		
Current tax expense for the current year	45,573,250	30,950,813
	<b>45,573,250</b>	<b>30,950,813</b>
<b>Deferred tax</b>		
Deferred tax (income)/expense recognized in the current year	(12,249,727)	2,520,835
	<b>(12,249,727)</b>	<b>2,520,835</b>
<b>Total income tax expense recognized in the current year relating to continuing operations</b>	<b>33,323,523</b>	<b>33,471,648</b>

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

CHF	2022	2021
Profit before tax from continuing operations	84,635,125	42,940,028
Income tax expense calculated at 22.18% (2021: 22.01%)	18,771,684	9,450,644
Unrecognized deferred tax assets during the year	3,902,327	8,968,116
Effect of (income)/expenses that are not deductible in determining taxable profit	10,649,512	15,052,888
<b>Income tax expense recognized in profit or loss</b>	<b>33,323,523</b>	<b>33,471,648</b>

The average effective tax rate of 22.18% (2021: 22.01%) is the effective weighted average tax rate from countries in which the company generates taxable profit. The decrease is due to the deferred tax gain generated from the unrecognised foreign exchange losses during the year.

## 12.2. Income tax recognized in other comprehensive income

CHF	2022	2021
Share of other comprehensive income of associates	(167,663)	(141,817)
<b>Total income tax recognised in other comprehensive income</b>	<b>(167,663)</b>	<b>(141,817)</b>

## 12.3. Current tax liabilities

CHF	2022	2021
Current tax expense	45,573,250	30,950,813
Balance due in relation to current tax of prior years	4,659,508	12,656,325
Foreign currency difference	(9,928,531)	(5,178,641)
<b>Current tax liabilities</b>	<b>40,304,227</b>	<b>38,428,497</b>

Income tax liabilities include CHF 4.7 million (2021: CHF 12.7 million) relating to uncertain tax positions.

## 12.4. Deferred tax balances

Deferred tax assets and liabilities arise from the following:

2022					
CHF	Opening balance	Recognised in profit/(loss)	Recognised in OCI	Exchange difference	Closing balance
<b>Assets</b>					
Temporary differences					
Unrecognised foreign exchange losses <sup>(ii)</sup>	369,004	15,685,110	-	(4,230,610)	11,823,504
Property, plant & equipment	1,229,380	631,583	-	(158,207)	1,702,756
	<b>1,598,384</b>	<b>16,316,693</b>	-	<b>(4,388,817)</b>	<b>13,526,260</b>
<b>Liabilities</b>					
Temporary differences					
Property, plant & equipment	26,937,137	3,701,018	-	(8,132,699)	22,505,456
Investment property	1,827,641	365,948	-	(186,953)	2,006,636
	<b>28,764,778</b>	<b>4,066,966</b>	-	<b>(8,319,652)</b>	<b>24,512,092</b>
<b>Net deferred tax liability</b>	<b>27,166,394</b>	<b>(12,249,727)</b>	-	<b>(3,930,835)</b>	<b>10,985,832</b>

(ii) The increase in 2022 is mainly due to the devaluation of the EGP (for further details refer to notes 26.7 and 40)

2021					
CHF	Opening balance	Recognised in profit/(loss)	Recognised in OCI	Exchange difference	Closing balance
<b>ASSETS</b>					
Temporary differences					
Unrecognised foreign exchange losses	1,103,711	(778,541)	-	43,834	369,004
Property, plant & equipment	1,000,637	197,867	-	30,876	1,229,380
	<b>2,104,348</b>	<b>(580,674)</b>	-	<b>74,710</b>	<b>1,598,384</b>
<b>LIABILITIES</b>					
Temporary differences					
Property, plant & equipment	24,285,840	2,029,225	-	622,072	26,937,137
Investment property	1,747,212	(89,064)	-	169,493	1,827,641
	<b>26,033,052</b>	<b>1,940,161</b>	-	<b>791,565</b>	<b>28,764,778</b>
<b>Net deferred tax liability</b>	<b>23,928,704</b>	<b>2,520,835</b>	-	<b>716,855</b>	<b>27,166,394</b>

The Parent Company has not recognized deferred tax balances associated with investments in subsidiaries where ODH can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future.

## 12.5. Unrecognized deferred tax assets

Deferred tax assets related to the Parent Company not recognized at the reporting date:

CHF	2022	2021
Tax losses in Parent Company (expiry 2023) <sup>(i)</sup>	2,955,358	2,955,358
Tax losses in Parent Company (expiry 2025) <sup>(i)</sup>	50,020,753	50,020,753
Tax losses in Parent Company (expiry 2026) <sup>(i)</sup>	30,411,099	30,411,099
Tax losses in Parent Company (expiry 2027) <sup>(i)</sup>	24,213,916	24,213,916
Tax losses in Parent Company (expiry 2028) <sup>(i)</sup>	12,714,068	12,714,068
Tax losses in Parent Company (expiry 2029) <sup>(i)</sup>	9,768,060	-
Tax losses in subsidiaries <sup>(ii)</sup>	44,508,661	12,656,325

<sup>(i)</sup> At 31 December 2022, the Parent Company's tax losses amounted to CHF 130,083,254 which mainly related to tax losses caused by impairment charges recognized on investments as result of the original restructuring of the Group. The historical cost value of these investments was the fair value of the investments at the date of the stock market listing in Switzerland.

The Parent Company incorporated in Switzerland is a holding company and enjoys a privileged taxation for dividend income from subsidiaries, as such income is tax exempted if certain criteria are met.

The Parent Company does not expect to have any substantial income streams other than tax exempted dividend income in the foreseeable future and therefore it is not probable that the unused tax losses can be utilized. Therefore, and unchanged to prior year, all tax losses accumulated in the Parent Company which amounted to CHF 130,083,254 at 31 December 2022 were treated as unrecognized deferred tax assets.

<sup>(ii)</sup> The amount represents unrecognised tax losses at the subsidiaries level.

## 13. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the Company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

CHF	2022	2021
Earnings (for basic and diluted earnings per share)		
Profit/(loss) for the period attributable to owners of the parent	22,885,746	(5,684,075)
<b>Number of shares (for basic and diluted earnings per share)</b>		
Weighted average number of ordinary shares for the purposes of eps	40,281,639	40,246,434
<b>Earnings per share from continuing operations</b>	<b>0.57</b>	<b>(0.14)</b>

## 14 Property, plant and equipment

CHF	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Property under construction	Right-of-use assets <sup>(i)</sup>	Total
<b>Cost</b>							
<b>Balance at 1 January 2021</b>	<b>85,619,836</b>	<b>532,398,632</b>	<b>104,561,965</b>	<b>64,083,571</b>	<b>185,445,011</b>	<b>50,038,393</b>	<b>1,022,147,408</b>
Additions	-	7,707,663	6,748,743	3,051,685	46,554,419	3,184,030	67,246,540
Transfer from property under construction	1,832,822	35,118,080	1,973,625	283,213	(39,207,740)	-	-
Disposals	-	-	-	-	-	(35,248)	(35,248)
Transfer within property, plant and equipment	-	-	-	763,821	-	(763,821)	-
Transfer to inventory	-	(768,278)	-	-	(102,988)	-	(871,266)
Transfer from investment property (note 15)	-	1,637,383	-	-	-	-	1,637,383
Transfer to investment property (note 15)	-	(103,642)	-	-	(50,227)	-	(153,869)
Foreign currency exchange differences	3,319,154	17,940,137	3,727,674	2,062,104	1,302,819	(912,486)	27,439,402
<b>Balance at 31 December 2021</b>	<b>90,771,812</b>	<b>593,929,975</b>	<b>117,012,007</b>	<b>70,244,394</b>	<b>193,941,294</b>	<b>51,510,868</b>	<b>1,117,410,350</b>
Additions	-	18,838,669	5,386,480	8,321,880	64,734,600	1,898,309	99,179,938
Transfer from property under construction	-	38,856,562	3,409,131	3,226,526	(45,492,219)	-	-
Foreign currency exchange differences	(9,918,191)	(94,271,546)	(22,843,518)	(11,371,442)	(20,906,723)	(3,795,603)	(163,107,023)
<b>Balance at 31 December 2022</b>	<b>80,853,621</b>	<b>557,353,660</b>	<b>102,964,100</b>	<b>70,421,358</b>	<b>192,276,952</b>	<b>49,613,574</b>	<b>1,053,483,265</b>
<b>CHF</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Furniture and fixtures</b>	<b>Property under construction</b>	<b>Right-of-use assets<sup>(i)</sup></b>	<b>Total</b>
<b>Accumulated depreciation and impairment</b>							
<b>Balance at 1 January 2021</b>	-	<b>107,057,359</b>	<b>76,280,954</b>	<b>50,150,082</b>	<b>37,707,108</b>	<b>7,286,746</b>	<b>278,482,249</b>
Depreciation expense	-	12,660,329	5,585,760	3,762,176	-	2,654,455	24,662,720
Impairment expense (note 11)	-	-	-	-	5,150,478	1,989,874	7,140,352
Disposal	-	-	-	-	-	(35,248)	(35,248)
Transfer within property, plant and equipment	-	-	-	59,408	-	(59,408)	-
Transfer to inventory	-	(194,033)	-	-	-	-	(194,033)
Transfer to investment property	-	(17,705)	-	-	-	-	(17,705)
Foreign currency exchange differences	-	4,579,872	2,661,822	1,600,708	666,305	33,926	9,542,633
<b>Balance at 31 December 2021</b>	-	<b>124,085,822</b>	<b>84,528,536</b>	<b>55,572,374</b>	<b>43,523,891</b>	<b>11,870,345</b>	<b>319,580,968</b>
Depreciation expense	-	13,355,669	6,101,477	4,318,414	-	1,636,523	25,412,083
Impairment expense (note 11)	-	5,296,672	-	-	4,248,959	234,844	9,780,475
Foreign currency exchange differences	-	(19,870,552)	(14,376,051)	(7,087,182)	(840,978)	(1,611,432)	(43,786,195)
<b>Balance at 31 December 2022</b>	-	<b>122,867,611</b>	<b>76,253,962</b>	<b>52,803,606</b>	<b>46,931,872</b>	<b>12,130,280</b>	<b>310,987,331</b>
<b>Carrying amount</b>							
At 31 December 2021	90,771,812	469,844,153	32,483,471	14,672,020	150,417,403	39,640,523	797,829,382
<b>At 31 December 2022</b>	<b>80,853,621</b>	<b>434,486,049</b>	<b>26,710,138</b>	<b>17,617,752</b>	<b>145,345,080</b>	<b>37,483,294</b>	<b>742,495,934</b>

<sup>(i)</sup> For further details refer to note 37.

At 31 December 2022, property, plant and equipment (PPE) of the Group with a carrying amount of CHF 205.8 million (31 December 2021: CHF 221.8 million) were pledged to secure borrowings of the Group as described in note 27. See note 10 for the capitalized finance cost during the year.

During 2022, buildings, property under construction as well as leasing assets in relation to development projects in the total amount of CHF 9.8 million were impaired after management reassessed that the projects will not lead to inflow of economic benefits in future years. For 2022, increasing the discount rate by 0.5%, would have led to an additional impairment of CHF 11.0 million.

During 2021, transfers to inventory relate to apartments used for business purposes which were transferred to inventory and later sold.

During 2021, finished property under construction was reclassified to investment property.

Further, during 2021, investment property in Montenegro of CHF 1,637,383, which was transferred from property, plant and equipment to investment property in past financial periods, was transferred back to property, plant and equipment due to change in use (note 15). The revaluation gain of CHF 1,223,617 which was recognised in revaluation reserve upon the initial transfer, is recycled to accumulated losses (note 26.4).

## 15 Investment property

The following table summarizes movements, which have occurred, during the current reporting period, on the carrying amount of investment property.

CHF	2022	2021
<b>Fair value of completed investment property</b>		
<b>Balance at the beginning of the year</b>	<b>37,319,156</b>	<b>35,086,148</b>
<b>Addition</b>	2,524,872	400,279
Transfer from property, plant and equipment (note 14)	-	153,869
Transfer to property, plant and equipment (note 14)	-	(1,637,383)
Revaluation gain/(loss) (through P&L) (notes 9)	3,534,120	1,891,515
Revaluation gain (through OCI)	-	729,036
Foreign currency translation adjustment	(6,482,695)	695,692
<b>Balance at the end of the year</b>	<b>36,895,453</b>	<b>37,319,156</b>

The fair values at 31 December 2022 were determined based on an internal valuation model performed by Group management. In estimating the fair value of the investment properties, management considers the current use of the properties as their highest and best use.

The internal valuation model relies on the Discounted Cash Flow (DCF) method to determine the fair value of the investment property. The Discounted Cash Flow (DCF) approach describes a method to value the investment property using the concepts of the time value of money. All future cash flows are estimated and discounted to give them a present value. This valuation method is in conformity with the International Valuation Standards. The same method was used for any previous external valuations. As investment property only consists of a few properties in Egypt, Oman and Montenegro, management has decided to use an internal valuation model due to efficiency and cost saving reasons.

For the valuation of the investment property which is situated in Egypt the model used cash flow projections based on financial budgets for the next five years and an average discount rate of 30.7% (cost of equity) (2021: 21.5%). For the terminal value a perpetual growth rate of 3% (2021: 3%) was used. For 2022, using a discount rate of 32.7%, would have led to a lower value of CHF 0.6 million.

For the valuation of the investment property which is situated in Oman an average discount rate of 12% (cost of equity) (2021: 10.0%) was used. Cash flow projections based on financial budgets for the next five years were used and for the terminal value a perpetual growth rate of 3% (2021: 3%) was applied. For 2022, using a discount rate of 14%, would have led to a lower value of CHF 1.0 million.

For the valuation of the investment property in Montenegro an average discount rate of 12% (2021: 10.0%) was used. The beta used was 1 (2021: 1). Cash flow projections based on financial budgets for the next five years were used and for the terminal value a perpetual growth rate of 1% (2021: 5%) was applied. For 2022, using a discount rate of 14%, would have led to a lower value of CHF 1.9 million.

At 31 December 2022, investment property of the Group with a carrying amount of CHF 3.4 million (31 December 2021: CHF 3.8 million) were pledged to secure borrowings of the Group.

All of the Group's investment property is held under freehold interests. The following table summarizes income and direct operating expenses from investment properties rented out to third parties.

CHF	2022	2021
Rental income from investment properties <sup>(i)</sup>	8,242,762	5,594,767
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period	445,139	266,234

<sup>(i)</sup> See note 6.1 for further information on the Group's rental income.

## 16. Goodwill

CHF	2022	2021
Cost	1,908,454	2,974,101
Accumulated impairment losses	-	-
<b>Carrying amount at end of year</b>	<b>1,908,454</b>	<b>2,974,101</b>

CHF	2022	2021
<b>Cost</b>		
Balance at beginning of year	2,974,101	2,862,681
Effect of foreign currency exchange differences	(1,065,647)	111,420
<b>Balance at end of year</b>	<b>1,908,454</b>	<b>2,974,101</b>

## 16.1. Allocation of goodwill to cash-generating units

### Annual test for impairment

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

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 five-year projection period. A further description of the assumptions used in the model is given in the following paragraphs.

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

CHF	Segment	2022	2021
Hotel companies *	Hotels		
		1,908,474	2,974,101
		<b>1,908,474</b>	<b>2,974,101</b>

\*Each subsidiary considered separately

### Hotels

The recoverable amount of each cash-generating unit has been determined based on a value in use calculation which uses cash flow projections based on the financial budgets approved by management covering a five-year period with an average discount rate of 30.67% per annum (2021: 21.46% per annum). The discount rate is based on a risk free post-tax interest rate of 15.24% (the pre-tax risk free rate used is 19.05%; applying the 20% Egyptian tax rate for sovereign bonds, the post-tax risk free rate of 15.24% resulted) as well as a equity risk premium of 15.43% (2021: 9.68%). For the terminal value calculation, a terminal growth rate of 3% (2021: 3%) was used.

Sensitivity analysis, where the average discount rate was increased by 4.5% and the growth rate reduced by 0.5%, which according to management is a reasonably possible change in key assumptions based on their business forecasts, did not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Furthermore, management believes that any reasonably possible change in the key assumptions (sensitivity analysis) on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.



## 17. Subsidiaries

The Group has control over all the subsidiaries below either directly or indirectly through subsidiaries controlled by the Parent Company. There were no major changes in ownership compared to prior year. Details of the Group's significant subsidiaries at the end of the reporting period are as follows:

Country – Company name	Domicile	FC	Share/paid in capital	Proportion of ownership interest and voting power held by the Group	Segment					
					HO*	R&C	LS	DM	Other	HQ
<b>Egypt</b>										
Abu Tig for Hotels Company	Red Sea	EGP	6,000,000	73.93%					4	
Accasia for Hotels Company	Cairo	EGP	25,000,000	74.03%					5	
Arena for Hotels Company S.A.E	Cairo	EGP	20,000,000	99.92%					4	
Captain for Hotels Company	Red Sea	EGP	768,750	73.76%					3	
El Dawar for Hotels Company	Cairo	EGP	9,560,000	74.03%					4	
El Khamisa for Hotels & Touristic Establishments	Red Sea	EGP	48,000,000	74.09%					5	
El Golf for Hotels Company & Touristic Establishments	Cairo	EGP	26,800,000	74.07%					5	
El Gouna for Hotels Company S.A.E	Cairo	EGP	79,560,000	52.41%					5	
El Gouna Hospital Company	Red Sea	EGP	19,000,000	56.13%						
El Gouna Services Company	Red Sea	EGP	1,000,000	74.35%						
El Mounira for Hotels Company S.A.E	Red Sea	EGP	14,000,000	55.42%					4	
El Tebah for Hotels & Touristic Establishments Company	Cairo	EGP	52,000,000	52.40%					4	
El Wekala for Hotels Company	Cairo	EGP	39,000,000	55.73%					4	
International Hotel Holding	Cairo	EGP	452,367,300	74.11%						
Marina 3 for Hotels & Touristic Establishments Company	Cairo	EGP	26,000,000	74.07%						
Misr El Fayoum for Touristic Development Company S.A.E	Cairo	EGP	28,000,000	75.07%						
Mokbela for Hotels Company S.A.E	Cairo	EGP	85,000,000	61.02%					5	
Mowassem for Touristic Hotels S.A.E	Cairo	EGP	7,500,000	73.37%					5	
Orascom Development Egypt S.A.E	Cairo	EGP	1,130,473,523	75.10%						
Orascom Housing Company	Red Sea	EGP	22,000,000	73.86%						
Orascom Real Estate	Cairo	EGP	62,687,500	52.57%						
Paradisio for Hotels & Touristic Establishments Company S.A.E	Red Sea	EGP	18,500,000	74.09%					4	
Makadi Heights for Tourism Development Company	Red Sea	EGP	50,000,000	55.59%						
Taba Heights Company S.A.E	South Sinai	EGP	157,510,000	73.60%						
Tawila for Hotel Company S.A.E	Cairo	EGP	68,000,000	74.04%					5	
Business Park one for Office Management	Red Sea	EGP	812,500	100.00%						

Country – Company name	Domicile	FC	Share/paid in capital	Proportion of ownership interest and voting power held by the Group	Segment					
					HO*	R&C	LS	DM	Other	HQ
<b>Montenegro</b>										
Lustica Development Ad Podgorica	Podgo-rica	EUR	69,559,781	92.76%						
LB Development & Partners AD Tivat company	Podgo-rica	EUR	25,000	92.76%						
Morocco										
Oued Chibika Development (SA)	Casa-blanca	MAD	412,291,560	55.00%						
Chbika Rive Hotel	Casa-blanca	MAD	16,500,000	65.00%	UC					
<b>Oman</b>										
Madrakah Hotels Management Company LLC	Muscat	OMR	4,350,000	70.00%						
Muriya Tourism Development Company (S.A.O.C)	Muscat	OMR	28,505,800	81.00%						
Salalah Beach Contracting LLC	Muscat	OMR	250,000	70.00%						
Salalah Beach Tourism Development Company (S.A.O.C)	Muscat	OMR	73,633,542	70.00%						
Salalah Investment and Development LLC	Muscat	OMR	150,000	70.00%						
Sifah Tourism Development Company (S.A.O.C)	Muscat	OMR	49,605,530	70.00%						
Wateera Property Management Company LLC	Muscat	OMR	270,000	70.00%						
<b>United Arab Emirates</b>										
RAK Tourism Investment FZC	Ras al Khaimah	AED	7,300,000	73.00%					5	
United Kingdom										
Eco-Bos Development Limited	Cornwall	GBP	10,000,000	75.00%						

**Abbreviations:**

- HO Hotels
- R&C Real estate and construction
- LS Land sales
- DM Destination management
- HQ Headquarter or not yet operational
- Other Other operations
- \* Number of stars the hotel holds
- UC Hotel under construction

### 17.1. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests. The assessment whether a non-controlling interest is material is based on the carrying amounts of such non-controlling interests.

Name of subsidiary	Proportion of ownership interest and voting power held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Orascom Development Egypt S.A.E.	24.90%	24.90%	24,322,814	19,367,856	39,690,911	48,370,170
Salalah Beach Tourism Development Co. & Sifah Tourism Development Co.	30.00%	30.00%	(3,474,144)	(2,304,392)	47,062,772	47,460,690
RAK Tourism Investment FZC	27.00%	27.00%	(70,522)	(469,404)	7,176,052	7,486,437
Individually immaterial subsidiaries with non-controlling interests					64,019,825	67,879,743
<b>Total</b>					<b>157,949,560</b>	<b>171,197,040</b>

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	ODE		Salalah & Sifah		RAK	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Current assets	691,748,303	888,936,929	139,328,768	138,370,674	6,764,733	7,843,649
Non-current assets	358,716,602	418,870,878	183,895,716	173,783,579	55,266,768	55,914,090
Current liabilities	(328,512,037)	(381,627,156)	(158,040,038)	(145,697,727)	(18,702,217)	(20,478,402)
Non-current liabilities	(468,423,547)	(642,308,318)	(8,308,539)	(8,254,226)	(16,751,318)	(15,551,795)
Equity attributable to owners	(213,838,410)	(235,502,163)	(109,813,135)	(110,741,610)	(19,401,914)	(20,241,105)
Non-controlling interests	(39,690,911)	(48,370,170)	(47,062,772)	(47,460,690)	(7,176,052)	(7,486,437)
Revenue	519,092,384	410,907,945	43,896,981	43,781,735	23,236,193	19,635,712
<b>Profit/(loss) for the year</b>	<b>97,681,983</b>	<b>77,782,553</b>	<b>(11,580,480)</b>	<b>(7,681,308)</b>	<b>(261,191)</b>	<b>(1,738,534)</b>
attributable to owners	73,359,169	58,414,697	(8,106,336)	(5,376,916)	(190,669)	(1,269,130)
attributable to non-controlling interests	24,322,814	19,367,856	(3,474,144)	(2,304,392)	(70,522)	(469,404)
<b>Other comprehensive income for the year</b>	<b>86,940,607</b>	<b>7,272,767</b>	-	-	-	-
attributable to owners	65,292,396	5,461,848	-	-	-	-
attributable to non-controlling interests	21,648,211	1,810,919	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>184,622,590</b>	<b>85,055,320</b>	<b>(11,580,480)</b>	<b>(7,681,308)</b>	<b>(261,191)</b>	<b>(1,738,534)</b>
attributable to owners	138,651,565	63,876,545	(8,106,336)	(5,376,916)	(190,669)	(1,269,130)
attributable to non-controlling interests	45,971,025	21,178,775	(3,474,144)	(2,304,392)	(70,522)	(469,404)
<b>Net cash inflow/(out-flow)</b>	<b>45,889,681</b>	<b>49,424,859</b>	<b>4,913,104</b>	<b>(6,712,097)</b>	<b>(1,096,780)</b>	<b>1,167,107</b>
from operating activities	52,850,351	73,572,222	5,842,514	(3,850,718)	1,874,584	1,953,149
from investing activities	(44,457,471)	(21,654,103)	(184,063)	(991,971)	(2,154,890)	(201,774)
from financing activities	37,496,801	(2,493,260)	(745,347)	(1,869,408)	(816,474)	(584,268)

Except for exchange differences arising on translating the foreign operations there are no other items of other comprehensive income.

The presentation of the comparative period was revised as Salalah Beach Tourism Development Co. is considered to have material non-controlling interests and is therefore included in the detailed presentation of the non-controlling interests for 2022 and 2021.

## 17.2. Changes in the Group's ownership interests which have occurred during the year

In 2022, there have been no major changes in the group structure (2021: none).

## 18. Investments in associates

Details of the Group's associates at the end of the reporting period are as follows:

Name of associate	Place of incorporation/business	Proportion of ownership interest and voting power held by the Group		Carrying value (CHF)	
		2022	2021	2022	2021
Andermatt Swiss Alps AG (i)	Switzerland	49.00%	49.00%	36,078,096	18,796,751
Jordan Company for Projects and Touristic Development (ii)	Jordan	18.33%	18.33%	-	-
Red Sea for Construction & Development (iii)	Egypt	40.20%	40.20%	15,268,022	20,570,190
Ashgar City Developments (iv)	Egypt	-	-	-	-
<b>Total</b>				<b>51,346,118</b>	<b>39,366,941</b>

The Group measures all its associates using the equity method of accounting as described in policy 3.5 of the notes to the consolidated financial statements. Management considers ASA, JPTD and RSCD as the only associate that are material to the Group. In 2022, the Group received dividends from investments in associates of CHF 4.6 million (2021: CHF 3.5 million).

### (i) Andermatt Swiss Alps AG

On 25 June 2013, the Group lost control over Andermatt Swiss Alps AG ("ASA") due to various capital increases in ASA in which the Group did not fully participate. With a remaining share of interest of 49% in ASA, the investment is classified as investment in associates.

The fair value of ASA on initial recognition as investment in associates is based on a third-party valuation which supported the transaction price paid by Mr. Samih Sawiris.

On 23 June 2020, the share capital of ASA was increased by CHF 70 million. The Group participated in this capital increase according to its interest of 49% by contributing CHF 34.3 million.

ASA is not subject to any restrictions on transferring funds to ODH whether resulting from regulatory requirements, borrowing arrangements or contractual arrangements between ASA and ODH.

Summarised financial information in respect of ASA is set out below:

CHF	2022	2021
Current assets	268,358,842	208,280,879
Non-current assets	290,959,423	370,027,753
Current liabilities	(215,998,367)	(127,534,380)
Non-current liabilities	(297,370,202)	(432,348,983)
Net assets	45,949,696	18,425,269
thereof equity attributable to the owners of the company	53,693,320	15,931,551
thereof non-controlling interests	(7,743,624)	2,493,718
Revenue for the year	180,880,856	201,097,162
Profit/(loss) for the year attributable to the owners of the company	34,482,269	(10,474,235)
Other comprehensive income for the year attributable to the owners of the company	3,279,500	1,787,791
Total comprehensive income for the year attributable to the owners of the company	37,761,769	(8,686,444)
Group's share of comprehensive income for the year	18,503,267	(4,256,358)
thereof from (loss) for the year	16,896,312	(5,132,375)
thereof from other comprehensive income for the year	1,606,955	876,017

Reconciliation of the above summarised financial information to the carrying amount of the interest in ASA recognised in the consolidated financial statements:

CHF	2022	2021
Net assets of the associate attributable to the owners of the company	53,693,320	18,425,269
Proportion of the Group's ownership interest in ASA	49%	49%
The Group's share of ASA's net assets	26,309,727	9,028,382
Goodwill included in the carrying amount of the investment in ASA	9,768,369	9,768,369
Carrying amount of the Group's interest in ASA	36,078,096	18,796,751

The "goodwill" which was included in net assets upon deemed loss of control.

## (ii) Jordan Company for Projects and Touristic Development (JPTD)

JPTD is investing in property, destination management and development in Aqaba in Jordan. Since 2008 the Group exercised significant influence with their two active board members out of eleven leading to changes in the JPTD's Executive Management and provision of essential technical information.

JPTD is not subject to any restrictions on transferring funds to ODH whether resulting from regulatory requirements, borrowing arrangements or contractual arrangements between JPTD and ODH.

Summarised financial information in respect of JPTD is set out below:

CHF	2022	2021
Current assets	30,988,353	32,507,325
Non-current assets	111,387,055	105,968,400
Current liabilities	(70,357,742)	(65,086,622)
Non-current liabilities	(46,767,572)	(44,709,197)
Net assets	25,250,094	28,679,906
Revenue for the year	17,827,204	11,931,288
Loss for the year	(3,429,812)	(10,795,962)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(3,429,812)	(10,795,962)
Group's share of comprehensive income for the year	-	(1,978,900)
Impairment loss recognised on investment in associate	-	(5,257,027)
Total share of losses in associate	-	(7,235,927)

Reconciliation of the above summarised financial information to the carrying amount of the interest in JPTD recognised in the consolidated financial statements:

CHF	2022	2021
Net assets of the associate over Group level	25,250,094	28,679,906
Proportion of the Group's ownership interest in JPTD	18.33%	18.33%
Proportional amount of the Group's interest in JPTD	4,628,342	5,257,027
Impairment loss recognised on investment in associate	-	(5,257,027)
Carrying amount of the Group's interest in JPTD	-	-

As at 31 December 2021, the carrying amount of the Group's interest was fully impaired due to going concern and liquidity issues of the investment in associates.

### (iii) Red Sea for Construction & Development ("RSCD")

During 2016, Red Sea for Construction & Development, of which the Group held a direct interest of 0.4% as well as an indirect interest of 14% through Orascom Housing Company, increased its share capital from EGP 25 million to EGP 50 million. Of these EGP 25 million, the Group invested EGP 20 million (CHF 2.2 million), resulting in a total interest of 40.20%. Hence, the investment is now classified as an associate. The investment in associates is initially recognised at the consideration paid for the capital increase with any previously acquired interests recognised at fair value.

RSCD is not subject to any restrictions on transferring funds to ODH whether resulting from regulatory requirements, borrowing arrangements or contractual arrangements between RSCD and ODH.

Summarised financial information in respect of RSCD is set out below:

CHF	2022	2021
Current assets	150,111,341	152,494,088
Non-current assets	16,067,461	22,469,990
Current liabilities	(128,198,648)	(123,794,451)
Non-current liabilities	-	-
Net assets	37,980,154	51,169,627
Revenue for the year	262,176,319	240,477,631
Profit/(loss) for the year	16,973,388	18,856,340
Other comprehensive income for the year	-	-
Total comprehensive income for the year	16,973,388	18,856,340
Group's share of comprehensive income for the year	6,823,302	7,580,249

Foreign currency exchange losses of CHF 12.1 million (2021: CHF 3.0 million) from translating the investment in associates from its functional currency into the presentation currency were recognised in other comprehensive income.

Reconciliation of the above summarised financial information to the carrying amount of the interest in RSCD recognised in the consolidated financial statements:

CHF	2022	2021
Net assets of the associate over Group level	37,980,154	51,169,627
Proportion of the Group's ownership interest in RSCD	40.20%	40.20%
Carrying amount of the Group's interest in RSCD	15,268,021	20,570,190

#### (iv) Ashgar City Developments (previously: Orascom for Housing and Establishment)

In 2021, as part of the Group's strategy to monetize its non-core assets, management of ODH sold its 39.90% equity stake in Ashgar City Developments for an amount of CHF 2.9 million to a third party. As the investment was fully impaired, CHF 2.7 million are recognised within other gains (note 9) with the difference being recycling of foreign exchange differences of CHF 0.2 million.

## 19 Non-current receivables

CHF	2022	2021
Trade receivables	32,245,628	23,686,568
Notes receivable	74,951,965	80,871,120
Allowance for doubtful debts non-current	(384,499)	-
<b>Total</b>	<b>106,813,094</b>	<b>104,557,688</b>

Non-current receivables include long term receivables for land and real estate contracts, which will be collected over an average collecting period of 6.5 years (2021: 6.5 years). Receivables are split into trade receivables, which are not covered by cheques, and notes receivable, which are covered by cheque. The purpose of the cheques is to facilitate the collection process.

For details on the calculation of the loss allowance, refer to note 33.9.

The increase in non-current receivables is mainly due to revenue recognition of real estate in Egypt.

As at 31 December 2022, no receivables (2021: 3.4 million) have been pledged to secure borrowings.

## 20. Other financial assets

Details of the Group's other financial assets are as follows:

CHF	2022	2021
Financial assets carried at fair value through other comprehensive income (FVTOCI)		
Nasr City company for Housing & Development (N.C.H.R.)	897	1,112
Egyptian Resort Company	1,138	348
Reclaim Limited	-	-
Desert Cruise LLC	-	-
Camps and Lodges Company	-	-
Palestine for Tourism Investment Company	-	-
El Koseir Company	-	-
<b>Total</b>	<b>2,035</b>	<b>1,460</b>

At 31 December 2022, management assessed that the fair value of the non-listed other financial assets is nil (31 December 2021: nil).

## 21. Inventories

CHF	2022	2021
Construction work in progress <sup>(i)</sup>	82,279,579	96,745,000
Land held for development under purchase agreements <sup>(ii)</sup>	315,057,963	459,117,672
Right of use inventory (note 37)	15,604,414	16,221,424
Other inventories <sup>(iii)</sup>	24,083,614	23,206,930
<b>Total</b>	<b>437,025,570</b>	<b>595,291,026</b>

<sup>(i)</sup> This amount includes unsold real estate construction work under progress. For further details on the net realisable value of construction work in progress refer to note 4.2.7.

<sup>(ii)</sup> This amount mainly includes land held for development which was received from the Egyptian New Urban Communities Authority ("NUCA") in 2019 to co-develop an integrated community project in 6th of October City in West Cairo ("O West project"). The project is expected to compile residential & commercial units over total land area of 1,007 feddan (4.2 million sqm). One part of the land purchase price is paid through deferred cash payment, which is based on cash inflows from the sale of units within the next 7 years. The other part of the land price is settled in-kind by providing NUCA with semi-finished units in the defined built-up area in year 7 to year 9. The cash-part is recognised as current and non-current trade payables (note 28) whereas as the in-kind part is classified as non-current contract liabilities (note 29). As at 31 December 2022, the carrying amount of inventory related to O West project is CHF 307.1 million (31 December 2021: CHF 446.7 million). The decrease is mainly due to foreign exchange losses.

<sup>(iii)</sup> This amount includes hotels inventory of CHF 18.8 million (2021: CHF 16.6 million) as well as completed but unsold units of CHF 5.3 million (2021: CHF 6.6 million)

In 2022, inventory in relation to development projects of CHF 2.3 million (2021: none) were written off.



## 22. Trade and other receivables

CHF	2022	2021
Trade receivables <sup>(i)</sup>	90,194,356	93,326,381
Notes receivable	99,664,428	99,994,633
Credit loss allowance (note 33.9)	(25,203,462)	(27,678,168)
<b>Total</b>	<b>164,655,322</b>	<b>165,642,846</b>

<sup>(i)</sup> The average credit period on sales of real-estate is 6.5 years.

## 23 Other current assets

CHF	2022	2021
Prepaid sales commissions related to uncompleted units <sup>(i)</sup>	23,449,545	26,843,559
Advance to suppliers	19,186,803	31,927,022
Other debit balances <sup>(iii)</sup>	6,435,666	2,605,723
Withholding tax <sup>(iii)</sup>	5,230,606	8,593,089
Accrued revenue <sup>(iii)</sup>	4,740,524	601,840
Prepaid expenses	4,529,951	6,073,862
Deposit with others <sup>(iii)</sup>	2,210,068	2,748,790
Treasury bills <sup>(ii) (iii)</sup>	860,014	11,736,532
Letters of guarantee – cash margin <sup>(iii)</sup>	333,556	346,845
Cash imprest <sup>(iii)</sup>	272,484	254,279
<b>Total</b>	<b>67,249,217</b>	<b>91,731,541</b>

<sup>(i)</sup> Prepaid sales commissions mainly decreased due to foreign exchange losses. The decrease was partly netted off by sales in relation to O-West project in Egypt.

<sup>(ii)</sup> Treasury bills with a residual term of more than 3 months are shown within other assets whereas such with a residual term of less than 3 months are shown within cash and bank balances (note 24).

<sup>(iii)</sup> These other current assets in the total amount of CHF 20.1 million (2021: CHF 26.9 million) are considered financial assets in accordance with IFRS 9 (note 33.3). None of these financial assets are overdue or impaired.

## 24. Cash and bank balances

CHF	2022	2021
Cash on hand	402,559	74,967
Cash at banks	75,010,109	96,018,005
Treasury bills and bank deposits	104,885,361	110,906,567
<b>Total</b>	<b>180,298,029</b>	<b>206,999,539</b>

For the purposes of the consolidated cash flow statement, cash and bank balances include cash on hand, demand deposits and balances at banks. bank balances are short-term, highly liquid investments of maturities of three months or less from the acquisition date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group performed an ECL test for the cash and bank balances which resulted in immaterial losses (note 33.9)

## 24.1. Management's plans to manage liquidity shortages and related uncertainty

Throughout a period of political and economic changes around the world, ODH has been growing its revenue stream from its different destinations and increasing its profitability year over year. This progress is a function of constantly making important investments tailored to each country where we are present, in good times and not so good times. In parallel, we are continuing to build our capabilities; people, systems, and products to match the growth mode of the Group. These investments drive the prospects of our company and position it to grow and prosper for years to come.

While the current state of the global business environment is uncertain and poses some operational challenges, management is confident that the strategies and business fundamentals will carry the Group forward through the challenging times. Financial results of 2022 presented record high figures across many key metrics despite various economic market conditions. The company's top line, bottom line and real estate sales figures profit has been the highest in more than ten years. In 2022, the Group's figures demonstrate the Group's continued commitment to delivering high revenue growth with substantial margin improvements. The strength in margins, which are in line with our medium-term trajectory, demonstrates the quality of our underlying portfolio, and improving revenue mix across our business segments.

Total revenues reached CHF 689.7 million, up by a solid 28.1% compared to 2021. The Group is looking to continue and build upon the significant progress made during 2022 as they move on from the uncertainties of the COVID-19 pandemic and the global economic uncertainty. Overall, the Group will continue to work hard to execute upon their plans and look forward to further accelerating progress during 2023 to build on the significant advances made during 2022. As always, management will continue monitoring macroeconomic and global inflationary pressure's effects on consumer purchasing power and our business closely. Management will also continue to keep a close eye on the Group's cash balance and monitoring costs. Additionally, the Group will remain focused on expanding its operations, protecting its profitability, and unlocking new value for its shareholders.

Management has undertaken several precautionary measures considering the current global circumstances and economic downturn. Management believes that these plans are enough to substantially mitigate the liquidity risk and confirms on the strength of ODH business model and financial position.

## 25. Capital

### 25.1. Issued capital

CHF	2022	2021
Par value per share	5.00	5.00
Number of ordinary shares issued and fully paid	40,593,749	40,593,749
<b>Issued capital</b>	<b>202,968,745</b>	<b>202,968,745</b>

### 25.2. Fully paid ordinary shares

In 2021 and 2022, there were no changes to the issued capital.

During 2021 and 2022, no dividends had been paid. In respect of the current year, the Board of Directors does not propose a dividend or a capital reduction to the shareholders at the Annual General Meeting.

### 25.3. Authorized capital

There is no such capital as at 31 December 2022 and 31 December 2021, respectively.

### 25.4. Conditional capital

The share capital may be increased by a maximum amount of CHF 30.0 million through the issuance of up to 6 million fully paid registered shares with a nominal value of CHF 5.00 each

- a) up to the amount of CHF 5 million corresponding to 1 million fully paid registered shares through the exercise of option rights granted to the members of the Board and the management, further employees and / or advisors of the Parent Company or its subsidiaries.
- b) up to the amount of CHF 25 million corresponding to 5 million fully paid registered shares through the exercise of conversion rights and / or warrants granted in connection with the issuance of newly or already issued bonds or other financial instruments by the Parent Company or one of its group companies.

The subscription rights of the shareholders shall be excluded. The Board of Directors may restrict or withdraw the right for advance subscription ("Vorwegzeichnungsrecht") of the shareholders in connection with (i) the financing (refinancing inclusively) of acquisitions of enterprises or parts thereof, participations or other investment projects of the company and/ or its subsidiaries or (ii) the placement of convertible bonds or financial instruments with conversion or option rights on the national or international capital market.

## 26. Reserves (net of income tax)

CHF	2022	2021
Share premium (note 26.1)	836,330,008	836,750,750
Treasury shares (note 26.2)	(2,121,707)	(2,627,923)
Share-based payment reserve (note 26.3)	1,197,364	684,208
Pp&e revaluation reserve (26.4)	4,638,989	4,638,989
Investments revaluation reserve (note 26.5)	(1,126,606)	(1,115,095)
General reserve (note 26.6)	4,916,868	4,916,868
Foreign currencies translation reserve (note 26.7)	(441,824,184)	(353,723,501)
Reserve from common control transactions (note 26.8)	(72,519,921)	(72,519,921)
<b>Total</b>	<b>329,490,811</b>	<b>417,004,375</b>

### 26.1. Share premium

CHF	2022	2021
Balance at beginning of year	836,750,750	836,985,769
Share-based payments subsidiaries	-	276,137
Effect of exercised options in subsidiaries	(420,742)	(511,156)
<b>Balance at end of year</b>	<b>836,330,008</b>	<b>836,750,750</b>

## 26.2. Treasury shares

CHF	2022	2021
Balance at beginning of year	(2,627,923)	(3,000,993)
Acquisition of treasury shares <sup>(i)</sup>	(699,940)	(1,869,529)
Disposal of treasury shares <sup>(ii)</sup>	784,706	1,687,488
Distribution of treasury shares <sup>(iii)</sup>	421,450	555,111
<b>Balance at end of year</b>	<b>(2,121,707)</b>	<b>(2,627,923)</b>

As of 31 December 2022, the Company owned 286,502 own shares (31 December 2021: 349,792).

<sup>(i)</sup> During 2022, ODH sold a total of 75,001 treasury shares (2021: 165,444) at a total amount of CHF 0.8 million (2021: CHF 1.7 million) and bought a total of 78,792 treasury shares (2021: 171,163) at a total amount of CHF 0.7 million (2021: CHF 1.9 million).

<sup>(ii)</sup> During 2022, ODH transferred a total of 63,080 own shares to the members of the Board of Directors as part of their remuneration (CHF 0.4 million). The treasury shares reserve, which values the shares at original purchase price, has been reduced accordingly and the resulting difference has been recognized as gain directly through retained earnings (CHF 270,444).

During 2021, ODH transferred a total of 88,354 own shares to the members of the Board of Directors as part of their remuneration (CHF 0.6 million). The treasury shares reserve, which values the shares at original purchase price, has been reduced accordingly and the resulting difference has been recognized as gain directly through retained earnings (CHF 326,140).

## 26.3. Share-based payment reserve

CHF	2022	2021
Balance at beginning of year	684,208	171,052
Share-based payments (note 34)	513,156	513,156
<b>Balance at end of year</b>	<b>1,197,364</b>	<b>684,208</b>

## 26.4. PP&E revaluation reserve

CHF	2022	2021
Balance at beginning of year	4,638,989	5,133,570
Revaluation gain through OCI (note 15)	-	729,036
Recycling of revaluation gain on reclassification of investment property to property plant and equipment (note 14)	-	(1,223,617)
<b>Balance at end of year</b>	<b>4,638,989</b>	<b>4,638,989</b>

## 26.5. Investments revaluation reserve

CHF	2022	2021
Balance at beginning of year	(1,115,095)	(1,114,786)
Net gain/(loss) arising on revaluation of financial assets at FVTOCI	(11,511)	(309)
<b>Balance at end of year</b>	<b>(1,126,606)</b>	<b>(1,115,095)</b>

The investments revaluation reserve represents the cumulative gains and (losses) arising on the revaluation of financial assets at fair value through other comprehensive income ("FVTOCI").

## 26.6. General reserve

CHF	2022	2021
Balance at beginning of year	4,916,868	4,916,868
<b>Balance at end of year</b>	<b>4,916,868</b>	<b>4,916,868</b>

## 26.7. Foreign currencies translation reserve

CHF	2022	2021
Balance at beginning of year	(353,723,501)	(364,734,431)
Recycling of exchange differences related to disposal of investment in associate	-	192,876
Exchange differences arising on translating the foreign operations	(88,100,683)	10,818,054
<b>Balance at end of year</b>	<b>(441,824,184)</b>	<b>(353,723,501)</b>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (CHF) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve in respect of translating the results and net assets of foreign operations are reclassified to profit or loss on the disposal and/or deemed loss of control of a foreign operation.

In 2022, the Swiss Franc strengthened against the Egyptian Pound by 36% and weakened against the USD by 1%. The strong devaluation of the Egyptian Pound is mainly due to the decision of the Egyptian Central Bank to move to a durably flexible exchange rate regime on 27 October 2022. This resulted in exchange losses arising on translation of foreign operations (recognized within OCI) for the period of CHF 131.9 million (2021: gain of CHF 16.6 million). For further details refer to note 40.

## 26.8. Reserve from common control transactions

CHF	2022	2021
Balance at beginning of year	(72,519,921)	(72,519,921)
<b>Balance at end of year</b>	<b>(72,519,921)</b>	<b>(72,519,921)</b>

The reserve from common control transactions mainly relates to the restructuring of the group and the set-up of a new holding company during May 2008.

## 27. Borrowings

CHF	Current		Non-current	
	2022	2021	2022	2021
Credit facilities (i)	10,042,980	15,689,671	-	-
Corporate bond (ii)	-	-	99,649,120	99,451,949
Bank loans (iii)	39,244,573	17,247,567	318,757,950	312,820,829
<b>Total</b>	<b>49,287,553</b>	<b>32,937,238</b>	<b>418,407,070</b>	<b>412,272,778</b>

## 27.1. Summary of borrowing arrangements

The weighted average contractual effective interest rate for all credit facilities and loans is 8.24% (2021: 5.89%). It is calculated by dividing the forecasted contractual interest expense due next year by the total outstanding credit facilities and bank loans at the end of the current reporting period. For a breakdown of debts bearing variable and fixed interest see note 33.10.1.

- (i) Credit facilities used by the group are revolving facilities used to finance working capital requirements and they are available in multiple currencies. The average interest rate for the credit facilities for year 2022 is 6.01% (2021: 6.17%). As at 31 December 2022, the total of unused credit facilities was CHF 2.0 million (31 December 2021: CHF 2.2 million)
- (ii) In 2019, the Company successfully issued a CHF 100 million bond with a coupon of 3.25% and a tenor of five years in the market. Issuance cost were deducted on initial recognition and will be amortized over the life of the bond. This has been the first public bond issue in the history of the Company. The proceeds of the bond will be used for further development of the destinations in Oman and Montenegro and for general corporate purposes. The bond was listed on SIX in October 2019 with a maturity date of the entire CHF 100 million on 11 October 2024.
- (iii) Bank loans are current and non-current loans and have in general variable interest rates including a mark-up. Property, plant and equipment with a carrying amount of CHF 205.8 million (2021: CHF 221.2 million) and in 2021 receivables with a carrying amount of CHF 3.4 million (2022: none) have been pledged to secure borrowings (see notes 14 and 19). In 2022, bank loans decreased mainly due to foreign exchange gains as well as repayment of loans. The decrease was partly netted-off by new loan in Egypt, Montenegro and UAE.

## 27.2. Loan agreements

### 27.2.1. Syndication loan agreement

During 2020, ODE, ODH's Egyptian subsidiary, signed a bank facility agreement to refinance and upsize its outstanding debt with the equivalent of USD 265 million (CHF 233.5 million) medium term loan (in USD, EUR and EGP currencies). On 23 December 2020, ODE drew down a first tranche of USD 215 million (CHF 189.5 million) to refinance outstanding balances of its debt. The second tranche amounting to the equivalent of USD 50 million (CHF 44.0 million) will be utilized to finance any expansion in the hospitality segment by way of new hotel rooms and renovation projects. This amount will be available over a period of 2 years until the end of 2022. The loan will be amortized over seven years with a 2.5-year grace period on loan principal repayment factoring in the covid-19 situation and permit for capex spending as the situation stabilizes. The new loan has a final maturity of 31 December 2027 compared to loans under the previous agreement which had a final maturity of 31 December 2024.

For the EGP loans under the new agreement the interest margin is 1.25% over CBE Lending corridor rate versus a margin of 3% over the said rate under the old loan agreement. The latter pricing applies to EGP loans which do not qualify for the most recent CBE hospitality initiative addressing renovation costs of hotels. The EGP loans which will be utilized for hotels renovations will be priced at 8% per annum and those will part of the second tranche mentioned above. None of the interest rates are based on IBOR.

The transaction allows for optimization of financing costs to match the Company's improved financial and operational profile and improve the currency mix to fit with the business of the company. The Transaction also reduced the number of participants to 4 banks down from 9 banks which would facilitate the relationship dynamics and approval processes. The currency profile of the new loan agreement is the same, with EGP, Euro, and USD, in the mix however the weight of each currency changed slightly to a more balanced profile.

All companies across the group have complied with all financial covenants related to their bank borrowings and for those financial covenants that were not met, the group companies received waivers from their respective banks.

### 27.2.2. Restructuring of the existing loan facility

In October 2018, one of the subsidiaries in Oman obtained a Long term loan amounting to OMR 39 million from consortium banks as per mixed Conventional and Islamic Facilities agreements to settle all the financial indebtedness of the three Hotel Owners. The term loan was repayable in 26 semi-annual instalments within 14 years starting 31 March 2020 with an interest rate on the loan is 6.25% or the relevant rate applying to the Conventional Facility or in respect of rental payments under Islamic Facility from time to time (Applicable Rate); plus 4% multiplied by the applicable rate (Additional Profit). The term loan carries interest at the rate of 6.63% per annum until 31 October 2021 and was reset to 6.25% per annum on 1 November 2021.

Due to COVID based on the terms agreed with the bank in 2021 the instalment repayment of the principal amount which is due on 31 March 2020, 30 September 2020, 31 March 2021, and 30 September 2021 including any interest due on those dates is deferred on 31 March 2022.

However, in 2022 new terms were agreed upon with the bank and the facility was restructured. Under the revised terms, an additional loan of OMR 4 million (CHF 9.6 million) was disbursed to the Company. The total principal balance due to the bank excluding interest is RO 43 million for which payment will start in FY 2025 and the loan will be fully repaid in FY 2037. The substantially different terms of the loan facility led to a gain of CHF 5.0 million (note 9).

### 27.2.3. Facility agreement O West

Furthermore, in July 2022, Orascom for Real Estate (ORE), a subsidiary of ODE, signed an EGP 1.5 billion (CHF 56 million) facility agreement to partially finance its flagship development O West, with a tenor of 12 months from drawdown date, to be paid as a bullet payment at final maturity on 31 August 2023. As at 31 December 2022, EGP 590 million (CHF 22 million) were drawn down.

## 27.3. Reconciliation of liabilities arising from financing activities

CHF	1 January 2022	Financing Cash-flows	FX	Amorti-zation	Other	31 December 2022
Credit facilities	15,689,671	(1,972,173)	(3,674,518)	-	-	10,042,980
Bank loans	330,068,395	53,361,655	(25,980,961)	553,434	-	358,002,523
Corporate Bond	99,451,949	-	-	197,171	-	99,649,120
Lease liabilities (note 28)	29,695,496	(948,455)	(920,571)	-	1,141,358	28,967,828
Shareholder's loan (note 31)	115,588,144	38,134,225	(7,402,112)	-	-	146,320,257
<b>Total</b>	<b>590,493,655</b>	<b>88,575,252</b>	<b>(37,978,162)</b>	<b>750,605</b>	<b>1,141,358</b>	<b>642,982,708</b>
CHF	1 January 2021	Financing Cash-flows	FX	Amorti-zation	Other	31 December 2022
Credit facilities	14,186,018	947,152	556,501	-	-	15,689,671
Bank loans	316,169,058	4,705,442	6,377,095	2,167,726	649,074	330,068,395
Corporate Bond	99,254,777	-	-	197,172	-	99,451,949
Lease liabilities (note 28)	31,272,514	(1,143,901)	(92,431)	-	(340,686)	29,695,496
Shareholder's loan (note 31)	95,186,663	8,194,707	2,502,151	-	9,704,623	115,588,144
<b>Total</b>	<b>556,069,030</b>	<b>12,703,400</b>	<b>9,343,316</b>	<b>2,364,898</b>	<b>10,013,011</b>	<b>590,493,655</b>

## 28. Trade and other payables

CHF	Current		Non-current	
	2022	2021	2022	2021
Trade payables <sup>(i)</sup>	36,092,333	60,299,200	215,940,204	333,287,887
Lease liabilities	1,803,904	1,927,431	27,163,924	27,768,065
<b>Total</b>	<b>37,896,237</b>	<b>62,226,631</b>	<b>243,104,128</b>	<b>361,055,952</b>

<sup>(i)</sup> Trade payables decreased by CHF 142.3 million mainly due to net foreign exchange gains..

## 29. Contract liabilities

CHF	2022	2021
Balance at the beginning of the year	93,658,401	90,149,629
Foreign currency translation adjustment	(33,558,647)	3,508,772
<b>Balance at the end of the year</b>	<b>60,099,754</b>	<b>93,658,401</b>

This balance represents the value of the non-cash portion due to the New Urban Communities Authority related to O-West Project according to the contract further explained in note 21. The balance due will be settled by delivering units from a total building area of 281,105 square meters in accordance with the timeline specified in the contract starting from 2026 and for 2 years afterwards. During the year the Group did not carry out any work related to those units. This amount was calculated at a fair value of EGP 1,609 million (CHF 60 million) on the basis of the construction square meter price of EGP 5,725 (CHF 213.5).

## 30. Provisions

CHF	2022	2021
Current	44,660,414	39,410,843
Non-Current	20,613,065	24,243,648
<b>Total</b>	<b>65,273,479</b>	<b>63,654,491</b>



CHF	Provision for infrastructure completion (i)	Provision for legal cases (ii)	Provision for governmental fees (iii)	Provision for employee benefits (iv)	Other provisions (v)	Total
Balance at 1 January 2022	24,287,033	12,472,144	16,964,455	4,147,211	5,783,648	63,654,491
Additional provisions recognized	17,343,676	750,261	16,173,632	813,590	11,900,567	46,981,726
Utilisation of provision	(15,761,415)	(2,007,339)	(5,116,500)	(949,676)	(480,966)	(24,315,896)
Provisions no longer needed	(382,489)	(7,652)	-	(77,285)	(515,153)	(982,579)
Exchange differences	(6,390,425)	(819,821)	(8,967,656)	(59,439)	(3,826,922)	(20,064,263)
<b>Balance at 31 December 2022</b>	<b>19,096,380</b>	<b>10,387,593</b>	<b>19,053,931</b>	<b>3,874,401</b>	<b>12,861,174</b>	<b>65,273,479</b>
<b>thereof current</b>	<b>11,495,287</b>	<b>1,292,626</b>	<b>18,796,096</b>	<b>215,231</b>	<b>12,861,174</b>	<b>44,660,414</b>
<b>thereof non-current</b>	<b>7,601,093</b>	<b>9,094,967</b>	<b>257,835</b>	<b>3,659,170</b>	<b>-</b>	<b>20,613,065</b>

(i) Provision for infrastructure completion relates to committed cash outflows for the development of the necessary infrastructure to make the project area that is usually located in remote regions, habitable and attractive. Such provisions are recorded for land and real estate sales on the date on which all the criteria for revenue recognition are met. Cash outflow is expected over the next 1-5 years.

(ii) Provision for legal cases consists of expected cash outflows for the settlement of pending litigations. The decrease is primarily due to remeasurement of legal situation in Egypt and Oman. Cash outflow is expected over the next 3 years.

(iii) 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. Cash outflow is expected over the next 1-3 years.

(iv) Provision for employee benefits partly relates to compulsory termination payments to foreign employees in Oman and UAE. The provision is based on their actual salaries. As the work permits for these employees are reconsidered by the Government on annual basis. Cash outflow is expected over the next 5 years.

(v) This provision mainly includes charges, services and consultancy fees for the Group's current year's operations which have not yet been finally negotiated as well as provisions in relation to various assets of the Group. In addition, it covers the Group's exposures to tax risks other than corporate tax. Cash outflow on all these items is expected within 12 months.

## 31. Other current liabilities

CHF	2022	2021
Amounts due to shareholders (i) (iv)	146,320,257	115,588,144
Advances from customers (ii)	122,030,613	150,301,695
Other credit balances (iv)	66,624,426	66,306,386
Accrued expenses (iii) (iv)	61,766,640	54,660,426
Deposits from others (iv)	14,734,502	14,945,897
Taxes payable (other than income taxes) (iv)	8,792,005	18,423,988
Due to management companies (iv)	1,321,506	1,228,763
<b>Total</b>	<b>421,589,949</b>	<b>421,455,299</b>

(i) The entire amount due to shareholders of CHF 146.3 million is owed to Mr. Samih Sawiris (2021: CHF 115.6 million). None of these amounts due to shareholders have a specified due date. Out of the total amounts due to shareholders, an amount of CHF 83.3 million (2021: CHF 57.8 million) is due to Mr. Samih Sawiris on the holding level where he receives 1% annual interest for both financial periods. The residual amount due to Mr. Samih Sawiris of CHF 63.0 million (2021: CHF 57.8 million) on subsidiary level are free of interest for both financial periods and include amounts related to funding of the project in Mamula – Montenegro. This amount will be settled after the project is completed and all the legal requirements to transfer the title deed of the project to Samih Sawiris are fulfilled.

(ii) Advances from customers include amounts received (progress payments) from buyers of real estate units between the time of the initial agreement and contractual completion. The decrease is mainly due to foreign exchange losses which was partly netted off by increases mainly related to advances from customers in El Gouna and the O West project in Egypt.

(iii) Accrued expenses mainly include operating costs for the hotel and destination management activities. The increase is mainly due to increased operating activities.

(iv) These other current liabilities in the total amount of CHF 299.6 million (2021: CHF 271.2 million) are considered financial liabilities in accordance with IFRS 9 (note 33.3).

## 32. Retirement benefit plans

### 32.1. Swiss Pension Plans

The Group operates fund defined benefit plans for qualifying employees in Switzerland. Under the plans, the employees are entitled to retirement benefits and risk insurance for death and disability. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on 31 December 2022.

Swiss pension plans need to be administered by a separate pension fund that is legally separated from the entity. The law prescribes certain minimum benefits.

The pension plans of the employees of the Swiss entities are carried out by collective funds with Allianz Suisse Lebensversicherungs-Gesellschaft. Under the pension plans, the employees are entitled to retirement benefits and risk insurance for death and disability. The boards of the various pension funds are composed of an equal number of representatives from both employers and employees.

Due to the requirements of IAS 19 the above-mentioned pension plans are classified as defined benefit plans. The pension plans are described in detail in the corresponding statutes and regulations. The contributions of employers and employees in general are defined in percentages of the insured salary. The retirement pension is calculated based on the old-age credit balance on retirement multiplied by the fixed conversion rate. The employee has the option to withdraw the capital at once. The death and disability pensions are defined as percentage of the insured salary. The assets are invested directly with the corresponding pension funds.

The pension funds can change their financing system (contributions and future payments) at any time. Also, when there is a deficit which cannot be eliminated through other measures, the pension funds can oblige the entity to pay a restructuring contribution. For the pension funds of the Group such a deficit currently cannot occur as the plans are fully reinsured. However, the pension funds could cancel the contracts and the entities of the Group would have to join another pension fund.

In the current and comparative period no plan amendments, curtailments or settlements occurred.

The fully reinsured pension funds have concluded insurance contracts to cover the insurance and investment risk. The board of each pension fund is responsible for the investment of assets and the investment strategies are defined in a way that the benefits can be paid out on due date.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

CHF	2022	2021
Current service cost	228,567	209,720
Past service cost	200,553	(145,368)
Net interest expense	4,467	1,648
Administration cost excl. cost for managing plan assets	1,474	1,352
<b>Expense recognised in profit or loss</b>	<b>435,061</b>	<b>67,352</b>

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

CHF	2022	2021
Remeasurement (gain)/loss on defined benefit obligation	(501,054)	(186,970)
Return on plan assets excl. interest income	(11,073)	(10,886)
<b>Expense recognised in other comprehensive income</b>	<b>(512,127)</b>	<b>(197,856)</b>

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

CHF	31 December 2022	31 December 2021
Present value of funded defined benefit obligation	2,784,425	2,746,828
Fair value of plan assets	(2,366,655)	(2,084,728)
<b>Net liability arising from defined benefit obligation</b>	<b>417,770</b>	<b>662,100</b>

Movements in the present value of the defined benefit obligation in the current year were as follows:

CHF	2022	2021
Opening defined benefit obligation	2,746,828	2,704,151
Current service cost	228,567	209,720
Past service cost	200,553	(145,368)
Interest expense on defined benefit obligation	15,540	5,486
Contributions from plan participants	167,264	143,456
Benefits (paid)/deposited	(74,747)	15,001
Remeasurement (gain)/loss on defined benefit obligation	(501,054)	(186,970)
Administration cost (excluding cost for managing plan assets)	1,474	1,352
<b>Closing defined benefit obligation</b>	<b>2,784,425</b>	<b>2,746,828</b>

Movements in the present value of the plan assets in the current period were as follows:

CHF	2022	2021
Opening fair value of plan assets	2,084,728	1,768,091
Interest income on plan assets	11,073	3,838
Return on plan assets excluding interest income	11,073	10,886
Contributions from the employer	167,264	143,456
Contributions from plan participants	167,264	143,456
Benefits (paid)/deposited	(74,747)	15,001
<b>Closing fair value of plan assets</b>	<b>2,366,655</b>	<b>2,084,728</b>

The respective insurance company is providing reinsurance of these assets and bears all market risk on these assets.

The actual return on plan assets was CHF 22,146 (2021: CHF 14,724).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

CHF	2022	2021
Discount rates	1.90%	0.50%
Expected rates of salary increase	1.50%	1.00%
Expected pension increases	0.00%	0.00%
Mortality table	BVG2020 GT	BVG2020 GT

The following sensitivity analyses - based on the principal assumptions - have been determined based on reasonably possible changes to the assumptions occurring at the end of the reporting period:

If the discount rate would be 25 basis points (0.25 percent) higher (lower), the defined benefit obligation would decrease by CHF 0.1 million (increase by CHF 0.1 million if all other assumptions were held constant)

If the expected salary growth would increase (decrease) by 0.25%, the defined benefit obligation would increase by CHF 0.0 million (decrease by CHF 0.0 million if all other assumptions were held constant)

If the life expectancy would increase (decrease) with one year for both men and women, the defined benefit obligation would increase by CHF 0.0 million (decrease by CHF 0.0 million if all other assumptions were held constant)

The average duration of the defined benefit obligation at the end of the reporting period is 15.5 years (2021: 17.7 years).

The Group expects to make a contribution of CHF 164,808 to the defined benefit plans during the next financial year (2021: CHF 160,366).

## 32.2. Other retirement plans

Lustica Development A.D, the Group's subsidiary in Montenegro, has a collective agreement regulating the payment of jubilee awards and severance pay upon retirement of their employees. Due to the requirements of IAS 19 the above-mentioned plan is classified as defined benefit plan. The most recent actuarial estimate of the present value of the defined benefit obligation was carried out on 31 December 2022. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method. As at 31 December 2022, the defined benefit obligation amounts to CHF 16,178 (31 December 2021: CHF 15,741).

## 33. Financial instruments

### 33.1. 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 maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged since 2010.

The capital structure of the Group consists of net debt (borrowings, as detailed in note 27, 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 25 to 26).

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 Group has a target gearing ratio of 40% to 45% determined as the proportion of net debt to equity.

The gearing ratio at 31 December 2022 of 64.91% (see below) increased mainly because of the foreign exchange losses due to the decrease in the EGP Rate compared to foreign currencies during 2022. The Group is working to meet the target in the near future.

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

CHF	2022	2021
Debt (i)	467,694,623	445,210,016
Cash and bank balances (note 24)	(180,298,029)	(206,999,539)
Net debt	<b>287,396,594</b>	<b>238,210,477</b>
Equity (ii)	<b>442,758,640</b>	<b>518,788,289</b>
Net debt to equity ratio	<b>64.91%</b>	<b>45.92%</b>

(i) Debt is defined as long- and short-term borrowings (excluding derivatives), as detailed in (note 27).

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

### 33.2. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.18 Financial instruments.

### 33.3. Categories of financial instruments

CHF	2022	2021
<b>Financial assets</b>		
<b>Cash and bank balances</b>	<b>180,298,029</b>	<b>206,999,539</b>
Other non-current financial assets	2,035	1,460
<b>Fair value through other comprehensive income (FVTOCI)</b>	<b>2,035</b>	<b>1,460</b>
Trade and other receivables	271,468,416	270,200,534
Due from related parties	21,833,394	21,896,170
Other current assets	20,082,918	26,887,098
<b>Financial assets measured at amortised cost (i)</b>	<b>313,384,728</b>	<b>318,983,802</b>
<b>Financial liabilities</b>		
Borrowings	467,694,623	445,210,016
Trade and other payables	281,000,365	423,282,583
Note payable	70,615	66,273
Due to related parties	20,311,188	31,221,766
Other current liabilities	299,559,336	271,153,604
<b>Financial liabilities at amortised cost (ii)</b>	<b>1,068,636,127</b>	<b>1,170,934,242</b>

(i) Includes trade and other receivables as well as those other non-current and current assets that meet the definition of a financial asset. A total of CHF 47.2 million (2021: CHF 64.8 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 CHF 122.0 million (2021: CHF 150.3 million) of other current liabilities does not meet the definition of a financial liability.

### 33.4. Financial risk management objectives

In the course of its business, the Group is exposed to a number of financial risks. This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Other price risk includes equity price risk, settlement risk and commodity price risk.

It is, and has been throughout 2022 and 2021, the Group's policy not to use derivatives without an underlying operational transaction or for trading (i.e. speculative) purposes.

The Group seeks to minimise the effects of these risks mainly through operational and finance activities and, on occasional basis, using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's internal policies and procedures approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports monthly to the Executive Management. The Group Treasury Director carries out risk management under the Group's guidelines.

### 33.5. Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 33.6 below) and interest rates (see note 33.7 below).

Driven by the need, 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

### 33.6. Foreign currency risk management

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 Egyptian Pound (EGP). 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, Oman Rial and Egyptian Pound.

Out of the total receivables on hand at the end of the reporting period, receivables in USD have accounted for 45% (2021: 46%), in EGP for 38% (2021: 39%), in OMR 8% (2021: 8%) and in EUR for 9% (2021: 7%) respectively.

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.

### Borrowing

CHF	2022		2021	
CHF	99,882,292	21%	99,727,685	22%
USD	92,405,859	20%	91,204,486	21%
OMR	90,236,357	19%	89,717,573	20%
EUR	84,806,622	18%	81,110,205	18%
EGP	55,330,711	12%	42,357,267	10%
GBP	27,048,316	6%	22,894,720	5%
AED	17,984,466	4%	18,198,080	4%
<b>Total</b>	<b>467,694,623</b>	<b>100%</b>	<b>445,210,016</b>	<b>100%</b>

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

CHF	Liabilities		Assets	
	2022	2021	2020	2021
Currency-USD	92,405,859	91,204,486	124,551,489	124,267,326
Currency OMR	90,236,357	89,717,573	22,430,815	21,420,089
Currency-EUR	84,806,622	81,110,205	25,615,932	22,132,153
Currency-EGP	55,330,711	42,357,267	105,206,258	106,538,047

Residual foreign exchange exposure is managed by hedging through entering into foreign currency forward contracts if needed. However, during 2022 and 2021 no such foreign currency forward contracts were used.

Currency risk has also recently developed due to the Group's investments in different markets such as those in Egypt, UAE, Oman, Morocco and the UK. Again, the Group borrows in the local currency of the investment and uses the above-mentioned strategies to mitigate residual currency risk.

### 33.6.1. Foreign currency sensitivity analysis

As discussed above, the Group is mainly exposed to the US Dollar (USD), Euro (EUR), Oman Rial (OMR) and Egyptian Pound (EGP) arising from sales in these currencies to the tourism / real estate industry.

The following table details the Group's sensitivity to a 5% increase and decrease in CHF against the relevant foreign currencies (all currencies except EGP for 2022) as well as 20% for EGP in 2022. These are the sensitivity rates used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably expected change in foreign exchange rates (excluding any one-off influences due to decisions by government or central banks). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% and 20% 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 CHF strengthens against the relevant currency. For a weakening of the CHF against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

CHF	Currency USD Impact		Currency EUR Impact		Currency EGP Impact		Currency OMR Impact	
	2022	2021	2022	2021	2022	2021	2022	2021
Profit or loss	1,607,281	1,653,142	2,959,535	2,948,903	9,975,109	3,209,039	3,390,277	3,414,874

The profit or loss impact has a corresponding impact in equity.

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



On 27 October 2022; the Central Bank of Egypt (CBE) moved to a durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies, while prioritizing the primary goal of achieving price stability, and building up sustainable, adequate levels of Foreign Exchange Reserves. Additionally, the CBE will work towards building the foundation for a derivatives market to further deepen the foreign exchange market and enhance its liquidity.

### **33.7. Interest rate risk management**

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, ensuring the most cost-effective hedging strategies are applied. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. Furthermore, in order to uphold the CBE's mandate of ensuring price stability over the medium term, the Monetary Policy Committee (MPC) has decided in its special meetings in 2022 to raise the overnight deposit rate, the overnight lending rate and the rate of the main operation by 800 basis points to 16.25 percent, 17.25 percent, and 16.75 percent, respectively. The discount rate was also raised by 800 basis points to 16.75 percent.

During 2022 and 2021 the Group did not hold any derivative financial instruments.

#### **33.7.1. 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. In 2022, the percentage was changed to 3% for EGP

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would decrease / increase by CHF 3.2 million (2021: decrease / increase by CHF 2.4 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### **33.8. Other price risks**

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

### **33.9. Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group credit risk arises from transactions with counterparties, mainly individual customers and corporations. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's exposure to credit risk is, to great extent, influenced by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables and notes receivables consist of a large number of customers, spread across various industries and geographical areas. The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on sales of real estate is limited because the Group controls this risk through the property itself by registering the unit in the name of the customer only after receiving the entire amount due from the customer.

Counterparty risk is also minimized by ensuring that majority of money market investments and current account deposits are either placed with financial institutions whose standings are "investment grade"; or secured by collaterals or other credit enhancements

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses after taking account of the value of any collateral obtained, represents the Group's maximum exposure to credit risk.

### **Impairment of financial assets**

#### *Trade and other receivables*

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.

The impairment model is initially based on the Group's historical observed default rates, which is the outcome of flow rate studies. The Group then calibrate default rates to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults in one of the segments or geographical areas, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The following table details the risk profile of trade receivables based on the Group's impairment model in each business segment. As the Group's historical credit loss experience does not show significantly different loss patterns for different customers, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

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 receivables of hotels and destination management segments

31 December 2022	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	4.84%	18.67%	19.42%	62.40%	66.88%	100.00%	23.44%
Estimated total gross carrying amount at default	20,866,568	2,480,006	622,821	3,420,681	1,328,739	2,762,716	31,481,531
<b>Lifetime ECL</b>	<b>(1,009,887)</b>	<b>(463,019)</b>	<b>(120,962)</b>	<b>(2,134,483)</b>	<b>(888,624)</b>	<b>(2,762,716)</b>	<b>(7,379,691)</b>

31 December 2021	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	3.21%	16.77%	17.26%	60.91%	63.37%	100.00%	25.73%
Estimated total gross carrying amount at default	14,092,433	4,274,295	1,724,987	2,850,055	1,124,369	3,064,655	27,130,794
<b>Lifetime ECL</b>	<b>(451,832)</b>	<b>(716,953)</b>	<b>(297,732)</b>	<b>(1,735,942)</b>	<b>(712,488)</b>	<b>(3,064,655)</b>	<b>(6,979,602)</b>

The first two time-buckets were shown as one bucket in prior year's financial statement. The split was made so that the time-buckets of the two financial periods are aligned.

### Receivables of real estate segment

31 December 2022	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	4.17%	9.64%	15.40%	24.09%	50.49%	100.00%	6.86%
Estimated total gross carrying amount at default	249,169,246	4,231,654	1,623,523	3,728,024	1,140,632	5,681,767	265,574,846
<b>Lifetime ECL</b>	<b>(10,394,355)</b>	<b>(408,072)</b>	<b>(249,988)</b>	<b>(898,161)</b>	<b>(575,927)</b>	<b>(5,681,767)</b>	<b>(18,208,270)</b>

31 December 2021	Trade receivables – days past due						Total
	Not past due	0-30	31-60	61-180	181-360	>360	
Expected credit loss rate	4.75%	5.66%	8.21%	14.37%	37.77%	100.00%	7.65%
Estimated total gross carrying amount at default	255,325,676	1,900,887	1,530,652	3,093,019	1,614,960	7,282,714	270,747,908
<b>Lifetime ECL</b>	<b>(12,128,145)</b>	<b>(107,663)</b>	<b>(125,707)</b>	<b>(444,446)</b>	<b>(609,891)</b>	<b>(7,282,714)</b>	<b>(20,698,566)</b>

**Movement in credit loss allowance:**

CHF	2022	2021
Balance at beginning of year	(27,678,168)	(27,039,698)
Impairment losses recognised on receivables	(3,452,318)	(3,614,344)
Reversal of impairment losses recognised on receivables	946,867	3,811,983
Foreign exchange translation gains and losses	4,595,658	(836,109)
<b>Balance at end of year</b>	<b>(25,587,961)</b>	<b>(27,678,168)</b>

*Other financial assets at amortised cost*

For other assets measured at amortized cost, The Group reassess at each reporting period whether the asset is subject to significant increase in its credit risk. The probability of default is determined based on historical data of cash flows from similar financial assets (e.g. magnitude of instances of counter party defaulting in recent past years for similar financial assets), reflected through external or internal credit ratings. The credit risk information incorporates historical data as well the forward-looking macroeconomic aspect, in order to approximate the result of recognising lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition on an individual instrument level.

As at 31 December 2022 and 2021, none of the cash and bank balances are impaired. The Group performed ECL test for the cash and bank balances which resulted in immaterial losses due to the fact that the Group places its bank balances with financial institutions whose standings are "investment grade"; or secured by collaterals or other credit enhancements.

As at 31 December 2022, CHF 2.1 million (2021: CHF 0.2 million) of the financial assets measured at amortised cost are impaired (note 11).

**33.10. Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Regarding management's plans to manage liquidity shortages and related uncertainty please refer to note 24.1.

As of 31 December 2022, the Group did not have any un-drawn facilities at its disposal in order to further reduce liquidity risk (31 December 2021: none).

**33.10.1. Liquidity and interest risk tables**

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

2022 CHF	Weighted average effective interest rate	Less than 6 month	6 months to one year	1 – 5 years	5 + years	Total
Non-interest bearing	-	336,000,897	-	134,588,592	-	470,589,489
Variable interest rate instruments	10.86%	16,706,237	42,572,443	243,826,017	7,095,342	310,200,039
Fixed interest rate instruments	11.69%	58,544,758	11,721,537	475,782,196	113,257,316	659,305,807
<b>Total</b>		<b>411,251,892</b>	<b>54,293,980</b>	<b>854,196,805</b>	<b>120,352,658</b>	<b>1,440,095,335</b>

2021 CHF	Weighted average effective interest rate	Less than 6 month	6 months to one year	1 – 5 years	5 + years	Total
Non-interest bearing	-	340,746,347	-	27,958,262	-	368,704,609
Variable interest rate instruments	6.31%	10,855,199	9,621,961	203,851,787	62,297,050	286,625,997
Fixed interest rate instruments	12.06%	68,455,775	11,246,700	709,908,554	86,872,181	876,483,210
<b>Total</b>		<b>420,057,321</b>	<b>20,868,661</b>	<b>941,718,603</b>	<b>149,169,231</b>	<b>1,531,813,816</b>

CHF	2022		2021	
	Credit limit	Carrying amount	Credit limit	Carrying amount
Syndication	187,301,797	187,301,797	191,629,698	191,629,698
Bond	100,000,000	99,353,363	100,000,000	99,304,070
Bank 1	-	-	19,960,978	18,198,080
Bank 2	90,051,195	85,304,635	90,839,095	90,920,061

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.

### 33.11. Fair value measurement

#### 33.11.1. Fair value of financial instruments carried at amortised 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.

CHF	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Borrowings/bank loans	467,694,623	457,348,054	445,210,016	443,002,442

### 33.11.2. Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes unlisted and listed equity investments classified as at FVTPL and FVTOCI respectively).
- The Group receives the fair values of foreign currency forward contracts and interest rate swaps from the counterparty banks. Foreign currency forward contracts are usually measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are usually measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Specifically, significant assumptions used in determining the fair value of the following financial assets and liabilities are set out below.

### 33.11.3. 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).

2022 CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	2,035	-	-	2,035
	<b>2,035</b>	-	-	<b>2,035</b>
Other assets at fair value				
Investment property (1)	-	-	36,382,906	36,382,906
	-	-	<b>36,382,906</b>	<b>36,382,906</b>
2021 CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed and unlisted shares measured at FV	1,460	-	-	1,460
	<b>1,460</b>	-	-	<b>1,460</b>
Other assets at fair value				
Investment property (i)	-	-	37,319,156	37,319,156
	-	-	<b>37,319,156</b>	<b>37,319,156</b>

There were no transfers between Level 1, 2 and 3 in the period. The financial assets at FVTOCI were measured at fair value based on a method that combined the earning and net equity book values of the companies.

(i) The reconciliation for investment property is shown in note 15.

## 34. SHARE-BASED PAYMENTS

### 34.1. Agreements with current CEO

ODH has entered into an employee contract with its new CEO, Omar El Hamamsy, effective as of 1 September 2020. As part of the compensation agreement, the CEO will receive contingent payments based on market capitalization development of the ODH shares. Herewith, the CEO will receive between 2% and 5% of the increase of the market capitalization whenever reaching an additional market capitalization milestone of CHF 100 million up to a cap for the market capitalization of CHF 2 billion. The contingent remuneration will be paid in cash or shares at the discretion of the Company.

As at grant date (1 September 2020) a Binominal Option Pricing Model was used to calculate the fair value of the contingent compensation. A fair value of the underlying share of CHF 9.11, duration of 6.33 years, volatility of 39% and a risk-free rate of 0% were the major assumptions used in the valuation. The resulting fair value of CHF 3.25 million is recognised over the vesting period of 6.33 years on a linear basis. The expense for the period of CHF 513,156 is recognised within share-based payment reserve (part of equity).

A second contingent compensation based on financial metrics is not yet active and financial metrics first need to be defined by management.

### 34.2. Employee share option plan of subsidiary ODE

The Board of Directors of ODE, the largest Egyptian subsidiary of the Group, approved an Employee stock option plan (ESOP) to reward and motivate employees. The exercise price of the options is set at the nominal value of the shares at 1 EGP (CHF 0.0560). On 1 October 2019, ODE's ESOP committee granted 6,931,968 share options in three tranches. The vesting period of the three tranches is set at either 8 months, 15 months or 27 months contingent on the employees remaining with the Group throughout the period. The expiry date of these options is set to one month from the end of the vesting period. During 2021, the 2,310,656 options of tranche 2 (2020: 2,310,656 options of tranche 1) vested of which 1,938,294 (2020: 2,285,252) were immediately exercised. In 2022 and 2021, no further options were granted.

The shares granted are accounted for as equity-settled share-based payment transactions. The incremental fair value of the share options granted is allocated to the respective vesting periods as an expense with the accumulated amount recognised within equity.

The following table reconciles the share options outstanding at the beginning and end of the year:

CHF	Number of options		Weighted average exercise price	
	2022	2021	2022	2021
<b>Opening balance</b>	<b>2,310,656</b>	<b>4,621,312</b>	<b>0.0582</b>	<b>0.0560</b>
Exercised	(2,043,550)	(1,938,294)	0.0582	0.0583
Expired	(267,106)	(372,362)	-	0.0583
<b>Closing balance</b>	<b>-</b>	<b>2,310,656</b>	<b>-</b>	<b>0.0582</b>

Share options outstanding at the end of the year 2022 and 2021 have the following expiry dates:

CHF	2022	2021
1 February 2022	-	2,310,656
<b>Total share options outstanding</b>	<b>-</b>	<b>2,310,656</b>

The fair values of the options at the grant date in 2019 (2021 and 2022: none) were EGP 5.9563 (CHF 0.3467) for tranche 1, EGP 6.0346 (CHF 0.3512) for tranche 2 and EGP 6.1532 (CHF 0.3581) for tranche 3, resulting in a total fair value of EGP 41.9 million (CHF 2.4 million). The fair values have been assessed using the Black-Scholes valuation model and spread over the vesting period of 8 months to 27 months. The significant inputs into the model were share price of EGP 6.85 (CHF 0.3987) at grant date, exercise price of EGP 1 (CHF 0.0582), volatility of 31.52% and risk-free interest rate 15.70%.

The expected life of the options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. In 2021, the total amount recognized as an expense amounts to CHF 367,707 of which CHF 276,137) were recognised within share premium reserve and CHF 91,570 within non-controlling interests. In 2022, no such amounts were recognised as the options fully vested in 2021.

### 35. Related parties

A party (a company or individual) is related to an entity if:

- a) directly, or indirectly through one or more intermediaries, the party:
  - i. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - ii. has an interest in the entity that gives it significant influence over the entity; or
  - iii. has joint control over the entity;
- b) the party is an associate of the entity or a joint venture in which the entity is a venturer (both defined in IAS 28 Investments in Associates and Joint Ventures);
- c) the party is a member of the key management personnel of the entity or its parent;
- d) the party is a close member family of any individual referred to in (a) or (b);
- e) the party is an entity that is controlled, jointly controlled or significantly influenced by, or which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (a) or (b); or
- f) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is related party of the entity.

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, the Group purchased services from companies in which members of the Board have a partnership or significant influence through ownership during the reporting period. These services related to the leasing of office space in Cairo.

Compensation of key management personnel is disclosed in note 35.3.



### 35.1. Related party balances

CHF	Due from related parties		Due to related parties	
	2022	2021	2022	2021
<b>Financial instruments</b>				
El Gouna Football Club	-	1,795,743	-	-
Iskan International Projects	-	-	3,105,206	2,945,067
Other (balances less than CHF 120 000 each)	-	-	23,249	29,084
<b>Associated companies (note 18)</b>				
Red Sea Company for Construction & Develop.	5,609,113	-	-	7,212,558
Andermatt Swiss Alps (iii)	1,544,269	1,391,651	-	-
<b>Non-controlling shareholders</b>				
Three Corners Company (ii)	5,755,670	8,805,898	-	-
Arabian peninsula hospitality ltd. (ii)	4,240,827	6,608,831	-	-
<b>Close family members</b>				
Samih Sawiris – (i)	-	-	-	-
<b>Close family companies</b>				
FTI	4,258,638	3,294,047	-	-
Besix	-	-	17,182,733	21,035,057
Orascom Construction PLC	424,877	-	-	-
<b>Total</b>	<b>21,833,394</b>	<b>21,896,170</b>	<b>20,311,188</b>	<b>31,221,766</b>
Current	21,833,394	21,896,170	20,311,188	31,221,766
Non-current	-	-	-	-
<b>Total</b>	<b>21,833,394</b>	<b>21,896,170</b>	<b>20,311,188</b>	<b>31,221,766</b>

(i) Current accounts due to Mr. Samih Sawiris are disclosed in note 31.

(ii) Companies are non-controlling in some Egyptian subsidiaries of ODE. The balance represents advances paid to shareholders to be settled afterwards through dividends. Hence, balance is sufficiently secured and no impairment required.

(iii) Balance is sufficiently secured as related company is operational and has good credit worthiness. Accordingly, balance is not impaired.

The Group performed ECL test for the related party balances, which resulted in an impairment loss of CHF 2.1 million in relation to related party receivables. (2021 CHF 0.2 million).

### 35.2. Related party transactions

#### Orascom Constructions PLC

Orascom Constructions PLC, a company controlled by the Sawiris family, is contracted by the Group for construction projects in Egypt. In 2022, a total of CHF 11.3 million was invoiced to the Group by Orascom Constructions PLC.

#### Taba Heights Company transactions

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 in 2008, the respective Group company had to be transferred to Mr. Samih Sawiris, major shareholder and of Egyptian nationality. Mr. Samih Sawiris entered into a binding agreement to retransfer these shares subject to approval of the competent authorities, 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 of Mr. Samih Sawiris in any value received.

### Rental contract for office building in Cairo

In 2021, Orascom Development Egypt, a major subsidiary of Orascom Development Holding AG, has rented part of its administrative headquarter in Nile City from a joint stock company owned by the major shareholders and others for an annual fee of USD 254,000.

### FTI

The Group has rented out Makadi gardens to FTI – an entity owned by the main shareholder of the Company Mr. Samih Sawiris with an interest of 75 %. FTI is the fourth largest tour operator in Europe. The annual rent is fixed at EUR 927,000 (CHF 931,000). In 2022, revenue of CHF 24.1 million (2021: 9.7 million) was recognised in relation to FTI.

### Red Sea

The total amount of construction work and services with Red Sea for Construction & Development S.A.E (note 18) reached EGP 3,458million (CHF 174.8 million) (2021: EGP 2,143 million (CHF 124.9 million)).

### Besix

Besix SA, a company controlled by Mr. Samih Sawiris together with close family members through Orascom Constructions PLC, is contracted by the Group for several construction projects in Montenegro. As at 31 December 2022, CHF 17.2 million (31 December 2021: CHF 21.0 million) were due to Besix SA. Further, in 2022, cost of goods sold of CHF 6.5 million (2021: CHF 9.4 million) were invoiced to the Group by Besix SA.

## 35.3. Compensation of key management personnel

CHF	2022	2021
Salaries	2,691,297	2,679,229
Other short-term employee benefits	1,602,000	1,594,000
Share-based payments	-	207,648
<b>Total compensation of key management personnel</b>	<b>4,293,297</b>	<b>4,480,877</b>

For further details on the share-based payments refer to notes 26.3 and 34.

The disclosures required by the Swiss Code of Obligations on Board and Executive committee compensation are shown in the compensation report.

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).

As at 31 December 2021, an amount of CHF 0.2 million was due from key executives relating to the allocation of ODE shares in 2007. No other loans or credits were granted to members of the Board, the Executive Management or parties closely linked to them during 2022 and 2021.

### 36. Non-cash transactions

During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flow:

- Capitalization of interest of CHF 1.7 million over projects under constructions (note 10).
- Transfer of treasury shares to Board of Directors as part of their remuneration of 2021 which was paid in 2022 (note 26.2)

### 37. LEASES

#### 37.1. The Group as lessee

##### 37.1.1. Right-of-use assets

Right-of-use assets relate to lease of office facilities with lease terms from 2 to 15 years, land usufructs with lease terms from 38 to 85 years as well as plant and equipment. Right-of-use assets are located in Egypt, Oman, Montenegro, UAE and Switzerland.

*Recognised within Property, plant and equipment (note 14)*

CHF	Land	Buildings	Plant and equipment	Total
<b>Cost</b>				
Balance at 1 January 2021	9,746,466	36,376,630	3,915,297	50,038,393
Additions	-	3,184,030	-	3,184,030
Disposals	(35,248)	-	-	(35,248)
Transfer within property, plant and equipment	-	-	(763,821)	(763,821)
Foreign currency exchange differences	235,472	(1,301,206)	153,248	(912,486)
<b>Balance at 31 December 2021</b>	<b>9,946,690</b>	<b>38,259,454</b>	<b>3,304,724</b>	<b>51,510,868</b>
Additions	-	1,898,309	-	1,898,309
Foreign currency exchange differences	(849,048)	(1,762,443)	(1,184,112)	(3,795,603)
<b>Balance at 31 December 2022</b>	<b>9,097,642</b>	<b>38,395,320</b>	<b>2,120,612</b>	<b>49,613,574</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1 January 2021</b>	<b>3,677,520</b>	<b>1,648,468</b>	<b>1,960,758</b>	<b>7,286,746</b>
Depreciation expense	1,606,067	855,533	192,855	2,654,455
Impairment losses	-	1,989,874	-	1,989,874
Disposals	(35,248)	-	-	(35,248)
Transfer within property, plant and equipment	-	-	(59,408)	(59,408)
Foreign currency exchange difference	120,696	(162,934)	76,164	33,926
<b>Balance at 31 December 2021</b>	<b>5,369,035</b>	<b>4,330,941</b>	<b>2,170,369</b>	<b>11,870,345</b>
Depreciation expense	693,509	862,735	80,279	1,636,523
Impairment losses	-	234,844	-	234,844
Foreign currency exchange difference	(602,323)	(210,470)	(798,639)	(1,611,432)
<b>Balance at 31 December 2022</b>	<b>5,460,221</b>	<b>5,218,050</b>	<b>1,452,009</b>	<b>12,130,280</b>
<b>Carrying amount</b>				
Balance at 1 January 2021	6,068,946	34,728,162	1,954,539	42,751,647
Balance at 31 December 2021	4,577,655	33,928,513	1,134,355	39,640,523
<b>Balance at 31 December 2022</b>	<b>3,637,421</b>	<b>33,177,270</b>	<b>668,603</b>	<b>37,483,294</b>

### Recognised within Inventories (note 21)

CHF	Inventory
<b>Balance at 1 January 2021</b>	<b>16,770,910</b>
Recognised as cost of goods sold (COGS)	(189,734)
Foreign currency exchange differences	(359,752)
<b>Balance at 31 December 2021</b>	<b>16,221,424</b>
Recognised as cost of goods sold (COGS)	(201,469)
Foreign currency exchange differences	(415,541)
<b>Balance at 31 December 2022</b>	<b>15,604,414</b>

### 37.1.2. Maturity analysis of lease liabilities

CHF	2022	2021
Year 1	1,803,904	1,927,431
Year 2	1,458,163	1,705,604
Year 3	1,410,237	1,474,647
Year 4	1,338,343	1,379,276
Year 5	1,304,843	1,242,375
Onwards	21,652,338	21,966,163
<b>Total</b>	<b>28,967,828</b>	<b>29,695,496</b>

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

### 37.1.3. Amounts recognised in profit or loss

CHF	2022	2021
Depreciation expense on right-of-use assets (note 14)	(1,636,523)	(2,654,455)
Interest expense on lease liabilities (note 10)	(2,426,823)	(2,291,234)
Expense relating to short-term leases	(3,382,684)	(2,788,438)
Expense relating to leases of low value assets	(27,217)	(52,829)
Expense relating to variable lease payments not included in the measurement of the lease liability	(5,582,026)	(5,152,412)
Income from subleasing right-of-use assets (note 6.1)	-	326,520

Low value, short-term and variable lease payments are included in the operational cash flow.

### 37.1.4. Further information on leases

At 31 December 2022, the Group has commitments for short-term and low-value leases of CHF 1,026,739 (31 December 2021: CHF 494,842).

The total cash outflow for leases amount to CHF 9,940,382 (2021: CHF 9,137,580).

## 37.2. The Group as lessor

### 37.2.1. Leasing arrangements

Leases relate to the investment property owned by the Group with lease terms of between 1 and 4 years for premises across all destinations. These lease contracts do not include a lease extension option and are subject to renegotiation at the end of the lease term. The lessee does not have an option to purchase the property at the expiry of the lease period. No material non-cancellable lease receivables exist as at 31 December 2022 (31 December 2021: none).

Rental income earned by the Group from its investment properties and direct operating expenses arising on the investment properties for the year are set out in note 15.

## 38. Commitments for expenditure

The following commitments for expenditure have been made for the future development of the respective projects:

CHF	2022
Eco-Bos Development Limited (i)	3,588,422

(i) As per the property management agreement between Eco-Bos and Imerys (shareholder in Eco-Bos). Eco-Bos has the right but not the obligation (American call option that started in 2011 and extended in 2019 by 5 years to mature in 2036) to purchase part or all of 6.6 million square meters (divided on 6 independent plots), which is currently owned by Imerys Mineral Limited. An annual option premium is paid to retain the rights and the purchase price is calculated based on an agreed dynamic pricing formula. The trigger event of the option(s) is at the full discretion of Eco-Bos and shall only be exercised when building permits are attained. Currently Eco-Bos is in negotiations with the local authorities and other investors and is taking its time to optimize on the best alternatives for the development. Also, it is worth noting that there is put option which Imerys can exercise in 2036.

### 38.1. Minimum Building Obligations

Beside the legally binding commitment for expenditure mentioned above the, following should be considered:

One part of the Group's business is to acquire land for the development of tourism projects. Out of these business opportunities often no legally binding commitments are incurred. However, the Group has non-binding business opportunity commitments in relation to their projects. In particular, the Group has minimum building obligations ("MBOs") which are included in their development agreements ("DAs") with the relevant governments in Oman, Morocco and Montenegro. The contingent liabilities in relation to the MBOs in Montenegro, Oman and Morocco are assessed by the management of the Group as follows:

#### Oman

According to the DAs for Salalah and Sifah, the project companies, which are subsidiaries of the Group, shall use their best efforts to substantially complete a defined number of hotels and a golf course within an indicative timeline. Based on this indicative timeline, the project companies have been initially granted an extension of time for the substantial completion (which is defined as the material elements of the specific MBOs) of the MBOs that elapses on 1 January 2015.

Based on the right to request an extension of the completion date according to the DAs, the Group has requested an extension for the time of completion of the residual MBOs until 2018. Sifah and Salalah project companies being engaged in exhaustive negotiations with the Omani Government, the Group and the Omani Government have finally signed an Addendum in 30 June 2015, in which they officially agreed on the extension of the deadline for completion of the MBOs to be 1 January 2020 and 1 January 2018 for Sifah and Salalah respectively.

Furthermore, the Parties agreed to amend certain elements of the MBOs with regards to Sifah project. The Parties agreed that the Project Company shall deliver 500 hotel keys over three hotels instead of four hotels.. Additionally, the Project Company shall be required to either develop an aquarium or a waterpark or increase the number of hotel keys by 60 rooms, at its sole discretion.

Similarly, with regards to Salalah project, it was agreed in the Addendum that the Project Company would deliver 700 hotel keys and replace the 18-hole golf course with a waterpark while the remaining MBO requirements remain unchanged. The Salalah Addendum also stipulates that the Project Company shall grant, transfer and assign to the Omani Government an area of land amounting to two million square meters, while the Omani Government undertook to provide all pending licenses to the Project Company.

The Group has requested the Omani Government to merge the required minimum number of keys, and as such the Project Companies shall be required to complete a total number of 1200/1260 keys among both Sifah and Salalah projects. Moreover, the Group requested the Omani Government to reduce the required number of holes in the golf course contemplated in the Sifah project from 18 to 9. The said request was due to the anticipated shortage in the water resources in the area as suggested by the experts. In March 2017, the Omani government approved both requests and sent a letter to that effect to be finalized by January 2020.

To date, the Project Company has completed three hotels with a total number of 904 keys. As such, the Project Company has exceeded the incumbent MBO requirements. As for the waterpark, it has been operating since December 2017. Further, the Project Company has completed one hotel with 68 keys, in addition to 12 apartments, which shall be incorporated as part of the aforementioned hotel. The Project Company has further assigned the rights and obligations of completing two hotels to Jebel Development Company. Jebel is currently developing two hotels, the first is Angsana Hotel with 180 keys and the second is Banyan Tree Hotel, the number of keys to be allocated has not been determined yet, as the drawings have not been completed.

In December 2017, MTDC and the Omani Government concluded a new addendum that covers the Merger, and the reduction of the Golf Course holes ("New Addendum"). The New Addendum is expected to be signed by the Minister of Tourism was signed during Q1 2018

During 2018, additional 178 hotel rooms were built as the extension of the Fanar Hotel. The total number of hotel rooms in Salalah Project is now 1082.

In January 2019, the Project Company signed with the Omani Government an addendum to the Development Agreements extending the MBO Completion Date of the remaining 111 rooms to January 2022.

In November 2020, the Omani Government issued a letter extending the deadlines for completing the MBO in Sifah and Salalah until 1 January 2024.

It is worth noting that a new hotel is under progress in Salalah, and the first phase of construction will include 123 new rooms.

### Morocco

OCD has concluded the Development Agreement ("DA") with the Government of Morocco on January 2007 for the implementation of the development of Oued Chbika new tourist integrated area. According to the DA, OCD shall develop the area located in South of Morocco according to the Development Program agreed upon with the Government (attached as Schedule 1 in the MBO memo).

The DA does not contemplate the concept of MBOs; however, it sets out a timeline for the performance of the essential elements and phases as provided in the Development Program. The essential elements of this Program have no fixed dates but are rather governed by interconnected milestones that change the dates automatically upon the occurrence of an agreed milestone.

OCD has been working closely with the Government authorities for the past years to obtain the licenses and permits required to start construction, however, the Government has been extensively delaying the issuance of the necessary licenses required for OCD to fulfil its obligations under the DA. Also, some matters regarding the land property certification of certain plots of land deemed of high importance to the project are still pending with the Government.

In light of the Government's delay in fulfilling its obligations with respect to issuing the required licenses and permits for the project, OCD has been engaged in negotiations with the Government regarding the extension of the timeline of the development. To that effect, OCD has sent a letter to the Government, March 26, 2014 proposing a new valuation program in which OCD has requested to deliver in 2020; three hotels, real estate units, marina, and the necessary infrastructure. The request was premised on the basis that the Government acted as a hindrance to the project; due to delays in issuing the necessary permits and providing the essential infrastructure such as, airport and electric lines linked to the project, which are necessary to allow OCD to realize its building obligations.

Based on the above, the Group remains engaged in negotiations and meetings with the state agency for tourism ("SMIT") for the purpose of integrating the amendments to the DA. Furthermore, the Group has undertaken all necessary studies of the social and environmental impact of the project on the region.

Further, in 2019, a draft amendment agreement to the DA ("Amendment Agreement" or "Avenant 2") has been prepared and negotiated with the Government and an agreed version is now in place to be signed between the Project Company and the Government reflecting the arrangements to extend the development timeline and outlining the Government and the Project Company's respective obligations with respect to the development of the project.

The Amendment Agreement provides for an extension of the development timeline allowing the delivery of Phase IA (600 keys) within four (4) years from the execution of the Amendment Agreement with one-year justifiable extension. The Marina shall also be delivered within four (4) years from the execution of the Amendment Agreement. The Amendment Agreement also includes the Government's obligation to start the development of the airport of Tan-Tan after twelve (12) months from the execution of the Amendment Agreement and to have it completed, within six (6) months, at the latest, from the date of opening of the first hotel. This due to the importance of development of Oued Chbika area and in order to guarantee regular visits of foreign tourists to this area. Furthermore, the Amendment Agreement provides for the Government's obligation to finalize, before the opening of the first hotel, the infrastructure related to the electricity to be delivered to the borders of the project's land.

Finally, the Amendment Agreement introduces a new provision allowing the Project Company to establish, with other potential partners, a company to be responsible of the development of the project.

Despite having the Amendment Agreement in nearly agreed form, this Agreement has not been signed yet.

In light of the above and in parallel with the execution of the Amendment Agreement, the Project Company is currently engaged in negotiations with potential partners in order to start the development of the first phase of the project directly once the Amendment Agreement is signed.

### **Montenegro**

In Montenegro, the investment obligations contemplated by the DAs span over three phases of development, namely the initial phase, second phase and third phase. The date of completion of the initial phase is due by 2017.

The initial phase of the project entails the completion of a four-star hotel, in addition to a main mooring area, an 18-hole golf course and a club house, as well as a town centre with several facilities.

However, due to the Government's delay in fulfilling its obligations specified in the DA and the Closing Protocol signed between the Government of Montenegro, Municipality of Tivat and the project company, the time for completing and finalizing the MBO shall be extended proportionally to the time consumed by the Government in fulfilling the said obligations.

To that effect, the project company has notified the Government several times in writing with the delay of the Government in fulfilling its obligation. The notification included reference to the finalization of the infrastructure and undertaking the required action by the Government with regard to the land expropriations on the quarry area and the main hotel site in order to enable the project company to start the construction of the hotel as required under the abovementioned initial phase. It should be noted that, to date, no official response has been received from the Government.

However, to prove its goodwill, LD constructed a hotel in the Marina Village with a capacity of 111 rooms under the name of the "Chedi". The Chedi officially started operating in July 2018. Based on the foregoing, the remaining rooms to be constructed in the Initial Phase as per the LD are 189 hotel rooms instead of 300. The Main Mooring Area has been finalized and started operating in July 2018 and the marina is partly opened. To date, all structural work on the marina has been fully completed (confirmed by the issued license for use), while the remaining works are installing the last pontoon, which will increase the total capacity of the marina to a maximum of 143 berth As for the Golf Course, the heavy excavation is nearly completed and LD started the rough shaping of the first 4 holes.



During 2018 and 2019, several meetings were held with the Government of Montenegro, who accepts that it has failed to fulfil certain obligations causing Lustica's inability to secure the execution of the MBO and MIO. This position has been confirmed during the meetings that were held during 2018 and 2019 with the Minister of Tourism, the Secretary of the Secretariat for Development Projects and the Mayor of the Tivat Municipality as the most important entities in the Government that monitor the realization of the Lustica Bay project. Furthermore, the position of the Minister of Tourism acknowledged the Government's delays in the implementation of its contractual obligations, which relate to the expropriation of land, providing adequate traffic accessibility as well as timely construction of communal infrastructure.

Therefore, it is evident that the Government of Montenegro accepts responsibility for delays in the implementation of the contracted obligations, which resulted in the inability of Lustica Development to fulfil its obligations. In parallel and given that the DA and the Closing Protocol grant Lustica an automatic extension of the deadline of delivering the Initial Phase under the MBO so long as the Government did not fulfil its obligations as detailed hereinabove, consequently, the DA is under no risk of termination. This has been confirmed by the letter issued by the Government of Montenegro dated 5 September 2019 whereby the said Government acknowledges that Lustica Development is in good standing with regard to its contractual obligations. The position of the Government of Montenegro has been recently confirmed by virtue of a letter issued on 14 November 2022, issued for the purpose of the credit arrangement under the LDA whereby it confirms that there are no open issues or disputes regarding the implementation of the Lease and Development Agreement

Based on the above, the LDA and the Closing Protocol are under no risk of termination, and it is definite that LD is and will be entitled to 4-years extension of the deadline of delivering the Initial Phase under the MBO so long as the Government did not fulfil its obligations as detailed hereinabove. Also, the remaining phases' deadlines will be extended accordingly.

### *Risk assessment of contingent liability*

Management has analysed the various MBOs and is comfortable with the current status of the MBOs and the minimum investment obligations. Albeit that certain delays have or may potentially occur, all such delays, as described herein, were well founded and are premised on legal grounds that would protect the Group from any exposure. The Group has exerted a great deal of negotiations in all destinations to ensure that any delays are communicated to the relevant local authorities and thereby working alongside each concerned government in rescheduling and extending the completion dates. Additionally, the Group has worked on securing finance schemes to accommodate the newly developed restructuring of the investment obligations, or in cases where completion dates are at risk, expending the necessary amounts to comply with the contractual obligations.

## **39. Post-dated cheques**

The Group maintains off balance sheet post dated cheques received from customers.

CHF	31 December 2022	31 December 2021
Post-dated cheques – real estate	599,786,373	457,704,116
Post-dated cheques – destination management	36,602,240	27,656,870
<b>Total</b>	<b>636,388,613</b>	<b>485,360,986</b>
Thereof due within 12 months	159,627,983	119,082,986
Thereof due after 12 months	475,760,630	366,278,000

## 40. Significant events during the financial period

### Russian and Ukrainian Conflict

Fiscal year 2022 started with challenging notes on both global and local fronts as global economic uncertainty intensified with the Russian and Ukrainian conflict. Energy and commodity prices have surged, adding to inflationary pressures from supply chain disruptions and the rebound from the Covid-19 pandemic. ODH is closely monitoring the market developments. Despite the current uncertainties, there is neither an indication of a significant disruption of the Group's business nor signs of a material impact on its future operational performance.

For the Group's hotels in In Egypt, our hotels in El Gouna and Taba Heights have benefited from the uptick in the Egyptian hospitality segment with occupancies for FY 2022 reached 70% and 29% up from 45% and 11% respectively. El Gouna, Foreigners represented 80% of our total hotels' occupancy during 2022. The Group depends highly on the Western European markets, mainly Germany, Belgium, France, Netherland, UK, and Switzerland, as the main feeder source markets for foreign tourism.

Similarly in Oman, the primarily source markets are from Western Europe mainly from Poland, Germany, and Slovakia. Hawana Salalah experienced a positive change of events during 2022, with Covid restrictions lifted, and hotels were allowed to operate at 100% capacity. Total occupancy during FY 2022 reached 41% (FY 2021: 13%). In UAE, The Cove continues to be one of the best performing hotels destinations for the Group with occupancy up to 65% in FY 2022 from 55% in FY 2021. In the Cove Hotel the international wholesale business is mainly from Germany in addition to local and regional businesses from the Gulf Cooperation Council ("GCC").

Montenegro's tourism is connected to the Russian markets and thus might be affected. Regarding the tourism sector, there is no outstanding receivables from Russians individuals. Known as a summer destination, Luštica Bay reported a strong performance throughout 2022, driven by a joint charter operation with FTI. Occupancy rates reached 46% during FY 2022 (FY 2021: 45%). Additionally, the Group is working to diversify the tourists coming to its resorts across all the destinations especially in Lustica and also increase the domestic share of tourism in 2022 more business came from Western Europe mainly from Germany, Switzerland, France plus Serbia.

For the real estate segment, in Egypt the customers are mainly Egyptians, and the Group does not have any Russian buyers across all destinations. Similarly in Oman, the primarily real estate buyers are from Oman and GCC market. In Montenegro, the percentage of Russian and Ukrainian clients of the remaining amount of cash collections for the Group's real estate project is not a majority compared to the total real estate portfolio in the destination. So far, the Group has not experienced any significant delays in collecting the dues, nor has the Group received any significant requests for rescheduling the dues from the Russian and Ukrainian clients. The Group continues to collect its dues from Russian and Ukrainian clients during 2022, however it is not possible for management to predict with any degree of certainty the impact of the uncertainty created by the running Russian/Ukrainian conflict on the future timely collection of the dues from Russian and Ukrainian clients.

### Makadi land

On 26 January 2022, Orascom Development Holding (ODH) announced that its subsidiary Makadi Heights for Tourism Development Company (Makadi Heights) had been notified by the Egyptian Tourism Development Authority (TDA) of a decision to reduce the land plot previously allocated to Makadi Heights by 1.75 million square meters. ODH submitted a formal petition against the TDA's decision.

On 16 June 2022, ODH announced that the Egyptian Grievance Committee at the Egyptian General Authority for Investment and Free Zones (GAFI) has accepted the petition submitted by Makadi Heights and cancelled the decision issued in January 2022, reversing the TDA's land reduction. Accordingly, the total land bank available for development at the Makadi Heights destination stands at 3.75 million square meters.

### **Claim for environmental compensation from Egypt's Ministry of Environment**

During the course of Q3 2021, the Group received a notice from the Environment Protection Agency a department of Egypt's Ministry of Environment claiming an environmental compensation amounting USD 33.9 million (CHF 31.6 million) in relation to the El Gouna destination. The notice did not include any information on the claim's background and reasons. Also, the Group was not informed of the technical basis that the agency followed to estimate the amount of the compensation.

The Group therefore sent a letter to the Egyptian Environment Protection Agency in order to obtain the necessary information to study the matter technically and legally. Furthermore, the Group has appointed an independent consultant in the environmental affairs to ensure that there has been no damage or breach to the environment in relation to the Group's business and the preliminary results were certainly that there were no environmental damages, nor any environmental changes have been occurred.

The Group has always been strongly committed to the environment and has always respected all environmental laws across all destinations. This is evidenced by the fact that El Gouna was the first destination in the Africa and Arab region to receive the Global Green Award, which is granted by the United Nations Environmental Program to cities that apply the highest international environmental standards.

On 2 September 2021, a decision was issued by the Egyptian Prime Ministry Office to form a committee to study the dispute file. On 18 October 2021, the Group submitted all technical and supporting documents related to this matter.

On 8 September 2022, ODE received a letter from the chairman of the committee to the effect that the committee decided to commission the National Authority for Remote Sensing ("NARSS") to perform further analysis thus a site visit was conducted.

On 15 February 2023, the Company signed an agreement with the Egyptian government, which will enhance the Group's long-term strategy to achieve growth. According to this agreement, all existing disputes with the Environmental Protection Fund were resolved, and the company was exonerated of any claims.

### **Move to flexible exchange rate regime in Egypt**

On 27 October 2022; the Central Bank of Egypt (CBE) moved to a durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies, while prioritizing the primary goal of achieving price stability, and building up sustainable, adequate levels of Foreign Exchange Reserves. Additionally, the CBE will work towards building the foundation for a derivatives market to further deepen the foreign exchange market and enhance its liquidity. During 2022, the Egyptian pound devalued by 36% against the CHF.

## **41. Litigation**

There were no significant open litigations at 31 December 2022 and 31 December 2021.

## 42. Subsequent events

### Master agreement regarding El Gouna

Orascom Development Egypt (ODE), Orascom Development Holding AG's largest Egyptian subsidiary, has announced the signing of a comprehensive milestone master agreement with the Egyptian authorities regarding its flagship project El Gouna which will further ODE's long-term strategy and efforts to drive growth. The master agreement, which involves various ministries of the Egyptian government, includes the following terms:

- Approval of a new master plan for the remaining 17.4 million m<sup>2</sup> land bank in El Gouna which includes approximately 1.2 million m<sup>2</sup> of connected lagoons and 1,000 hotel rooms to be built every 10 years.
- Granting ODE the right to connect its lagoon system to the sea via two new water canals to improve water quality in existing and future projects.
- Reducing the shoreline setback for the remaining land bank from 200 meters to 105 meters, which allows ODE to make commercial use of the most prime land of the destination.
- Amending the transfer fee payable by ODE on real estate sales for the remaining land bank. 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 and exonerating ODE from all charges and settlement of all disputes with the Environment Protection Agency.

The amended transfer fee for the entire remaining land bank in El Gouna pursuant to the master agreement is USD 112 million, of which USD 21 million are payable upon signing of the master agreement and the balance is payable in installments over 15 years, with approximately USD 79 million falling due between year 11 and year 15.

In addition, ODE pays USD 39 million upon signing of the master agreement in consideration for the reduction of the shoreline setback, the 24 environmental permits, the approval of the two new water canals connecting the lagoon system to the sea and the settlement of all disputes with the Environment Protection Agency.

Payments will be funded from the following sources:

- ODE cash and cash equivalents balances which stands at approximately CHF 141 million as of FY 2022;
- A shareholder loan from the majority shareholder in the amount of USD 30 million;
- Future cash from operations.

### Non-binding offer for O West

On 25 October 2022, Orascom Development Egypt (ODE), Orascom Development Holding AG's largest Egyptian subsidiary, announced that it had received a preliminary non-binding offer (NBO) from Sixth of October Development and Investment Company S.A.E (SODIC) for the acquisition of the entire share capital of ODE's subsidiary Orascom for Real Estate S.A.E. (ORE), the owner of O West project. ODE currently owns 70% of ORE.

On 23 March 2023, ODH announces that ODE and SODIC have mutually decided to discontinue discussions on a potential acquisition of ORE and the O West project by SODIC.

There have been no other significant events subsequent to 31 December 2022.

## 43. Approval of financial statements

The financial statements were approved by the directors and authorized for issue on 29 March 2023.



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## Report of the Statutory Auditor

To the General Meeting of  
**ORASCOM DEVELOPMENT HOLDING AG, ALTDORF**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Orascom Development Holding AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 138 to 228) give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Revenue recognition

Key audit matter	How the scope of our audit responded to the key audit matter
<p>December 31, 2022, the Group's consolidated statement of comprehensive income includes revenue of CHF 690 million (prior year CHF 539 million). The two major revenue streams are revenues from service contracts and revenues from construction of real estate.</p> <p>Revenue recognition in accordance with IFRS 15 is complex due to several types of customer contracts utilized in different business segments. Further, revenue recognition involves significant judgement and estimates made by Management including whether contracts contain multiple performance obligations to be accounted for separately and the appropriate method for revenue recognition regarding identified performance obligations. A significant number of performance obligations has to be accounted for over time, which requires Management to assess the degree of completion.</p> <p>The risk is therefore, that revenue is not recognized in the correct period, did not occur, or is recorded with an incorrect value and we consider revenue recognition to be a key audit matter due to the materiality of the position as well as the judgement and estimates this position contains.</p> <p>Refer to note 3.7 Revenue recognition, note 4.2.1 Revenue recognition of agreement for construction of real estate, note 5 Revenue, and note 6 Segment Information.</p>	<p>We gained an understanding of the Group's key controls in place in respect to revenue recognition.</p> <p>Our audit procedures on revenue recognition included:</p> <ul style="list-style-type: none"> <li>performing substantive analytical procedures and test of detail (including comparison against contractual terms and accounting standards requirements)</li> <li>performing a specific test of detail for cut-off as per year-end</li> <li>examining material journal entries and other adjustments made around year-end</li> <li>obtaining third party progress reports from construction companies and inspect construction sites for real estate revenues on a sample basis to test the percentage of completion; where only internally prepared progress reports are available, we increase the number of physical inspections of construction sites</li> <li>independently recalculating the calculation of the underlying recorded revenue for the selected samples based on the percentage of completion</li> <li>validating the appropriateness and completeness of the related disclosures in the consolidated financial statements</li> </ul> <p>Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of improper revenue recognition.</p>

## Impairment of property, plant and equipment

Key audit matter	How the scope of our audit responded to the key audit matter
<p>The Group's consolidated statement of financial position includes CHF 742 million (prior year CHF 798 million) of property, plant and equipment (PP&amp;E), representing 41% (prior year 39%) of total Group assets. These balances are tested annually for impairment, if any triggering events occurred. If the recoverable amount is lower than the carrying amount, an impairment is recognized in accordance with IAS 36.</p> <p>The Group was able to generate positive cash flows from operations in 2022. However, the COVID-19 pandemic with its significant impact on the hotel segment (driven by governmental orders on social distancing and travel restrictions, which in certain jurisdictions have only been lifted in the course of fiscal year 2022) resulted in certain jurisdictions and hotels still being loss making. This prevailing condition is an impairment indicator for assets used to generate operating cash flows. The annual impairment test includes significant Management judgments about future cash flows generated with these assets.</p> <p>Refer to note 3.13 Property, plant and equipment, note 3.15 Impairment of tangible assets, note 4.2.2 Impairment of tangible assets and investments in associates, and note 14 Property, plant and equipment.</p>	<p>We gained an understanding of the Group's key controls in place in respect to impairment of property, plant &amp; equipment.</p> <p>In addition, we have performed the following to assess the valuation of PP&amp;E:</p> <ul style="list-style-type: none"> <li>corroborating impairment tests by challenging assumptions made by Management</li> <li>testing the valuation models of the hotels, which includes verifying the valuation methodology, the mathematical accuracy of the models, the forecasts and the key assumptions (e.g. occupancy, room rates, WACC, terminal growth rates) as well as a comparison of calculated valuation amounts with the current carrying value for the hotels to conclude on any impairment needs</li> <li>obtaining assistance from internal valuation specialists to evaluate valuation models for the significant locations in Egypt, Oman, Montenegro and U.A.E.</li> <li>challenging the destinations under development with the current year's progress, its own plans and the outlook to generate positive cash flows in the future</li> <li>validating the appropriateness and completeness of the related disclosures in the consolidated financial statements</li> </ul> <p>Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of improper valuation of property, plant and equipment.</p>

## Recoverability of trade and other receivables

Key audit matter	How the scope of our audit responded to the key audit matter
<p>The Group's statement of financial position includes CHF 107 million non-current receivables (prior year CHF 105 million), and CHF 165 million trade and other receivables (prior year CHF 166 million) representing 15% (prior year 13%) of total Group assets. The Group records required allowance for expected credit losses in accordance with the requirements of IFRS 9 at each month-end.</p> <p>The Group needs to execute significant judgement in assessing the collectability of current and non-current receivables, because a material portion of the receivables are collected over an average collecting period of 6.5 years. There is a significant uncertainty around recoverability of these receivables for such a long period in the markets where the Group operates.</p> <p>Refer to note 3.19.4 Impairment of financial assets, note 4.2.5 Impairment of financial assets, note 19 Non-current receivables, and note 22 Trade and other receivables.</p>	<p>We gained an understanding of the Group's key controls in place in respect to recoverability of trade and other receivables.</p> <p>Our audit procedures in respect of the recoverability of receivables included:</p> <ul style="list-style-type: none"> <li>• corroborating expected credit loss calculation by challenging assumptions made by Management</li> <li>• perform test of details and assess on a sample basis whether the calculation of expected credit losses is in line with the requirements of the accounting standards</li> <li>• assessing the counterparty credit risk based on publicly available information and historical information/experience for selected receivables</li> <li>• validating the appropriateness and completeness of the related disclosures in the consolidated financial statements</li> </ul> <p>Based on the procedures performed above, we obtained sufficient audit evidence to address the risk around recoverability of trade and other receivables.</p>

## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

### DELOITTE AG



Chris Kraemer  
Licensed Audit Expert  
Auditor in Charge



Adrian Kaeppli  
Licensed Audit Expert

Zurich, March 30, 2023



## ORASCOM DEVELOPMENT HOLDING AG

# STATUTORY FINANCIAL STATEMENTS

## TOGETHER WITH AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

### Statutory income statement

CHF	Notes	2022	2021
Gross revenue from services		751,814	240,248
Cost of sales		(378,756)	-
<b>Gross profit</b>		<b>373,058</b>	<b>240,248</b>
Staff costs	4.9	(5,114,941)	(5,677,379)
Other operational costs	4.9	(2,444,945)	(2,413,628)
Depreciation of fixed asset items	4.9	(329)	-
<b>Total operating expenditure</b>		<b>(7,560,215)</b>	<b>(8,091,007)</b>
<b>Operating loss</b>		<b>(7,187,157)</b>	<b>(7,850,759)</b>
Financial expenses	3.9	(4,523,824)	(6,540,665)
Financial income	3.10, 4.9	1,942,921	1,758,535
<b>Total financial (expense)/income</b>		<b>(2,580,903)</b>	<b>(4,782,130)</b>
<b>Total loss before taxes</b>		<b>(9,768,060)</b>	<b>(12,632,889)</b>
Direct taxes		-	(81,179)
<b>Annual loss</b>		<b>(9,768,060)</b>	<b>(12,714,068)</b>



Naguib S. Sawiris  
Chairman of the Board



Ashraf Nessim  
Group CFO

## Statutory balance sheet

CHF	Notes	2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash at bank	3.1	5,232,164	13,132,535
Other current receivables – Related parties		5,075	-
Other current receivables – Third parties		348,561	290,460
Prepaid expenses and other assets		197,172	197,172
<b>Total current assets</b>		<b>5,782,972</b>	<b>13,620,167</b>
<b>Non-current assets</b>			
Other non-current receivables – Affiliated Companies		6,070,132	1,347,868
Investments in subsidiaries	3.2	1,491,454,120	1,484,557,774
Tangible fixed assets		8,488	4
Other non-current assets		153,708	350,880
<b>Total non-current assets</b>		<b>1,497,686,448</b>	<b>1,486,256,526</b>
<b>Total assets</b>		<b>1,503,469,420</b>	<b>1,499,876,692</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade creditors		145,582	152,579
Current interest-bearing liabilities - Shareholder	3.3	83,287,028	57,843,868
Accrued expenses		3,192,756	3,196,175
Deferred revenue		51	31
<b>Total current liabilities</b>		<b>86,625,417</b>	<b>61,192,653</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities – Affiliated Companies		27,118,507	39,662,243
Other long-term liabilities	3.4	100,000,000	100,000,000
<b>Total non-current liabilities</b>		<b>127,118,507</b>	<b>139,662,243</b>
<b>Total liabilities</b>		<b>213,743,924</b>	<b>200,854,896</b>
<b>Shareholders' equity</b>			
Share capital	3.5 3.6	202,968,745	202,968,745
<b>Statutory capital reserves</b>			
Capital contribution reserve (privileged) of which reserves from tax privileged capital contributions	3.7	2,858,520,175	2,858,520,175
Statutory retained earnings		750,084,967	750,084,967
Accumulated losses		(2,519,730,199)	(2,509,928,914)
Own shares	3.8	(2,118,192)	(2,623,177)
<b>Total shareholders' equity</b>		<b>1,289,725,496</b>	<b>1,299,021,796</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,503,469,420</b>	<b>1,499,876,692</b>



Naguib S. Sawiris  
Chairman of the Board



Ashraf Nessim  
Group CFO

# NOTES TO THE STATUTORY FINANCIAL STATEMENTS

## 1. General information

Orascom Development Holding AG was established in Switzerland as Joint Stock Company and is domiciled in Altdorf, Uri. The purpose of the Company is the direct or indirect acquisition, durable management and disposal of participations in domestic or foreign enterprises, in particular in the field of real estate, tourism, hotels, construction, resort management, financing of real estate and related industries as well as the provision of related services.

In 2022, Orascom Development Holding established a Representation office in Dubai for the purpose of expanding the group sales for all destinations.

The accounts for the period from 1 January to 31 December 2022 were approved by the Board of Directors on 29 March 2023. The Company has an annual average of less than 10 full-time employees (previous year: less than 10 full-time employees).

## 2. Key accounting and valuation principles

### 2.1. Principal of financial reporting

The present accounts for Orascom Development Holding AG have been prepared in accordance with the requirements of the Swiss Financial Reporting Law. The main accounting and valuation principles used, which are not already specified by the Swiss Code of Obligations, are described as follows.

### 2.2. Estimates and Assumptions made by management

Financial reporting under the Swiss Code of Obligations requires certain estimates and assumptions to be made by management. These are ongoing and are based on past experience and other factors (e.g. expectations of future results for investments and budget). The result subsequently achieved may change from these estimates. Items in the accounts, which are based on the estimates and assumptions made by management, are as follows:

- Investments in subsidiaries

### 2.3. Foreign currency items

The currency in which Orascom Development Holding AG operates is Swiss Francs (CHF). Transactions in foreign currencies are converted into the currency in which the company operates (CHF) at the exchange rate on the day of the transaction takes place.

- Monetary assets and liabilities in foreign currencies are converted into CHF at the exchange rate on the balance sheet date. Any profit or losses from the exchange are recorded in the income statement except net unrealized gain from non-current items, which are deferred in the balance sheet.
- Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction.

## 2.4. Related parties

Related parties include subsidiary companies (affiliated companies), members of the Board of Directors and Orascom Development Holding AG shareholders. Transactions with related parties take place under proper market conditions (dealing at an arm's length).

## 2.5. Cash at bank

The cash and bank deposits are recorded at their nominal value.

## 2.6. Issuance Costs

Issuance costs for bonds are capitalized and amortized over the period until the maturity date. The capitalized costs are split in current and non-current and presented as part of other assets.

## 2.7. Own shares

Own Shares are recorded at acquisition cost on the balance sheet as a deduction to equity. If they are resold at a later date, the profit or loss is recorded in retained earnings, respectively accumulated losses.

## 2.8. Shareholder rights and options / share-based compensation

Own shares are allocated to management and administrative bodies or to employees as shareholder rights or options. The difference between the acquisition value and any payments to counterparties during share allocation is shown as staff costs. Share based compensation arrangements are also settled from the contingent capital. Such transactions are measured at stock market price at the allocation of the shares to the employees. These costs are recorded as staff costs and the new shares in equity. The costs for the transactions are accrued after the vesting conditions are fulfilled until the actual allocation takes place.

## 2.9. Leasing transactions

Lease payments are recognized as an expense in the period in which they occur. Under the strictly contractual interpretation of leasing contracts, right-of-use assets and lease liabilities are not recognised on the balance sheet. In note 4.1, the residual amount of lease liabilities is disclosed as per Art. 959c para 2, point 6 of the Swiss Code of Obligations.

## 2.10. Contingent compensation

The company performs an assessment for their contingent compensation arrangement and disclose it as contingent liability if the compensation is not probable. If the assessment concludes that the compensation is more likely than not, the company is recording an accrual for the estimated compensation.

## 3. Information relating to items on the balance sheet and income statement

### 3.1. Cash at bank

CHF	31 December 2022	31 December 2021
of which in CHF	612,035	519,739
of which in USD	2,921,372	10,884,961
of which in EUR	1,644,578	1,725,731
of which in GBP	3,118	1,071
of which in EGP	575	1,033
Of which in AED	50,486	-
<b>Total</b>	<b>5,232,164</b>	<b>13,132,535</b>

### 3.2. Investments in subsidiaries

Investments are valued at acquisition cost less adjustments for impairment. On a regular basis the Company's management reviews the recoverable value of the Company's investments in the various destinations, and accordingly reduces the carrying value by the amount of any impairment losses.

The valuation model of the Company captures the different investments. The valuation model adopts various approaches depending on the category of the project. It also captures the value of the land bank specifically in Egypt as it is one of the major contributors to the investments' value, for which an external appraiser derives the aggregate market value and a discount is applied to be conservative.

For the operating projects, DCF valuation techniques have been applied for the hotels and real estate segments to reflect the evolving status and the expected steady performance of the operations over a time period ranging from 5 to 10 years. Major underlying assumptions have been used depending on the segment such as occupancy and average room rates for hotels and number of units to be sold and average selling price for real estate. These assumptions affecting the future projections take into consideration the various political, economic and operational facts prevailing at the time of preparing the valuations. Future developments may impact the value.

Company, domicile, purpose	Ownership %*		Share capital	
	31 December 2022	31 December 2021		
Orascom Development Egypt S.A.E. (previously: Orascom Hotels & Development S.A.E.), Egypt Real estate development, hotel management	75.10%	75.10%	EGP	1,130,473,523
Arena for Hotels Company S.A.E., Egypt Hotel operation	99.85%	99.85%	EGP	20,000,000
ORH Investment Holding Ltd, BVI International holding company	100.00%	100.00%	USD	440,000,000
Lustica Development AD, Montenegro Real estate development, hotel management	92.75%	92.75%	EUR	69,559,781
Andermatt Swiss Alps AG, Switzerland (ASA) Real estate development	49.00%	49.00%	CHF	301,147,000
Orascom Development International AG, Switzerland Real estate development	-	100.00%	CHF	1,400,000
Orascom Hotels Management AG, Switzerland Hotel Management	100.00%	100.00%	CHF	18,000,000

\* The voting rights are equal to the ownership percentage

#### In 2022

On 23 June 2022, Orascom Development International AG was merged into Orascom Development Holding AG, and as a result of the merger, total assets of CHF 1.26M and total liabilities of CHF 35K were transferred to Orascom Development Holding AG.

#### In 2021

There were no changes in the financial year 2021.

### 3.3. Current interest-bearing liabilities – Shareholder

The balance of "Current interest-bearing liabilities – Shareholder" as at 31 December 2022 is due to Mr. Samih O. Sawiris in the amount of CHF 83,287,028 (31 December 2021: CHF 57,843,868).

### 3.4. Other long-term liabilities

CHF	31 December 2022	31 December 2021
Bond	100,000,000	100,000,000
<b>Total cash and cash equivalents</b>	<b>100,000,000</b>	<b>100,000,000</b>

The Company has issued a SIX Swiss Exchange listed bond with nominal value of CHF 100 million. The bond has a coupon of 3.25% and a tenor of five years. The maturity date of the bond is 11 October 2024.

### 3.5. Shareholders' equity movements

The following table shows the shareholders' equity movement:

CHF	Share capital	Statutory capital reserves (tax privileged)	Statutory retained earnings	Accumulated losses	Own shares	Total
<b>Balance at 01/01/2021</b>	<b>202,968,745</b>	<b>2,858,520,175</b>	<b>750,084,967</b>	<b>(2,473,580,217)</b>	<b>(4,710,880)</b>	<b>1,333,282,790</b>
Acquisition of own shares	-	-	-	-	(1,869,529)	(1,869,529)
Disposal of own shares	-	-	-	111,835	1,687,489	1,799,324
Distribution to Board Members and revaluation	-	-	-	327,761	553,488	881,249
Loss for the period	-	-	-	(12,714,068)	-	(12,714,068)
<b>Balance at 31/12/2021</b>	<b>202,968,745</b>	<b>2,858,520,175</b>	<b>750,084,967</b>	<b>(2,509,928,914)</b>	<b>(2,623,177)</b>	<b>1,299,021,796</b>
<b>Balance at 01/01/2022</b>	<b>202,968,745</b>	<b>2,858,520,175</b>	<b>750,084,967</b>	<b>(2,509,928,914)</b>	<b>(2,623,177)</b>	<b>1,299,021,796</b>
Merge accounts ODI to ODH	-	-	-	(178,930)	-	(178,930)
Acquisition of own shares	-	-	-	-	(699,940)	(699,940)
Disposal of own shares	-	-	-	(125,897)	784,706	658,809
Distribution to Board Members and revaluation	-	-	-	271,602	395,161	666,763
Distribution to others	-	-	-	-	25,058	25,058
Loss for the period	-	-	-	(9,768,060)	-	(9,768,060)
<b>Balance at 31/12/2022</b>	<b>202,968,745</b>	<b>2,858,520,175</b>	<b>750,084,967</b>	<b>(2,519,730,199)</b>	<b>(2,118,192)</b>	<b>1,289,725,496</b>

### 3.6. Share Capital

As at 31 December 2022 the Company's share capital of CHF 202,968,745 (31 December 2021: CHF 202,968,745) was divided into 40,593,749 (31 December 2021: shares 40,593,749) registered shares with a par value of CHF 5 (31 December 2021: CHF 5) each. The share capital is fully paid-in. The registered shares of the company are listed on the Swiss Exchange (SIX).

### 3.7. Statutory capital reserves from tax contributions

As of 1 January 2011, Swiss tax authorities have introduced a regulation concerning capital contribution reserves. Distributions from such reserves are exempt from Swiss income and withholding tax. In order to reflect this regulation, capital contribution reserves have been classified separately in the balance sheet. The capital contribution reserves in the amount of CHF 2,999,972,181 have been approved by the tax authorities. An amount of CHF 141,452,006 out of this statutory capital reserves from tax contributions has been used in the capital increase through converting it in share capital, as the offering price was CHF 11.28, which was below the par value CHF 23.20. Therefore, the capital contribution reserves from tax contributions amounts to CHF 2,858,520,175 as per 31 December 2022.

### 3.8. Own shares transactions

CHF	Number of shares		Book value in CHF	
	2022	2021	2022	2021
As of 1 January	349,792	432,427	2,623,177	2,994,625
Distribution to Board Members	(63,080)	(88,354)	(395,161)	(553,489)
Distribution to others	(4,000)	-	(25,058)	-
Sales	(75,002)	(165,444)	(784,706)	(1,687,488)
Purchase	78,792	171,163	699,940	1,869,529
<b>As of 31 December</b>	<b>286,502</b>	<b>349,792</b>	<b>2,118,192</b>	<b>2,623,177</b>

### 3.9. Finance expenses

CHF	2022	2021
Interest expense	4,523,824	4,397,340
Foreign exchange loss, net	-	2,143,325
<b>Total finance expenses</b>	<b>4,523,824</b>	<b>6,540,665</b>

### 3.10. Finance income

CHF	2022	2021
Interest income	821,261	1,758,535
Foreign exchange gain, net	1,121,660	-
<b>Total finance income</b>	<b>1,942,921</b>	<b>1,758,535</b>

## 4. Other information, which is not already visible in the balance sheet or income statement

### 4.1. Residual amount of leasing liabilities

Leasing liabilities, which will not expire and may not be terminated within twelve months, are subject to the following repayment structure:

CHF	31 December 2022	31 December 2021
< 1 year	271,200	271,200
1 – 5 years	1,084,800	1,084,800
> 5 years	1,627,200	1,898,400
<b>Total</b>	<b>2,983,200</b>	<b>3,254,400</b>

### 4.2. Total amount of assets pledged or assigned to secure own liabilities and assets under reservation of ownership

#### Andermatt Swiss Alps (ASA)

Andermatt Swiss Alps AG (ASA) has obligations towards the canton of Uri and the municipality of Andermatt. ASA is responsible for the construction of certain parts of the tourism resort Andermatt. Within certain periods or should the construction work be stopped for whatever reason, ASA has the obligation to rebuild the relevant plots of land to the original state. In July 2022, 17,000 shares were released, resulting in a residual number of ASA pledged shares owned by the Company of 19,985 as at 31 December 2022 (31 December 2021, 36,985) with a net book value of CHF 876.73 each, amounting to a total book value of 17,521,441 (31 December 2021: CHF 32,425,844) which have been pledged as a security to the canton and municipality. Additionally, land with a value of CHF 1,000,000 has been pledged (31 December 2021: CHF 1,000,000).

#### Orascom Development Egypt S.A.E. (ODE)

As at 31 December 2022, 4,746,000 ODE shares owned by the Company (31 December 2021: 166,629,460) with a net book value of CHF 0.92 each, amounting to a total book value of CHF 4.4 million (31 December 2021: CHF 153.5 million), have been pledged as a security.

#### Arena for Hotels

As of 31 December 2022, 3,994,000 Arena shares owned by the Company (31 December 2021: 3,994,000) with a net book value of CHF 1.18 each, amounting to a total book value of CHF 4.7, have been pledged as a security.

#### Island Lastavica with fortress Mamula in Herceg Novi

As at 31 January 2014, Orascom Development Holding submitted a bid pursuant to the invitation to tender issued by the tender committee for valorisation of tourism location for the purpose of long-term lease of the site Island Lastavica with fortress Mamula in Herceg Novi with an amount of EUR 300,000. Accordingly, a fully secured bid bond/guarantee was issued in favour the government of Montenegro against a blocked cash deposit of EUR 330,000 (110% of the amount of the guarantee). As a result of the award of the long-term lease, the government of Montenegro requested a performance bond/guarantee against the development works in the amount of EUR 1,500,000. In December 2018, the company blocked a cash deposit of EUR 1,650,000 (110% of the amount of the guarantee) to secure the performance bond/guarantee which was issued by the same bank. Simultaneously, the original bid bond/guarantee was cancelled, and the cash deposit block of EUR 330,000 was released.



### 4.3. Share ownership by the Board of Directors and Management

As of 31 December 2022, a total of 733,490 shares were held by members of the board of Directors or members of Management (31 December 2021: 27,639,467).

As at 31 December 2022 and 2021 the members of the Board of Directors held the following number of shares in the Company:

Name	Function	31 December 2022	31 December 2021
Samih Sawiris (ii)	Chairman of the Board (i)	n/a	26,794,923
Naguib Sawiris (iv), (vii)	Chairman of the Board	259,439	259,439
Franz Egle	Board member	130,149	59,439
Jürgen Fischer	Board member	143,902	134,395
Maria Davidson (v)	Board member	-	n/a
Eskandar Tooma (vi)	Board member	200,000	200,000
Barbara Heller (vi), (iii)	Board member	n/a	-
Amine Omar Tazi Riffi (vi)	Board member	-	-
Carolina Müller-Möhl (iii)	Board member	n/a	88,911
Jürg Weber (iii)	Board member	n/a	102,360
<b>Total</b>		<b>733,490</b>	<b>27,639,467</b>

(i) Total includes direct and indirect share ownership

(ii) Chairman until 10 May 2022

(iii) Member until 10 May 2022

(iv) Chairman since 10 May 2022

(v) Member since 10 May 2022

(vi) Member since 6 May 2021

(vii) The Sawiris' family directly or indirectly holds 27,361,067 shares

As at 31 December 2022 and 2021, none of the members of the Executive Management held any shares in the Company:

### 4.4. Significant shareholders

	31 December 2022		31 December 2021	
	Number of shares	%	Number of shares	%
Samih O. Sawiris et al. (i)	27,361,067	67.40%	27,013,523	66.55%
Others	13,232,682	32.60%	13,580,226	33.45%
<b>Total</b>	<b>40,593,749</b>	<b>100.00%</b>	<b>40,593,749</b>	<b>100.00%</b>

(i) The group of shareholders comprised the following individuals and entities:

As of 31 December 2022: Samih O. Sawiris (Cairo, Egypt), Naguib S. Sawiris (Cairo, Egypt), Taya Sawiris (Andermatt, Switzerland) and Tary Sawiris (Altdorf, Switzerland) as beneficial owners and SOS Holding Ltd, Thursday Holding Ltd and LPSO Holding (each in George Town, Cayman Island) as direct shareholders, based on a notification dated 16 June 2022.

As of 31 December 2021: Samih O. Sawiris (Cairo, Egypt), Naguib S. Sawiris (Cairo, Egypt), Taya Sawiris (Andermatt, Switzerland) and Tary Sawiris (Altdorf, Switzerland) as beneficial owners and SOS Holding Ltd and Thursday Holding Ltd as direct shareholders, based on a notification dated 30 July 2021.

#### **4.5. Liabilities towards staff pension schemes**

Pension liability as at 31 December 2022 of CHF 23,900 (31 December 2021: CHF 0).

#### **4.6. Joint liability in favour of third party**

The Company, together with certain Swiss subsidiaries, is part of a Swiss value added tax (VAT) group, resulting in a joint liability for taxation for VAT purposes.

#### **4.7. Contingent liability**

The employment contract with the CEO, Omar El Hamamsy, provides for contingent compensation payments based on incremental improvements of the market capitalization of the Company. Each contingent compensation payment is expressed as a percentage of the relevant increment of improvement. Upon achievement of a relevant incremental improvement the respective payment will be made in instalments over a period of several months, subject to the condition of the CEO remaining employed by the Company. The aggregate maximum pay-out of all such contingent compensation payments that may be paid out over the life of the CEO's employment contract amounts to CHF 59.6 million. This maximum pay-out can only be achieved if the development of the market capitalization is such as to make ODH a multi-billion CHF company. The compensation may be paid, at the Company's discretion, in cash or in shares of the Company based on an average of the ODH share prices during a period prior to the triggering of the specific contingent payment.

#### **4.8. Representation Office in Dubai**

At the beginning of 2022, Orascom Development Holding AG (ODH) decided to expand its sales by opening a representative office resident in the United Arab Emirates. Its main objective is to increase sales & generate revenue for the group destinations to reach customers all over the world, open new markets, and develop customer relationships.

ODH's real estate segment operates in many destinations: Egypt, Oman, Montenegro, England & Switzerland. The representation office receives a commission from contracted sales from each destination taking the role of the group broker throughout all destinations to increase the group sales.

#### **4.9. Representation Office expenses allocation**

A total of CHF 963 thousand of the operating expenses incurred by the Dubai sales office (the "Branch") are recharged to other group companies where the Branch provides sales services to those companies. Such recharges are presented as a deduction of expenses within the Company's income statement. Those recharges are included in the different expense lines (staff costs CHF 548 thousand, other operational costs CHF 338 thousand, depreciation on fixed assets items CHF 3 thousand and financial income CHF 73 thousand). The net value between the recharge income and the Company's expenses are the remaining expenses for the Company.

#### **4.10. Subsequent events**

There have been no significant events subsequent to 31 December 2022.



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## Report of the Statutory Auditor

To the General Meeting of  
**ORASCOM DEVELOPMENT HOLDING AG, ALTDORF**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Orascom Development Holding AG (the Company), which comprise the statement of financial position as at December 31, 2022, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 233-242) comply with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Valuation of investments in subsidiaries

Key audit matter	How the scope of our audit responded to the key audit matter
<p>As described in note 3.2 Investments in subsidiaries, Orascom Development Holding AG, holds investments in subsidiaries amounting to CHF 1,491 million as at December 31, 2022 (prior year CHF 1,485 million).</p> <p>In accordance with the requirements of Swiss law, each investment held is valued individually and reviewed annually for impairment indicators.</p> <p>The assessment of the carrying value of each investment contains significant Management's judgment, as the carrying value depends on political and economic assumptions for Middle East and especially Egypt, which are inherently uncertain. Given future cash-flows of subsidiaries being generated in different currencies, the recoverable amount of investments are also impacted by FX-fluctuations. Accordingly, for the purpose of our audit, we identified the impairment assessment and judgment applied by Management on the valuation of investments in subsidiaries as a key audit matter.</p>	<p>We assessed the appropriateness of Management's accounting policies regarding the valuation of investments in subsidiaries.</p> <p>We gained an understanding of the Company's key controls in place. We challenged the impairment tests for material investments in subsidiaries, by critically assessing whether the key assumptions (e.g. occupancy, room rates, WACC, terminal growth rates) and judgments used in the valuation models are appropriate.</p> <p>We have involved internal valuation specialists to assist us in reviewing the valuation models and validating the reasonableness of the capital cost and discount rates applied. Further, the specialists performed a sensitivity analysis.</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements in respect of the impairment testing.</p> <p>Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of an improper valuation of investments in subsidiaries.</p>

## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

### Deloitte AG



Chris Kraemer  
Licensed Audit Expert  
Auditor in Charge



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08

# GLOSSARY

## 8.0 GLOSSARY OF TERMS



**AG** – Aktiengesellschaft is the German name for a stock corporation.

**ARR** – Average Room Rate is a statistical unit often used in the lodging industry. The ARR is calculated by dividing the room revenue (excluding services and taxes) earned during a specific period by the number of occupied rooms.

**Company** – Orascom Development Holding AG.

**EBIT** – Earnings Before Interest and Taxes is an indicator of a company's profitability, calculated as total revenue minus total expenses, excluding tax and interest. EBIT is also referred to as "Operating Earnings", "Operating Profit", and "Operating Income". The indicator is also known as Profit Before Interest and Taxes (PBIT) and is equal to the net income with interest and taxes added back to it.

**EBITDA** – Earnings Before Interest, Taxes, Depreciation, and Amortization is an indicator of a company's financial performance, calculated as total revenue less total expenses, excluding tax, interest, depreciation, and amortization. EBITDA is essentially net income with interest, taxes, depreciation, and amortization added back to it. It can be used to analyze and compare profitability between companies and industries, because it eliminates the effects of financing and accounting decisions.

**Adjusted EBITDA** – Earnings Before Interest, Taxes, Depreciation and Amortization adjusted to better reflect optimization of core operating activities net of any extraordinary items such as provisions and impairments, FOREX losses, capitalized G&A expenses, share in associates and fair value differences.

**EFSA** – Egyptian Financial Supervisory Authority.

**EGX** – The Egyptian Exchange is one of the oldest stock markets established in the Middle East. The Egyptian Exchange traces its origins to 1883 when the Alexandria Stock Exchange was established, followed by the Cairo Stock Exchange in 1903.

**GOP** – Gross Operating Profit means the profit of our hotel business after deducting operating costs and before deducting amortization and depreciation expenses. It excludes all costs related to non-hotel operations.

**GOP PAR** – Gross Operating Profit per Available Room, a key performance indicator for the hotel industry, defined as total gross operating profit (GOP) per available room per day.

**Group** – Orascom Development Holding AG and its subsidiaries.

**KPI** – Key Performance Indicators are financial and non-financial metrics used to help an organization define and measure progress toward organizational goals.

**M<sup>2</sup>** – Square meter.

**M<sup>3</sup>** – Cubic meter.

**MBA** – The Master of Business Administration is a Master's degree in business administration.



**MCDR** – Misr for Central Clearing, Depository, and Registry provides securities settlement and custody services in Egypt by applying the central depository system, effecting central registry of securities traded in the Egyptian capital market, and facilitating securities trading on dematerialized shares.

**MENA** – Middle East and North Africa.

**MV** – Megavolt.

**NAV** – Net Asset Value is a term used to describe the value of an entity's assets less the value of its liabilities.

**OHM** – Orascom Hotels Management.

**ODE** – Orascom Development Egypt.

**RevPAR** – Revenue Per Available Room equals average room rate (ARR) multiplied by average occupancy.

**SESTA** – Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995 (Bundesgesetz vom 24 März 1995 über die Börsen und den Effektenhandel, BEHG)

**SIS** – SIS SegalInterSettle AG provides securities settlement and custody services in Switzerland.

**SIX Swiss Exchange** – The SIX Swiss Exchange is Switzerland's principal stock exchange and part of the Cash Markets Division of SIX Group. It operates several trading platforms and is the marketplace for various types of securities. The SIX Swiss Exchange is supervised by the Swiss Financial Market Supervisory Authority (FINMA).

**TRevPAR** – Total Revenue per Available Room is similar to RevPAR, but also takes into account other room revenues — e.g. food and beverage, entertainment, laundry, and other services.

**UAE** – United Arab Emirates.

**UK** – United Kingdom.





# DISCLAIMER

Throughout this document, we present certain non-IFRS measures, namely EBITDA and other EBITDA related measures such as Adjusted EBITDA, EBITDA margin, as well as GOP and GOP margin (as defined below) and net debt. We define EBITDA as profit for the period before finance costs, income tax expense and depreciation and amortization. EBITDA margin is EBITDA as a percentage of revenue. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization adjusted to better reflect optimization of core operating activities net of any extraordinary items such as provisions and impairments, FOREX losses, capitalized general and administration expenses, share in associates and fair value differences. We define GOP as the profit of our hotel business after deducting operating costs and before deducting amortization and depreciation expenses. It also excludes all costs related to non-hotel operations. We define GOP margin as GOP divided by revenue. We calculate our net debt by adding long- and short-term borrowings and cash and cash equivalents.

We use EBITDA, EBITDA margin, Adjusted EBITDA, GOP and GOP margin in our business operations to, among other things, evaluate the performance of our operations, develop budgets and measure our performance against those budgets. We use net debt as part of our evaluation of liquidity.

We find these measures to be a useful tool to assist in evaluating performance because they eliminate items related to finance costs, taxes and depreciation and amortization. Furthermore, we believe that EBITDA is commonly reported by comparable businesses and used by investors in comparing the performance of businesses without regard to depreciation and amortization, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred).

EBITDA, EBITDA margin, Adjusted EBITDA, GOP and GOP margin may not be comparable to similarly titled measures disclosed by other companies, and investors should not use these non-IFRS measures as a substitute for the figures provided in our Audited Consolidated Financial Statements.

Management uses these supplemental non-IFRS financial measures to evaluate performance period over period, to analyze the underlying trends in our business, to assess our performance relative to our competitors and to establish operational goals and forecasts that are used in allocating resources. In addition, management uses these non-GAAP financial measures to further its understanding of the performance of our operating segments. With the exception of the impact of the recent acquisitions and divestitures, the adjustments excluded from our non-GAAP financial measures are consistent with those excluded from our operating segments' measures of net sales and profit or loss. These adjustments are excluded from the segment measures reported to our chief operating decision maker that are used to make operating decisions and assess performance.



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