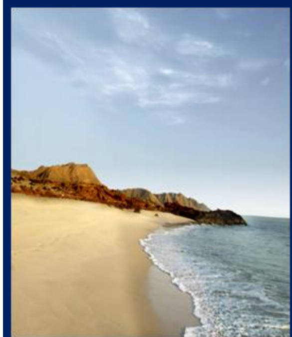
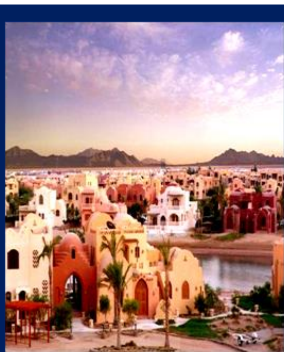
Orascom Development Holding AG

Condensed Consolidated Interim Financial Statements (unaudited)

1. Half-Year 2022




ORASCOM DEVELOPMENT

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Unaudited condensed consolidated statement of comprehensive income

for the period ended 30 June 2022

CHF	Notes	Three months ended 30 June 2022	Three months ended 30 June 2021	Six months ended 30 June 2022	Six months ended 30 June 2021
CONTINUING OPERATIONS					
Revenue	8	128,523,157	119,261,922	270,470,109	225,757,066
Cost of sales		(104,509,113)	(91,622,852)	(209,454,818)	(168,837,190)
Gross profit		**24,014,044**	**27,639,070**	**61,015,291**	**56,919,876**
Investment income		4,177,175	3,348,075	8,633,372	5,801,356
Other gains	9	386,675	11,698	578,190	2,680,366
Administrative expenses		(11,367,678)	(9,687,779)	(22,393,554)	(18,560,633)
Finance costs	10	(8,526,840)	(8,180,550)	(17,576,855)	(16,376,994)
Share of gains/(losses) of associates	18	(2,222,902)	(1,886,979)	9,387,980	(6,221,655)
Other losses	11	2,170,362	(2,015,892)	(6,554,776)	(3,831,539)
Profit before tax		**8,630,836**	**9,227,643**	**33,089,648**	**20,410,777**
Income tax expenses	12	(5,456,832)	(7,061,081)	(12,358,268)	(15,162,926)
Profit for the period	**8**	**3,174,004**	**2,166,562**	**20,731,380**	**5,247,851**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Net gain/(loss) on revaluation of financial assets at FVTOCI		42	(120)	(373)	(189)
		42	**(120)**	**(373)**	**(189)**
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations	24	5,584,841	(13,472,752)	(33,771,861)	25,310,228
		5,584,841	**(13,472,752)**	**(33,771,861)**	**25,310,228**
Total other comprehensive income for the period, net of tax		**5,584,883**	**(13,472,872)**	**(33,772,234)**	**25,310,039**
Total comprehensive income for the period		**8,758,887**	**(11,306,310)**	**(13,040,854)**	**30,557,890**

Unaudited condensed consolidated statement of comprehensive income - continued

for the period ended 30 June 2022

CHF	Notes	Three months ended 30 June 2022	Three months ended 30 June 2021	Six months ended 30 June 2022	Six months ended 30 June 2021
Profit/(loss) attributable to:					
Owners of the Parent Company		1,273,353	(2,405,171)	11,314,938	(5,020,011)
Non-controlling interests		1,900,651	4,571,733	9,416,442	10,267,862
		3,174,004	**2,166,562**	**20,731,380**	**5,247,851**
Total comprehensive income attributable to:					
Owners of the Parent Company		5,631,788	(12,328,741)	(8,705,177)	13,205,418
Non-controlling interests		3,127,099	1,022,431	(4,335,677)	17,352,472
		8,758,887	**(11,306,310)**	**(13,040,854)**	**30,557,890**
Earnings per share from continuing operations					
Basic	13	0.03	(0.06)	0.28	(0.12)
Diluted	13	0.03	(0.06)	0.28	(0.12)

Naguib S. Sawiris
Chairman of the Board

Ashraf Nessim
CFO

Unaudited condensed consolidated statement of financial position

at 30 June 2022

CHF	Notes	30 June 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	790,264,964	797,829,382
Investment property	16	35,791,745	37,319,156
Goodwill	17	2,593,331	2,974,101
Investments in associates	18	41,893,138	39,366,941
Non-current receivables	19	98,538,063	104,557,688
Deferred tax assets		6,087,401	1,598,384
Other financial assets		1,138	1,460
Total non-current assets		**975,169,780**	**983,647,112**
CURRENT ASSETS			
Inventories	20	566,396,383	595,291,026
Trade and other receivables	19	164,255,188	165,642,846
Current receivables due from related parties		20,771,258	21,896,170
Other current assets	21	112,716,950	91,731,541
Cash and bank balances	22	179,662,409	206,999,539
Total current assets		**1,043,802,188**	**1,081,561,122**
Total assets		**2,018,971,968**	**2,065,208,234**

Unaudited condensed consolidated statement of financial position - continued

at 30 June 2022

CHF	Notes	30 June 2022	31 December 2021
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Issued capital	23	202,968,745	202,968,745
Reserves	24	396,085,281	417,004,375
(Accumulated losses)		(260,080,135)	(272,381,871)
Equity attributable to owners of the Parent Company		**338,973,891**	**347,591,249**
Non-controlling interests		**167,260,655**	**171,197,040**
Total equity		**506,234,546**	**518,788,289**
NON-CURRENT LIABILITIES			
Borrowings	27	421,283,301	412,272,778
Trade and other payables	25	342,899,956	361,055,952
Contract liabilities		81,667,421	93,658,401
Notes payable		75,461	66,273
Provisions		18,244,645	24,243,648
Retirement benefit obligation		677,325	677,841
Deferred tax liabilities		27,096,609	28,764,778
Total non-current liabilities		**891,944,718**	**920,739,671**
CURRENT LIABILITIES			
Trade and other payables	25	50,352,839	62,226,631
Borrowings	27	30,889,082	32,937,238
Due to related parties		21,229,907	31,221,766
Current tax liabilities		26,160,158	38,428,497
Provisions		47,548,468	39,410,843
Other current liabilities	26	444,612,250	421,455,299
Total current liabilities		**620,792,704**	**625,680,274**
Total liabilities		**1,512,737,422**	**1,546,419,945**
Total equity and liabilities		**2,018,971,968**	**2,065,208,234**

Naguib S. Sawiris
Chairman of the Board

Ashraf Nessim
CFO

Unaudited condensed consolidated statement of changes in equity

for the period ended 30 June 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
Balance at 1 January 2021	**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/(loss) for the period	-	-	-	-	-	-	-	-	-	(5,020,011)	(5,020,011)	10,267,862	5,247,851
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(189)	-	18,225,618	-	-	18,225,429	7,084,610	25,310,039
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(189)**	**-**	**18,225,618**	**-**	**(5,020,011)**	**13,205,418**	**17,352,472**	**30,557,890**
Acquisition of treasury shares	-	-	(969,198)	-	-	-	-	-	-	-	(969,198)	-	(969,198)
Disposal of treasury shares due to Board of Directors distribution	-	-	555,111	-	-	-	-	-	-	326,140	881,251	-	881,251
Other disposal of treasury shares	-	-	1,286,634	-	-	-	-	-	-	107,422	1,394,056	-	1,394,056
Share-based payments (note 24.1)	-	-	-	256,578	-	-	-	-	-	-	256,578	-	256,578
Share-based payments subsidiaries	-	593,199	-	-	-	-	-	-	-	-	593,199	196,711	789,910
Recycling of foreign exchange difference on disposal of investment in associates	-	-	-	-	-	-	-	192,876	-	-	192,876	-	192,876
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	521,244	521,244
Balance at 30 June 2021	**202,968,745**	**837,578,968**	**(2,128,446)**	**427,630**	**5,133,570**	**(1,114,975)**	**4,916,868**	**(346,315,937)**	**(72,519,921)**	**(274,700,346)**	**354,246,156**	**166,089,235**	**520,335,391**
Balance at 1 January 2022	**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 period	-	-	-	-	-	-	-	-	-	11,314,938	11,314,938	9,416,442	20,731,380
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(373)	-	(20,019,742)	-	-	(20,020,115)	(13,752,119)	(33,772,234)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(373)**	**-**	**(20,019,742)**	**-**	**11,314,938**	**(8,705,177)**	**(4,335,677)**	**(13,040,854)**
Acquisition of treasury shares	-	-	(478,366)	-	-	-	-	-	-	-	(478,366)	-	(478,366)
Disposal of treasury shares due to Board of Directors distribution	-	-	421,450	-	-	-	-	-	-	270,443	691,893		691,893
Other disposal of treasury shares	-	-	451,334	-	-	-	-	-	-	(44,969)	406,365	-	406,365
Share-based payments (note 24.1)	-	-	-	256,578	-	-	-	-	-	-	256,578	-	256,578
Effect of exercised options in subsidiaries	-	(571,731)	-	-	-	-	-	-	-	761,324	189,593	(189,593)	-
Non-controlling interests' share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	(978,244)	-	(978,244)	588,885	(389,359)
Balance at 30 June 2022	**202,968,745**	**836,179,019**	**(2,233,505)**	**940,786**	**4,638,989**	**(1,115,468)**	**4,916,868**	**(373,743,243)**	**(73,498,165)**	**(260,080,135)**	**338,973,891**	**167,260,655**	**506,234,546**

Unaudited condensed consolidated statement of cash flow

for the period ended 30 June 2022

CHF	Notes	Six months ended 30 June 2022	Six months ended 30 June 2021
Cash generated from operations		**31,214,080**	**14,995,609**
Interest paid		(9,242,216)	(7,513,577)
Income tax paid		(27,021,615)	(6,388,481)
Net cash (used in)/generated from operating activities		**(5,049,751)**	**1,093,551**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(35,397,465)	(17,451,267)
Net proceeds from sale of treasury bills		6,550,848	-
Proceeds from sale of financial assets		-	2,680,366
Dividends received		4,589,988	3,547,939
Interest received		5,017,645	3,884,751
Net cash used in investing activities		**(19,238,984)**	**(7,338,211)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow on treasury shares		(72,001)	1,306,109
Non-controlling interests' shares in changes of equity for consolidated subsidiaries		799,118	521,244
Repayment of borrowings		(24,203,658)	(5,559,220)
Proceeds from borrowings		41,591,428	21,565,867
Net cash generated from financing activities		**18,114,887**	**17,834,000**
Net (decrease)/increase in cash and cash equivalents		(6,173,848)	11,589,340
Cash and cash equivalents at the beginning of the period		206,999,539	195,715,406
Effects of exchange rate changes on the balance of cash held in foreign currencies		(21,163,282)	8,372,961
Cash and cash equivalents at the end of the period	**22**	**179,662,409**	**215,677,707**

Notes to the unaudited condensed consolidated interim financial statements

1. Description of business

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, Switzerland, Morocco, Montenegro and United Kingdom), with primary focus on touristic towns and recently primary housing. The Group currently operates eleven 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, Cornwall in the UK and Andermatt in Switzerland.

2. Statement of compliance

The Group applies International Financial Reporting Standards (IFRS). The unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of IAS 34, Interim Financial Reporting, and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2021.

3. Basis of preparation

The unaudited condensed consolidated interim financial statements include all the subsidiaries controlled by the Parent Company and are presented in Swiss Francs (CHF).

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses, as well as the disclosure of contingent liabilities.

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.

Critical judgments made by management in the application of IFRS and key sources of estimation uncertainties were the same as those applied to the consolidated financial statements of the year ended 31 December 2021.

4. Adoption of new and revised International Financial Reporting Standards

4.1. Standards and interpretations effective in the current period

The following revised standards are effective for the current period:

Revised Standards	
IAS 16	Proceeds before intended use (Amendments)
IAS 37	Cost of fulfilling a contract (Amendments)
Various	Annual improvements to IFRS Standards 2018-2020 (IFRS 9 and IFRS 16)

These amended Standards have not had any significant impact on the unaudited condensed consolidated financial statements.

4.2. Standards and interpretations not yet adopted

At the date of authorization of these unaudited condensed consolidated interim financial statements, the Group has not adopted the following amended standard that has been issued but is not yet effective. It will be effective for annual periods beginning on or after the dates described below.

New and Revised Standards and Interpretations		Effective from
IAS 1	Classification of liabilities as current or non-current (Amendments)	1 January 2023
IAS 1	Disclosure of accounting policies (Amendments)	1 January 2023
IAS 8	Difference between accounting policies and accounting estimates (Amendments)	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.

5. Significant accounting policies

The unaudited condensed consolidated interim 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. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Group is not subject to any significant seasonality or cyclicality. The same accounting policies, presentation and methods of computation are followed in these unaudited condensed consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021.

6. Impact from Covid 19 pandemic

Q2 2022 performance reflects the positive impact of the return of inbound tourism, with both occupancy and ARR levels benefitting from positive year-on-year change driven by the return of both the corporate and leisure inbound tourists. As vaccination rates have risen throughout much of the world, management of the Group has been encouraged by the growth of travel demand, even in the face of new variants. Time after time, when borders open and travel restrictions are lifted, the Group has seen an immediate surge in demand. The strength of travel and the rapid recovery in global lodging demand during the year was evident in the leisure demand which led the recovery and was very strong during the first six months of 2022.

The real estate segment continued to show tremendous growth which compensated for the drop in the hospitality segment during the same period, as Covid-19 ramifications continue to weigh on the segment's performance. The increase in real estate revenues was driven by the accelerated construction pace across the Group destinations.

Additionally, the destination management segment continued to sustain its enhanced operational performance and started the year with a solid set of results, securing recurring revenue stream to the group. The strong growth during the first half of the year was driven by significant increase in the real estate segment's performance and enhanced business performance of the hotels and town management segments.

7. Subsidiaries

The Group is comprised of the Parent Company and its subsidiaries operating in different countries. There have been no major changes in the group structure since 31 December 2021.

The group controls its subsidiaries directly and indirectly.

8. Segment information

The Group has four reportable segments which are its 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 Segment review the internal management reports at least on a quarterly basis.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the consolidated financial statements for the year ended 31 December 2021. Segment result represents the result by each segment without allocation of central administration costs and directors' salaries, share in associates' results, gain recognised on disposal of interest in former associates, investment income, other gains and losses, finance costs and income tax expense, as included in the internal management reports that are regularly reviewed. This measure is considered being most relevant for the purpose of resources allocation and assessment of segment performance.

CHF	Total segment revenue		Inter-segment revenue		Revenue external customers [1]		Segment result	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Hotels	61,060,609	27,130,014	(447,857)	(183,979)	60,612,752	26,946,035	3,111,049	(10,962,313)
Real estate and construction	173,444,245	171,256,634	-	-	173,444,245	171,256,634	77,690,528	66,714,297
Land sales	-	-	-	-	-	-	573,095	234,234
Destination management	34,166,259	30,892,816	(10,840,842)	(13,285,131)	23,325,417	17,607,685	(2,372,303)	(2,020,261)
Other operations	19,024,537	14,864,643	(5,936,842)	(4,917,931)	13,087,695	9,946,712	2,933,682	1,056,895
	287,695,650	**244,144,107**	**(17,225,541)**	**(18,387,041)**	**270,470,109**	**225,757,066**	**81,936,051**	**55,022,852**
Unallocated items [2]:								
Share of gains/(losses) of associates							9,387,980	(6,221,655)
Other gains/(losses)							(24,725,082)	1,404,167
Investment income							1,619,224	815,377
Central administration costs and directors' salaries							(22,393,554)	(18,560,633)
Finance costs							(12,734,971)	(12,049,331)
Profit before tax							**33,089,648**	**20,410,777**
Income tax expenses							(12,358,268)	(15,162,926)
Profit for the period							**20,731,380**	**5,247,851**

[1] Of the total revenue of CHF 270.5 million (2021: CHF 225.8 million), CHF 95.0 million (2021: CHF 57.0 million) are recognised at point in time and CHF 175.5 million (2021 CHF 168.8 million) are recognised over time

[2] For the purpose of segment reporting, part of the amounts reported in the statement of comprehensive income for these items have been allocated in this note to their relevant segments.

CHF	30/06/2022	31/12/2021
Hotels	542,975,381	569,324,112
Real estate and construction	1,321,436,323	1,359,750,284
Land sales	144,079,643	170,605,330
Destination management	94,399,163	100,007,828
Other operations	94,691,059	107,962,117
Segment assets before elimination	**2,197,581,569**	**2,307,649,671**
Inter-segment elimination	(671,336,671)	(697,201,953)
Segment assets after elimination	**1,526,244,898**	**1,610,447,718**
Unallocated assets	492,727,070	454,760,516
Consolidated total assets	**2,018,971,968**	**2,065,208,234**

Hotels	335,575,572	346,684,249
Real estate and construction	899,389,226	952,351,039
Land sales	21,343,043	28,481,538
Destination management	150,893,035	138,696,484
Other operations	74,365,021	84,428,797
Segment liabilities before elimination	**1,481,565,897**	**1,550,642,107**
Inter-segment elimination	(409,951,076)	(424,021,730)
Segment liabilities after elimination	**1,071,614,821**	**1,126,620,377**
Unallocated liabilities	441,122,601	419,799,568
Consolidated total liabilities	**1,512,737,422**	**1,546,419,945**

Total segment result of CHF 81.9 million (2021: CHF 55.0 million) mainly increased due to the following:

- Revenues for the hotels during the first half of 2022 increased by 125.3% to CHF 60.6 million (HY 2021: CHF 26.9 million) on the back of further improvements in operational efficiencies.

  Once again, El Gouna hotels' proven business model delivered good quarterly results and benefited from its leading market positioning and strong ties with leading European tour operators affording a growth in the hotels' bottom-line operational and financial results. El Gouna hotels revenue during first half of 2022 increased by 126.5% to CHF 34.2 million (HY 2021: CHF 15.1 million). Taba Heights remains the most challenging destination for the Group. Nevertheless, hotel revenues increased by 450% to CHF 2.2 million (HY 2021: CHF 0.4 million).

  Hawana Salalah witnessed a positive change of events since the beginning of 2022, with Covid-19 restrictions being lifted, and hotels were allowed to operate at 100% capacity. The Group's hotels achieved notable growth in revenues, up from CHF 0.8 million in HY 2021 to CHF 9.4 million in HY 2022.

The Cove continues to be the best-performing destination. Total revenues for The Cove increased by 39.5% to CHF 11.3 million (HY 2021: CHF 8.1 million).

Luštica Bay has continued its positive momentum since the beginning of 2022. Total revenues for The Chedi Luštica Bay witnessed a 46.7% increase to CHF 2.2 million (HY 2021: CHF 1.5 million)..

- Real estate revenues increased by 1.3% to CHF 173.4 million in HY 2022 (HY 2021: CHF 171.2 million). The increase in real estate revenues was driven by the accelerated construction pace in Egypt especially in O West.

9. Other gains

In the first six months of 2022, other gains of CHF 0.6 million are due to various small items.

In the first six months of 2021, other gains of CHF 2.7 million were mainly due to the disposal of investments in associates.

10. Finance cost

In the first six months of 2022, finance cost of CHF 0.6 million were capitalized on qualifying assets (projects under construction and work in progress). Overall, finance cost increased by CHF 1.2 million from CHF 16.4 million to CHF 17.6 million compared to the first six months of 2021.

11. Other losses

In the first six months of 2022, other losses of CHF 6.6 million are due to foreign exchange losses.

In the first six months of 2021, other losses of CHF 3.4 million were due to foreign exchange differences and CHF 0.4 million due to other losses.

12. Income tax expenses

Tax expense recognised during the period amounted to CHF 12.4 million (2021: CHF 15.2 million). These accruals are based on the estimated average annual effective income tax rate expected for the full year, applied to the pre-tax income for the six-month period.

The Group operates in different jurisdictions under different tax laws. The main operating entities' tax positions are as follows:

- **Egypt**
  The Egyptian subsidiaries fulfil all their requirements according to the tax laws in Egypt.
- **Oman**
  The subsidiaries in Oman fulfil all their requirements according to the tax laws in Oman.

13. Earnings per share

The calculation of the basic and diluted earnings per share from continuing operations is based on the following data:

CHF	Three months ended		Six months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Earnings (for basic and diluted earnings per share)				
Profit/(loss) for the period attributable to owners of the parent	1,273,353	(2,405,171)	11,314,938	(5,020,011)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	40,622,813	40,267,342	40,607,214	40,224,856
Earnings per share from continuing operations	**0.03**	**(0.06)**	**0.28**	**(0.12)**

14. Dividends

During the interim period, no dividends were declared or paid to shareholders.

15. Property, plant and equipment

Six months ended 30 June 2022 CHF	Property, plant and equipment (i)	Property under construction	Right-of-use assets	Total
Opening net book value at 01/01/2022	**607,771,456**	**150,417,403**	**39,640,523**	**797,829,382**
Additions	3,865,839	27,956,380	67,109	31,889,328
Transfer from property under construction	2,211,951	(2,211,951)	-	-
Depreciation and amortization	(12,202,436)	-	(872,329)	(13,074,765)
Net foreign currency exchange differences	(17,270,380)	(7,991,075)	(1,117,526)	(26,378,981)
Closing net book value at 30/06/2022	**584,376,430**	**168,170,757**	**37,717,777**	**790,264,964**

Six months ended 30 June 2021 CHF	Property, plant and equipment (i)	Property under construction	Right-of-use assets	Total
Opening net book value at 01/01/2021	**553,175,609**	**147,737,903**	**42,751,647**	**743,665,159**
Additions	1,806,321	15,620,948	23,998	17,451,267
Transfer from projects under construction	646,585	(646,585)	-	-
Depreciation and amortization	(10,994,658)	-	(1,440,016)	(12,434,674)
Net foreign currency exchange differences	24,044,156	2,449,938	791,870	27,285,964
Closing net book value at 30/06/2021	**568,678,013**	**165,162,204**	**42,127,499**	**775,967,716**

(i) Includes freehold land, buildings, plant and equipment, furniture and fixtures

16. Investment property

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

CHF	30/06/2022	31/12/2021
Balance at 1 January	**37,319,156**	**35,086,148**
Addition	-	400,279
Transfer from property, plant and equipment	-	153,869
Transfer to property, plant and equipment	-	(1,637,383)
Revaluation gain (through P&L)	-	1,891,515
Revaluation gain (through OCI)	-	729,036
Foreign currency translation adjustments	(1,527,411)	695,692
Balance at the end of the period/year	**35,791,745**	**37,319,156**

The fair values at 30 June 2022 were determined based on an internal valuation model performed by Group management in 2021. 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, 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 21.5% (cost of equity). For the terminal value a perpetual growth rate of 3% was used.

For the valuation of the investment property which is situated in Oman an average discount rate of 10.0% (cost of equity) 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% was applied.

For the valuation of the investment property in Montenegro an average discount rate of 10.0% was used. The beta used was 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 5% was applied.

17. Goodwill

The following table shows the carrying amount of goodwill recognized in the condensed consolidated interim financial statements:

CHF	30/06/2022	31/12/2021
Balance at the beginning of the period / year	2,974,101	2,862,681
Effect of foreign currency exchange difference	(380,770)	111,420
Balance at the end of the period / year	**2,593,331**	**2,974,101**

18. Investments in associates

Details of the Group's associates are as follows:

Name of associate	Place of incorporation	Ownership interest	Carrying value (CHF)	
		30/06/2022	30/06/2022	31/12/2021
Andermatt Swiss Alps AG	Switzerland	49.00%	25,653,306	18,796,751
Jordan Company for Projects and Touristic Development	Jordan	18.33%	-	-
Red Sea for Construction & Development (i)	Egypt	40.20%	16,239,832	20,570,190
Total			**41,893,138**	**39,366,941**

(i) In HY 2022, the Group receive cash dividends of CHF 4.6 million (HY 2021: CHF 3.5 million).

Below is a summary of the financial information with respect to the Group's associates as at 30 June 2022:

CHF	30/06/2022
Total assets	779,539,631
Total liabilities	(706,351,826)
Net assets	73,187,805
Group's share of net assets of associates	**41,893,138**
Total revenue	198,050,565
Total profit for the period	20,290,046
Group's share of profit	**9,387,980**

Andermatt-Swiss Alps AG ("ASA")

On 25 June 2013, the Group lost control over 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.

Jordan Company for Projects and Touristic Development ("JPTD")

JPTD is investing in property, destination management and development in Aqaba in Jordon. 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. The carrying amount of the Group's interest is fully impaired due to going concern and liquidity issues of the investment in associates.

Red Sea or Construction & Development ("RSCD")

During 2016, RSCD, of which the Group held a direct interest of 0.4% as well as an indirect interest of 14% through OHC, 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 classified as an associate.

19. Receivables

Receivables decreased by CHF 7.4 million mainly due to foreign exchange losses. The decrease was partly netted off by increase in real estate sales in addition to the acceleration in the construction process.

20. Inventories

Inventory consists of construction work in progress (CHF 109.1 million), land held for development under purchase agreements (CHF 416.9 million), right-of-use inventory (CHF 16.1 million) as well as other inventory which includes construction work materials, hotel inventory and finished units (CHF 24.3 million).

Construction work in progress includes work for contracted units of CHF 7.8 million as well as work for uncontracted units of CHF 14.4 million whereas other inventory includes completed but uncontracted units of CHF 6.8 million besides construction work materials and hotel inventory.

The main reasons for the decrease in inventory compared to 31 December 2021 is foreign exchange losses.

21. Other current assets

Other current assets mainly consist of advances and prepayments (CHF 57.1 million), sales commissions (CHF 28.6 million), treasury bills (CHF 3.9 million), VAT and withholding tax receivables (CHF 6.3 million), deposits (CHF 2.7 million), as well as other debtors (CHF 14.1 million). Compared to 31 December 2021, the increase is mainly due to increases in advance and prepayments to suppliers. The increase was partly netted off by foreign exchange losses.

22. Cash and cash equivalents

CHF	30/06/2022	31/12/2021
Cash on hand	513,535	74,967
Cash at banks	81,855,193	96,018,005
Treasury bills and time deposits	97,293,681	110,906,567
Total	**179,662,409**	**206,999,539**

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash on hand, demand deposits and balances at banks. Cash equivalents 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.

Management's plans to manage liquidity shortages and related uncertainty

ODH is a unique group with an exceptional record of accomplishment and a very promising future. The Group has been growing its revenue stream from all its destinations and enhancing its bottom-line figures thanks to the diversity of its portfolio and its many different revenue streams; Real estate, Hotels, Town management, Rental portfolio, and Land monetization. During 2021, the Group generated a strong year of cash flow, solid margin improvements, and strong operational and financial results across all business segments.

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.

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. The Group will remain focused on expanding its operations, protecting its profitability, and unlocking new value for its shareholders. The Group executed well across all business lines and concluded the first half of 2022 on solid footing and with strong momentum to continue flourish during the remaining of 2022. The strong growth during the 2021 and the first half of 2022 was driven by significant increase in the real estate segment's performance and enhanced business performance of the hotels and town management segments.

Further, Orascom Development Egypt (ODE); the largest subsidiary of the Group has signed a medium-term loan agreement in 2020, to refinance and upsize its outstanding debt with the equivalent of USD 265 million 7 years term loan with a 2.5-year grace period. The seven years tenor with a 2.5-years principal repayment grace period factors in the covid-19 situation and permits for capex spending as the situation stabilizes. The extension of maturity will fit with the Group's financial profile, expansion plan and allow it to grow in the coming period.

In July 2022, Orascom for Real Estate S.A.E (ORE), has signed EGP 1.5 billion (c. CHF 77 million) facility agreement with Commercial International Bank (CIB) to partially finance the development and help accelerate the construction of the launched phases at its flagship development O West.

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.

23. Issued capital

Issued and paid-up capital as of 30 June 2022 amounts to CHF 202,968,745 and is divided into 40,593,749 registered ordinary shares with a par value of CHF 5.00 per share.

24. Reserves

24.1. Share-based payment reserve

ODH has entered into an employee contract with its 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 renumeration 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 256,578 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 no later than 31 December 2022.

24.2. Foreign currency translation reserve

In the first six months of 2022, the Swiss Franc strengthened against the Egyptian Pound by 13% and weakened against the USD by 5%. This resulted in net foreign exchange losses for the period on translation of foreign operations (recognized within OCI) of CHF 33.6 million.

25. Trade and other payables

Trade payables mainly decreased due to foreign exchange gains. The decrease was partly netted off by an increase due to release of discounting of unpaid portion of acquired land in relation to O West project in Cairo.

26. Other current liabilities

Other current liabilities consist of advances from customers (CHF 171.8 million), shareholders' current account (CHF 128.0 million), accrued expenses (CHF 69.8 million), deposits from others (CHF 12.6 million) and other liabilities (CHF 62.4 million).

Other current liabilities increased mainly due to advances from customers as well as shareholders' current account. The increase was partly netted-off by foreign exchange gains compared to 31 December 2021.

27. Borrowings

Total borrowings increased by CHF 7.0 million due to new borrowings in UAE and Montenegro. The increase was netted-off by repayment of borrowing and foreign exchange gains.

28. Assets and liabilities measured at fair value

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.

	30 June 2022		31 December 2021	
CHF	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
Borrowings/bank loans	452,172,383	454,736,565	445,210,016	443,002,442

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 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.

The valuation techniques and assumption applied for investment property are explained in note 16.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of assets and liabilities 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).

30 June 2022 CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares measured at FV	1,138	-	-	1,138
	1,138	**-**	**-**	**1,138**
Other assets at fair value				
Investment property [1)]	-	-	35,791,745	35,791,745
	-	**-**	**35,791,745**	**35,791,745**

31 December 2021 CHF	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares measured at FV	1,460	-	-	1,460
	1,460	**-**	**-**	**1,460**
Other assets at fair value				
Investment property [1)]	-	-	37,319,156	37,319,156
	-	**-**	**37,319,156**	**37,319,156**

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

[1)] The reconciliation for investment property is shown in note 16.

29. Non-cash transactions

During the six-month-period, the Group did not enter in any significant non-cash investing and financing activities which are not reflected in the condensed consolidated statement of cash flows.

30. Commitments for expenditure

The following commitments for expenditure have been made for the future development of the respective projects:

CHF	30/06/2022
Eco-Bos Development Limited (i)	3,723,858

(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.

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 unbinding non-binding business opportunity commitments in relation to their projects. In particular the Group has minimum building obligations ("MBOs") for the next five years, which are included in their development agreements ("DAs") with the relevant governments in Oman, Morocco and Montenegro.

The contingent liabilities in relation to MBOs in Oman, Morocco and Montenegro are assessed regularly by the management of the Group.

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 in a way that protects 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 were completion dates are at risk, expending the necessary amounts to comply with the contractual obligations. There have been no significant changes to this matter since 31 December 2021.

31. 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. While the situation still remains highly fluid, and the outlook is subject to extraordinary uncertainty. 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.

The economic sanctions and the travel ban on Russian flights will affect the hospitality segment globally. For the Group's hotels in El Gouna, Egyptians represent approximately 30% of the hotels' occupancy and 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. During HY 2022 occupancy rates reached 66%.

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 HY 2022, with Covid restrictions finally being lifted, and hotels were allowed to operate at 100% capacity. Occupancy rates increased to 34% in HY 2022 (HY 2021: 5%). In Ras Al Khaimah, the Cove Hotel the international wholesale business is mainly from Germany in addition to local and regional businesses from the Gulf Cooperation Council ("GCC"). The Hotel's occupancy rates reached 63% in HY 2022 up from 48% in HY 2021.

Montenegro's tourism is much more dependent on the Russian and Ukrainian markets and thus might be the most affected destination in our portfolio. The summer season looks very promising with high demand from regional surrounding markets. Total occupancy for HY 2022 reached 45% (HY 2021: 29%).

Additionally, The Group is working to diversify the tourists coming to its resorts across all the destinations and increase the domestic share of tourism.

For the real estate segment, in Egypt all customers are 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. As of 30 June 2022, 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 under the United Nation's Environment Programme

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.

The procedures are still ongoing with the Environmental Affairs Agency on environmental claims for compensation presented each party drew its consideration of the alleged offenses and compensation by the plaintiff. The appeal is still from the perspective of those claims before the authorities concerned, the Group has commissioned technical experts to conduct international and local complementary technical studies to enhance the Group's position and will provide such technical studies immediately upon completion of which the competent authorities into the grievance. That matters will be assessed later based on the development of events and the information available at the time.

32. Litigation

There were no significant open litigations at 30 June 2022.

33. Subsequent Events

Orascom for Real Estate S.A.E (ORE), a subsidiary of Orascom Development has signed EGP 1.5 billion (approximately CHF 76.1 million) facility agreement with Commercial International Bank (CIB) to partially finance the development and help accelerate the construction of the launched phases at its flagship development O West, namely Whyte, Tulwa, Club Residences, Hillside, and the O-Business District.

There have been no other significant events subsequent to 30 June 2022.

34. Approval of condensed consolidated interim financial statements

The unaudited condensed consolidated interim financial statements were approved by management and the board of directors on 16 August 2022.

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