

## Press Release

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### **Orascom Development Egypt (ODE) signs Master Agreement with Egyptian Authorities unlocking additional value from its flagship project El Gouna.**

Cairo 15 February 2023 – ODE is pleased to announce the signing of a milestone master agreement with the Egyptian authorities which will further support ODE’s long-term strategy and efforts to drive growth. The Agreement capitalizes on the Egyptian government’s continuous efforts to support and encourage private sector investments and 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 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, naturally and cost efficiently.
- Reducing the shoreline setback for the remaining land bank from 200m to 105m, which allows ODE to make commercial use of the most prime land.
- Amending the transfer fee 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, exonerating ODE from all charges and settlement of all disputes with the Environment Protection Agency.

The amended transfer fee for the 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 with the balance to be paid 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 signature in consideration for the reduction of the shoreline setback for the remaining land bank from 200m to 105m, obtaining 24 environmental permits, 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;

- Cash and cash equivalents balances which stand at approximately EGP 3.8 billion as of FY 2022;
- USD 30 million shareholder loan from Orascom Development Holding, the parent company;
- Future cash from operations.

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

Orascom Development Egypt (ODE) is the largest subsidiary of Orascom Development Holding AG (ODH). ODE is an integrated developer of resort towns in Egypt with a vertically integrated business model involving the development of residential units, hotels, and recreational facilities such as golf courses, town centers, marinas, in addition to supporting infrastructure such as hospitals, schools and utilities. ODE currently owns a land bank of 50.25 million square meters and 24 hotels with a total of 4,932 rooms within four operating destinations: El Gouna, on the Egyptian Red Sea Coast in Hurghada, Taba Heights, on the Sinai Peninsula, Makadi Heights in Hurghada and Byoum in Fayoum. ODE launched O West, the latest addition to its portfolio and its first project in Cairo, Egypt, located in the Sixth of October City.

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