Earnings Release
Q1 2019

ODH ("Orascom Development Holding") (SIX ODHN.SW) has released its consolidated financial results for Q1 2019.

Orascom Development Holding: Back to green with net profit of CHF 1.0 million in Q1 2019, backed by financial and operational excellence across all segments and destinations.

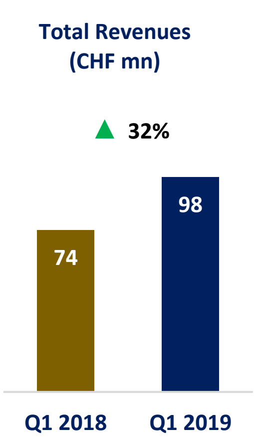
Highlights

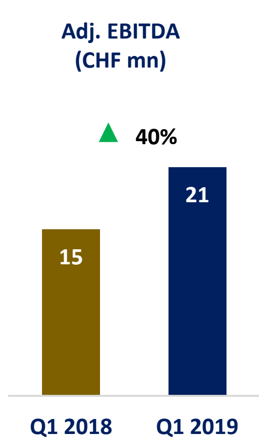
- **ODH reports first profitable quarter since 2015.**
- **Total revenues increased by 32.4% to CHF 98.1 million.**
- **Adj. EBITDA rose 40.1% to CHF 20.6 million in Q1 2019 with a solid operational margin of 21.0%.**
- **Cashflow from operations recorded a 24.6% increase to CHF 7.6 million.**
- **Net Real Estate sales went up 166.1% to CHF 105.9 million with sales increase in all destinations.**

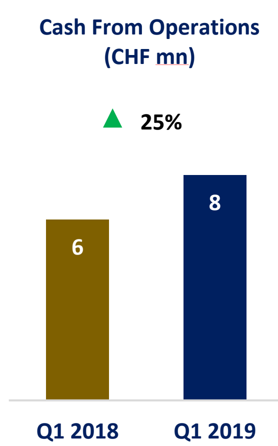
Altdorf, 13 May 2019 – Orascom Development Holding AG started the year on solid grounds and generated positive operational results with a 32.4% increase in revenue to CHF 98.1 million compared to CHF 74.1 million in Q1 2018. All business segments contributed to the positive operational performance, solidifying the Group's message of being back on track.

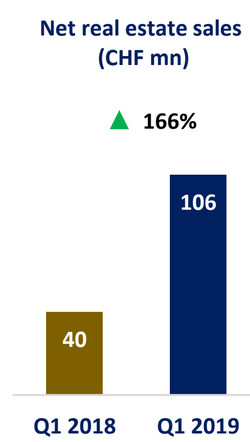
Gross profit increased by 37.4% to reach CHF 30.1 million (Q1 2018: CHF 21.9 million). The Adjusted EBITDA continued to grow by 40.1% to CHF 20.6 million compared to CHF 14.7 million in Q1 2018. The significant increase in the Adjusted EBITDA signals the improved operational performance across all business segments. The Hotels segment continued to show double digit growth compared to the same period of last year. The Real Estate segment continued its operational and financial performance across all destinations, while the Destination Management segment continued to grow as a result of the successful implementation of the restructuring started in 2018 in combination with the increase of events and activities across all destinations throughout the first quarter. Cashflow from operations increased by 24.6% to CHF 7.6 million (Q1 2018: CHF 6.1 million). Net debt was slightly reduced and reached CHF 244.9 million (Q1 2018: CHF 247.8 million).

The enhanced operational performance across all segments was reflected in the bottom-line figures: The Group recorded a net profit of CHF 1.0 million in Q1 2019 compared to a net loss of CHF 5.1 million in Q1 2018. It is important to note that Q1 2018 figures included Tamweel Group, Royal and Club Azur Hotels that were disposed in Q4 2018. When figures of Q1 2018 are normalized for the revenues of the disposals, then Q1 2019 revenues would have increased by 47.1% vs. CHF 66.7 million in Q1 2018; and net income would have reached CHF 1.0 million vs. a net loss of CHF 7.5 million in Q1 2018. "We are very pleased to see that ODH is performing strongly on its strategy and continues to deliver solid results which are positively hitting bottom line this quarter", states CEO Khaled Bichara.









Group Hotels: double digit growth in KPIs

In Q1 2019, the Hotels segment continued to show double digit growth compared to the same period of last year. A 14.9% increase in revenue was achieved, from CHF 40.2 million in Q1 2018 to CHF 46.2 million in Q1 2019, which resulted in an increase of 24% in GOP to CHF 20.6 million (Q1 2018: CHF 16.6 million). GOP PAR jumped from CHF 33 to CHF 39 in Q1 2019 due to further improvements in operational efficiency. The Hotel segment reported a 14.7% increase in the Adj. EBITDA to CHF 17.9 million (Q1 2018: CHF 15.6 million).

Group Real Estate: Solid operational and financial performance across all destinations

The Real Estate segment continued its operational and financial performance across all destinations. Net real estate sales increased by 166.1% to CHF 105.9 million in Q1 2019 (Q1 2018: CHF 39.8 million). Growth in sales was driven by the increase in unit sales in the newly launched first home market project "O West" as well as El Gouna, Makadi Heights, Hawana Salalah and Luštica Bay. 407 units were contracted representing a growth of 166% compared to the number of sold units in Q1 2018. Revenues increased by 86.1% to CHF 41.5 million (Q1 2018: CHF 22.3 million), on the back of increased deliveries in El Gouna, Hawana Salalah and Jebal Sifah in addition to the recognized land portion for the sold units in O West. Total deferred revenue from real estate that is yet to be recognized until 2021 reached CHF 277.6 million and total real estate portfolio receivable increased by 76% to CHF 375 million.

Group Destination Management: Continued growth thanks to successful restructuring

The Destination Management segment continued to grow as a result of the successful implementation of the restructuring started in 2018, in combination with the increase of events and activities across all destinations throughout the first quarter. Revenues increased by 40.5% to CHF 10.4 million in Q1 2019 compared to CHF 7.4 million in Q1 2018, signaling growth and additional contributions from all destinations.

Outlook 2019

For the full year 2019, ODH is targeting topline revenues of CHF 400 million and an Adjusted EBITDA within the range of CHF 74 million to CHF 77 million. These estimates exclude the contribution of Citadel Azur, Royal Azur, Club Azur hotels and Tamweel Group that the Group has identified as non-core assets and disposed in 2018. Thus, when FY 2018 figures are normalized for those assets, the targeted 2019 revenues represent a 25% growth from CHF 319 million in FY 2018 and the Adj. EBITDA represents 19%-24% growth from CHF 62 million in FY 2018. The Group is also envisaging new real estate net sales of CHF 445 million to CHF 470 million compared to CHF 200.6 million in 2018, capitalizing on its first home project "O West" and building on the positive momentum of El Gouna and Makadi Heights, Jebal Sifah, Hawana Salalah and Luštica Bay. Given the fact, that the hotel, tourism and real estate business shows some seasonality on a quarterly basis and due to the different destinations of ODH's operations and the revenue recognition model of the real estate business, quarterly results may show different levels of profitability/losses over the year.

Details on Destinations

El Gouna, Red Sea

El Gouna hotels continued its successful performance with revenue growth of 22.6%, to CHF 16.8 million in Q1 2019 (Q1 2018: CHF 13.6 million), accomplished by a 31.6% increase in TRevPAR to CHF 75 in Q1 2019 compared to CHF 57 in Q1 2018. The ARR`s continued its upward trend with an increase of 28.6% reaching CHF 63, (2018: CHF 49). Reported GOP increased by 20%, from CHF 7.0 million in Q1 2018 to CHF 8.4 million in Q1 2019. ODH finalized the renovation of three hotels and is progressing with another two hotels to be finalized in Q2 2019, while the renovation of Cook's Club Hotel (144 rooms) is expected to be finalized in August 2019. Furthermore, the Group is progressing with the construction of the new 100 rooms' hotel Casa Cook, to be opened in October 2019.

Net real estate sales continued its positive momentum, capitalizing on the great demand from the launched projects "Cyan" and "Ancient Sands Villas". In Q1 2019, new inventory with a total value of USD 51.0 million was added in both projects. The launch phase included apartments and town houses. Net real estate sales increased by 15.5% to CHF 24.6 million vs. CHF 21.3 million in Q1 2018. It is worth mentioning that 20% of the sold units were sold to foreign clients signaling a good indication that the interest from foreigners is slowly coming back. Real estate revenues increased by 26.4% in Q1 2019 to reach CHF 16.3 million.

Destination Management revenues rose by 37.1% to CHF 8.5 million (Q1 2018: CHF 6.2 million). In April 2019 ODH successfully hosted El Gouna International Open Squash Championship 2019 and El Gouna Polo 2019.

First home market: O West, Egypt

In Q1 2019, total contracted real estate sales reached CHF 53.0 million. As of today, the total contracted sales reached CHF 120.6 million and total reservations reached 74.7 million. We launched two phases, the first phase mainly included villas and the second phase included different range of apartments. Capitalizing on the huge demand and success, more inventory was added in April 2019 with a total value of CHF 40.0 million. To date, ODH managed to sell approximately 85% of the launched inventory.

It is worth mentioning that in 2019, only the land portion of the villas that were sold will be recognized as revenues, yet no positive margins will be reflected due to the upfront marketing and sales expenses that will be paid out this year. Revenues and positive margins will start to kick in starting the year 2020 onwards.

The huge success for O West which has been reflected in its sales figures, strongly reaffirms ODH's position as the market leader in building fully integrated towns and proves the company's success in penetrating the first home market in Egypt.

Hawana Salalah, Oman

In Hawana Salalah, net real estate sales increased by 56.5% to CHF 9.7 million compared to CHF 6.2 million in Q1 2018. The increase was mainly driven by the successful launch and sales of the "Forest Island" project, launched last year. It is also planned to launch a new real estate project with a total inventory of CHF 40.0 million in Q3 2019, capitalizing on the increasing demand for real estate offering in Salalah. Real Estate revenues reached CHF 8.6 million in Q1 2019.

The hotels in Salalah continued their operational excellence since the beginning of the year. With the completion of additional 177 rooms in Al Fanar Hotel, Oman accounted for 38% of the total segment revenue in Q1 2019. The company strategy, aimed at further diversifying markets, supported a growth in revenues by 29.8% to reach CHF 17.0 million in Q1 2019, up from CHF 13.1 million in Q1 2018. Occupancy rates reached 96% during Q1 2019. The hotels GOP increased 43.3% to CHF 8.6 million (Q1 2018: CHF 6.0 million). GOPPAR increased significantly from CHF 74 to CHF 89 based on a further improvement in ARR of 13.9% to CHF 123 in Q1 2019. Total revenues from Hawana Salalah increased by 95.5% to reach CHF 26.0 million compared to CHF 13.3 million in Q1 2018.

Luštica Bay, Montenegro
With the increased interest on Luštica Bay paired with the opening of the destination's first hotel, the marina and the retail outlets, net real estate sales increased by 25.6% to CHF 4.9 million vs. CHF 3.9 million in Q1 2018. Construction is still underway on the final Magnolija and Kamelija buildings, as well the exclusive townhouses and stand-alone villas. In addition to that, the construction of Luštica Bay's town centre, Centrale began. On the Destination Management side, we opened the first phase of the main marina with 50 berths – the first marina to be built in Montenegro in the recent period. Following this, the remaining phase of the marina will be equipped, set to offer 176 berths in total.

Jebel Sifah, Oman
The 67 rooms boutique hotel started successfully into the new year, whereby revenues increased by 9.2% to CHF 0.8 million vs. CHF 0.7 million in Q1 2018; while GOP also increased by 38.9% to CHF 0.25mn vs. CHF 0.18mn in Q1 2018. Occupancy rates increased by 22.4% to reach 60% in Q1 2019 compared to 49% in Q1 2018. Net real estate sales reached CHF 5.0 million in Q1 2019; additionally, it is planned to launch a new real estate project in Q2 2019 with a total inventory of CHF 39.0 million. Real estate revenues increased by 42.0% to reach CHF 4.7 million compared to CHF 3.3 million in Q1 2018. Total revenues from Sifah increased by 34% to reach CHF 5.9 million compared to CHF 4.4 million in Q1 2018.

Makadi Heights, Egypt
Makadi Heights, a new rising destination continued to deliver excellent sales figures: Net sales increased to CHF 7.7 million vs. only CHF 0.02 million in Q1 2018. ODH managed to sell 66 units and increased the average selling prices by 270% to reach CHF 1,006 per sqm compared to CHF 272 per sqm.

Taba Heights, Egypt
Taba Heights continued to improve, with a revenue growth of 137.5% from CHF 0.8 million to CHF 1.9 million in Q1 2019, containing GOP losses at CHF 0.2 million in 2019 compared to CHF 0.3 million in Q1 2018. Improved stability in the region and extensive marketing efforts have led to renewed interest in the destination. In April 2019, Satour, a new Slovakian tour operator, started operating one flight on a weekly basis (189 seats). To date, we have four weekly flights coming to Taba Heights. Occupancy rates more than doubled to reach 37% in Q1 2019 compared to 17% in same period last year.

The Cove, UAE
Despite challenging market conditions in Ras El Kheima, The Cove Rotana managed to maintain performance levels almost like 2018, with total revenues of CHF 7.9 million and a GOP of CHF 3.5 million. Occupancy rates reached 77% in Q1 2019.

Key Figures for the Q1 2019/18:

Revenue by Business Segment (CHFmn)	Q1 2019	Q1 2018	%Change
Hotels	46.2	40.2	14.9%
Real Estate	41.5	22.3	86.1%
Land	-	-	-
Town Management	10.4	7.4	40.5%
Tamweel Group	-	4.2	-
ODH Group	**98.1**	**74.1**	**32.4%**

(CHFmn)	Q1 2019	Q1 2018	%Change
Revenue	**98.1**	**74.1**	**32.4%**
Cost of sales	(68.0)	(52.2)	30.3%
Gross profit	**30.1**	**21.9**	**37.4%**
Gross profit margin	*30.7%*	*29.5%*	*4.1%*
Investment income	1.8	2.1	(14.3%)
Administrative expenses	(11.3)	(9.3)	21.5%
Adj. EBITDA	**20.6**	**14.7**	**40.1%**
Adj. EBITDA margin	*21.0%*	*19.8%*	*6.1%*
Other gains	3.5	0.8	337.5%
Share of associates losses	(2.3)	(3.9)	(41.0%)
EBITDA	**21.7**	**11.6**	**87.1%**
Depreciation	(7.5)	(5.4)	38.9%
Finance costs	(10.7)	(9.0)	18.9%
Income tax expense	(2.4)	(2.3)	4.3%
Net Profit/losses for the period	**1.0**	**(5.1)**	**119.6%**
ODH shareholders	**(1.9)**	**(7.2)**	**73.6%**
Non-controlling interest	2.9	2.1	38.1%
Basic EPS (CHF)	**(0.05)**	**(0.18)**	**72.2%**

(CHF mn)	31.03.19	31.12.18	%Change
Property, plant and equipment	791.2	761.8	3.9%
Inventory	498.6	118.5	320.8%
Receivables	146.6	138.6	5.8%
Cash and bank balances	130.2	138.3	(5.9%)
Investments in associates	41.9	43.6	(3.9%)
Other assets	149.0	129.6	15.0%
Non-current assets held for sale	5.6	5.5	1.8%
Total assets	**1,763.1**	**1,335.9**	**32.0%**
Borrowings	375.1	372.4	0.7%
Payables	434.7	68.5	534.6%
Provisions	63.8	62.6	1.9%
Other Liabilities	296.8	256.1	15.9%
Liabilities related to assets held for sale	0.5	0.5	0.0%
Total liabilities	**1,170.9**	**760.1**	**54.0%**
Non-controlling interests	177.6	167.1	6.3%
Equity attributable to ODE shareholders	414.6	408.7	1.4%
Total liabilities and equity	**1,763.1**	**1,335.9**	**32.0%**

Presentation:

The associated financial statements and presentation can be found under the IR section of Orascom Developments' website under the following links:

http://www.orascomdh.com/investor-relations
https://www.orascomdh.com/investor-relations/financial-information/2019

Telephone conference today at 4:00 pm CET (Zurich Time):

Orascom Development invites you to its Q1 2019 results conference call on 13 May 2019; at 4:00 PM CET (Zurich Time). The call will start by a presentation from CEO Khaled Bichara and CFO Ashraf Nessim, followed by a Q&A session. A registration is not required.

- Conference password: 5275507
- International: +44 (0) 2071 928000
- Switzerland Local Number: 0315800059
- Switzerland Toll Free: 0800740377
- Egypt Toll Free: 08000000798
- UK Toll Free: 08003767922
- US Toll Free: 18669661396

A replay of the conference call will be available for two weeks with the following dial in details:

- Access Code: # 5275507
- International: +44 (0) 3333009785
- UK Toll Free: 08082380667
- Switzerland Local Call: 0445804026
- US Toll Free: 1 866 3311332
- Available until 27 May 2019

About Orascom Development Holding AG:

Orascom Development is a leading developer of fully integrated destinations that include hotels, private villas and apartments, leisure facilities such as golf courses, marinas and supporting infrastructure. Orascom Development's diversified portfolio of destinations is spread over seven jurisdictions (Egypt, UAE, Oman, Switzerland, Morocco, Montenegro and United Kingdom), with primary focus on touristic destinations. The Group currently operates nine destinations; four in Egypt (El Gouna, Taba Heights, Makadi Heights and Bayoum), The Cove in the United Arab Emirates, Jebel Sifah and Hawana Salalah in Oman, Luštica Bay in Montenegro and Andermatt in Switzerland.

Contact for Investors:
Sara El Gawahergy
Head of Investor Relations
Head of Strategic Projects Management
Tel: +20 224 61 89 61
Tel: +41 418 74 17 11
Email: ir@orascomdh.com

Contact for Media Relations:
Philippe Blangey
Partner
Dynamics Group AG
Tel: +41 432 68 32 35
Email: prb@dynamicsgroup.ch