

## EXECUTIVE SUMMARY



### The Properties

**Address:** Portfolio of Vacant Development Land, El Gouna Masterplan, Egypt (the “Properties”).

**Main Use:** Land for mixed-use development

### Tenure

Assumed Freehold.

We have not been provided with any reports on title relating to the Properties or the El Gouna Masterplan. We understand from Orascom Development Holding AG (the “Client”) that the remaining development land within the portfolio is held on a freehold basis.

Our valuation assumes that the Client is able to sell the development land, which is the subject of this valuation, on a freehold basis, without any restrictions or costs. If this is not the case, this will have an impact on the numbers reported herein, and we reserve the right to revisit the value reported.

### Key Valuation Factors

#### Strengths

- El Gouna is a popular tourist resort and established master-planned community with approximately 12,000 residents. There is a high standard of infrastructure and local amenities to support the existing community including schools, a university, a hospital, numerous hotels and restaurants as well as leisure and entertainment areas;
- El Gouna is approximately 30km north of Hurghada, along the Red Sea coast and benefits from 9.5 km of beachfront. The masterplan is designed to benefit from existing and future lagoons running through El Gouna, which increase the water fronting areas;

- There are currently 17 hotels operating within El Gouna. The hotels offer between three to five-star accommodation in various locations within the masterplan and therefore appeal to a wide pool of holiday makers, both local and international;
- El Gouna is also popular with Egyptian nationals as a holiday home destination;
- A large portion of the masterplan remains undeveloped and so provides significant future development opportunities as El Gouna grows as both a tourist destination, a residential community and a commercial centre.

#### **Risks and Mitigating Factors**

- The undeveloped area within the El Gouna masterplan comprises an extremely large span of land, approximately 22,879,885 sq m. Therefore, further development will require a significant period of time and investment.
- The majority of the beach fronting areas are developed with good levels of infrastructure in place however the land away from the waterfront has little to no infrastructure in place and no lagoons at this time.

### **Aggregate Market Value**

**USD 1,816,000,000 (One Billion, Eight Hundred Sixteen Million United States Dollars), excluding VAT**

Please refer to Appendix B for a breakdown of the individual plot values.

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

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Sr. No	Property	Keys	Valuation Assumptions	Valuation Methodology	Tenure	Cap Rate	Discount Rate	Net Initial Yield	Market Value per Key (EGP)	Market Value Per key (USD)	Market Value (EGP)	Market Value (USD)
1	Ali Pasha	67	VP	Discounted Cash Flow	Assumed freehold	11.25%	18.25%	- 2.12%	1,631,343	91,355.22	109,300,000	6,120,800
2	Ancient Sands	56	VP	Discounted Cash Flow	Assumed freehold	11.50%	18.50%	7.79%	2,498,214	139,900.00	139,900,000	7,834,400
3	Arena Inn	177	VP	Discounted Cash Flow	Assumed freehold	11.50%	18.25%	- 1.78%	1,236,723	69,256.50	218,900,000	12,258,400
4	Bellevue Beach Hotel	96	VP	Discounted Cash Flow	Assumed freehold	11.50%	18.50%	- 1.26%	1,142,708	63,991.67	109,700,000	6,143,200
5	Capitain's Inn	50	VP	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	2.20%	2,682,000	150,192.00	134,100,000	7,509,600
6	Club Paradisio	239	VP & FA	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	7.97%	2,115,063	118,443.51	505,500,000	28,308,000
7	Dawar El Omda	66	VP	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	6.28%	1,281,818	71,781.82	84,600,000	4,737,600
8	Fanadir	20	VP	Discounted Cash Flow	Assumed freehold	11.25%	18.25%	5.84%	1,080,000	60,480.00	21,600,000	1,209,600
9	La Maison Bleue	12	VP	Discounted Cash Flow	Assumed freehold	9.00%	18.00%	6.63%	6,016,667	336,933.33	72,200,000	4,043,200
10	Mosaique	26	VP	Discounted Cash Flow	Assumed freehold	11.25%	18.25%	6.61%	1,473,077	82,492.31	38,300,000	2,144,800
11	Movenpick Hotel	420	HMA	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	6.33%	3,101,429	173,680.00	1,302,600,000	72,945,600
12	TTC Rihanna Resort & Rehanna Inn	434	HMA	Discounted Cash Flow	Assumed freehold	11.50%	18.50%	8.38%	1,449,770	81,187.10	629,200,000	35,235,200
13	Sheraton Miramar	339	VP & FA	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	9.15%	2,935,693	164,398.82	995,200,000	55,731,200

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14	Steigenberger Hotel	268	VP & FA	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	7.88%	1,928,358	107,988.06	516,800,000	28,940,800
15	Sultan Bey	115	VP	Discounted Cash Flow	Assumed freehold	11.00%	18.00%	7.77%	1,452,174	81,321.74	167,000,000	9,352,000
16	TTC Ocean View	157	HMA	Discounted Cash Flow	Assumed freehold	11.25%	18.25%	8.15%	2,088,535	116,957.96	327,900,000	18,362,400
17	Turtles Inn	28	VP	Discounted Cash Flow	Assumed freehold	11.25%	18.25%	5.30%	1,728,571	96,800.00	48,400,000	2,710,400
<b>Total</b>		<b>2,570</b>									<b>5,421,200,000</b>	<b>303,587,200</b>