



**ORASCOM**  
INVESTMENT

**Orascom Investment Holding  
S.A.E.**

**Condensed Interim Consolidated Financial Statements (IFRS)  
Together with the review report  
Nine-month period ended September 30, 2019**



## Hazem Hassan

Public Accountants & Consultants

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### **Review Report on Condensed Interim Consolidated Financial Statements**

**To: The Board of Directors of Orascom Investment Holding (S.A.E)**

#### ***Introduction***

We have performed a review for the accompanying condensed interim consolidated statement of financial position of Orascom Investment Holding (S.A.E) as of September 30, 2019, and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our limited review.

#### ***Scope of Review***

Except as explained in the following paragraph, we conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed interim consolidated financial statements.

#### ***Base of qualified conclusion***

As mentioned in detail in note no. (10), the Company's investment in Sarwa Capital -an associate-acquired during the last year and accounted for by the equity method, is carried at USD 103,141 thousands on the interim consolidated statement of financial position as at September 30, 2019, and the Company's share of Sarwa Capital's net income of USD 4,939 thousands, included in Company's condensed interim consolidated statement of profit or loss and other comprehensive income for the period then ended. The management didn't provide us with the financial information prepared in accordance with IFRSs, accordingly, We were unable to audit the carrying amount of the Company's investment in Sarwa capital as at September 30, 2019, and the Company's share of Sarwa Capital 's net income for the period then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.



Hazem Hassan

### **Conclusion**

Based on our review, except for the possible effects of such adjustments, as might have been determined to be necessary had we performed procedures to address the items set out above, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the company as at September 30, 2019, and of its consolidated financial performance and its consolidated cash flows for the nine-month period then ended in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

### **Emphasis of matter paragraph**

**Without considering the following as qualifications:**

- As mentioned in detail in note (23-1) from the accompanying notes of the condensed interim consolidated financial statements, most of the world countries, including Egypt, were exposed during the first quarter of 2020 to a state of slowdown and economic contraction as a result of the outbreak of the novel coronavirus (COVID-19) pandemic, and the governments of the world, including the Egyptian government have made a packages of precautionary measures to prevent the spread of the epidemic, these measures have led to a state of economic slowdown at the global and local levels, which has shown its impact on all activities in different forms in Egypt, so this may have an important impact on the elements of assets, liabilities and business results in the consolidated financial statements of the Company for the next upcoming years, in addition to the potential impact on pre-defined operational and marketing plans and future cash flows associated with them and as indicated in the above-mentioned clarification, the Company's management is currently taking several measures to confront this risk and reduce its impact on its financial position, however, in light of the instability and uncertainty as a result of the current events, the magnitude of the impact of that event depends mainly on the expected extent and in the time period at which this event is expected to end and its implications and the Company's ability to achieve its plans to face this danger which is difficult to be determined at the present time.
- As mentioned in detail in note no. (10), the Company has a significant influence in its investee "Koryolink" in North Korea, the investment is amounting to approximately USD 38 million as of September 30, 2019, Which the Company classified as investments in associate. Considering that Koryolink is operating under an international ban, operational and financial restrictions imposed by the international community, which lead to difficulties in transferring profits abroad and repatriate the funds to their home country.

KPMG Hazem Hassan

  
Public Accountants and Consultants

**KPMG Hazem Hassan**  
Public Accountants and Consultants

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Cairo October 1, 2020

**ORASCOM INVESTMENT HOLDING  
(S.A.E)**

**Condensed interim consolidated statement of financial position as of**

<i>(in thousands of US dollars)</i>	Note	September 30, 2019	December 31, 2018 Restated**
<b>Assets</b>			
Property and equipment	11	76,398	80,941
Intangible assets and goodwill	11	29,368	33,851
Investment property	12	59,056	64,290
Equity-accounted investees	10	141,000	123,439
Other assets	17	11,252	13,224
Other financial assets	13	10,295	14,086
<b>Total non-current assets</b>		<b>327,369</b>	<b>329,831</b>
Inventories		438	413
Trade receivables		64,468	53,269
Other financial assets	13	3,438	105,126
Other assets	17	13,119	11,114
Cash and cash equivalents	14	125,587	106,565
<b>Total current assets</b>		<b>207,050</b>	<b>276,487</b>
<b>Total assets</b>		<b>534,419</b>	<b>606,318</b>
<b>Equity and liabilities</b>			
Share capital	15	366,148	366,148
Reserves		(148,455)	(160,523)
Retained earnings		59,574	65,216
<b>Equity attributable to owners of the company</b>		<b>277,267</b>	<b>270,841</b>
Non-controlling interests		18,491	18,738
<b>Total equity</b>		<b>295,758</b>	<b>289,579</b>
<b>Liabilities</b>			
Borrowings	16	52,945	58,803
Other liabilities	18	21,069	25,844
Deferred tax liabilities		14,238	15,265
<b>Total non-current liabilities</b>		<b>88,252</b>	<b>99,912</b>
Borrowings	16	27,375	111,322
Trade payables and other liabilities	18	89,904	74,988
Tax liabilities- income tax		7,111	7,476
Provisions	19	26,019	23,041
<b>Total current liabilities</b>		<b>150,409</b>	<b>216,827</b>
<b>Total liabilities</b>		<b>238,661</b>	<b>316,739</b>
<b>Total Equity and Liabilities</b>		<b>534,419</b>	<b>606,318</b>

Chief Financial Officer

Khalid Ellajay



Executive Chairman and Managing Director

Naguib Sawiris



Review report 'attached'

\* The accompanying notes from (1) to (24) are an integral part of these condensed interim consolidated financial statements.

\*\* Restatement to correct the translation reserve and retained earnings for the year ended December 31, 2018 (Note No. 24).

**ORASCOM INVESTMENT HOLDING**  
(S.A.E)

**Condensed interim consolidated statement of profit or loss and other comprehensive income for**

(in thousands of US dollars, except per share amounts)

	Note	The nine- month period		The three- month period	
		2019	2018	2019	2018
			Represented		Represented
<b>Continuing operations</b>					
Operating revenues	6	64,001	67,403	20,745	21,436
Other income		772	4,644	212	3,659
Purchases and services costs	7	(25,108)	(29,366)	(7,919)	(10,509)
Other expenses		(8,456)	(7,105)	(2,488)	(4,458)
Personnel cost		(21,610)	(24,337)	(7,150)	(8,146)
Depreciation and amortization		(6,440)	(6,650)	(2,066)	(2,551)
Gains from disposal of non-current assets		40	30	4	102
<b>Operating profit / (loss)</b>		<b>3,199</b>	<b>4,619</b>	<b>1,338</b>	<b>(467)</b>
Finance income	8	471	4,708	135	1,203
Finance cost	8	(9,258)	(6,694)	(3,175)	(2,041)
Net (losses) from foreign currency translation	8	(7,103)	(1,028)	(1,632)	(933)
Share of profit of equity – accounted investees	10	173,032	115,180	72,905	27,635
Net impairment in equity-accounted investees		(168,100)	(115,180)	(71,146)	(27,639)
<b>(loss) / profit before income tax</b>		<b>(7,759)</b>	<b>1,605</b>	<b>(1,575)</b>	<b>(2,242)</b>
Income tax	9	(3,822)	(3,961)	(1,153)	(1,720)
<b>(Loss) for the period from continuing operations</b>		<b>(11,581)</b>	<b>(2,356)</b>	<b>(2,728)</b>	<b>(3,962)</b>
<b>Discontinued operations</b>					
Profit / (loss) from discontinued operations, net of tax		5,215	(48,372)	6,009	(41,000)
<b>(Loss) / profit for the period</b>		<b>(6,366)</b>	<b>(50,728)</b>	<b>3,281</b>	<b>(44,962)</b>
<b>Other comprehensive income / (loss):</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>					
Debt investments at FVOCI – net change in fair value		(362)	(197)	(219)	(309)
Foreign operations – foreign currency translation differences		10,431	57,463	1,782	75,404
<b>Total other comprehensive income for the period</b>		<b>10,069</b>	<b>57,266</b>	<b>1,563</b>	<b>75,095</b>
<b>Total comprehensive income for the period</b>		<b>3,703</b>	<b>6,538</b>	<b>4,844</b>	<b>30,133</b>
<b>(Loss) / Profit for the period attributable to:</b>					
Owners of the Company		(5,471)	(50,602)	3,474	(44,462)
Non-controlling interests		(895)	(126)	(193)	(500)
<b>(Loss) / profit for the period</b>		<b>(6,366)</b>	<b>(50,728)</b>	<b>3,281</b>	<b>(44,962)</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		6,569	8,932	4,543	30,885
Non-controlling interests		(2,866)	(2,394)	301	(752)
<b>Total comprehensive income for the period</b>		<b>3,703</b>	<b>6,538</b>	<b>4,844</b>	<b>30,133</b>
<b>(Losses) per share from continuing operations (basic and diluted)</b>	20	<b>(0.0022)</b>	<b>(0.001)</b>	<b>(0.0006)</b>	<b>(0.001)</b>
<b>Earnings / (Losses) per share from discontinued operations (basic and diluted)</b>	20	<b>0.0011</b>	<b>(0.009)</b>	<b>0.0012</b>	<b>(0.008)</b>
<b>(in USD per share)</b>					

Chief Financial Officer

Khalid Ellairy



Executive Chairman and Managing Director

Naguib Sawiris



\* The accompanying notes from (1) to (24) are an integral part of these condensed interim consolidated financial statements.



**ORASCOM INVESTMENT HOLDING**

(S.A.F)

Condensed interim consolidated statement of changes in equity for the nine-months period ended September 30, 2019

(in thousands of US dollars)

	Share capital	Legal reserve	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
As of December 31, 2017, as presented	366,148	84,373	(205,414)	10,367	19,716	275,190	27,528	302,718
Restatement for the effect of IFRS 9, IFRS 15 and IFRS 16	-	-	-	-	(350)	(350)	(312)	(662)
As of January 1, 2018, restated	366,148	84,373	(205,414)	10,367	19,366	274,840	27,216	302,056
Comprehensive income / (loss)	-	-	-	-	(50,602)	(50,602)	(126)	(50,728)
(Loss) for the period	-	-	(50,345)	(197)	110,076	59,534	(2,268)	57,266
Other comprehensive income / (loss)	-	-	(50,345)	(197)	59,474	8,932	(2,394)	6,538
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	2,287	2,287
Acquisition of subsidiary with NCI	-	1,710	-	-	(1,710)	-	-	-
Transferred to legal reserve	-	1,710	-	-	(1,710)	-	2,287	2,287
Total	366,148	86,083	(255,759)	10,170	77,130	283,772	27,109	310,881
As of September 30, 2018								

(in thousands of US dollars)

	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
As of January 1, 2019 as issued	366,148	86,078	(256,076)	7,262	67,429	270,841	18,738	289,579
** Restatement on prior year	-	-	2,213	-	(2,213)	-	-	-
Balance as at January 1, 2019- Restated**	366,148	86,078	(253,863)	7,262	65,216	270,841	18,738	289,579
Comprehensive income / (loss)	-	-	-	-	(5,471)	(5,471)	(895)	(6,366)
(Loss) for the period	-	-	12,293	(253)	-	12,040	(1,971)	10,069
Other comprehensive (loss)	-	-	12,293	(253)	(5,471)	6,569	(2,866)	3,703
Total comprehensive income / (loss) for the period	-	-	-	313	-	313	137	450
Revaluation of derivatives-put option	-	-	-	(456)	-	(456)	2,482	2,026
Disposal of subsidiary with NCI	-	171	-	-	(171)	-	-	-
Transferred to legal reserve	-	171	-	-	(171)	-	-	-
Total	366,148	86,249	(241,570)	6,866	59,574	277,267	18,491	295,758
As of September 30, 2019								

Chief Financial Officer

Khalid Ellaicy



Executive Chairman and Managing Director

Naguib Sawiris



\* The accompanying notes from (1) to (24) are an integral part of these condensed interim consolidated financial statements.

\*\* Restatement to correct the translation reserve and retained earnings for the year ended December 31, 2018 (Note No. 24).

**ORASCOM INVESTMENT HOLDING**

(S.A.E. )

Condensed interim consolidated statement of cash flows for the nine-months period ended September 30,

(in thousands of US dollars)

**Continuing operations**

**Operating activities**

**(Loss) / profit for the period before income tax**

**Adjustments for:**

Depreciation and amortization

Finance cost

Finance income

Net losses from foreign currency translation

(Gains) from disposal of non-current assets

Share of profit of equity – accounted investees

Net impairment in equity-accounted investees

Change in provisions

Changes in current assets included in working capital

Changes in current liabilities included in working capital

**Cash flows provided from / (used in) operating activities**

Income tax paid

Dividends paid to employees

Interest received

**Net cash flows provided from / (used in) operating activities**

**Investing activities**

Purchase of property and equipment and intangible assets

Net payment for other financial assets

Proceeds from sale of property and equipment

Proceeds from disposal of other financial assets

Net cash received from subsidiaries acquired

**Net cash flows (used in) investing activities**

**Financing activities**

Interest paid

Proceeds from non-current borrowings

Net payments for financial liabilities

Proceeds from other financial assets

Net cash from disposal of subsidiaries without change in control

Dividends paid to non controlling interest

**Net cash flows provided from financing activities**

**Net change in cash and cash equivalents during the period from continuing operations**

**Discontinued operations**

Net cash flows provided from operating activities

Net cash flows provided from investing activities

Net cash flows provided (used in) investing activities

**Net cash flows provided from discontinued operations**

**Net change in cash and cash equivalents during the period**

Cash and cash equivalents at the beginning of the period

Effect of exchange rate fluctuation on cash and cash equivalents

**Cash and cash equivalents at the end of the period**

	2019	2018 Represented
(Loss) / profit for the period before income tax	(7,759)	1,605
Depreciation and amortization	6,440	6,650
Finance cost	(471)	(4,708)
Finance income	9,258	6,694
Net losses from foreign currency translation	7,103	1,028
(Gains) from disposal of non-current assets	(40)	(30)
Share of profit of equity – accounted investees	(173,032)	(115,180)
Net impairment in equity-accounted investees	168,100	115,180
	<b>9,599</b>	<b>11,239</b>
Change in provisions	2,689	5,278
Changes in current assets included in working capital	(13,239)	(35,483)
Changes in current liabilities included in working capital	23,877	(20,476)
<b>Cash flows provided from / (used in) operating activities</b>	<b>22,926</b>	<b>(39,442)</b>
Income tax paid	(5,749)	(21,271)
Dividends paid to employees	(827)	-
Interest received	471	4,713
<b>Net cash flows provided from / (used in) operating activities</b>	<b>16,821</b>	<b>(56,000)</b>
Purchase of property and equipment and intangible assets	(6,413)	(1,812)
Net payment for other financial assets	(330)	(3,159)
Proceeds from sale of property and equipment	291	140
Proceeds from disposal of other financial assets	206	-
Net cash received from subsidiaries acquired	-	1,595
<b>Net cash flows (used in) investing activities</b>	<b>(6,246)</b>	<b>(3,236)</b>
Interest paid	(7,269)	(5,463)
Proceeds from non-current borrowings	2,687	5,798
Net payments for financial liabilities	(90,548)	(3,854)
Proceeds from other financial assets	98,035	27,981
Net cash from disposal of subsidiaries without change in control	-	(280)
Dividends paid to non controlling interest	-	(26)
<b>Net cash flows provided from financing activities</b>	<b>2,905</b>	<b>24,156</b>
<b>Net change in cash and cash equivalents during the period from continuing operations</b>	<b>13,480</b>	<b>(35,080)</b>
Net cash flows provided from operating activities	877	17,552
Net cash flows provided from investing activities	-	78,750
Net cash flows provided (used in) investing activities	-	(315)
<b>Net cash flows provided from discontinued operations</b>	<b>877</b>	<b>95,987</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>14,357</b>	<b>60,907</b>
Cash and cash equivalents at the beginning of the period	106,565	134,142
Effect of exchange rate fluctuation on cash and cash equivalents	4,665	(7,422)
<b>Cash and cash equivalents at the end of the period</b>	<b>125,587</b>	<b>187,627</b>

Chief Financial Officer

Khalid Ellaicy



Executive Chairman and Managing Director

Naguib Sawiris



\* The accompanying notes from (1) to (24) are an integral part of these condensed interim consolidated financial statements.

**1. General information**

Orascom Investment Holding S.A.E. (“**OIH**” or the “**Company**”) is a joint stock company with its head office in Cairo, Egypt. The Company was established on November 29, 2011, (the “**inception**”) and until this date the businesses of the Company were performed under various entities which were controlled by Orascom Telecom Holding, S.A.E. (“**OTH**”). As part of a larger transaction pursuant to which VimpelCom Ltd had acquired OTH, its shareholders agreed to affect the demerger, whereby, OTH was split into two companies, OTH and the Company (“**Demerger**”). The Demerger resulted in the transfer of certain telecom, cable and media and technology assets (the “**OIH Assets**”) to the Company.

The Company and the OIH Assets (together the “**Group**”) are a mobile telecommunications business operating in high growth emerging markets in the Middle East, Africa and Asia. The Company is a subsidiary of Orascom Telecom Media and Technology Investments S.à.r.l. (the “**Ultimate Parent Company**”).

The Company’s shares are listed on the Egyptian Stock Exchange and its {GDRs are listed on the London Stock Exchange}.

The information presented in this document has been presented in thousands of United States Dollar (“**US\$**”), except earnings per share and unless otherwise stated.

The condensed interim consolidated financial information as of and for the period ended September 30, 2019, were approved for issuance by the board of directors on October 1, 2020.

**2. Statement of compliance**

These condensed interim consolidated financial statements as of September 30, 2019, have been prepared in accordance with IAS 34 “**Interim Financial Reporting**”. As permitted by IAS 34, the Company has opted to prepare a condensed version as compared to the consolidated financial statements as of December 31, 2018. The condensed interim consolidated financial statements do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The condensed interim consolidated financial statements are not the statutory financial statements of the Company, as the statutory financial statements are prepared in accordance with the Egyptian Accounting Standards (EAS).

**2.1 Significant accounting policies**

The accounting policies adopted for the preparation of the condensed interim consolidated financial information are consistent with those used in the consolidated financial statements as of and for the period ended December 31, 2018.

**2.2 Application of new and revised International Financial Reporting Standards (“IFRSs”)**

**2.2.1 New currently effective requirements**

Effective date	New standards or amendments
January 1, 2019	IFRIC 23 Uncertainty over Income Tax Treatments
January 1, 2019	Prepayment Features with Negative Compensation (Amendments to IFRS 9)
January 1, 2019	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
January 1, 2019	Plan Amendments, Curtailment or Settlement (Amendments to IAS 19)
January 1, 2019	Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

The Group is currently assessing whether these changes will affect the consolidated financial statements in the period of initial application.



### 3. Use of estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

#### Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2018.

### 4. Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2018.

### 5. Segment reporting

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective, of the mobile telecommunication business. OIH management has determined the reportable operating segments according to the information analysed by the chief operating decision-maker as follows:

- *Investment property*: investment properties relate to real estate property the Group owns in Sao Paolo, Brazil
- *GSM – Lebanon*: relating to the management contract of the Lebanese mobile telecommunications operator Alfa which is owned by the Republic of Lebanon.
- *Cable*: relating to the provision of direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations through submarine fibre optic cables.
- *Media & Technology*: relating mainly to the provision of online advertising and content to corporate customer, mobile value-added services and software development and hosting of corporate clients.
- *Other*: relating to the Group's equity accounting investment and income and expenses related to OIH.

The Group reports on operating segments which are independently managed. The chief operating decision-maker assesses the performance of such operating segments based on:

- Total revenue;
- Adjusted EBITDA, defined as profit / (loss) for the period before income tax expense / (benefit), share of profit of equity investments, foreign exchange gain / (loss), finance cost, finance income, gain / (loss) from disposal of non-current assets, impairment charges and depreciation and amortisation;
- Segment capital expenditure which is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

The tables below illustrate the information provided to the chief operating decision-maker for the relevant periods.

**Revenue and Adjusted EBITDA disclosure per segment for the nine-month period ended September 30, 2019 and September 30, 2018:**

	Nine-month period 2019			Nine-month period 2018				
	Total segment revenue	Inter segment revenue	Revenue from external customers	Adjusted EBITDA	Total segment revenue	Inter segment revenue	Revenue from external customers	Adjusted EBITDA
Marine cables	33,313	-	33,313	17,039	32,916	-	32,916	17,526
Financial services	22,738	-	22,738	(1,592)	26,431	-	26,431	(1,557)
Management fees	5,368	-	5,368	3,820	5,400	-	5,400	5,984
Investment property	2,582	-	2,582	1,618	2,656	-	2,656	1,765
Other	872	(872)	-	(11,286)	938	(938)	-	(12,479)
<b>Total</b>	<b>64,873</b>	<b>(872)</b>	<b>64,001</b>	<b>9,599</b>	<b>68,341</b>	<b>(938)</b>	<b>67,403</b>	<b>11,239</b>

**Reconciliation of Adjusted EBITDA to profit before income tax for the nine-month period ended September 30, 2019 and September 30, 2018:**

	For the Period ended September 30, 2019	For the Period ended September 30, 2018
Adjusted EBITDA	9,599	11,239
Depreciation and amortization	(6,440)	(6,650)
Disposal of non-current assets	40	30
Financial income	471	4,708
Financial expense	(9,258)	(6,694)
Foreign exchange (loss)	(7,103)	(1,028)
Share of profit of equity investments	173,032	115,180
Impairment of associate	(168,100)	(115,180)
<b>(Loss) / profit before income tax</b>	<b>(7,759)</b>	<b>1,605</b>

Orascom Investment Holding S.A.E. (In thousands of US dollars)

Notes to the condensed interim consolidated financial statements as of and for the period ended September 30, 2019

*Assets per segment*

	As of September 30, 2019					As of December 31, 2018				
	Property and equipment	Intangible assets	Investment property	Equity instruments	Total	Property and equipment	Intangible assets	Investment property	Equity instruments	Total
Financial Services	13,645	27,652	-	-	41,297	14,047	32,462	-	-	46,509
Investment Property	-	-	59,056	-	59,056	-	-	64,290	-	64,290
Marine cables	59,713	1,716	-	-	61,429	62,196	1,422	-	-	63,618
Other	3,040	-	-	141,000	144,040	4,698	(33)	-	123,439	128,104
<b>Total</b>	<b>76,398</b>	<b>29,368</b>	<b>59,056</b>	<b>141,000</b>	<b>305,822</b>	<b>80,941</b>	<b>33,851</b>	<b>64,290</b>	<b>123,439</b>	<b>302,521</b>

*Capital expenditure*

The table below illustrates the capital expenditure incurred by each segment in the current and comparative period

	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018
Marine cables	13,125	11,904
Financial services	38	571
Other	-	911
<b>Total</b>	<b>13,163</b>	<b>13,386</b>

**6. Revenues**

(In thousand US\$)	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018	Three-months ended September 30, 2019	Three-months ended September 30, 2018
Financial services	22,738	26,431	7,752	7,256
Marine cables	33,313	32,916	10,347	11,571
Management contract -fees	5,368	5,400	1,793	1,799
Investment property	2,582	2,656	853	810
<b>Total</b>	<b>64,001</b>	<b>67,403</b>	<b>20,745</b>	<b>21,436</b>

*Disaggregation of revenue from contracts with customers*

(In thousand US\$)	Investment property		Marine cables		Financial services		Management contract-fees		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>For the Nine months ended September 30,</b>										
<b>Primary geographical markets</b>										
Brazil	2,582	2,656	-	-	-	-	-	-	2,582	2,656
US	-	-	-	-	11,397	17,061	-	-	11,397	17,061
Pakistan	-	-	33,313	32,916	-	-	-	-	33,313	32,916
Lebanon	-	-	-	-	-	-	5,368	5,400	5,368	5,400
Egypt	-	-	-	-	11,341	9,370	-	-	11,341	9,370
	<b>2,582</b>	<b>2,656</b>	<b>33,313</b>	<b>32,916</b>	<b>22,738</b>	<b>26,431</b>	<b>5,368</b>	<b>5,400</b>	<b>64,001</b>	<b>67,403</b>
<b>Major service Lines</b>										
Rental revenues	2,582	2,656	-	-	-	-	-	-	2,582	2,656
Management Fees – Funds	-	-	-	-	1,362	1,008	-	-	1,362	1,008
Performance Fees – Funds	-	-	-	-	833	1,024	-	-	833	1,024
Other Financial management	-	-	-	-	506	651	-	-	506	651
Success Fees	-	-	-	-	506	856	-	-	506	856
Retainer Fees	-	-	-	-	95	130	-	-	95	130
Brokerage Revenues	-	-	-	-	19,436	22,762	-	-	19,436	22,762
Cable rental	-	-	33,313	32,916	-	-	-	-	33,313	32,916
GSM Management Agreement	-	-	-	-	-	-	5,368	5,400	5,368	5,400
	<b>2,582</b>	<b>2,656</b>	<b>33,313</b>	<b>32,916</b>	<b>22,738</b>	<b>26,431</b>	<b>5,368</b>	<b>5,400</b>	<b>64,001</b>	<b>67,403</b>
<b>Timing of revenue recognition</b>										
Products transferred at point of	-	-	-	-	22,738	26,431	-	-	22,738	26,431
Services transferred over period of	2,582	2,656	33,313	32,916	-	-	5,368	5,400	41,263	40,971
	<b>2,582</b>	<b>2,656</b>	<b>33,313</b>	<b>32,916</b>	<b>22,738</b>	<b>26,431</b>	<b>5,368</b>	<b>5,400</b>	<b>64,001</b>	<b>67,403</b>

**7. Purchases and services**

(In thousand US\$)	Nine- month ended September 30, 2019	Nine - month ended September 30, 2018	Three - month ended September 30,2019	Three - month ended September 30, 2018
Rental of local network, technical sites and other leases	4,973	6,253	1,459	2,202
Customer acquisition costs	229	290	83	101
Purchases of goods/ materials and consumables	1,195	764	510	242
Band width cost	2,983	3,033	963	1,034
Maintenance costs	1,799	1,736	570	653
Utilities	474	714	193	201
Brokerage commissions	4,839	6,216	1,392	1,536
Advertising and promotional services	1,072	1,779	220	966
Consulting and professional services	5,870	6,978	1,883	3,027
Bank and post office charges	405	372	209	133
Insurance	91	106	22	36
Airfare	108	98	35	34
Accommodation, meals and per diem	242	335	173	116
IT supplies and expense	139	132	36	21
Sites expense	154	60	111	2
Security guards	155	162	49	57
Other service expenses	380	338	11	148
<b>Total</b>	<b>25,108</b>	<b>29,366</b>	<b>7,919</b>	<b>10,509</b>

**8. Net financing (cost) / income**

(In thousand US\$)	Nine- month ended September.30, 2019	Nine - months ended September 30, 2018	Three- months ended September.30,2019	Three -months ended September, 2018
Interest income on deposits	471	4,708	135	1,203
<b>finance income</b>	<b>471</b>	<b>4,708</b>	<b>135</b>	<b>1,203</b>
Interest expense on borrowings	(5,902)	(5,753)	(2,306)	(1,958)
Other interest expense and financial charges	(3,356)	(941)	(869)	(83)
<b>Finance cost</b>	<b>(9,258)</b>	<b>(6,694)</b>	<b>(3,175)</b>	<b>(2,041)</b>
Net foreign currency translation (losses)	(7,103)	(1,028)	(1,632)	(933)
<b>Net foreign currency translation (losses)</b>	<b>(7,103)</b>	<b>(1,028)</b>	<b>(1,632)</b>	<b>(933)</b>
	<b>(15,890)</b>	<b>(3,014)</b>	<b>(4,672)</b>	<b>(1,771)</b>



**9. Income tax expense**

	Nine- month ended September 30, 2019	Nine - months ended September 30, 2018	Three - months ended September 30,2019	Three - months ended September, 2018
Current tax expense	4,293	2,807	1,593	(416)
Deferred tax	(471)	1,154	(440)	2,136
<b>Total income tax expenses</b>	<b>3,822</b>	<b>3,961</b>	<b>1,153</b>	<b>1,720</b>

**10. Equity-accounted investees**

Details of investments in Associates is as follows:

(In thousand US\$)	Country	%	September 30, 2019	December 31, 2018
Cheo JV Technology-Koryolink (10-1)	North Korea	75%	607,252	391,804
SARWA Capital (10-2)	Egypt	30%	103,141	89,042
Electronic Fund Administration Services	Egypt	20%	18	18
International Fund Administration Services	Egypt	20%	33	37
Axes Holding company	Egypt	33.9%	627	625
Deduct: Impairment			(570,071)	(358,087)
			<b>141,000</b>	<b>123,439</b>

**(10-1) Koryolink**

(In thousand US\$)

	September 30, 2019	December 31, 2018
Assets	1,911,481	1,653,133
Liabilities	(229,098)	(260,822)
<b>Net assets</b>	<b>1,682,383</b>	<b>1,392,311</b>

(In thousand US\$)

	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018
Revenues	302,021	277,054
Total expense	(77,888)	(123,481)
<b>Net profit after tax</b>	<b>224,133</b>	<b>153,573</b>
Group's share of profit of associates	168,100	115,180

The Group's investments in North Korea related for 75% of the voting rights in the local telecom operator Koryolink. The accounting treatment has been modified during the period ended September 30, 2015, through recognizing it as an investment in associates instead of investment in subsidiaries. Thus, in light of the increase of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction imposed by the international community including the United States, the European Union and the United Nations. These sanctions have the effect of restricting financial transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks, the absence of a free-floating currency exchange market in North Korea, whereas the Group's management has no exchange rate available other than the official exchange rate announced by the Central Bank of North Korea, other than launching a competing local telecom operator wholly owned by the North Korean Government.

On September 11, 2017, the United Nations Security Council issued a resolution obliging member states of the United Nations to pass laws prohibiting joint ventures and existing partnerships with the North Korean Republic unless approval is obtained to continue such joint ventures. At the present, the Group's management submitted an official request through the Government of the Arab Republic of Egypt in order to be excluded from adhering to the said resolution.

On December 26, 2018, the request to the Security Council Committee established to follow up the implementation of sanctions on North Korea was approved, with the exception of Koryolink, to ban foreign investment in North Korea and to allow Orascom Investment Holding to continue its activities in North Korea. And Consider the company as a telecommunications infrastructure company offering a public service.

The following table presents the movement on the investment of koryolink during the period:

(In thousand US\$)	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018
Beginning balance	34,397	235,752
Group's share of profit of associates	168,100	115,180
Currency translation differences	3,411	(4,395)
Impairment of group's share of profit of associates	(168,100)	(312,318)
<b>Ending balance</b>	<b>37,808</b>	<b>34,219</b>

#### (10-2) Sarwa Capital

On December 20, 2018, the Company purchased number of 216,032,608 share from shares of Sarwa capital, which represents 30% of total equity by price per share 7.36 by total price EGP 1,590 million and it was financed by the contract related to open credit facility with bank Audi by amount of USD 90 million during December 2018.

(In thousand US\$)	September 30, 2019	December 31, 2018
Assets	247,170	196,888
Liabilities	(128,818)	(103,666)
<b>Net assets</b>	<b>118,352</b>	<b>93,222</b>

(In thousand US\$)	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018
Revenues	156,160	142,232
Total expense	(138,973)	(127,387)
<b>Net profit after tax</b>	<b>17,187</b>	<b>14,845</b>
Holding share of net profit	16,464	13,991
Share of profit in associates	4,939	-

(In thousand US\$)	September 30, 2019
Opening balance	89,042
Share of profit of associates	4,939
Currency translation differences	9,160
<b>Ending balance</b>	<b>103,141</b>

**11. Property and equipment and intangible assets**

The details of the property & equipment and intangibles acquired and disposed of during the current and comparative period are detailed in the following table:

	Property and equipment	Intangible assets
<b>Balance as of January 1, 2019</b>	<b>80,941</b>	<b>33,851</b>
Additions	12,539	624
Disposals	(273)	--
Depreciation and amortization	(5,088)	(342)
Change in scope	(1,814)	(6,686)
Currency translation differences	(9,907)	1,921
<b>Balance as of September 30, 2019</b>	<b>76,398</b>	<b>29,368</b>
<b>Balance as of January 1, 2018</b>	<b>139,482</b>	<b>48,568</b>
Additions	4,211	9,175
Disposals	(137)	-
Depreciation and amortization	(4,874)	(677)
Depreciation and amortization included in discontinued operations	(130)	-
Adjustments arising from adoption of IFRS 16	11,886	-
Translation of foreign operations	(10,435)	(1,432)
Change in scope of consolidation	(53,685)	(11,410)
<b>Balance as of September 30, 2018</b>	<b>86,318</b>	<b>44,224</b>

- There is a pledged asset for Transworld equivalent to US\$ 60 Million, in exchange for facilities related to marine cables SMW5.

**12. Investment property**

The investment property balance comprises of the value of seven floors owned by Victoire company in Brazil. The investment property is carried at its historical cost (with fair value US\$ 64,021 thousand) on the date of acquisition.

(in thousands of US\$)

	September 30, 2019	December 31, 2018
Cost	69,993	82,067
Accumulated amortization and impairment	(5,703)	(5,094)
	<b>64,290</b>	<b>76,973</b>
Depreciation	(1,010)	(1,429)
Translation of foreign operations	(4,224)	(11,254)
<b>As of end of period / year</b>	<b>59,056</b>	<b>64,290</b>
Cost	65,338	69,993
Accumulated amortization and impairment	(6,282)	(5,703)

**13. Other financial assets**

(in thousands of US\$)

	September 30, 2019			December 31, 2018		
	Non-current	Current	Total	Non-current	Current	Total
Financial receivables	248	190	438	3,043	1,091	4,134
Restricted cash (13-1)	6,798	1,970	8,768	7,550	101,982	109,532
Financial assets at fair value through profit or loss (13-2)	-	1,278	1,278	-	2,053	2,053
Financial assets at fair value through OCI (13-3)	3,249	-	3,249	3,493	-	3,493
<b>Total</b>	<b>10,295</b>	<b>3,438</b>	<b>13,733</b>	<b>14,086</b>	<b>105,126</b>	<b>119,212</b>

**13-1 Restricted cash**

(in thousands of US\$)	As of September 30, 2019			As of December 31, 2018		
	Non-current	Current	Total	Non-current	Current	Total
Pledged deposits	323	1,970	2,293	608	101,982	102,590
Cash on banks in North Korea	6,475	-	6,475	6,942	-	6,942
<b>Total</b>	<b>6,798</b>	<b>1,970</b>	<b>8,768</b>	<b>7,550</b>	<b>101,982</b>	<b>109,532</b>

**13-2 Financial assets at fair value through profit or loss**

	September 30, 2019	December 31, 2018
Investments in Cash investments funds	944	816
Investments in investments funds	27	813
Treasury Bills	307	424
<b>Total</b>	<b>1,278</b>	<b>2,053</b>

**13-3 Financial assets at fair value through OCI**

	September 30, 2019	December 31, 2018
Egypt Opportunities Fund	2,019	2,252
EGX -30	499	420
Misr for Central Clearing Depository and Registry	472	429
Guarantee Settlement Fund	241	375
El Arabi for Investment	11	11
MENA Capital	167	172
BMG	6	-
(Less):		
Impairment loss of financial assets at fair value through OCI	(166)	(166)
<b>Total</b>	<b>3,249</b>	<b>3,493</b>

**14. Cash and cash equivalents**

(in thousands of US\$)

	September 30, 2019	December 31, 2018
Bank accounts and deposits	125,518	106,491
Cash on hand	69	74
<b>Total</b>	<b>125,587</b>	<b>106,565</b>

**15. Share capital**

The Company was incorporated On November 29, 2011, with an authorised share capital amounting to EGP 22 billion, equivalent to US\$ 3.66 Billion, of which, the issued amounts to EGP 2,203,190,060, equivalent to US\$ 366 Million distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42 par value each, according to the approvals of the General Authority for Investment and of the Extraordinary General Assembly of Orascom Telecom Holding (Demerging Company).

**16. Borrowings**

	September 30, 2019			December 31, 2018		
	Non-current	Current	Total	Non-current	Current	Total
Liabilities to banks	42,410	25,068	67,478	47,008	109,335	156,343
Finance lease liability *	9,338	1,196	10,534	10,669	369	11,038
Other borrowings	1,197	1,111	2,308	1,126	1,618	2,744
	<b>52,945</b>	<b>27,375</b>	<b>80,320</b>	<b>58,803</b>	<b>111,322</b>	<b>170,125</b>



The Group has adopted IFRS 16 starting January 1, 2018, which resulting the below new assets and liabilities together with the profit or loss effect as follows:

**Right of use (ROU) of Assets**

	<b>Period ended September 30,</b>
ROU as January 1, 2019	10,101
Additions	1,227
Depreciation charge of the period	(862)
Currency translation differences	(623)
<b>Balance as at September 30, 2019</b>	<b>9,843</b>

**Loans for Trans World associate**

Borrowings balances include loans granted by the shareholders of Trans World Associate private to Trans World associate private (limited) Pakistan by an amount equivalent to USD 2.2 Million of which USD 1.4 M due within one year and USD 0.8 M due more than one year.

Borrowings also include loans obtained from banks amounted to US\$ 26.1 million from which US\$ 7.1 million due within one year and US\$ 19 million due after more than one year.

**Loan for the purpose of financing the acquisition of Victoire Group:**

On September 28, 2015 the Company borrowed long-term loan from the subjected bank by a maximum amount

US\$ 35 Million for the sole purpose of financing 50% of the purchase price of seven floors in the "Patio Malzoni Faria Lima Tower A" in Sao Paulo, Brazil through the direct or indirect acquisition of the shares of the following companies incorporated in Brazil: Victoire 2, Victoire 9, Victoire 11, Victoire 13, Victoire 17, Victoire 18, and Victoire 19. With a balance USD 33.3 million as at September 30,2019.

On October 18, 2017 Orascom Telecom, Media and Technology Holding company performed a reschedule agreement with bank Libano Francaise through which the loan amounted USD 33 million will be long term loan due on three instalments starts from October 2019 and ends October 2021.

On May 24, 2018 the pledge of the deposit amounted 36.2.3 M has been released and mortgage of the tower and pledge of Victoire BV company shares has been made in favour of Libano Francis bank.

**Other credit facilities (Beltone financial holding company):**

The credit bank facilities granted to one of Group components for financing the settlement of guarantee against payment concerning brokerage sector and these facilities are unsecured and bearing average interest market rate, In addition to the financing granted to the Holding Company during the period.

**17. Other assets**

(in thousands of US\$)

	<b>September 30, 2019</b>			<b>December 31, 2018</b>		
	<b>Non-current</b>	<b>Current</b>	<b>Total</b>	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
Prepaid expenses	11,252	2,510	13,762	13,224	2,848	16,072
Advances to suppliers	-	975	975	-	343	343
Receivables due from tax authority	-	875	875	-	401	401
Employee loans	-	521	521	-	518	518
Assets from current tax	-	6,827	6,827	-	5,453	5,453
Other non-trade receivables	-	1,894	1,894	-	1,551	1,551
Allowance for doubtful current assets	-	(483)	(483)	-	-	-
<b>Total</b>	<b>11,252</b>	<b>13,119</b>	<b>24,371</b>	<b>13,224</b>	<b>11,114</b>	<b>24,338</b>



**18. Trade payables and other liabilities**

(in thousands of US\$)	September 30, 2019			December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
<b>Trade payables</b>						
Capital expenditure payables	5,088	-	5,088	4,752	-	4,752
Trade payables due to suppliers	6,115	-	6,115	8,439	-	8,439
Customers credit balance	60,865	-	60,865	41,038	-	41,038
Trade payables to financial sector	773	-	773	2,835	-	2,835
Other trade payables	2,880	-	2,880	2,827	-	2,827
<b>Total trade payables</b>	<b>75,721</b>	<b>-</b>	<b>75,721</b>	<b>59,891</b>	<b>-</b>	<b>59,891</b>
<b>Other liabilities</b>						
Prepaid traffic and deferred income	700	3,181	3,881	339	3,408	3,747
Due to local authorities	2,911	-	2,911	3,155	-	3,155
Personnel payables	1,018	-	1,018	3,022	-	3,022
Subscriber deposits	63	-	63	38	-	38
Other credit balances	9,491	17,888	27,379	8,543	22,436	30,979
<b>Total other liabilities</b>	<b>14,183</b>	<b>21,069</b>	<b>35,252</b>	<b>15,097</b>	<b>25,844</b>	<b>40,941</b>
<b>Total</b>	<b>89,904</b>	<b>21,069</b>	<b>110,973</b>	<b>74,988</b>	<b>25,844</b>	<b>100,832</b>

**19. Provisions**

Provisions are recognised according to the best estimate of the amount expected to settle the present obligations, at the end of the reporting period, arising as result from the Group's operations and contractual relationships with third parties. Provisions recognised during the period are reported among other expenses in the statement of profit or loss and are subject to an annual review by management and are revised based on the most recent developments, negotiations and agreements with the relevant counterparties.

	2019	2018
As of January,1	23,041	20,723
Additions	2,739	3,892
Currency translation differences	2,269	(303)
Provision used	(2,030)	(6,142)
Change in the scope of consolidation	-	(223)
<b>As of September,</b>	<b>26,019</b>	<b>17,947</b>

**20. (Losses) / earnings per share (basic and diluted)****Basic:**

Basic earnings per share is calculated by dividing the (losses) / earnings attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

**Diluted:**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the period covered by the report, the Company did not have any dilutive potential ordinary shares and as such diluted and basic earnings per share are equal.

**(Losses) per share from continuing operations – basic and diluted (in US\$)**

	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018	Three-months ended September 30, 2019	Three-months ended September 30, 2018
(Losses) attributable to equity holders of the Parent Company from continuing operations	(11,487)	(3,596)	(2,997)	(4,030)
Weighted average number of shares (in thousands of shares)	5,245,691	5,245,691	5,245,691	5,245,691
<b>(Losses) / earning per share – basic and diluted (in US\$)</b>	<b>(0.0022)</b>	<b>(0.001)</b>	<b>(0.0006)</b>	<b>(0.001)</b>

**Earnings / (losses) per share from discontinued operations – basic and diluted (in US\$)**

	Nine-months ended September 30, 2019	Nine-months ended September 30, 2018	Three-months ended September 30, 2019	Three-months ended September 30, 2018
Earnings / (Losses) attributable to equity holders of the Parent Company from discontinued operations	6,016	(47,006)	6,471	(40,432)
Weighted average number of shares (in thousands of shares)	5,245,691	5,245,691	5,245,691	5,245,691
<b>(Losses) / earning per share – basic and diluted (in US\$)</b>	<b>0.0011</b>	<b>(0.009)</b>	<b>0.0012</b>	<b>(0.008)</b>

**21. Capital commitments**

The capital commitments are provided in the table below:

	September 30, 2019	December 31, 2018
Property and equipment	1,288	5,214
Other	5,383	12,054
<b>Total</b>	<b>6,671</b>	<b>17,268</b>

The main capital commitments are related to property and equipment arising from the Group commitments of the installation of property and equipment related to the supply of marine communication cable, equipment, and technical equipment related to the contract of Trans World associates.

**22. Contingent liabilities**

The contingent liabilities, are represented in guarantees issued by the holding company and related to the activities of its subsidiaries, as follows:

**Orascom Telecom, Media and Technology Holding**

- A Letter of guarantee in favour of Lebanon Ministry of Telecommunication to guarantee Orascom Telecom Lebanon in the payment of any amount due by the selected participants amounting to US\$ 40 Million valid until December 31, 2019.

**Transworld Associates (Subsidiary)**

- The amount equivalent to USD 28.8 thousand pounds held by the bank for the sake of the Higher Education Commission (HEC) until December 31, 2019.
- There is a letter of credit amounting to USD 345 K in favour of Inbox Company valid until May 9, 2020.

### 23. Subsequent events

1. The recent outbreak of the novel coronavirus (COVID-19) continues to impact the global economy and markets. Going forward the COVID-19 outbreak may negatively impact amongst others our supply chain, workforce, operations, demand of our end markets, and liquidity. Accordingly, The Management has set up a COVID-19 taskforce to develop and implement contingency plans, and we are closely and continuously evaluating the developments. We will take all necessary actions to keep our operations running and, most importantly, protect our employees, suppliers, customers and all other stakeholders. Based on our current knowledge and available information, we do not expect COVID-19 to have an impact on our ability to continue as a going concern in the foreseeable future.
2. During January 2020, the Company made early payment of the full value of the loan related to direct or indirect acquisition of the shares of the companies that own the Brazil Building, the balance of the loan on December 31, 2019, amounted to 23,413 thousand dollar, as the shares were unpledged by the bank during January 2020.
3. On February 27, 2020, the Board of Directors of Sarwa Capital Company proposed to distribute cash dividends to shareholders for the fiscal year ending December 31, 2019, with a total value of 117,759,480 EGP (US\$ , the share of the profits will be 10 piasters per share, the Company's share of the dividends declared will be about 34.5 million Egyptian pounds before the tax on dividends.
4. On December 2019, the Company's board of directors received a letter from the Lebanese Ministry of Communications regarding the non-renewal of the management contract concluded between Orascom Investment Holding Company and the Lebanese Ministry of Communications, due to the current events in Lebanon, the company was not handed over to the Lebanese Ministry of Communications, and the group has managed the Lebanese company till now with the same conditions as the old contract. During September 2020, the process of transferring the management of Alfa Company from Orascom Telecom Lebanon to the Ministry of Communications was completed, in implementation of the Cabinet Resolution issued on May 5, 2020 and after fulfilling all the requirements of the management contract.
5. During April 2020, Beltone Financial Holding, which is owned by Orascom Investment Holding Company by 74.55%, has signed an agreement to sell its subsidiary Auerbach Grayson with a group of investors. All sales procedures will be terminated after obtaining the approval of the Financial Sector Authority in the United States of America.
6. On July 9, 2020, the board of directors of the Company approved the detailed demerger plan of the Company into two companies where the demerged company will be called "Oracom Investment Holding" (the demerged company) where it will include company's investments in companies that operate in different fields. The other company will be called "Orascom Financial Holding" (the new company) which will include the investments of the company in companies that operate in the financial-non-banking sector which are Beltone financial holding (subsidiary) and Sarwa capital (associate). On September 6, 2020, the Egyptian Financial Supervisory Authority approved the detailed division project for the company, and the extraordinary general meeting is being invited to approve the division project.
7. On September 30, 2020, Orascom Pyramids for Entertainment (one of the group's subsidiaries) signed a long-term financing contract with the Societe Arabe Internationale de Banque with an amount of EGP 230 million to be repaid on 24 quarter-annual installments starting from January 2023 and ending on October 2028.

**24. Reclassification of some comparative numbers:**

During the period ended September 30, 2019, the company reclassified the comparative figures of the retained earnings and translation reserve related to the year ended December 31, 2018, in order to correct an amount charged to the currency translation reserve instead of the retained earnings, in one of the group's subsidiaries, amounting to USD 2,213 M.

**Chief Financial Officer**

**Khalid Ellaicy**



**Executive Chairman and  
Managing Director**

**Naguib Sawiris**

