Orascom Investment Holding S.A.E.

Consolidated Financial Statements
As of and for the year ended
December 31, 2020 (IFRS)
Together with the auditor's report
US$

KPMG

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To the Shareholders of
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the consolidated financial statements of Orascom Investment Holding S.a.e. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by IASB.

Basis for qualified opinion

The Group's investment in CHEO Technology JV ("Koryolink"), a foreign associate accounted for under the equity method, is carried at $39 million in the consolidated statement of financial position as at 31 December 2020 under the caption "Equity-accounted investees". Despite the fact that Koryolink realized a profit for the year of $228 million, no share of profit was recognized in the consolidated statement of profit or loss and other comprehensive income regarding the Group's share of profit. Considering that Koryolink is operating under an international ban and financial restrictions imposed by the international community on North Korea, which lead to difficulties in transferring profits abroad and repatriating the funds outside of North Korea, the investment in Koryolink is measured at cost representing the Board of Directors' best estimate of the recoverable amount of this investment. This measurement is not in line with the Group's IFRS accounting policies, which states that subsequent to initial recognition, the consolidated financial statements should include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases. In addition, the Group's restricted cash in North Korean banks for a total net book amount of $3.6 million is impacted by the same international ban and financial restrictions and same difficulties as described above.

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We were unable to obtain sufficient appropriate audit evidence about the recoverable amount of the Group’s investment in Koryolink as at 31 December 2020, the latter’s share of the profit/loss in the Group’s consolidated statement of profit and loss and other comprehensive income and the respective disclosures as required by IAS 28 and the recoverable amount of the Group’s restricted cash in North Korean banks because we were not provided with evidence to support the recoverable amount of the Group’s investment in Koryolink and the restricted cash in North Korean banks and were subsequently unable to obtain assurance about the measurement of the closing balances, share of profit/loss and the related disclosures. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The Group has a receivable carried at $ 5.8 million arising from the disposal of the entire shares owned by the Group in Riza Capital to an external party. We were unable to obtain sufficient appropriate audit evidence about the recoverability of this receivable. There were no other procedures that could have been performed to satisfy ourselves as to the recoverability of this receivable’s carrying amount as at 31 December 2020. Consequently, we were unable to determine whether any adjustments to this amount was necessary.

In addition, we were unable to obtain sufficient appropriate audit evidence about all the balances as at 31 December 2020 and amounts for the year then ended of the subsidiary Orascom Telecom Lebanon S.A.L (“OTL”) due to the inability of the component auditor to report because of the current instability in Lebanon. OTL represents $18.5 million of assets and $16.6 million of liabilities in the consolidated statement of financial position as at 31 December 2020 and $(0.9) million of results from discontinued operations in the consolidated statement of profit or loss and other comprehensive income for the year then ended. There were no other procedures that could have been performed to satisfy ourselves as to the appropriateness of OTL’s total assets, total liabilities and results from discontinued operations. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (“Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of “réviseur d'entreprises agréé” for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other matter relating to comparative information

The consolidated financial statements of the Group as at and for the year ended 31 December 2019 were audited by another auditor who expressed a qualified opinion on 1 October 2020 due to their inability to obtain sufficient appropriate audit evidence over the carrying amount of the Group's investment in Sarwa Capital Holding For Financial Investment S.A.E. ("Sarwa") as at 31 December 2019 and the Group's share of Sarwa's net income for the year then ended.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by IASB, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Luxembourg, 26 April 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

Thierry Ravasio

ORASCOM INVESTMENT HOLDING S.A.E.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF

(In thousands of US$)	Note	December 31, 2020	December 31, 2019 Restated
Assets			
Property and equipment	14	66,698	73,279
Intangible assets	15	2,383	24,510
Investment property	16	45,821	60,747
Equity accounted investees	12	39,110	143,078
Other financial assets	17	5,690	17,381
Other assets	20	15,811	16,574
Total non-current assets		**175,513**	**335,569**
Inventories		775	506
Trade receivables	19	20,422	54,779
Other financial assets	17	4,741	4,940
Other assets	20	9,175	13,461
Cash and cash equivalents	21	21,865	63,438
		56,978	**137,124**
Assets held for sale	27	-	13,850
Total current assets		**56,978**	**150,974**
Total assets		**232,491**	**486,543**
Equity and liabilities			
Share capital	22	95,890	366,148
Reserves		(22,288)	(142,231)
Retained earnings		16,006	36,773
Equity attributable to equity holders of the Company		**89,608**	**260,690**
Non-controlling interests		18,060	16,861
Total equity		**107,668**	**277,551**
Liabilities			
Borrowings	23	27,806	24,007
Other liabilities	24	7,783	7,642
Deferred tax liabilities	18	10,474	12,450
Total non-current liabilities		**46,063**	**44,099**
Borrowings	23	11,716	47,485
Trade payables and other liabilities	24	53,157	74,466
Income tax liabilities		3,464	5,806
Provisions	25	10,423	29,862
		78,760	**157,619**
Liabilities associated to assets held for sale	27	-	7,274
Total current liabilities		**78,760**	**164,893**
Total liabilities		**124,823**	**208,992**
Total equity and liabilities		**232,491**	**486,543**

Chief Financial Officer **Chairman**

Auditor's report "attached"

* The accompanying notes from page (5) to page (64) are an integral part of these consolidated financial statements.

ORASCOM INVESTMENT HOLDING S.A.E.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED

(In thousands of US$, except per share amounts)	Note	December 31, 2020	December 31, 2019 Represented
Continuing operations			
Revenues	6	47,018	48,401
Other income		15	24
Purchases and services	7	(20,416)	(22,102)
Other expenses	8	(1,398)	(1,089)
Provisions no longer required / (formed)	25	12,005	(5,356)
Personnel cost	9	(13,526)	(13,071)
Depreciation and amortization	10	(7,385)	(6,598)
Impairment charges		-	(8,203)
Impairment loss of other financial assets	17-	(7,684)	(134)
Gains from disposal of non-current assets		186	57
Operating income / (loss)		**8,815**	**(8,071)**
Finance income	11	4,697	835
Finance expense	11	(5,277)	(12,223)
Net foreign currencies translation differences	11	(455)	(2,004)
Share of profits of equity accounted investees	12	171,106	165,511
Net impairment of equity accounted investees	12	(171,106)	(165,511)
Profit / (loss) before income tax		**7,780**	**(21,463)**
Income tax expense	13	(4,703)	(3,428)
Profit / (loss) for the year from continued operations		**3,077**	**(24,891)**
Discontinued operations			
(Loss) from discontinuing operation (net of income tax)	27	(2,357)	(2,012)
Profit / (loss) for the year		**720**	**(26,903)**
Other comprehensive (loss) / income:			
Items that may be sequent reclassified to profit or loss net of			
Revaluation of investments at fair value through OCI		(2,339)	(340)
Foreign operations- Foreign currencies translation		(10,303)	12,897
Total other comprehensive (loss) / income for the year		**(12,642)**	**12,557**
Total comprehensive (loss) for the year		**(11,922)**	**(14,346)**
Profit / (loss) for the year attributable to:			
Owners of the Company from continuing operations		481	(27,056)
Owners of the Company from discontinuing operations		(496)	1,264
Non-controlling interests		735	(1,111)
		720	**(26,903)**
Total comprehensive (loss) for the year attributable			
Owners of the Company		(12,123)	(10,843)
Non-controlling interests		201	(3,503)
		(11,922)	**(14,346)**
Earnings / (losses) per share from continuing operation - basic & diluted (in US$)	26	0.000092	(0.00001)
(Losses) / earnings per share from discontinued operations- basic & diluted (in US$)	26	(0.000095)	0.0002

* The accompanying notes from page (5) to page (64) are an integral part of these consolidated financial

ORASCOM INVESTMENT HOLDING S.A.E.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

(In thousands of US$)	Not	Share capital	Other reserves: Legal reserv e	Other reserves: Translat ion reserve	Other reserves: Other reserv es	Other reserves: Total reserv es	Retai ned earnin	Equity attributable to owners of the	Non-controllin g	Total equity
As of January 1, 2019	**22**	**366,14**	**86,07**	**(256,076**	**7,262**	**(162,7**	**67,429**	**270,841**	**18,738**	**289,579**
Reclassification on prior year balances *		-	-	2,213	-	**2,213**	(2,213	-	-	-
Balance as of January 1, 2019,		**366,14**	**86,07**	**(253,863**	**7,262**	**(160,5**	**65,216**	**270,841**	**18,738**	**289,579**
Comprehensive (loss) for the year										
Revaluation of investments at fair value		-	-	-	(239)	**(239)**	-	**(239)**	(101)	**(340)**
Foreign operations- Foreign currencies		-	-	15,188	-	**15,188**	-	**15,188**	(2,291)	**12,897**
(Loss) for the year		-	-	-	-	-	(25,79	**(25,792)**	(1,111)	**(26,903)**
Total comprehensive (loss) for the year		**-**	**-**	**15,188**	**(239)**	**14,949**	**(25,79**	**(10,843)**	**(3,503)**	**(14,346)**
Transactions with owners of the										
Transferred to legal reserve		-	175	-	-	**175**	(175)	-	-	-
Derivatives revaluation-with NCI		-	-	-	3,622	**3,622**	-	**3,622**	1,553	**5,175**
Change in ownership percentage without a change		-	-	-	-	-	(2,476	**(2,476)**	(2,357)	**(4,833)**
Disposal of a subsidiary with NCI		-	-	-	(454)	**(454)**	-	**(454)**	2,430	**1,976**
Total transactions with owners of the		**-**	**175**	**-**	**3,168**	**3,343**	**(2,651**	**692**	**1,626**	**2,318**
As of December 31, 2019		**366,14**	**86,25**	**(238,675**	**10,191**	**(142,2**	**36,773**	**260,690**	**16,861**	**277,551**

(In thousands of US$)		Share capital	Other reserves: Legal reserv e	Other reserves: Translat ion reserves	Other reserves: Other reserv es	Other reserves: Total reserv es	Retai ned earnin	Equity attributable to owners of the	Non-controllin g	Total equity
As of January 1, 2020	**22**	**366,14**	**86,25**	**(238,675**	**10,191**	**(142,2**	**36,773**	**260,690**	**16,861**	**277,551**
Restatement**		-	-	-	4,608	**4,608**	(936)	**3,672**	-	**3,672**
As of January 1, 2020, restated		**366,14**	**86,25**	**(238,675**	**14,799**	**(137,6**	**35,837**	**264,362**	**16,861**	**281,223**
Comprehensive (loss) / income for the										
Revaluation of investments at fair value		-	-	-	(2,344)	**(2,344)**	-	**(2,344)**	5	**(2,339)**
Foreign operations- Foreign currencies		-	-	(9,764)	-	**(9,764)**	-	**(9,764)**	(539)	**(10,303)**
(Loss) / profit for the year		-	-	-	-	-	(15)	**(15)**	735	**720**
Total comprehensive (loss) / income for		**-**	**-**	**(9,764)**	**(2,344)**	**(12,10**	**(15)**	**(12,123)**	**201**	**(11,922)**
Transactions with owners of the										
Dividends to NCI		-	-	-	-	-	-	-	(877)	**(877)**
Change in ownership percentage without a change		-	-	(497)	-	**(497)**	(1,173	**(1,670)**	9,693	**8,023**
Effect of the demerger ****		(270,25	(61,37	201,773	(12,45	**127,94**	(18,64	**(160,961)**	(7,818)	**(168,77**
Total transactions with owners of the		**(270,25**	**(61,37**	**201,276**	**(12,45**	**127,44**	**(19,81**	**(162,631)**	**998**	**(161,63**
As of December 31, 2020		**95,890**	**24,87**	**(47,163)**	**-**	**(22,28**	**16,006**	**89,608**	**18,060**	**107,668**

- The accompanying notes from page (5) to page (64) are an integral part of

* Reclassification on the prior year figures on the translation reserve and retained earnings for the year ended December 31, 2018.

** Restatement represents the effect of applying IFRS 9 by an associate (Contact Financial Holding) starting from January 1, 2020, which was not recorded by the Group in the prior years

** Effect of the demerger represents the adjustments on the equity as a result of the demerge of the Company into two companies (for

ORASCOM INVESTMENT HOLDING S.A.E.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED

(In thousands of US$)	Note	December 31, 2020	December 31, 2019 Represented
(Loss) for the year before tax		**7,780**	**(21,463)**
Adjustments for:			
Depreciation and amortization	10	7,385	6,598
Finance income	11	(4,697)	(835)
Finance expense	11	5,277	12,223
Net foreign currencies translation differences	11	455	2,004
Impairment charges		-	8,203
Impairment loss of other financial assets		7,684	134
(Gains) from disposal of non-current assets		(186)	(57)
Share of profits of equity accounted investees	12	(171,106)	(165,511)
Net impairment of equity accounted investees	12	171,106	165,511
Change in provisions	25	(16,382)	3,341
Changes in other assets		(3,516)	(4,210)
Changes in other liabilities		(2,337)	6,683
Cash flows generated by operating activities		**1,463**	**12,621**
Income taxes paid		(2,933)	(4,736)
Interest received		468	834
Dividends to employees		-	(838)
Net cash flows (used in) / generated by operating activities		**(1,002)**	**7,881**
Cash flows from investing activities			
Cash out flow for investments in:			
Property and equipment		(8,954)	(7,701)
Intangible assets		(582)	(237)
investments Acquisitions of new		-	(33)
Proceeds from disposal of			
Property and equipment		83	187
Other financial assets		221	104
Proceeds from sale of a subsidiary – Riza Capital		1,900	2,220
Cash flows (used in) investing activities		**(7,332)**	**(5,460)**
Cash flows from financing activities			
Interest paid	23	(3,494)	(9,135)
Proceeds from non-current borrowings	23	9, 443	2,478
Net (payments) for financial liabilities	23	(22,725)	(104,493)
Net cash received from other financial assets		133	98,777
Payments under investment in subsidiaries		(254)	-
Dividends paid to NCI		(697)	-
Cash flows (used in) financing activities		**(17,594)**	**(12,373)**
Net change in cash and cash equivalents from continuing		**(25,928)**	**(9,952)**
Discontinuing operations			
Net cash (used in) operating activities		(20,191)	(43,261)
Net cash generated by investing activities		5,013	77
Net cash generated by financing activities		21,121	8,770
Net cash generated by / (used in) discontinued operations		**5,943**	**(34,414)**
Net change in cash and cash equivalents		**(19,985)**	**(44,366)**
Cash and cash equivalents at the beginning of the year		63,438	106,565
Effect of the demerger on the balances of cash and cash equivalents		(21,343)	-
Effect of exchange rates on cash and cash equivalents		(245)	1,239
Cash and cash equivalents at the end of the year		**21,865**	**63,438**

* The accompanying notes from page (5) to page (64) are an integral part of these consolidated financial statements.

1. General information

Orascom Investment Holding S.A.E. (**"OIH" or the "Company"**) is an Egyptian Joint Stock Company pursuant to the provisions of the Capital Market Law No. 95 of 1992, and its executive regulations. The Company was registered at Commercial Register under No 394061. The Company's Head Office located at Nile City Towers, Armlet Boulak–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 dated April 14, 2011, 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 through its subsidiaries (the "Group") is 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 under ISIN number EGS693V1C014 and has Global Depositary Receipts (GDRs) which are listed on the London Stock Exchange under ISIN number US68555D2062, and Egyptian stock exchange under number 2349649

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

1.1 COVID-19 update

The global spread of COVID-19 ("COVID-19"), a virus which was declared a global pandemic by the World Health Organization in March 2020, has led governments around the world to mandate certain restrictive measures to contain the pandemic, including social distancing, quarantine, "shelter in place" or similar orders, travel restrictions and suspension of non-essential business activities. The continued restrictive orders issued by national and foreign authorities, coupled with the worsening of the global macroeconomic scenario and the risk of deterioration of the credit profile of certain customer segments, could lead to slowdowns in business activities. The Company's management has formed a working group to develop and implement contingency plans to meet these exceptional circumstances and is currently closely monitoring and evaluating all the developments related to the spread of the emerging virus.

Management of this emergency requires, also in consideration of the public service provided, the implementation of all activities relating to the operational continuity of business processes with the aim of ensuring the operation of the services provided and the protection of employees' health.

At the date of issue of these Consolidated Financial Statements, revenues were not impacted from the pandemic as the major business is represented by internet submarine cables of TWA, anti-cyclical for nature. Less significant impacts from higher costs related to employee safety, health and transportation have been offset by cost savings from lower commercial activity, suspension of travel and other cuts in non-core operating expenses. Therefore, at December 31, 2020, no indicators of impairment of financial and non-financial assets were found in connection of COVID-19.

In any case, management reviewed its business and operations to take into consideration the potential impacts and effects of the COVID-19, including the estimated impact on the macroeconomic environment, the market outlook and Company's operations. Management continues to monitor the evolution of COVID-19 and the impacts on the business as information becomes available, as well as the related effects on the results of operations, financial position and cash flows.

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

1.2 Demerger of the Company

On October 19, 2020, the Extraordinary General Assembly meeting of the Company approved the demerger of the Company according to the horizontal demerger method with the book value of the share and taking the financial position for the year ended on December 31, 2020 as the basis for the date of the demerger, accordingly, OIH became a demerging company and its issued capital was reduced by reducing the nominal value of its shares, while the demerger resulted in the establishment of a new company in the name of Orascom Financial Holding S.A.E. (the demerged company) Accordingly OIH will maintain all its assets and obligations, except for the investment in Beltone Financial Holding (a subsidiary company before the demerger) and the investment in Contact Financual Holding (forermly Sarwa Capital Holding for Financial Investments) (an associate company before the demerger) which are transferred to Orascom Financial Holding.

OIH shall maintain its license as a company whose purpose is “to participate in the establishment of all joint stock companies or to recommend shares that issue securities or to increase their capital”, while the demerger resulted in the establishment of a new company in the name of Orascom Financial Holding S.A.E. (the demerged company) in the form of an Egyptian joint stock company subject to the provisions of the Capital Market Law No. 95 of 1992 and its executive regulations.

2. Significant accounting policies

2.1 Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS as issued by IASB. They were authorized for issue by the Company’s board of directors on April 26, 2023.

The Consolidated Financial Statements have been prepared on a going concern basis, as Management have verified the absence of financial, management or other indicators that could indicate critical issues regarding the Group's ability to meet its obligations in the foreseeable future, and in particular in the next 12 months. The description of the methods through which the Group manages financial risks is contained in the following note 4 relating to "Financial risk management”.

For presentational purposes, the current/non-current distinction has been used for the statement of financial position. The statement of comprehensive income is presented using the one-statement approach. Expenses are analyzed in the statement of profit or loss using a classification based on their nature. The indirect method has been selected to present the cash flows statement.

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, 2020	Amendments to IFRS 3 — Business Combinations
January 1, 2020	Amendments to IAS 1 — Presentation of Financial Statements and IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors
January 1, 2020	Amendments to IFRS 9 — Financial Instruments, IAS 39 — Financial Instruments: Recognition and Measurement and IFRS 7 — Financial Instruments: Disclosures
January 1, 2020	Review of the Conceptual Framework for Financial Reporting
June 1, 2020	Amendment to IFRS 16 — Leases

The following new amendments that are applicable on or subsequent to January 1, 2020, were adopted by the Group for the preparation of these Consolidated Financial Statements.

Amendments to IFRS 3 — Business Combinations

The Group adopted narrow scope amendments to IFRS 3 — Business Combinations. The amendments aim to help companies determine whether an acquisition made is of a business or a group of assets, emphasizing that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. There was no effect from the adoption of these amendments.

Amendments to IAS 1 — Presentation of Financial Statements and IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors

The Group adopted amendments to IAS 1 — Presentation of Financial Statements and IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify the definition of 'material', as well as how materiality should be applied by including in the definition guidance that is included elsewhere in IFRS standards. There was no effect from the adoption of these amendments.

Amendments to IFRS 9 — Financial Instruments, IAS 39 — Financial Instruments: Recognition and Measurement and IFRS 7 — Financial Instruments: Disclosures

The Group adopted amendments to IFRS 9 — Financial Instruments, IAS 39 — Financial Instruments: Recognition and Measurement and IFRS 7 — Financial Instruments: Disclosures, collectively the "Interest Rate Benchmark Reform". These amendments modify certain hedge accounting requirements in order to provide relief from potential effects of the uncertainty caused by the interbank offered rates (IBOR) reform and require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties. There was no effect from the adoption of these amendments.

Review of the Conceptual Framework for Financial Reporting

The Group adopted the changes envisaged by the review of the Conceptual Framework for Financial Reporting, which applies to companies that use the Conceptual Framework to develop accounting policies when no IFRS standard applies to a particular transaction. Key changes include (i) increasing the prominence of stewardship in the objective of financial reporting; (ii) reinstating prudence as a component of neutrality, defined as the exercise of caution when making judgements under conditions of uncertainty; (iii) defining a reporting entity; (iv) revising the definitions of an asset and a liability; (v) removing the probability threshold for recognition, and adding guidance on derecognition; (vi) adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis; and (vii) stating that profit or loss is the primary performance indicator and income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced. There was no immediate effect from adoption, however the Group will apply the changes to develop accounting policies when no IFRS standard applies to a particular transaction in the future.

Amendment to IFRS 16 — Leases

In May 2020 the IASB issued an amendment to IFRS 16 — Leases for COVID-19-related Rent Concessions. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The Group adopted this amendment from its effective date of June 1, 2020 and there was no significant effect from the adoption of this amendment.

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2.2.2 Forthcoming requirements

Effective date	New standards or amendments
January 1, 2021	Amendments to *IFRS 4 — Insurance Contracts*
January 1, 2021	Amendments to *IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosures, IFRS 4 – Insurance Contracts* and *IFRS 16 – Leases*
April 1, 2021	COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)
January 1, 2022	Amendments to *IFRS 3 — Business combinations*
January 1, 2022	Amendments to IAS 16 — Property, Plant and Equipment - Proceeds before Intended Use
January 1, 2022	Amendments to IAS 37 — Onerous Contracts – Cost of Fulfilling a Contract
January 1, 2022	*Annual Improvements to IFRSs 2018 - 2020 Cycle*
January 1, 2023	*IFRS 17 — Insurance Contracts and amendments to IFRS 17 Insurance Contracts*
January 1, 2023	Amendments to *IAS 1 — Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*
January 1, 2023	Amendments to *IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies*
January 1, 2023	Amendments to *IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates* Deferred Tax related to Assets and Liabilities arising from a single transaction- Amendments to IAS 12
Availabe for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint venture- Amendments to IFRS 10 and IAS 28.

The above amendments / standards are not likely to have any effect on Group's consolidated financial statements.

2.3 Summary of main accounting principles and policies

The main accounting principles and policies adopted in preparing these consolidated financial statements are set out below. These policies have been applied consistently by the Group entities.

Basis of consolidation

- Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements include the financial statements of the Company and the financial statements of those entities over which the Company has control, both directly or indirectly, from the date on which control is transferred to the Group until the date such control ceases.

  The financial statements used in the consolidation process are those prepared by the individual Group entities in accordance with IFRS.

  The consolidation procedures used are as follows:

- The assets and liabilities and income and expenses of subsidiaries are included on a line-by-line basis, allocating to non-controlling interests, where applicable, the share of equity and profit or loss for the year that is attributable to them. The resulting balances are presented separately in equity and the consolidated income statement; the acquisition method of accounting is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets;

- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

- Goodwill represents the excess of the cost of an acquisition over the interest acquired in the net fair value at the acquisition date of the assets and liabilities of the entity or business acquired. Goodwill relating to investments accounted for using the equity method is included in the carrying amount of the investment. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair values of non-controlling interest over the net identifiable assets acquired and the liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated profit or loss;

- Acquisition costs on business combinations are expensed as incurred, except if they relate to issue debt or equity securities;

- The purchase of equity holdings from non-controlling holders are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration received and the relevant share of the carrying value of net assets of the subsidiary is recorded in equity;

- Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

The equity method is as follows:

- The Group's share of the profit or loss of an investee is recognized in the consolidated profit or loss from the date when significant influence begins up to the date when that significant influence ceases or when the investment is classified as held for sale. Investments in associates with negative shareholders' equity are recorded till the Group's interest is reduced to zero and a provision for its losses is accrued only if the Group has a legal or constructive obligation to cover such losses.

- The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and it's carrying value;

- If the ownership interest in an associate is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognized in the consolidated other comprehensive income is reclassified to consolidated profit or loss;
- Unrealized gains and losses generated from transactions between the Company or its subsidiaries and its investees accounted for using the equity method are eliminated on consolidation for the portion pertaining to the Group; unrealized losses are eliminated unless they represent impairment.

Management fees received from associates are included within revenue.

Appendix A includes a list of the entities included in the scope of consolidation.

Non-controlling interests

Non-controlling interests of consolidated subsidiaries are presented separately from the Group’s equity" therein"

Non-controlling interests that represent current equity interests and entitle their holders to a proportionate share of the net assets of the entity in liquidation, they may be measured at initial recognition either at fair value or in the Proportionate share of the non-controlling interests in the recognized values of the net assets acquired - The Measurement basis for each acquisition transaction is selected separately.

The non-controlling interest in an acquire is initially measured at the non-controlling interest proportionate share in the fair value of the assets, liabilities and contingent consideration recognized on acquisition date.

Interests in joint operations

A joint operation is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint operation require the unanimous consent of the parties sharing control.

Joint operation arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses except when the entities are in the incorporation phase or have not started significant operations until the date of the consolidated financial statements. Investments classified as held for sale, are accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, where they are stated at the lower of their carrying amount or fair value less costs to sell.

The Group’s share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the corresponding items in the consolidated financial statements on a line-by-line basis.

Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group’s interest in the joint operation.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The functional currency of the Company is Egyptian pound. The Consolidated Financial Statements are presented in ‘US Dollars’ (US$), which is the Group’s presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the relevant entity at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated, at the reporting date, into the prevailing exchange rates at that date. Foreign currency exchange differences arising on the settlement of transactions and the translation of the statement of financial position are recognized in the income statement. Gains and losses on long-term financing provided to Group subsidiaries by the parent company, for which settlement is neither planned nor likely to occur, are initially recognized in. other comprehensive income and reclassified to the income statement on disposal of the relevant entity, transaction in foreign currency for non-monetary assets and liabilities carried at historical cost are initially recorded using closing rate at the date of the transaction while items carried at fair value should be reported at the rate that existed when fair values were determined.

If a gain or loss on a non-monetary item is recognized in other comprehensive income, any foreign exchange component of that gain or loss is also recognized in other comprehensive income.

Group companies

The financial statements of the Group entities are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rate;
- Income and expenses are translated at the average exchange rate for the year;
- All resulting exchange differences are recognized as a separate component of equity in the “translation reserve” until the group loses control of the relevant subsidiary. When the group disposes of a foreign operation the translation reserve, previously recognized in equity, is transferred to the income statement;
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate; and

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- In the preparation of the consolidated cash flow statement, the cash flows of foreign subsidiaries are translated at the average exchange rate for the year, except for the opening and closing cash balances.

The exchange rates applied in relation to the US$ are as follows:

	Average for the year ended December 31, 2020	Closing rate as of December 31, 2020	Average for the year ended December 31, 2019	Closing rate as of December 31, 2019
Egyptian Pound (EGP)	0.0634	0.0637	0.0596	0.0625
Pakistan Rupee (PKR)	0.0062	0.0063	0.0067	0.0065
Euro (EUR)	1.1413	1.2213	1.1193	1.1210
DRRK Won (KPW)	0.0093	0.0097	0.0092	0.0093

Property and equipment

Property and equipment are stated at purchase cost or production cost, net of accumulated depreciation and any impairment losses. Cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for use and any dismantling and removal costs which may be incurred because of contractual obligations, which require the asset to be returned to its original state and condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized . All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Each asset is treated separately if it has an autonomously determinable useful life and value. Depreciation is charged at rates calculated to write off the costs over their estimated useful lives on a straight-line basis from the date the asset is available and ready for use.

The useful lives of property and equipment and their residual values are reviewed and updated, where necessary, at least at each year-end. Land is not depreciated. When a depreciable asset is composed of identifiable separate components whose useful lives vary significantly from those of other components of the asset, depreciation is calculated for each component separately, applying the "component approach".

The useful lives estimated by the Group for the various categories of property and equipment are as follows.

	Number of years
Buildings	50
Leasehold improvements and renovations	3-8
Cellular equipment	8–15
Machinery	5-10
Computer equipment	3-5
Furniture and fixtures	5-10
Vehicles	3-6

Gains or (losses) arising from the sale or retirement of assets are determined as the difference between the net disposal proceeds and the net carrying amount of the asset sold or retired and are recognized in the income statement in the period incurred under "Gains / (losses) from disposal of non-current assets".

Leases

With the adoption of IFRS 16, the Group recognizes a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use. Each lease payment is allocated between the principal liability and finance costs. Finance costs are charged to the income statement over the lease period using the effective interest rate method.

Right-of-use assets are initially measured at cost comprising the following: (i) the amount of the initial measurement of lease liability; (ii) any lease payments made at or before the commencement date less any lease incentives received; (iii) any initial direct costs and, if applicable, (iv) restoration costs. Payments associated with short-term leases and leases of low-value assets are recognized as an expense in the income statement on a straight-line basis.

Lease liabilities are initially measured at the net present value of the following: (i) fixed lease payments, (ii) variable lease payment that are based on an index or a rate and, if applicable, (iii) amounts expected to be payable by the lessee under residual value guarantees, and (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option. Lease liabilities do not include any non-lease components that may be included in the related contracts.

Lease payments are subsequently measured at amortized cost and discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group’s incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The right-of-use asset is subsequently depreciated on a straight-line basis over the entire term of the contract, unless the contract provides for the transfer of ownership at the end of the lease term or the cost of the lease reflects the fact that the lessee will exercise the purchase option. In this case, the depreciation must be the shorter of the useful life of the asset and the duration of the contract. The estimated useful lives for right-of-use assets are calculated according to the same criterion applied to owned tangible assets. In addition, the right-of-use asset is decreased by any impairment losses and adjusted to reflect any remeasurement of the associated lease liability.

In the statement of financial position, the Group presents right-of-use assets within tangible assets and lease liabilities within current and non-current borrowings.

In the income statement, interest expense on lease liabilities constitutes a component of financial expenses and is shown separately from the depreciation of right-of-use assets.

As a lessor

At incorporation or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease incorporation whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-o fuse asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other revenue.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment 'loss'

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated profit or loss when the asset is derecognized.

Licenses

Costs for the purchase of telecommunication licenses are capitalised. Amortisation is charged on a straight-line basis such as to write off the cost incurred for the acquisition of a right over the shorter of the period of its expected use and the term of the underlying agreement, starting from the date on which the acquired license may be exercised.

Software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses are amortized on a straight-line basis over their useful life (between 3 to 8 years), while software maintenance costs are expensed in the income statement in the period in which they are incurred.

Costs incurred on development of software products are recognized as intangible assets when the Group has intentions to complete and use or sell the assets arising from the project, considering the existence of a market for the asset, its commercial and technological feasibility, its costs can be measured reliably and there are adequate financial resources to complete the development of the asset. Other development expenditures are recognized in the income statement in the period in which they are incurred.

Directly attributable costs that are capitalised as part of a software product include software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets 'estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

	Number of years
Rights of use	17- 20
Trademarks	20
Contractual agreements with customers	20
Computer software	5
Licenses	3

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. In determining an asset’s value in use, the estimated future cash flows are discounted using a pre-tax rate that reflects the market’s current assessment of the cost of money for the investment period and the specific risk profile of the asset. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, “CGU”). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Investment property

Investment properties are property (land or a building or part of a building or both) held by the Group to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in supply of goods or services or for administrative purposes. Investment properties are initially measured at cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Subsequent to initial recognition, the Group has elected to measure investment properties at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is derecognized upon disposal, when it is permanently withdrawn from use and no future economic benefits expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated profit or loss in the period of the retirement or disposal. Reclassifications to / from investment property are made when, and only when, there is a change of use.

Revenue from operating lease rentals is recognized on a straight-line basis over the relevant term of the lease. The rental income generated by investment properties is recognized within revenue in the consolidated income statement.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each component of the investment properties. The estimated useful lives of leased units are estimated at 50 years.

Financial assets

On initial recognition, a financial asset is classified as measured at: -

- amortized cost.

- fair value through other comprehensive income (FVOCI) ; or

- fair value through profit or loss (FVTPL) .

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables, current assets and current financial assets and other receivables are originated in the ordinary course of business and held within a business model with the objective to hold the receivables in order to collect contractual cash flows that meet the 'solely payments of principal and interest' criterion under IFRS 9. Consequently, they are initially recognized at fair value adjusted by directly attributable transaction costs and subsequently recognized at amortized cost on the basis of the effective interest rate method (namely the interest rate that, at the time of initial recognition, renders the present value of future cash flows). Receivables due from customers and other financial receivables are included in current assets. Should be the expiry date over twelve months from the reporting date, they are classified as non-current assets. Receivables with maturities greater than twelve months and no significant financing component are discounted to present value.

- Fair value through other comprehensive income (FVOCI) ;

Equity investments for which there is no quoted market price in an active market and there is insufficient financial information in order to determine fair value may be measured at cost as an estimate of fair value, as permitted by IFRS 9. The Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI") upon the initial recognition of an equity investment that is not held to sell.

This election is made on an investment-by-investment basis. Generally, any dividends from these investments are recognized in other income from investments within Result from investments when the Group's right to receive payment is established. Other net gains and losses are recognized in OCI and will not be reclassified to the Consolidated Income Statement in subsequent periods. Impairment losses (and the reversal of impairment losses) on equity investments measured at fair value through OCI are not reported separately from other changes in fair value in OCI.

Investments are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through profit or loss (FVTPL) .

Financial assets that do not meet the criteria for amortized cost or fair value through OCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Impairment of financial assets

The Group recognizes loss allowances for expected credit losses ("ECL") on:

- trade receivables related to fees and commission under the scope of IFRS 15 ("Revenues from Contracts with Customers");
- financial assets measured at amortized cost or at FVOCI.

The Group applies a simplified approach to measure the of these assets. For further information, please, refer to the section 3. *Use of estimates and critical judgments- Impairment of financial assets*.

Impairment losses on financial assets are recognized in the consolidated statement of profit and loss under “Impairment loss of other financial assets”.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

For trade receivables related to fees and commission, the Group measures loss allowances at an amount equal to lifetime ECLs.
For financial assets measured at amortized cost or at FVOCI, the Group measures loss allowances at an amount equal to 12-month ECLs. However, a lifetime ECLs is elected if the credit risk on the financial instruments has increased significantly since initial recognition.

Significant increase in credit risk and default

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- there is a breach of financial covenants by the counterparty; or
- the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group); or
- the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

ECL for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
For financial instruments at FVOCI, the ECL is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in the consolidated statement of profit and loss when the recovery occurs.

Collateral for financial assets considered in the impairment analysis

IFRS 9 requires cash flows expected from collateral and other credit enhancement to be reflected in the ECL calculation. The following are key aspects with respect to collateral and guarantees:

- Eligibility of collateral, i.e. which collateral should be considered in the ECL calculation;
- Collateral evaluation, i.e. what collateral (liquidation) value should be used; and

Projection of the available collateral amount over the life of a transaction.

Financial liabilities

Financial liabilities consisting of borrowings, trade payables and other obligations are recognized when the Group becomes a party to the related contractual clauses and are initially recognized at fair value, adjusted by any directly attributable transaction costs.

Financial liabilities and trade payables, with the exception of derivative financial instruments, are subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments and embedded derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair value gains and losses on all of the Groups derivative financial instruments are recognized in the income statement within finance income and expense.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognized when one of the following conditions is met:

- the contractual right to receive the cash flows from the asset has expired;
- the Group has substantially transferred all of the risks and rewards related to the asset, transferring its rights to receive the cash flows from the asset or assuming a contractual obligation to pass the cash flows received to one or more beneficiaries by virtue of an agreement that meets the requirements set out in IFRS 9 (pass through test);
- the Group has not transferred nor substantially maintained all of the risks and rewards related to the financial asset but has transferred control.

The financial liabilities are derecognized when they are extinguished, namely when the contractual obligation has been met, cancelled or prescribed. An exchange of debt instruments with substantially different contractual terms, must be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the contractual terms of an existing financial liability must be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Offsetting financial assets and liabilities

The Group offsets financial assets and liabilities if and only if:

- there is a legally exercisable right to offset the amounts recognized in the financial statements;
- there is an intention either to offset or to dispose of the asset and settle the liability at the same time.

Finance income

Interest income is recognized using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash-flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

Inventories

Inventories are stated at the lower of purchase cost or production cost and net realisable value. Cost is based on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When necessary, obsolescence allowances are made for slow-moving and obsolete inventories.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the near future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

Business Combination

The acquisition method of accounting is used to account for all business combination, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of the acquired business;
- Equity interests issued by the group;
- Fair value of any asset or liability resulting from a contingent consideration arrangement and;
- Fair value of any pre-existing equity interest in the subsidiary;

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity, and
- Acquisition date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized directly on profit or loss as a bargain purchase.

Where the settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in the consolidated profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the consolidated profit or loss.

In case that initial treatment of business combination is not complete at the end of financial period consolidated, the group recognizes temporary amounts for accounts and during the measurement period not to exceed one year from the date of acquisition. The adjustment is performed retrospectively for completion of new information (Intangible assets, deferred taxes/provisions and others).

Provisions

Provisions are only recognized when the Group has a present legal or constructive obligation arising from past events that will probably result in a future outflow of resources, and the amount has been reliably estimated. Provisions are not recognized for future operating losses. The amount provided represents the best estimate of the present value of the outlay required to meet the obligation. The interest rate used in determining the present value of the liability reflects current market rates and takes into account the specific risk of each liability.

Revenue from contracts with customers

Revenue is recognized when the control over a product or service is transferred to a customer. Revenue is measured at the transaction price, which is based on the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer and excludes any sales incentives as well as taxes collected from customers that are remitted to government authorities. The transaction price will include estimates of variable consideration to the extent it is highly probable that a significant reversal of revenue recognized will not occur.

Where a contract includes multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Management has exercised judgment in determining performance obligations, variable consideration, allocation of transaction price and the timing of revenue recognition.

The Group does not recognize any assets associated with the incremental costs of obtaining a contract with a customer that are expected to be not recovered. The majority of revenue is recognized over a period of time and the Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that would otherwise be recognized is one year or less.

Specifically, the Group mainly recognizes revenue from financial services and cables. The criteria followed by the Group in recognising ordinary revenue are as follows:

Revenue of the financial services (included in discontinued operations)

Revenue of the financial services mainly refer to Investment banking and management fees. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized over time by reference to the stage of completion of the transaction at the end of the reporting period. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the consolidated profit or loss in the period in which the circumstances that give rise to the revision become known by management.

More specifically, investment banking revenue refers to security and investment banking fees recognized when complete the implementation of the service.

Management fees of funds and portfolios are recognized as revenue, as the services are rendered, in accordance with the contractual terms of each fund and portfolio.

Sale commissions represent commissions on sale of securities for clients in local or global stock exchanges, calculated at point in time on the basis of specified rates agreed with clients as a percentage of the sale transaction.

Purchase commissions represent commissions on purchase of securities for clients in local or global stock exchanges, calculated at point in time on the basis of specified rates agreed with clients as a percentage of the purchase transaction.

Custodian fees are recognized as the difference between fees collected from clients and those incurred or paid to custodians. They are recognized i) over time according to contracts signed with clients; ii) at point in time as commissions for collecting coupons for customers (the collection of these coupons is on behalf of the customers).

It should be noted that the revenue from financial services has been presented in the discontinued operations in the current year and represented in the discontinued operations in the previous year following the demerge of the Company. Refer to notes (1.12 and 33).

Revenue from cable segment
Revenue from cable segment is predominantly generated by Trans World Associates (Private) Limited ("TWA") and it includes:

- Revenue from bandwidth capacity sales, recognized over the period of the contract on the basis of usage of bandwidth by the customers.

- Revenues from services contracts (Value-Added Data Class and Fixed Local Loop services, maintaining and lease of telecom infrastructure facilities, and IP TV services), recognised over the period of the contract.

Revenue is measured based on the consideration specified in a contract with customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it provides the service to the customer and related performance obligation is fulfilled. The typical payments term is 90 days.

The revenues from cable segment are generated as follows:

- TWA provides bandwidth services, such as international private lease circuit and IP transit. The typical length of a contract with customers is 12 months with exception to indefeasible right of use (IRU) contract which has a length of 180 months.
- It also generates revenues from providing Data Class Value Added and Fixed Local Loop services. The typical length of a contract with customer has been estimated to be 12 months.
- Furthermore, TWA generates revenues from providing and maintaining lease, rent and sales of telecom infrastructure facilities. TWA is providing these services under license provided by Pakistan Telecommunication Regulatory Authority to its subsidiary Trans World Infrastructure Services Private Limited (TIS).
- Lastly, TWA generates revenue from providing Cable and IP TV services. The typical length of a contract with customers has been estimated to be 12 months.

During the year, the average life of Gigabit Passive Optical Network (GPON) customers has been revised in accordance with customer retention patterns. This affected the results of TWA that is part of OIH consolidation scope, by reducing its revenues, cost of sales and administrative expenses by Rs 18,335,365 (US$ 113,656), Rs 228,317,143 (US$ 1,415,273) and Rs 15,570,198 (US$ 96,515) respectively.

Earnings per share

Basic: Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company, both from continuing and discontinued operations, by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted: Diluted earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares of the Company outstanding during the year where, compared to basic earnings per share, the weighted average number of shares outstanding is modified to include the conversion of all dilutive potential shares, while the profit for the year is modified to include the effects of such conversion net of taxation. Diluted earnings per share are not calculated when there are losses as any dilutive effect would improve earnings per share.

Segment reporting

Operating segments are reported in a manner which is consistent with the internal reporting information provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company.

Non-current assets and liabilities held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter the assets and liabilities held for sale (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent losses on re-measurement are recognized in the income statement. Subsequent increase in fair value less costs to sell may be recognized in the income statement only to the extent of the cumulative impairment loss that has been recognized previously.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs at the earliest of disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

3. Use of estimates and critical judgements

The preparation of the Consolidated Financial Statements requires that the directors apply accounting policies and methodologies that, in some circumstances, are based upon complex and subjective judgments and estimates that are based on historical experience and assumptions that are considered reasonable and realistic at the time, considering the relevant circumstances for example the assessment of control over subsidiaries and associates as well as the impairment of goodwill amount. The application of such estimates and assumptions affects the amounts recorded in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income and cash flows, as well as in the notes. Actual results might differ from such estimates due to the uncertainty surrounding the assumptions and conditions upon which estimates are based. The accounting estimates that require the more subjective judgment of management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results reported in these Consolidated Financial Statements are summarised below.

Valuation of financial instruments

For some financial instruments that are not traded in an active market and included in the financial statements such as financial derivatives, Management estimates fair value using valuation techniques based on inputs and assumptions, some of which are linked to quoted market prices and others on management's estimations. Management applied reasonable option valuation models during the period in estimating the fair value of these financial instruments..

Impairment of non-current assets

Non-current assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognized. In order to determine whether any such elements exist, it is necessary to make subjective measurements, based on information obtained within the Group, in the market and on past experience. When indicators are identified that an asset may have become impaired, the Group estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management’s assessments and estimates.

Impairment of financial assets

The Group applies a simplified approach to measure expected credit losses of trade receivables related to fees and commission and financial assets measured at amortized cost and FVOCI. In a simplified approach expected credit losses are measured on the basis of a lifetime or 12-month expected loss allowance. The expected credit losses are based on historical information on actual credit losses on receivables. The model takes into account other information on the future economic conditions available at the time of the measurement.

Intangibles

Intangible assets constitute a significant part of the Group's total assets and the scheduled amortisation charges from a significant part of the annual operation expenses. The useful economic lives arrived at, on the basis of management's estimates and assumptions, have a major impact on the valuation of intangible assets.

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the intangible asset is estimated, in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, intangible assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Depreciation of non-current assets

The cost of property and equipment is depreciated on a straight-line basis throughout the useful economic life of the relevant asset. The useful economic life is determined by management at the time the asset is acquired and is based upon historical experience for similar assets, market conditions, and forecasts regarding future events that could have an impact on useful life, including changes in technology. Therefore, the actual useful economic life may differ from the estimated useful life. The Group periodically evaluates sector and technology changes in order to update the remaining useful life. Such periodic updates could result in a change during the depreciation period, and therefore also in the depreciation in future periods.

Taxes

Income taxes (both current income tax and deferred taxes) are determined in each country where the Group operates in accordance with a prudent interpretation of the applicable tax regulations.

This process results in complex estimates in determining taxable and deductible income and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognized when it is probable that there will be future taxable income against which the temporary differences can be utilised. The assessment of the recoverability of deferred tax assets, in relation to tax losses that can be used in future periods and deductible temporary differences, considers the estimated future taxable income on the basis of a prudent tax planning.

Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associates include the carrying amount of goodwill relating to the entity sold.

The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

Provisions and contingent liabilities

Management assesses events and circumstances indicating that the Group may have an obligation resulting in the ordinary course of business, Management applies its judgment in determining whether the recognition criteria have been met through assessing the probability of the obligation, making assumptions about timing and amounts of future cash outflows expected to settle the obligation.

4. Financial risk management

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. In particular, the Group is exposed to risks from movements in exchange rates, interest rates and market prices. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance through ongoing operational and finance activities. The management has overall responsibility for the establishment and oversight of the Group's risk management framework.

Market Risk

i) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising when its business transactions are in currencies other than its functional currency. The main currencies to which the Group is exposed are the US dollar ("US$"), the Pakistani Rupee ("PKR"), the Euro ("EUR"), DPRK Won ("KPW") and the Egyptian Pound ("EGP").

The Group is exposed to foreign currency risk arising in two separate ways:

a) *Foreign exchange operations risk*

The Group entities predominantly execute their operating activities in their respective functional currencies. Some Group subsidiaries are, however, exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. In general, this relates to foreign currency denominated supplier payables due to capital expenditures and receivables. The Group monitors the exposure to foreign currency risk on a group basis. Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows are denominated. This is generally achieved by obtaining loan financing in the relevant currency.

At year end, major net assets / (net liabilities) foreign currencies positions presented in 'US Dollars' (US$), were as follows:

	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020

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

	Assets in currency	**(Liabilities) in currency**	**Net assets/(liabilities) in currency**	**Net assets/(liabilities) in US$**
USD	43,428	(50,550)	(7,122)	(7,122)
Euro	3,126	--	3,126	3,818
PKR	615,374	(4,900,863)	(4,285,489)	(26,826)
GBP	1	--	1	2
BRL	12,957	(2,509)	10,448	2,012

	December 31, 2019	**December 31, 2019**	**December 31, 2019**	**December 31, 2019**
	Assets in currency	**(Liabilities) in currency**	**Net assets/(liabilities) in currency**	**Net assets/(liabilities) in US$**
USD	75,241	(55,134)	20,107	20,107
Euro	11,808	--	11,808	13,236
PKR	1,505,354	(5,665,109)	(4,159,755)	(26,924)
GBP	35	--	35	47
BRL	35,072	(1,139)	33,933	11,814

b) As of December 31, 2020, if the functional currencies had increased/(decreased) by 10% against the US$, Euro, BRL, PKR, GBP and DPRK Won, with all other variables held constant, the translation of foreign currency would have resulted in an increase/(decrease) of US$ 714 thousand and Euro of 383 and BRL 202 as well as PKR 2,689 of net profit (2019: US$ 2,011 thousand of net profit and Euro of 1,181 as well as PKR of 279).

c) *Foreign exchange translation risk*

Due to its international presence, the Group's Consolidated Financial Statements are exposed to foreign exchange fluctuations, as these affect the translation of subsidiaries' assets and liabilities denominated in foreign currencies to the US$ (the Group's presentational currency). The currencies concerned are mainly the Egyptian pound, the Pakistani Rupee, DPRK Won and the Euro. This represents a translational risk rather than a financial risk given that these movements are posted directly to equity in the cumulative translation reserve.

ii) *Price risk*

The Group has no exposure to equity instruments of other entities that are publicly traded.

iii) *Cash flow and fair value interest rate risk*

The Groups interest rate risk arises from borrowings. Borrowings received at variable interest rates expose the Group to cash flow interest rate risk. The Group has not entered into any derivative financial instruments to hedge its exposure to cash flow interest rate risk.

All borrowings outstanding as of December 31, 2020 (US$ 39,522 thousand) and December 31, 2019 (US$ 71,492 thousand) are at a fixed interest rate, at a variable interest rate and interest rate free.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on the consolidated profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies.

The impact of a 1% interest rate shift would be a maximum increase/decrease in 2020 finance costs of US$ 291 thousand (2019: US$ 370 thousand).

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- The fair value of a financial instrument traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active, if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.
- The fair value of instruments that are not traded in an active market (for example privately negotiated derivatives between two parties) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, instrument is included in Level2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level3 which include several valuation techniques as discontinued future cashflow.

The following table sets forth the Group's financial assets and liabilities that are measured at fair value as of December 31, 2020, and December 31, 2019.

(In thousands of US$)	**December 31, 2020**	**December 31, 2019**	**Level of Fair Value**	**Valuation techniques and major inputs**
Assets				
Financial assets at fair value through OCI	-	3,361	One	Active market prices
Financial assets at fair value through profit or loss	-	34	Two	Prices from fund managers
Total assets	-	**3,395**		

The Group measured financial assets as level 1 fair value through OCI for a total amount of US$ nil thousand (2019: US$ 3,361 thousand) and as a Level 2 fair value through profit or loss for a total amount of US$ nil thousand (2019: US$ 34 thousand). For further details, refer to Note (17) "Other financial assets".

Credit Risk

i) Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amounts of financial assets and contract assets represent the maximum credit exposure. Impairment losses on financial assets and contract assets recognized in profit or loss were as follow: -

(In thousands of US$)	**December 31, 2020**	**December 31, 2019**
Impairment loss on trade receivables (note 19)	505	134
Impairment loss on other financial assets (note 17) *	7,179	-
Impairment loss in other non-current assets	-	8,203
Total	**7,684**	**8,337**

* This amount related to impairment loss for cash at bank in North Korea with amount USD 3,543 (note 17) and impairment loss for financial receivables from sold Riza company during 2019 with amount USD 3,636 (note 17)

Cash and cash equivalents

The Group Companies have placed funds with the following financial institutions based on their credit rating: -

Name of Bank	**Rating 2020**	**Rating 2019**
Habib Bank Limited	AAA	AAA
United Bank Limited	AAA	AAA
Dubai Islamic Bank (Pakistan) Limited	AA	AA
Bank Alfalah Limited	--	A
MCB Islamic Bank Limited	A	AAA
MCB Bank Limited	AAA	AA+
Meczan Bank Limited	AA+	AA+
Telenor Microfinance Bank Limited	A+	AA+
Arab Bank Zurich	AA	AA
CA Indosuez LU	A	A
Credit Agricole Egypt	AA+	AA+
QNB Bank	A+	A+

The Group held cash and cash equivalents of USD 21,865 million (2019: USD 63,438 million) with banks which are rated AAA and AA+ based on Standard & Poor and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in Notes 6.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The most of the Group's customers have been transacting with the Group for over four years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

The Group is monitoring the economic environment in Pakistan and Brazil and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility.

The Group does not require collateral in respect of trade and other receivables.

The Group does not have trade receivable and contract assets for which no loss allowance is recognized because of collateral.

As of December 31, 2020, and 2019, the exposure to credit risk for trade receivables risk and contract assets by Geographic region was as follows: -

(In thousands of US$)	**Carrying amount December 31, 2020**	**Carrying amount December 31, 2019**
Egypt	-	23,519
Pakistan	11,059	7,309
Brazil	462	973
Lebanon	8,901	22,978
Total	**20,422**	**54,779**

As of December 31, 2020, and 2019, the exposure to credit risk for trade receivables by type of counterparty was as follows: -

(In thousands of US$)	**Carrying amount December 31, 2020**	**Carrying amount December 31, 2019**
Financial services	-	23,519
Cables	11,059	7,309
Rentals	462	973
GSM	8,901	22,978
Total	**20,422**	**54,779**

The main change in 2020 is related to the demerger project as the non-banking financial services sector was transferred to the Orascom Financial Holding "demerged company".

Liquidity Risk

The Group monitors and mitigates liquidity risk arising from the uncertainty of cash inflows and outflows by maintaining sufficient liquidity of cash balances. In general, liquidity risk is monitored at entity level whereby each subsidiary is responsible for managing and monitoring its cash flows and rolling liquidity reserve forecast in order to ensure that it has sufficient committed facilities to meet its liquidity needs.

Laws and regulations in certain countries, such as North Korea, in which the Group operates limit the conversion of current cash balances into foreign currency. Given the nature of the business, Group companies may have to make payments in foreign currencies (for example capital expenditures), the lack of individual entity foreign currency reserves means that these companies are largely dependent on the Company to make these payments on its behalf.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the tables are the gross contractual, undiscounted cash flows including interest, charges and other fees.

(In thousands of US$)	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
Liabilities					
Liabilities to banks	28,003	33,403	11,443	19,342	2,618
Trade payables and other liabilities	46,693	46,693	46,693	-	-
Finance lease liability	5,293	5,333	1,483	3,300	550
Sale and leaseback	5,177	8,470	312	4,815	3,343
Other borrowings	1,049	1,066	571	495	-
As of December 31, 2020	**86,215**	**94,965**	**60,502**	**27,952**	**6,511**

(In thousands of US$)	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
Liabilities					
Liabilities to banks	63,853	71,143	33,124	37,703	316
Trade payables and other liabilities	70,479	70,479	70,479	-	-
Finance lease liability	5,713	5,713	745	3,887	1,081
Other borrowings	1,926	2,026	1,113	913	-
As of December 31, 2019	**141,971**	**149,361**	**105,461**	**42,503**	**1,397**

***** Expected cash flows are the gross contractual undiscounted cash flows including interest, charges and other fees.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Other risks

Governmental authorisations

Certain future Group activities, including the GSM operations in Lebanon or the cable segment, are dependent on obtaining appropriate government authorisations. Should these authorisations not be obtained or delayed, there could be an adverse impact on the future operations of the Group, such as a decrease in revenues or penalty payments due to contractual counterparties.

Political and economic risk in emerging countries

A significant amount of the Group's operations is conducted in Egypt, North Korea and Pakistan. The operations of the Group depend on the market economy of the countries in which the subsidiaries or associate operate. In particular, these markets are characterised by economies that are in various stages of development or are undergoing restructuring. Therefore, the operating results of the Group are affected by the current and future economic and political developments in these countries. In particular, the results of operations could be unfavourably affected by changes in the political or governmental structures or weaknesses in the local economies in the countries where it operates. These changes could also have an unfavourable impact on financial condition, performance and business prospects.

Regulatory risk in emerging countries

Due to the nature of the legal and tax jurisdictions in the emerging countries where the Group operates, it is possible that laws and regulations could be amended. This could include factors such as the current tendency to withhold tax on the dividends of these subsidiaries, receiving excessive tax assessments, granting of relief to certain operations and practices relating to foreign currency exchange. These factors could have an unfavourable effect on the financial activities of the Group and on the ability to receive funds from the subsidiaries.

Revenue generated by the majority of the Group subsidiaries is expressed in local currency. The Group expects to receive most of this revenue from its subsidiaries and therefore it relies on their ability to be able to transfer funds. The regulations in the various countries, such as North Korea, where Koryolink operates could reduce the ability to pay interest and dividends and to repay loans, credit instruments and securities expressed in foreign currency through the transfer of currency. In addition, in some countries it could be difficult to convert large amounts of foreign currency due to central bank regulations. The central banks may amend regulations in the future and therefore the ability of the Company to receive funds from its subsidiaries may change.

Government Approvals

Some of the activities of the Group, including the telecommunications activity in Lebanon and the marine cable business, depend heavily on obtaining the approval of the concerned government authorities.

The telecommunications activity in Lebanon is in accordance with the agreement with the Ministry of Telecommunications for the management of Mobile Interim Company One (MIC1) which expired in January 31, 2013, and has been renewed annually till December 2019, where the management received a letter from the ministry of telecommunications in Lebanon to terminate the contract and to proceed in handing over the management.

In the event that such approvals cannot be obtained, this could have a negative effect on the Group's future activities, such as lower revenues or fines by contracting parties.

Classes of financial instrument

The tables below present the Groups financial assets and liabilities by category.

	As of December 31, 2020			As of December 31, 2019		
(In thousands of US$)	At amortized Cost	At FVOCI	Total	At amortised Cost	At FVOCI	Total
Assets per statement of financial position						
Cash and cash equivalents	21,865	-	**21,865**	63,438	-	**63,438**
Trade receivables	20,422	-	**20,422**	54,779	-	**54,779**
Other financial assets	10,431	-	**10,431**	18,960	3,361	**22,321**
Other current assets	1,283	-	**1,283**	4,470	-	**4,470**
Total	**54,001**	-	**54,001**	**141,647**	**3,361**	**145,008**

	As of December 31, 2020		As of December 31, 2019	
(In thousands of US$)	Other financial liabilities at amortized cost	Total	Other financial liabilities at amortized cost	Total
Borrowings	39,522	**39,522**	71,492	**71,492**
Trade payable and other current liabilities[1]	53,915	**53,915**	78,084	**78,084**
Total	**93,437**	**93,437**	**149,576**	**149,576**

[1] Excludes other payable due to local authorities and prepaid traffic and deferred income, as these do not meet the definition of a financial liability.

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.

Pursuant to the decision to dispose of entities previously included in the Media and Technology segment, OIH management has changed its internal reporting as analysed by the chief operating decision-maker and revised the reportable operating segments as follows:

- Financial Services: relating to the financial services of Beltone financial group represented in the group of different financial segment of Investment Banking, Asset Management, Brokerage and Other financial Services, Transferred to Orascom Financial Holding according to Demerger project and presented as discontinued operations (see disclosure no. 27).

- Cables: 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.

- GSM – Lebanon: relating to the management contract of the Lebanese mobile telecommunications operator Alfa, which is owned by the Republic of Lebanon presented as discontinued operation presented as discontinued operations (see disclosure no. 27).
-
- Investment property: investment properties relate to real estate property the Group owns in Sao Paolo, Brazil presented as discontinued operations.
-
- Other: relates mainly to the Group's equity investments, income and expenses related to the parent company of the Group (OIH) in addition to entertainment relates to the entertainment activities provided by OPE in the Pyramid's area in Egypt.

- The Group reports on segment reporting, which are independently managed. The chief operating decision-maker assesses the performance of such operating segments based on:
- Total revenue and Adjusted EBITDA, defined as profit for the period before income tax expense /(benefit), share of profit/(loss) of investment in associates and related impairment loss, foreign exchange gains /(loss), financial expense, financial income, gains/(losses) on disposal of non-current assets, impairment charges and depreciation and amortisation, and Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

Revenue and adjusted EBITDA disclosure per segment

The following information is regularly provided to the chief operating decision maker and is measured consistently with that of the consolidated financial statements.

	For the year ended December 31, 2020				**For the year ended December 31, 2019**			
(In thousands of US$)	**Total segment revenue**	**Inter segment revenue**	**Revenue from external customers**	**Adjusted EBITDA**	**Total segment revenue**	**Inter segment revenue**	**Revenue from external customers**	**Adjusted EBITDA**
Cables	42,815	-	42,815	19,027	44,584	-	44,584	22,520
Investment property	3,906	-	3,906	2,902	3,652	-	3,652	2,303
Other	1,664	(1,367)	297	(5,915)	1,326	(1,161)	165	(18,150)
Total	**48,385**	**(1,367)**	**47,018**	**16,014**	**49,562**	**(1,161)**	**48,401**	**6,673**

Reconciliation of adjusted EBITDA to profit / (loss) before income tax

(In thousands of US$)	**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
Adjusted EBITDA	**16,014**	**6,673**
Depreciation and amortization	(7,385)	(6,598)
Impairment charges	-	(8,203)
Gains from disposal of non-current assets	186	57
Finance income	4,697	835
Finance expense	(5,277)	(12,223)
Net foreign currencies translation differences	(455)	(2,004)
Share of profits of equity accounted investees	171,106	165,511
Net impairment of equity accounted investees	(171,106)	(165,511)
Profit / (loss) before income tax	**7,780**	**(21,463)**

December 31,2020	Cable	Investment property	Others	Total
Adjusted EBITDA	**19,027**	**2,902**	**(5,915)**	**16,014**
Depreciation and amortization	(6,132)	(1,097)	(156)	(7,385)
Impairment charges	-	-	-	-
Gains from disposal of non-current assets	28	-	158	186
Finance income	226	316	4,155	4,697
Finance expense	(4,957)	-	(320)	(5,277)
Net foreign currencies translation differences	(693)	(50)	288	(455)
Share of profits of equity accounted investees	-	-	171,106	171,106
Net impairment of equity accounted investees	-	-	(171,106)	(171,106)
Profit / (loss) before income tax	**7,499**	**2,071**	**(1,790)**	**7,780**

December 31,2019	Cable	Investment property	Others	Total
Adjusted EBITDA	**22,520**	**2,303**	**(18,150)**	**6,673**
Depreciation and amortization	(5,079)	(1,327)	(192)	(6,598)
Impairment charges	-	(34)	(8,169)	(8,203)
Gains from disposal of non-current assets	54	-	3	57
Finance income	19	531	285	835
Finance expense	(4,878)	(424)	(6,921)	(12,223)
Net foreign currencies translation differences	(925)	(53)	(1,026)	(2,004)
Share of profits of equity accounted investees	-	-	165,511	165,511
Net impairment of equity accounted investees	-	-	(165,511)	(165,511)
Profit / (loss) before income tax	**11,711**	**996**	**(34,170)**	**(21,463)**

Assets per segment

The following table illustrates assets for each reportable segment as they are regularly provided to the board of directors.

	As of December 31, 2020					As of December 31, 2019				
(In thousands of US$)	Property and equipment	Intangible assets	Investment property	Equity investments	Total	Property and equipment	Intangible assets	Investment property	Equity investments	Total
Cables	60,094	2,383	-	-	**62,477**	61,075	1,636	-	-	**62,711**
Investment property	-	-	42,578	-	**42,578**	-	-	60,747	-	**60,747**
Financial services	-	-	-	-	-	9,086	22,874	-	-	**31,960**
Other	6,604	-	-	39,110	**45,714**	3,118	-	-	143,078	**146,196**
Total	**66,698**	**2,383**	**42,578**	**39,110**	**150,769**	**73,279**	**24,510**	**60,747**	**143,078**	**301,614**

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the year ended December 31,2020 and the year ended December 31,2019:

(In thousands of US$)	For the year ended December 31, 2020	For the year ended December 31, 2019
Cables	15,782	14,668
Financial services (in discontinued operations)	2,351	120
Other	3,989	211
Total	**22,122**	**14,999**

6. Revenue

(In thousands of US$)	For the year ended December 31,2020	For the year ended December 31,2019
Cables	42,815	44,584
Investment property rental	3,906	3,652
Other revenues	297	165
Total	**47,018**	**48,401**

Disaggregation of revenue from contracts with customers.

The table below illustrates the Geographical, Service line and Timing of revenue incurred by each segment for the year ended December 31, 2020, and December 31, 2019:

	Cables		Investment property		Other revenues		Total	
(In thousands of US$)	2020	2019	2020	2019	2020	2019	2020	2019
Primary geographical markets								
Pakistan	42,815	44,584	-	-	-	-	**42,815**	**44,584**
Brazil	-	-	3,906	3,652	-	-	**3,906**	**3,652**
Egypt	-	-	-	-	297	165	**297**	**165**
Total primary geographical markets	**42,815**	**44,584**	**3,906**	**3,652**	**297**	**165**	**47,018**	**48,401**
Major service lines								
Cable rental	42,815	44,584	-	-	-	-	**42,815**	**44,584**
Investment property rental	-	-	3,906	3,652	-	-	**3,906**	**3,652**
Others	-	-	-	-	297	165	**297**	**165**
Total major service Lines	**42,815**	**44,584**	**3,906**	**3,652**	**297**	**165**	**47,018**	**48,401**
Timing of revenue recognition								
Products transferred at point of time	-	-	-		297	165	**297**	**165**
Services transferred over a period of time	42,815	44,584	3,906	3,652	-	-	**46,721**	**48,236**
Total timing of revenue recognition	**42,815**	**44,584**	**3,906**	**3,652**	**297**	**165**	**47,018**	**48,401**

Contract liability balances

Opening balance	**7,606**	**3,579**
Liability contracted during the year	135	4,726
Revenue recognized during the year	(276)	(184)
Currency translation differences	(243)	(515)
Ending balance	**7,222**	**7,606**
Current portion	332	257
Non-current portion	6,890	7,349

As of December 31, 2020, and December 31, 2019, there are no contract assets recorded by the Group.

7. Purchases and services

(In thousands of US$)	For the year ended December 31, 2020	For the year ended December 31, 2019
Rental of local network, technical sites and other leases	6,227	6,267
Band-width cost	4,354	4,069
Maintenance costs	3,176	2,292
Consulting and professional services	2,890	3,969
Purchases of goods and changes in inventories	1,150	1,706
Advertising and promotional services	548	617
Utilities and energy cost	505	657
Site expense	299	241
Security guards	243	201
IT supplies and expense	117	196
Insurance expenses	110	109

Airfare expenses	75	260
Accommodation, meals and per diem	64	383
Bank and post office charges	32	135
Other service expenses	626	1000
Total	**20,416**	**22,102**

The Group has elected not to recognize right of use assets and lease liabilities for short term lease and low value assets to be recognized as an expense on straight line basis over the lease term which amounted to US$ 6,221 thousands in 2020 (2019 US$ 6,703 thousands).

8. Other expenses

(In thousands of US$)	**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
Promotions and brochures	231	3
Fees for licences	718	668
Real estate taxes	34	161
Entertainment expenses	77	70
Other taxes	169	31
Hospitality expenses	21	16
Other operating expenses	148	140
Total	**1,398**	**1,089**

9. Personnel costs

(In thousands of US$)	**For the year ended December 31,2020**	**For the year ended December 31,2019**
Wages and salaries	10,200	11,116
Contractual bonuses	804	731
Other benefits	325	325
Pension costs – defined contribution plan	1,352	357
Social security	582	372
Subscription and membership dues	227	170
Other personnel costs	36	-
Total	**13,526**	**13,071**

10. Depreciation and amortisation

(In thousands of US$)	**For the year ended December 31,2020**	**For the year ended December 31,2019**
Depreciation of tangible assets		
Buildings	152	135
Cable's system and equipment	2,814	2,747
Commercial and other tangible assets	1,543	2,031
Right of Use (IFRS 16)	1,583	192
Depreciation of investment property		
Buildings	1,097	1,327
Amortization of intangible assets		
License	118	64
Right of use	78	102
Total	**7,385**	**6,598**

11. Net financing (costs)

(In thousands of US$)	**For the year ended December 31,2020**	**For the year ended December 31,2019**
Interest income *	4,697	835
Finance income	**4,697**	**835**
Interest expense on borrowings	(2,899)	(8,930)

Interest on lease liabilities	(771)	(534)
Other interest expense and financial charges	(1,607)	(2,759)
Finance expense	**(5,277)**	**(12,223)**
Net foreign currencies translation differences	(455)	(2,004)
Net foreign currencies translation differences	**(455)**	**(2,004)**
Net financing (costs)	**(1,035)**	**(13,392)**

(*) Interest income during the year ended December 31, 2020, include an amount of US$ 3.9 million representing the value of the gain resulting from the early repayment of the full value of the loan granted by a foreign bank for the direct or indirect acquisition of the shares of the companies that own the floors in a building in the Brazil

12. Equity accounted investees

Investment in equity accounted investees primarily relate to the investment in telecommunication operator in North Korea (Cheo Technology Koryolink) and Contact Financial Holding (formerly Sarwa Capital Financial Holding) which was transferred to the demerged company after the demerger of OIH in 2020.

The following table provides a breakdown of equity accounted investees:

Company	Country	Ownership	As of December 31, 2020	Ownership	As of December 31, 2019
Cheo Technology-Koryolink (12-1)	DPRK	75.00%	794,950	75.00%	610,908
Contact Financial Holding (12-2)	Egypt	-	-	29.61%	104,677
Electronic Fund Administration Services	Egypt	-	-	20.00%	18
International Fund Administration Services	Egypt	-	-	20.00%	31
Axes Holding company	Egypt	-	-	33.90%	627
Accumulated impairment loss			(755,840)		(573,183)
Total investment in equity accounted investees			**39,110**		**143,078**

(12-1) Koryolink

The tables below set forth-summary financial information of the associate company.

Summarised statement of financial position

(In thousands of US$)	As of December 31, 2020	As of December 31, 2019
Assets	2,203,178	1,919,015
Liabilities	(282,367)	(301,307)
Net assets	**1,920,811**	**1,617,708**

Summarised statement of income statement

(In thousands of US$)	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenues	402,877	391,077
Total expense	(174,736)	(170,396)
Profit for the period after tax	**228,141**	**220,681**
Share of profit of the associate company	**171,106**	**165,511**

The Group's investments in North Korea related primarily to the 75% voting rights in the local telecom operator Koryolink.

The accounting treatment has been modified during period ended September 30, 2015, though recognizing it as an investment in associates instead of investment in subsidiaries, as the Group management believes that the existence of significant influence instead of control. 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 of America, 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. In addition to, the restrictions implemented on the company that affect the ability of the associate company to transfer profits to the parent (return of funds to its native) and the absence of a free-floating currency exchange market in North Korea, 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 state 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 Ministry of the foreign affairs of 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 year:

(In thousands of US$)	**2020**	**2019**
Opening balance	**38,352**	**34,397**
Share of profit of equity accounted investee before impairment	171,106	165,511
Impairment loss	(171,106)	(165,511)
Foreign currency translation differences	758	3,955
Ending balance	**39,110**	**38,352**

(12-2) Contact Financial Holding (Formerly Sarwa Capital Financial Holding)

On December 20,2018, the Group 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 US$ 90 million during December 2018.

The Group has prepared the Purchase Price Allocations (PPA) and relevant fair value adjustments of assets, liabilities and related adjustments in the last quarter of 2019. The comparative figures of 2018 have been restated to reflect the final figures which results in a final value of goodwill of US$ 49,059,857.

On May 9, 2019, the issued and paid-up capital have increased by a decision of Sarwa's Board of Directors held on March 3, 2019. The increase of capital through the issuance of 28 Million shares at nominal value of EGP 0.16 amounting to EGP 4,480,000, the total value of the increase is fully funded from the balance of retained earnings. The 28 Million shares issued for Employee Stock Ownership Plan ESOP approved by the Egyptian financial regulator authority (FRA) on February 25, 2019.

- On October 3, 2019, the issued and paid-up capital have increased by a decision of Sarwa's Board of Directors held on May 13, 2019 and authorized by Sarwa companies' extraordinary general assembly dated September 8, 2019, through distribution of free shares to shareholders according to their investment percentage by 3 shares for every 5 shares to be financed from retained earnings balance.

- As a result of the above, the ESOP has increased to be 44.8 Million shares and the Company has exercised 15.5 Million shares for Managers and employees, this leads to decrease the ownership of Orascom Investment Holding percentage from 30% to be 29.61% as of December 31, 2019.

- During 2020, the Company purchased 4,265,000 shares of Sarwa Capital with a value of EGP 13,861 (US$ 877 thousand) leads to increase in ownership to became 29.98%.
- The extraordinary general assembly of Orascom Investment Holding Company was held on October 10, 2020, with the majority acceptance to demerge the company horizontally to Orascom Investment Holding (OIH Demerging company) and Orascom Financial Holding (OFH Demerged company) with book value due to the demerging process Sarwa Capital are transferred to Orascom Financial Holding, accordingly, the income of Sarwa capital is presented in discontinued operations section on the consolidated statement of profit or loss and other comprehensive income.

The following table presents the movement on the investment of Sarwa during the year:

(In thousands of US$)	**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
Total revenue	208,303	236,240
Total expense	(185,004)	(212,010)
Net profit after tax	**23,299**	**24,230**
Holding share of net profit	22,365	23,168
Share of profit in associates	**6,706**	**6,861**
PPA effect and other		
Dilution for investment from 30% to 29,61% due to ESOP	-	(1,226)
PPA settlement related to Treasury bills	(155)	-
Amortization (customer list)	(840)	(790)
Deferred tax	189	178
	5,900	**5,023**

(In thousands of US$)	**December 31, 2020**	**December 31, 2019**
Opening balance	104,677	89,042
Restatement for the effect of IFRS 9	3,672	-
Opening balance, restated	**108,349**	**89,042**
Share of profit in associates (through Income statement)	5,900	5,023
Share of profit in associates (through Other comprehensive income)	(2,174)	-
Paid under increase of investment	879	35
Dividends collected during the year	(2,200)	-
Currency translation differences	2,100	10,577
Demerging effect	(112,854)	-
Ending balance	-	**104,677**

13. Income tax expenses

(In thousands of US$)	**Note**	**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
Current income tax		3,384	4,852
Deferred tax	(18)	1,319	(1,424)
Total income tax expenses		**4,703**	**3,428**

14. Property and equipment including right of use assets

(In thousands of US$)	**Land and Buildings**	**Cable's system and equipment**	**Commercial and other tangible assets**	**Right of use IFRS 16**	**Assets under construction**	**Total**

Cost	11,853	61,080	12,900	7,060	3,392	96,285
Accumulated depreciation and impairment	(1,311)	(14,497)	(5,959)	(1,239)	-	(23,006)
Net book value as of January 1, 2020	**10,542**	**46,583**	**6,941**	**5,821**	**3,392**	**73,279**
Additions	364	1,176	4,078	3,199	5,402	14,219
Net disposals	(130)	-	(1,151)	-	-	(1,281)
Depreciation	(152)	(2,814)	(1,543)	(1,583)	-	(6,092)
Depreciation included in discontinued operation	(144)	-	(581)	(314)	-	(1,039)
Foreign currency translation differences	190	(1,547)	(20)	(174)	(77)	(1,628)
Change in scope (demerging effect)	(7,552)	-	(1,157)	(1,790)	(261)	(10,760)
Reclassifications	-	12	353	-	(365)	-
***Net book value as* of December 31, 2020**	**3,118**	**43,410**	**6,920**	**5,159**	**8,091**	**66,698**
Cost	*4,094*	*60,272*	*11,486*	*7,723*	*8,091*	*91,666*
Accumulated depreciation and impairment	*(976)*	*(16,862)*	*(4,566)*	*(2,564)*	-	*(24,968)*

(In thousands of US$)	**Land and Buildings**	**Cable's system and equipment**	**Commercial and other tangible assets**	**Right of use IFRS 16**	**Assets under construction**	**Total**
Cost	11,838	69,735	6,903	11,678	1,752	101,906
Accumulated depreciation and impairment	(1,117)	(13,203)	(5,007)	(1,577)	(61)	(20,965)
Net book value as of January 1, 2019	**10,721**	**56,532**	**1,896**	**10,101**	**1,691**	**80,941**
Additions	95	1,917	3,073	1,802	3,388	10,275
Disposals	-	(4)	(482)	-	-	(486)
Change in scope of consolidation-out coming	(1,014)	-	(800)	-	-	(1,814)
Depreciation	(135)	(2,747)	(2,031)	(192)	-	(5,105)
Depreciation included in discontinued operation	(135)	-	(407)	(157)	-	(699)
Foreign currency translation differences	1,020	(5,333)	530	(484)	(238)	(4,505)
Assets held for sale	-	-	(79)	(5,249)	-	(5,328)
Reclassifications	(10)	(3,782)	5,241	-	(1,449)	-
***Net book value as* of December 31, 2019**	**10,542**	**46,583**	**6,941**	**5,821**	**3,392**	**73,279**
Cost	*11,853*	*61,080*	*12,900*	*7060*	*3,392*	*96,285*
Accumulated depreciation and impairment	*(1,311)*	*(14,497)*	*(5,959)*	*(1,239)*	-	*(23,006)*

As of December 31, 2020, there are pledged assets by TWA equivalent to US$ 59 Million (US$ 61 Million as of December 31, 2019) against credit facilities obtained to finance the cost relating to laying of an undersea fibre optic cable in TWA company.

15. Intangible assets

(In thousands of US$)	**License**	**Goodwill**	**Right of ways (ROW)**	**Customer base**	**Trademark**	**Other**	**Total**
Cost	**2,147**	**18,682**	**755**	**4,894**	**1,556**	**148**	**28,182**
Accumulated amortization and impairment	**(1,749)**	**(506)**	**(121)**	**(982)**	**(313)**	**(1)**	**(3,672)**

Net book value as of January 1, 2020	**398**	**18,176**	**634**	**3,912**	**1,243**	**147**	**24,510**
Additions	76	-	1,039	-	-	35	1,150
Amortization	(118)	-	(78)	-	-	-	(196)
Amortization included in discontinued operation	-	-	-	(248)	(79)	-	(327)
Disposal	-	-	(123)	-	-	(37)	(160)
Change in the scope due to demerging	-	(17,979)	-	(3,739)	(1,189)	-	(22,907)
Reclassifications	77	-	-	-	-	(77)	-
Foreign currency translation differences	(12)	244	(13)	75	25	(6)	313
Net book value as of December 31, 2020	**421**	**441**	**1,459**	**-**	**-**	**62**	**2,383**
Cost	*2,304*	*957*	*1,655*	-	-	*62*	*4,978*
Accumulated amortization and impairment	*(1,883)*	*(516)*	*(196)*	-	-	-	*(2,595)*

(In thousands of US$)	License	Goodwill	Right of ways (ROW)	Customer base	Trademark	Other	Total
Cost	2,628	24,917	10,706	4,391	1,409	3,638	47,689
Accumulated amortization and impairment	(2,209)	(458)	(10,278)	(662)	(166)	(65)	(13,838)
Net book value as of January 1, 2019	**419**	**24,459**	**428**	**3,729**	**1,243**	**3,573**	**33,851**
Additions	66	-	367	-	-	137	570
Amortization	(64)	-	(102)	-	-	-	(166)
Amortization included in discontinued operation	-	-	-	(356)	(100)	-	(456)
Change in the scope of consolidation	(16)	(6,665)	-	-	-	-	(6,681)
Reclassifications	40	1,882	(8)	1,170	574	(3,658)	-
Assets held for sale	-	(3,309)	-	(987)	(574)	-	(4,870)
Foreign currency translation differences	(47)	1,809	(51)	356	100	95	2,262
Net book value as of December 31, 2019	**398**	**18,176**	**634**	**3,912**	**1,243**	**147**	**24,510**
Cost	*2,147*	*18,682*	*755*	*4,894*	*1,556*	*148*	*28,182*
Accumulated amortization and impairment	*(1,749)*	*(506)*	*(121)*	*(982)*	*(313)*	*(1)*	*(3,672)*

The following table provides an analysis of goodwill by segment reporting:

	As of December 31, 2020				As of December 31, 2019			
(In thousands of US$)	Financial Services	Cables	Other	Total	Financial Services	Cables	Other	Total
Opening balance								
Cost	17,720	456	506	**18,682**	23,869	590	458	**24,917**
Accumulated impairment	-	-	(506)	**(506)**	-	-	(458)	**(458)**
Net book value of the opening balance	**17,720**	**456**	**-**	**18,176**	**23,869**	**590**	**-**	**24,459**
Change in scope due to demerging	(17,979)	-	-	**(17,979)**	(6,665)	-	-	**(6,665)**
Assets held for sale	-	-	-	**-**	(3,309)	-	-	**(3,309)**
Foreign currency translation differences	259	(15)	-	**244**	3,825	(134)	-	**3,691**
Net book value of the ending balance	**-**	**441**	**-**	**441**	**17,720**	**456**	**-**	**18,176**
Cost	-	*441*	*506*	***947***	*17,720*	*456*	*506*	***18,682***
Accumulated impairment	-	-	*(506)*	***(506)***	-	-	*(506)*	***(506)***

16. Investment property

The investment property balance comprises the value of seven floors which are owned by Victoire in Brazil. The investment property is carried at its historical cost.

(In thousands of US$)	As of December 31, 2020	As of December 31, 2019
Cost	67,562	69,993
Accumulated depreciaition and impairment	(6,815)	(5,703)

Net book value of opening balance	**60,747**	**64,290**
Depreciation	(1,097)	(1,327)
Foreign currency translation differences	(13,829)	(2,216)
Net book value of ending balance	**45,821**	**60,747**
Cost	*52,219*	*67,562*
Accumulated amortization and impairment	*(6,398)*	*(6,815)*

The fair value of seven floors, which are owned by Victoire in Brazil as property investment on December 31, 2020, amounts to US$ 70 million (Level 1 Fair Value).

* According to the contract concluded with Bluestone Investment Company (the seller) regarding the sale of the seven floors in Brazil during 2015 to Orascom Investment Holding, which states a guarantee of obtaining a fixed annual return at the end of the fourth year of the contract, in the event of the company inability to rent the seven mentioned floors and achieve the return mentioned in the contract the company has the right for the return difference as per the contract, and the Company addressed the Bluestone Investment Company in order to obtain the return difference in accordance with the concluded contract.

- Investment property revenue:

(In thousands of US$)	For the year ended December 31, 2020	For the year ended December 31, 2019
Rental income	3,906	3,652
Direct operating expenses from property that generated rental income	(661)	(1,054)
Direct operating expenses from property that did not generate rental income	-	(647)

Leasing arrangement

A substantial part of the investment properties is leased to tenants under long-term operating leases with rentals payable (monthly – in advance or in arrears). Minimum lease payments receivable on leases of investment properties are as follows:

(In thousands of US$)	As of December 31, 2020	As of December 31, 2019
less than one year	4,681	4,761
One to two years	4,681	8,959
Two to three years	4,506	6,913
Four to five years	6,532	2,675
More than 5 years	1,361	2,038

17. Other financial assets

(In thousands of US$)	As of December 31, 2020			As of December 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Financial receivables at amortized cost *	1,373	4,486	5,859	6,882	4,785	11,667
Restricted cash at amortized cost (17-1)	3,762	12	3,774	7,138	121	7,259
Financial assets at fair value through OCI (17-2)	-	-	-	3,361	-	3,361
Financial assets at fair value through profit or loss (17-3)	-	-	-	-	34	34

Other receivables at amortized cost	555	243	798	-	-	-
Total	**5,690**	**4,741**	**10,431**	**17,381**	**4,940**	**22,321**

* Financial receivables at amortized cost are represented in the following:

(In thousands of US$)	December 31, 2020	December 31, 2019
Expected credit loss percentage	40%	0%
Financial receivables	9,495	11,667
Expected credit loss during the year (*)	(3,636)	-
Financial receivables at amortized cost	**5,859**	**11,667**
Current	4,486	4,785
Non-current	1,373	6,882

(*) During September 2019 OIH sold the entire shares owned by the Group in Riza Capital to an external party for a consideration of US$ 13,323 thousand. The transaction was structured such that the purchaser pays the consideration in six equal instalments starting from the date of sale and ending in February 2022. However, up to October 2022, the purchaser only paid the first two instalments dated September 2019 and February 2020 with a total amount of US$ 4,442 thousand and US$107 thousand of the third instalment, which was due in August 2020. Therefore, after considering all facts and circumstances, the Group estimated an ECL of US$ 3,636 on this asset.

	As of December 31, 2020	As of December 31, 2019
(In thousands of US$)	Financial receivables	Financial receivables
Not past due	4,235	4,785
Past due 0-180 days	1,404	-
Past due 180-365 days	220	-
Past due more than 365 days	-	6,882
Total	**5,859**	**11,667**

17-1 Restricted cash at amortized cost

	As of December 31, 2020			As of December 31, 2019		
(In thousands of US$)	Non-current	Current	Total	Non-current	Current	Total
Pledged deposits	201	12	**213**	328	121	**449**
Cash on banks in North Korea	7,122	-	**7,122**	6,810	-	**6,810**
Expected credit loss*	(3,561)	-	**(3,561)**	-	-	-
Total	**3,762**	**12**	**3,774**	**7,138**	**121**	**7,259**

* Expected credit loss of other financial assets is represented in the following:

(In thousands of US$)	December 31, 2020	December 31, 2019
Expected loss ratio	50%	0%
Cash at bank in North Korea– non-current	7,122	6,810
Expected credit loss during the year	(3,543)	-
Foreign currency translation differences	(18)	
Net cash at bank in North Korea – non-current	**3,561**	**6,810**

17-2 Financial assets at fair value through OCI

(In thousands of US$) **Company name**	As of December 31, 2020	As of December 31, 2019
Egypt Opportunities Fund	-	2,041
EGX 30	-	506
Misr for Central Clearing Depository and	-	478
Guarantee Settlement Fund	-	318

MENA Capital	-	167
El Arabi for Investment	-	12
BMG	-	6
Expected credit losses	-	(167)
Total	**-**	**3,361**

In 2020, there are no financial assets at Fair Value through OCI. The decrease is due demerging process during the year.

17-3 Financial assets at Fair Value Through profit or Loss

(In thousands of US$)	As of December 31, 2020	As of December 31, 2019
Investment in investment funds	-	34
Total	**-**	**34**

18. Deferred taxes

18-1 Recognized deferred tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax assets and liabilities relate to income taxes due to the same tax authority.

(In thousands of US$)	As of December 31,2020	As of December 31, 2019
Deferred tax liabilities	(10,945)	(13,000)
Deferred tax assets	471	550
Net position of the deferred tax (liabilities)	**(10,474)**	**(12,450)**

The movement in deferred tax liabilities is as follows:

(In thousands of US$)	2020	2019
As of January 1,	**(12,450)**	**(15,265)**
(Charged) to the income statement	(1,319)	1,424
(Charged) to the income statement (discontinued Operation)	707	(576)
Change in scope due to demerging	1,584	376
Liabilities held for sale	-	593
Income tax for dividends distributed	-	954
Foreign currency translation differences	1,004	44
As of December 31,	**(10,474)**	**(12,450)**

A breakdown of the movement in deferred tax liabilities during 2020 and 2019, is provided in the tables below:

Deferred tax liabilities	Depreciation and amortization	Unremitted earnings	Forex	Other	Total
(In thousands of US$)					
As of January 1, 2020	**(12,424)**	**(1,831)**	**(255)**	**2,060**	**(12,450)**
(Charged) to the statement of profit or loss	(266)	(524)	112	(641)	**(1,319)**
(Charged) to the income statement (discontinued Operations)	55	644	8	-	**707**
Change in scope due to the demerger	1,291	590	(297)	-	**1,584**
Adjustment due to investment property	828	(1)	(1)	(826)	**--**
Foreign currency translation differences	1,320	(34)	(1)	(281)	**1,004**
As of December 31, 2020	**(9,196)**	**(1,156)**	**(434)**	**312**	**(10,474)**

Deferred tax liabilities	Depreciation and amortization	Unremitted earnings	Forex	Other	Total
(In thousands of US$)					

As of January 1, 2019	**(10,346)**	**(2,272)**	**(3,524)**	**877**	**(15,265)**
(Charged) / credited to the statement of profit or loss	(2,124)	(133)	2,771	910	**1,424**
(Charged) to the income statement (discontinued Operations)	35	(1,160)	549	-	**(576)**
Change in scope of consolidation	-	-	-	376	**376**
Liabilities related to assets held for sale	-	-	-	593	**593**
Income tax for dividends distributed	-	954	-	-	**954**
Foreign currency translation differences	665	(170)	(228)	(223)	**44**
Reclassification	(654)	950	177	(473)	-
As of December 31, 2019	**(12,424)**	**(1,831)**	**(255)**	**2,060**	**(12,450)**

No deferred tax liability has been recognized in respect of temporary differences associated with investments in subsidiaries, branches and associates, where the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Should additional information arise in future periods resulting in differences between the tax base and accounting base of recorded assets and liabilities in the financial statements as of December 31, 2020, Management will reassess its estimate in a way that might result in the recognition of deferred taxes related to those assets and liabilities.

18-2 Unrecognized deferred tax assets

The following schedule illustrates the unrecognized deferred tax assets for the group:

(In thousands of US$)	**As of December 31,2020**	**As of December 31,2019**
Carried forward income tax losses	70	3,088
Unrealized forex losses	1,153	-
Total	**1,223**	**3,088**

Carried forward losses should be utilized within a period of 5-6 years at maximum. The management of the Group followed a prudent approach and didn't recognize a deferred tax asset for unused tax losses as of December 31, 2020, as the management of the Group followed a prudent approach. The ability of the Group to settle these tax losses against future taxable profits is not impacted by not recording an asset.

Generally, the Group does not recognize deferred tax assets for temporary differences related to accruals for provisions, due to uncertainties in connection with the tax treatment of such expenses, as they might be challenged by local tax authorities.

19. Trade receivables

(In thousands of US$)	**As of December 31, 2020**	**As of December 31, 2019**
Receivables due from customers	31,791	66,736
Receivables due from telephone operators	23,572	22,885
Other trade receivables	589	1,097
Allowance for doubtful receivables (ECL)	(35,530)	(35,939)
Total	**20,422**	**54,779**

The following table shows the movement in the allowance for doubtful receivables:

(In thousands of US$)	**As of December 31, 2020**	**As of December 31, 2019**
Opening balance	**35,939**	**29,590**
Additions (allowances recognized as an expense)	505	134
No-longer required (including in discontinued operation)	(1,019)	5,803
Reversal	-	(1,941)
Change in scope due to demerging process	(1,224)	-

Reclassification	470	-
Foreign currency translation differences	859	2,353
Ending balance	**35,530**	**35,939**

The following table shows the ageing analysis of trade receivables as of December 31, 2020, and 2019, net of the relevant allowance for doubtful receivables:

	2020		2019	
(In thousands of US$)	Gross	Allowance	Gross	Allowance
Not past due	224	-	3,195	(625)
Past due 0-30 days	4,626	(2,430)	2,966	(2,430)
Past due 31-120 days	2,870	-	2,804	(6)
Past due 121 - 150 days	757	-	2,253	-
Past due more than 150 days	47,475	(33,100)	79,496	(32,878)
Trade receivables	**55,952**	**(35,530)**	**90,714**	**(35,939)**

The maximum exposure to credit risk at the reporting date is the carrying value of the receivable . The Group does not hold any collateral as security and the decrease mainly relating to the demerger process and related balances are transferred to the newco (OFH).

20. Other assets

(In thousands of US$)	As of December 31, 2020			As of December 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses *	14,790	2,448	17,238	16,574	2,693	19,267
Contract costs	766	509	1,275	-	-	-
Advances to suppliers	-	473	473	-	649	649
Receivables due from tax authority	-	1,258	1,258	-	907	907
Employee loans	-	-	-	-	75	75
Assets from current tax	-	3,267	3,267	-	5,184	5,184
Other non-trade assets	255	1,414	1,669	-	4,470	4,470
Allowance for doubtful of current assets	-	(194)	(194)	-	(517)	(517)
Total	**15,811**	**9,175**	**24,986**	**16,574**	**13,461**	**30,035**

* Prepaid cost mainly from TWA related to amounts paid to the telecommunication authority

21. Cash and cash equivalents

(In thousands of US$)	As of December 31, 2020	As of December 31, 2019
Bank accounts and gross deposits *	21,791	63,376
Cash on hand	74	62
Total	**21,865**	**63,438**

* Bank account and deposit as of December 31, 2020, includes an amount of US$ 4.8 Million represent cash held in Lebanon bank accounts, in accordance with the restrictions imposed by the Lebanese government on local banks in Lebanon and restrictions on cash transfers outside the country.

22. Equity attributable to the owners of the Company

Share capital

On November 29, 2011, the Company was incorporated with an authorised and issued share capital amounting to EGP 2,203,190,060 million (equivalent to US$ 366,148 thousand at date of transactions) distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42.

According to the decision of the Extraordinary General Assembly of Orascom Investment Holding dated October 19, 2020, and the approval of the General Investment Authority dated November 17, 2020, on demerging the company (refer to note no. 33), Orascom Investment Holding's share of the issued capital was EGP 577,025,968 (equivalent to US$ 95,890 thousand) divided on 5,245,690,620 shares with a nominal value of EGP 0.11 per share and the authorized amount of shares became EGP 2.885 billion.

The following table lists the largest shareholders in the Company, in addition to the other remaining shares as of December 31, 2020:

Shareholder	Ordinary shares	The percentage of ordinary shares that have the voting right
Bank of New York Mellon	2,846,499,353	54.264%
Other	2,399,191,267	45.736%
Total available common shares	**5,245,690,620**	**100%**

Non-distributable earnings

Retained earnings include an amount of US$ 2.48 million as of December 31,2020 compared to US$ 1.88 million as of December 31,2019, which is not available for distribution representing a legal and special reserves at the subsidiaries level.

Dividends declared to non-controlling interest

On November 2, 2020, TWA - subsidiary declared dividends total of US$ 1.8 represent US$ 0.1444 per share, where the NCI's share was US$ 877 thousand, and the amount paid during the year was US$ 697 thousands.

23. Borrowings

	As of December 31, 2020			As of December 31, 2019		
(In thousands of US$)	Current	Non-current	Total	Current	Non-current	Total
Bank loans	9,673	18,330	**28,003**	45,695	18,158	**63,853**
Finance lease liability	1,474	3,819	**5,293**	745	4,968	**5,713**
Sale and lease back	10	5,167	**5,177**	-	-	-
Other borrowings	559	490	**1,049**	1,045	881	**1,926**
Total	**11,716**	**27,806**	**39,522**	**47,485**	**24,007**	**71,492**

The following table shows the ageing of borrowings:

(In thousands of US$)	Due within one year	Due between one and five years	Due beyond five years	Total
Bank loans	9,673	15,905	2,425	**28,003**
Finance lease liability	1,474	3,269	550	**5,293**
Sale and lease back	10	2,202	2,965	**5,177**

Other borrowings	559	490	-	**1,049**
As of December 31, 2020	**11,716**	**21,866**	**5,940**	**39,522**

(In thousands of US$)	**Due within one year**	**Due between one and five years**	**Due beyond five years**	**Total**
Bank loans	45,695	17,899	259	**63,853**
Finance lease liability	745	3,887	1,081	**5,713**
Other borrowings	1,045	881	-	**1,926**
As of December 31, 2019	**47,485**	**22,667**	**1,340**	**71,492**

The following table provides the breakdown of total borrowings by currency of issue:

(In thousands of US$)	**US$**	**Egyptian Pound**	**Pakistan Rupee**	**Total**
As of December 31, 2020	**1,051**	**7,874**	**30,597**	**39,522**
As of December 31, 2019	**25,946**	**16,202**	**29,344**	**71,492**

The following table illustrates the movements in the borrowings during the year

(In thousands of US$)	**As of December 31, 2020**	**As of December 31, 2019**
Balance at the beginning of the year	**71,492**	**170,125**
of which:		
Current borrowings	*47,485*	*111,322*
Non-current borrowings	*24,007*	*58,803*
Payments of loans	(22,725)	(104,493)
Payments of loans from discontinued operations	(567)	-
Proceeds from loans	9,443	2,478
Proceeds from loans from discontinued operations	13,963	10,502
Transferred to Liabilities related to assets held for sale	-	(6,234)
Interest paid	(3,494)	(9,135)
Interest paid (discontinued operations)	-	(1,732)
Change in scope due to demerging (note 33)*	(32,482)	-
Finance lease liabilties additions	3,199	1,802
Foreign exchange transaltion differences	693	8,179
Balance at the end of the year	**39,522**	**71,492**
of which:		
Current borrowings	*11,716*	*47,485*
Non-current borrowings	*27,806*	*24,007*

***** Change in scope due to demerging represtns the borrowings balances related to Beltone Financial Hoding which was transferred to the newco. Orascom Financial Holdomng following the demerger of the company in 2020.

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

Bank Loans

The following table shows a breakdown of bank loans by financial institution:

Description	**Company**	**Book Value in US$, 000 31 Dec 2020**	**Value in US$, 000 31 Dec 2019**	**Currency**	**Nominal amount in currency**	**Maturity**	**Nominal interest rate**	**Security**	**Asse secur**
Foreign Bank Loan	OIH Loans	-	23,413	USD	33,413	Oct-21	LIBOR+1.25%	Secured	Time de
Local bank loan	OIH Loans	16	47	EGP	4,738	June-20	Bank certificate rate of return + 2% min. 12%	Secured	Time de
Local bank loan	OIH Loans	78	99	EGP	4,710	June-22	Bank certificate rate of return + 1.5% min. 11%	Secured	Time deposit
Finance lease liabilities-Pak Oman	TWA Loans	210	274	PKR	33,394	Dec-23	6M KIBOR+2%	Secured	Against future current assets ar fixed as (excludi land anc building
Long term syndicated finance facility-MCB	TWA Loans	4,216	4,375	PKR	666,665	Apr-23	6M KIBOR+2.50%	Secured	
Long term syndicated finance facility-Pak Oman Investment Company	TWA Loans	2,801	2,956	PKR	450,000	May-23	6M KIBOR + 2.50%	Secured	
Long term loan finance facility-Habib Bank Limited	TWA Loans	2,490	2,603	PKR	391,665	Apr-23	6M KIBOR + 1.50%	Secured	
Long term loan finance facility-MBC Bank	TWA Loans	11,316	11,835	PKR	1,778,000	Oct-23	6M KIBOR + 1.25%	Secured	
Long term loan finance facility-Pak Oman Investment	TWA Loans	2,550	649	PKR	400,000	Dec-26	3M KIBOR + 1.9%	Secured	
Current facility from Meezan Bank Ltd	TWA Loans	1,685	1,542	PKR	264,751	Aug-21	3M KIBOR + 1.45%	Secured	
Credit Facilities	Belton holding	-	16,060	EGP	440,000	Current	Corridor+,75%:2%:8%		
Credit Facilities	Orascom Pyramids Entertainment (OPE)	2,641	--	EGP	230,000	Oct-28	1% over corridor	Unsecured	
Total bank loans as of December 31, 2020		**28,003**	63,853						

Loans for Trans World Associate

Bank loans include loans obtained from the shareholders of Trans World Associate private by an amount of US$ 1 Million of which US$ 0.5 Million due within one year and US$ 0.5 Million due after more than one year with an interest rate of 3M Libor +1 per annum.

Bank loans also include loans obtained from banks amounted to US$ 25.2 Million from which US$ 9.6 Million due within one year and US$ 15.6 Million due after more than one year these bank loans were obtained by Trans World Associate Private.

Loan for the purpose of financing the acquisition of Victoire Group

On September 28, 2015 the company borrowed non-current loan from a foreign bank by a maximum amount of 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 Paolo, 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.

In January 2020, the Company made an early settlement for the rest of the loan granted to finance the acquisition of Victoire amounted to US$ 23.4 million (equivalent to EGP 313 million) and that resulted in a gain of US$ 3.9 million recorded in finance income in the consolidated statement of profit or loss and other comperhensive income.

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

Finance lease liabilities

The following table the amount of finance lease liabilties as of December 31, 2020:

Description	Company	Book Value US$, 000	Original currency
Finance lease liabilities (IFRS 16)	TWA Loans	5,293	PKR
Total finance lease liability as of December 31, 2020		**5,293**	

Sale and leaseback (OIH)

During 2020, the company sold its headquarters located in 2005A south Nile city tower with value of EGP 91 Million (equivalent to US$ 5.8 Million) to Beltone Financial 'Leasing' and Global Corp. for financial service for purposes to lease it back, the lessor agree to lease it back to the company for period of 7 years started from December 25, 2020 till September 25, 2027 with total rental value of EGP 142.5 Million (equivalent to US$ 9 Million).

The lessor deducts down payment from total rents with amount of US$ 0.6, the rent will be paid for Beltone and Global Corp as below:

Lessor	Total due rent equivalent to US$, 000	Percentage
Beltone Financial leasing	2,803	30.86 %
Global Corp. for financial service	6,280	69.14 %

The lessee has the right to purchase the according to the below conditions:

- Purchasing the assets with value of one Egyptian pound after paying all the due amount under this contract.
- Early settlement of rent by paying additional 3% from unpaid rent till the end of the contract.

Book value	Currency	Maturity	Nominal interest rate	Security	Assets secured
5,138	EGP	September 2027	12%	Secured	Company's premises

Current borrowing – Local bank (Orascom Investment Holding)

A credit facility contract in the form of a medium-term loan to finance the purchase of assets related to the company was signed with an Egyptian bank on July 27, 2015, according to which a facility of EGP 5 million is available for a period of sixty-seven months ending on February 27, 2021.

On August 9, 2015, an addendum to the previously mentioned financing contract was signed with an increase of EGP 600,000.

Withdrawal period: It is scheduled for six months starting from the date of signing this contract and ending on January 23, 2016.

Repayment period: the company is obligated to pay to the bank's order each sub-loan to be used within the limits of the credit facility amount in sixty monthly instalments with equal value.

Interest and payment periods: A return of 2% per annum above the rate of return established on the certificates with the bank, and the return is due to be paid every month, so that the applicable return in any case during the term of this contract and until it is fully paid out of the original returns commissions and expenses is not less than 12%.

Non-current and current borrowing – Local bank (Orascom Investment Holding)

On January 27, 2016, a credit facility contract was signed in the form of a medium-term loan to finance the purchase of assets related to the company with an Egyptian bank, according to which a facility of EGP 2 million is provided for a period of sixty-seven months ending on August 26, 2021.

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

Withdrawal period: It is scheduled for six months starting from the date of signing this contract and ending on July 27, 2016.

Repayment period: the company is obligated to pay to the bank's order each sub-loan to be used within the limits of the credit facility amount in sixty monthly instalments of equal value.

On July 21, 2016, an addendum to the previously mentioned financing contract was signed with an increase of EGP 3 million.

Withdrawal period: The withdrawal period for the previously mentioned loan has been extended for another six months to end on January 26, 2017, instead of July 27, 2016.

Interest and payment periods: A return of 1.5% per annum above the rate of return established on the certificates with the bank, and the return is due to be paid every month, so that the applicable return in any case during the term of this contract and until it is fully paid out of the origin returns commissions and expenses is not less than 11% .

Other Borrowings

Other borrowings mainly include loans from non-controlling shareholders in subsidiaries.

The following table shows a breakdown of other borrowings by financial institution:

Description	Company	Book Value in US$, 000	Currency	Nominal in PKR, 000	Maturity	Nominal interest rate	Security
Long term loan from sponsor's (Orastar)	TWA Loans	702	US$	112,161	Dec-22	3M LIBOR+1%	Unsecured
Long term loan from sponsor's (Dr. Omar Zawawi)	TWA Loans	235	US$	36,748	Dec-22	3M LIBOR+1%	Unsecured
Short term loan-2 from sponsor's (Dr. Omar Zawawi)	TWA Loans	112	US$	17,944	Dec-20	3M LIBOR+1%	Unsecured
Total other borrowings ad of December 31, 2020		**1,049**					

Credit Facility (Orascom Pyramids Entertainment (OPE)

On 30 September 2020, a long-term loan contract was signed between the Bank of the Arab International Banking Company and Orascom Pyramids for Entertainment Projects (LLC), provided that the Bank of the Arab International Banking Company grants the company financing in the form of a long-term loan amounting to EGP 230 million equivalent USD 14,65 million. This is for the purpose of contributing to the financing of the remaining part of the investment costs of the project to develop and provide services in the visit area of Giza Pyramids and the adjacent and associated areas according to the usufruct licensing contract dated December 13, 2018, concluded between the Supreme Council of Antiquities and Orascom Investment Holding Company, as follows:

- An amount of EGP 80 million equivalent USD 5,1 million for the civil works for the restaurant complex and the connection of utilities.
- An amount of EGP 52 million equivalent USD 3,3 million for the infrastructure works for the information network information systems and the accounting system for the project.
- An amount of EGP 90 million equivalent USD 5,7 million for the civil works, renovations and improvements to the visitors' building, the VIP building "the current student building", the site of the visit, the organization of the area for the stables "horses - camels - karts" and for the electric vans, the charging station and its maintenance.
- An amount of EGP 8 million equivalent USD ,51 million for the field work of The Nile Pyramids Lounge.

Provided that the company is committed to disbursing in accordance with the above items only with the same values, except for the items of civil works. The company is allowed to increase it by 10% as a discount on the surpluses of other exchange items, provided that the use of all items does not exceed the total value of the loan.

24. Trade payables and other liabilities

(In thousands of US$)	As of December 31, 2020			As of December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Trade payables						
Capital expenditure payables	4,876	-	**4,876**	5,006	-	**5,006**
Trade payables due to suppliers	19,566	-	**19,566**	15,042	-	**15,042**
Customers credit balance financial sector	-	-	**-**	13,501	-	**13,501**
Trade payables to Telephone operator	5,112	-	**5,112**	1,004	-	**1,004**
Other trade payables	340	-	**340**	2,579	-	**2,579**
Total	**29,894**	**-**	**29,894**	**37,132**	**-**	**37,132**
Other liabilities						
Prepaid traffic and deferred income	719	893	**1,612**	549	294	**843**
Contract liabilities	332	6,890	**7,222**	257	7,348	**7,605**
Due to local authorities	5,413	-	**5,413**	3,181	-	**3,181**
Personnel payables	3,781	-	**3,781**	1,104	-	**1,104**
Dividends payable *	181		**181**	-	-	**-**
Subscriber deposits	37	-	**37**	48	-	**48**
Other credit balances **	12,800	-	**12,800**	32,195	-	**32,195**
Total other liabilities	**23,263**	**7,783**	**31,046**	**37,334**	**7,642**	**44,976**
Total trade payables and other liabilities	**53,157**	**7,783**	**60,940**	**74,466**	**7,642**	**82,108**

* The balance of dividends from shareholders represents the balance due to shareholder Omar Al-Zawawi in Trans World Associates (Private) limited to extend the dividends made during the year 2020.

** The other credit balance includes the balance of employee benefits where OIH by virtue of the Management Agreement signed with the Ministry of Telecommunications manages MIC1 SAL on behalf of the republic of Lebanon owner of both mobile network operators. Orascom Telecom Lebanon SAL (OTL) is created in order to manage the personnel of MIC, as employer, yet all personnel costs are charged to and reimbursed by the Lebanese Government as per the term of the management agreement. The amount which is included in the other credit balances – current as of December 31, 2020, is US$ 1,866 thousand (US$ 19,896 thousand) and regarding to the remaining amount of other credit balance is comprised by accrued bonuses and other payable towards governments by US$ 4 thousand and US$ 4.2 thousand respectively .

25. Provisions

(In thousands of US$)	As of December 31, 2020	As of December 31, 2019
Opening balance	**29,862**	**23,041**
Additions	3,581	5,359
Additions (included in discontiuned operations)	533	508
Reversed (no-longer required)	(15,586)	(3)
Foreign currency translation differences	275	2,817
Change in scope due to the demerger	(3,395)	-
Reclassifications	(470)	-
Utilized	(4,377)	(1,860)
Ending balance	**10,423**	**29,862**

Provisions are related to expected claims resulting from the Group companies' ordinary course of business. The required information about these provisions were not disclosed, according to the IFRSs, because the management of the Group believes that doing so, will strongly affect the final settlement of these provisions for claims.

26. (Losses) / earnings per share

Basic and diluted

Basic (losses) / earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purposes of the (losses) / earnings per share calculation, it has been assumed that the number of issued shares at the date of incorporation (5,245,690 thousand) had been outstanding during the year.

Diluted (losses) / 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 (losses) / earnings per share from continuing operations and from discontinued operations are equal

(Losses) per share from continuing operation – Basic and diluted (in US$)

(In thousands of US$)	**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
(Loss) attributable to equity holders of the Company from continuing operations (*in thousands of US$*)	481	(27,056)
Weighted average number of shares (*in thousands of shares*)	5,245,691	5,245,691
(Losses) per share – basic and diluted (in US$)	**0.000092**	**(0.0052)**

(Losses) / earnings per share from discontinuing operation – Basic and diluted (in US$)

	For the year ended December 31, 2020	**For the year ended December 31, 2019**
(Losses) / earnings attributable to equity holders of the Company from discontinuing operations (*in thousands of US$*)	(496)	1,264
Weighted average number of shares (*In thousands of shares*)	5,245,691	5,245,691
(Losses) / earnings per share – basic and diluted (in US$)	**(0.000095)**	**0.0002**

27. Assets and liabilities held for sale and discontinued operations

27-A Assets and liabilities held for sale

During 2019, the board of directors of Beltone decided to authorize the chairman and managing director to take the necessary decisions and negotiate for selling of Beltone Financial Holding's stake in Auebash Grayson, which is wholly owned by NEW FRONTIER (one of Beltone's subsidiaries) and the company started activity to determine the buyer, Accordingly Auerbach Grayson assets and liabilities presented as held for Sale in accordance with IFRS Standard No. (5).

During 2020, Beltone group get approval from FINRA in United states for selling Auerbach Grayson with amount of US$ 2.8 Million, the Group incurred net losses from selling Auerbach Grayson with amount of US$ 5.7 Million including net losses for year 2020 with an amount of US$ 187 thousand included in discontinued operations.

Assets held for sales	**December 31, 2019**
(In thousands of US$)	
Fixed assets	4,202
Intangible Assets	1,560
Goodwill	3,309
Due from companies operating in the securities field	294
Trade receivables	1,241
Other assets *	1,957
Cash and Cash at bank	1,287
Assets held for sales Total	**13,850**
Liabilities associated to assets held for sale	
Deferred tax	593
Trade payable and other credit balances	1,797
Lease liabilities	4,884
Total liabilities associated to assets held for sale	**7,274**

* Other assets include restricted amounts due to letters of guarantee, letters of credit represented by the documentary credit to secure the rent of the company's headquarters Auerbach Grayson (USA).

27-B Discontinued operations

Discontinued operations represent as following:

(In thousands of US$)		**For the year ended December 31, 2020**	**For the year ended December 31, 2019**
Discontinued operation from Riza capital disposal	27-B-1	-	5,226
Discontinued operation from Beltone	27-B-2	(7,304)	(8,290)
Discontinued operation from Orascom Telecom Lebanon	27-B-3	(873)	(749)
Discontinued operation from Orascom Investment Holding	27-B-4	-	(2,536)
Discontinued operation from Contact Financial Holding (formerly, Sarwa Capital Financial Holding)	27-B-5	5,820	4,337
(Loss) from discontinued operation (net of income tax)		**(2,357)**	**(2,012)**

27-B-1 Discontinued operations from Riza Capital

On September 10, 2019, OTMT Brazil Holding sold its entire shares in Riza Capital, with an ownership of 57.5%, to an external party for a consideration amounting to US$ 13,323,850 to be collected on six semi-annual installments, each amounting to US$2,220,642, where the last installment will be received on February 28, 2022.

The shares (232,250 shares represent 57.5%) sold to the purchaser had been pledged to guarantee the collection of outstanding balance.

Profit from discontinued operations is calculated as the following for the year ended December 31, 2019:

(In thousands of US$)	**December 31, 2019**
Proceeds from sale	**13,243**
(Less):	
Net assets	(5,445)
Foreign currency translation differences	197
Net assets (NCI)	(912)
Losses of Riza Capital for the year	(1,857)
Group's profit from the disposal	**5,226**

Riza Capital (loss) for the year presented as following:

(In thousands of US$)	**December 31, 2020**	**December 31, 2019**
Operating revenues	-	2,896
Operating expenses	-	(1,590)
Operating income	**-**	**1,306**
Other expenses	-	(3,163)
Net (loss) for the year	**-**	**(1,857)**
Attributable to:		
Owners of the company	-	(1,068)
Non-controlling interests	-	(789)

27-B-2 Discontinued operations from Beltone Group

At October 2020, the extraordinary general assembly meeting agreed with majority voting for demerging the company according to horizontal approach with its book value into Orascom Investment Holding OIH (demerging company) and Orascom Financial Holding OFH (demerged company) which had been established in December 2020 (note 33).Demerging project keeps all assets and liabilities under OIH except for Beltone investment (subsidiary company) and Sarwa Capital (associate company) (note 27-B-5)to be moved under OFH,. Accordingly, statement of profit or loss had been represented for Beltone group as discontinued operations as it was done by cost without gain/loss.

.s.**Beltone (loss) for the year presented as following:**

(In thousands of US$)	**December 31, 2020**	**December 31, 2019**
Operating revenue	35,907	31,301
Other revenue	133	281
Total revenues	**36,040**	**31,582**
Personnel costs	(15,215)	(14,695)
Brokerage commissions	(9,087)	(6,866)
Depreciation	(848)	(1,827)
Amortization	(327)	(456)
Other expenses	(11,171)	(15,450)
Losses from Selling Auerbach Grayson	(5,536)	-
Net foreign currencies translation differences	(3)	(295)
Net (loss) before income tax	**(6,147)**	**(8,007)**
Income tax expense	(1,157)	(283)
Net (loss) for the year	**(7,304)**	**(8,290)**
Attributable to:		
Owners of the company	(5,445)	(5,803)
Non-controlling interests	(1,859)	(2,487)

27-B-3 Discontinued operations from Orascom Telecom Lebanon

In December 2019, the Company's board of directors received from the Lebanese Ministry of telecommunication a letter regarding the non-renewal of the management contract signed between Orascom Investment Holding Company and the Lebanese Ministry of telecommunications regarding the management of the Mobile Intrim Company (MIC) which is commercially known as the Alfa Company and managed by Orascom Telecom Lebanon.. During September 2020, the process of transferring the management of Alfa company from Orascom Telecom Lebanon to the Ministry of telecommunications was completed, in implementation of the Cabinet Resolution issued on May 5, 2020 and after fulfilling all the requirements of the management contract.

OTL (loss) for the year presented as following:

(In thousands of US$)	**December 31, 2020**	**December 31, 2019**
Operating revenue	-	7,162
Other revenue	4,590	428
Total revenues	**4,590**	**7,590**
Purchases and services	(197)	(530)
Personnel costs	(4,031)	(2,446)
Depreciation	(191)	-
Gains from disposal noncurrent assets	64	-
Other expenses	(1,248)	(3,616)
Net financing (costs)	(364)	(476)
Net (loss) / profit before income tax	**(1,377)**	**522**
Income tax expense	504	(1,271)
Net (loss) for the year	**(873)**	**(749)**

27-B-4 Discontinued operations from Orascom Investment Holding

Discontinued operation from OIH related to foreign currency exchange due to translation of foreign currencies of intercompany balances between Orascom Investment Holding and Beltone which deconsolidated during 2020 according to demerging project as discussed before.

27-B-5 Discontinued operations from Contact Financial Holding (formerly Sarwa Capital Financial Holding)

During October 2020, the extraordinary general assembly meeting agreed with majority voting for demerging the Company according to horizontal approach with its book value into Orascom Investment Holding OIH (demerging company) and Orascom Financial Holding "OFH" (demerged company) which had been established in December 2020. Demerging project keeps all assets and liabilities under OIH except for Beltone investment (subsidiary company) and Contact Financial Holding (formerly Sarwa Capital) (Equity accounted investee) which was moved to OFH; accordingly statement of profit or loss had been represented for Contact Financial Holding group as discontinued operations.

The below table shown share of profit from Contact Financial Holding:

(In thousands of US$)	**December 31,2020**	**December 31,2019**
Group share of profit	5,900	5,023
Deferred tax	(80)	(686)
Net share of profit for the year	**5,820**	**4,337**

28. Subsidiaries

Represent non-wholly owned subsidiaries with material non-controlling interest (TWA)

Company	Country	Percentage of non-controlling ownership		Value of non-controlling ownership	
(In thousands of US$)		2020	2019	2020	2019
Trans World Associate (TWA)	Pakistan	49%	49%	18,769	17,641

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held. The Company does not have any shareholdings in preference share of subsidiaries included in the Group.

Summarised financial information of non-wholly owned subsidiaries with material non-controlling interests are represented in the following:

Summarised statement of financial position:

	Trans World Associates (Pvt) Ltd.	
(In thousands of US$)	As of December 31,	
	2020	2019
Current assets	26,521	18,577
Current liabilities	(32,078)	(24,210)
Total current net assets	**(5,557)**	**(5,633)**
Non-current assets	78,063	79,433
Non-current liabilities	(33,747)	(37,341)
Total non-current net assets	**44,316**	**42,092**
Net assets	**38,759**	**36,459**
NCI balance on the level of TWA	105	145
Net assets after adding NCI balance on OIH level	**38,864**	**36,604**
NCI balance before adjustments	**19,043**	**17,936**
NCI balance on the level of TWA	(105)	(145)
NCI balance before consolidation adjustments	**18,938**	**17,791**
Consolidation adjustments on NCI balance	(169)	(150)
Ending NCI balance	**18,769**	**17,641**

Summarised statement of profit or loss and other comprehensive income:

(In thousands of US$)	Trans World Associates (Pvt) Ltd.	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue	42,815	44,584
Profit before income tax	7,807	11,718
Income tax expense	(2,555)	(4,527)
Post tax profit (loss) from continuing operations	**5,252**	**7,191**
Loss from discontinued operation	-	-
Other comprehensive (loss)	(1,257)	(3,849)
Total comprehensive income	**3,995**	**3,342**
Total comprehensive income allocated to NCI	2,005	1,721

Summarised statement of cash flows: (In thousands of US$)	Trans World Associates (Pvt) Ltd.	
	For the year ended December 31, 2020	**For the year ended December 31, 2019**
Net cash flows generated by operating activities	12,027	14,687
Net cash flows (used in) investing activities	(5,427)	(7,472)
Net cash flows (used in) financing activities	(7,058)	(7,360)
Net change in cash during the year	**(458)**	**(145)**
Effect of exchange rates on cash and cash equivalents	(337)	860
Cash and cash equivalent at the beginning of the year	6,671	5,956
Cash and cash equivalent at the end of the year	**5,876**	**6,671**

29. Commitments

The commitments as of December 31, 2020 and December 31, 2019 are provided in the table below:

(In thousands of US$)	**As of December 31, 2020**	**As of December 31, 2019**
Purchase of property and equipment	3,791	915
Others	2,455	9,129
Total	**6,246**	**10,044**

30. Related party transactions and balances

Transactions with, associates, affiliate, and other related parties with the Group throughout the year are not considered atypical or unusual, as they fall within the Group's normal course of business.

The main related party transactions and balances resulted from these transactions are summarised as follows:

(In thousands of US$)	**Year ended December 31, 2020**		**Year ended December 31, 2019**	
	Selling of services and goods	*Investing expenditure*	*Selling of services and goods*	*Investing expenditure*
<u>OIH</u>				
CHEO Technology JV – associate	233	-	40	(8.203)
<u>Others</u>				
LTD Orastar - shareholder of a subsidiary	-	(29)	-	(70)
Dr Omar Zawawy - shareholder of a subsidiary	-	(7)	-	(18)

(In thousands of US$)	**As of December 31, 2020**		**As of December 31, 2019**	
	Receivables	**Payables**	**Receivables**	**Payables**
LTD Orastar - shareholder of a subsidiary	-	702	-	1,536
Omar Zawawy - shareholder of a subsidiary	-	348	-	393
CHEO Technology JV – associate *	17,753	8,956	17,179	8,203
Belton Mena Equity Fund – affiliate	-	-	27	-
EGX funds company – affiliate	-	-	1	-
Misr Beltone – Joint operations	-	-	-	379
International Fund Management Service Co. - associate	-	-	-	55
Electronic Fund Management Service Co. - associate	-	-	-	64
OFH – formed due to the demerger - affiliate	-	6,135	-	-

* *Balances receivables from CHEO Technology JV are fully impaired. Furthermore, the Group didn't offset balances receivables against the payables relating to CHEO, due to the Group not intending to settle the recognized amounts on a net basis or to realize the asset ad settle the liability simultaneously.*

Key management compensation

Key management includes executive and non-executive directors, the chief financial officer and other managing directors considered key personnel.

The compensation paid or payable to key management for employee services amounted to US$ 4,864 thousand and US$ 1,342 thousand, respectively for the years ended December 31, 2020, and December 31, 2019.

31. Contingent assets and liabilities

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

Transworld Associates (Subsidiary)

- Bank guarantee issued in favour of Higher Education Commission (HEC) amounting to Rs. 5,800,000 (equivalent to US$ 36K) valid till December 31, 2021.
- Bank guarantee issued in favour of Inbox Business Technologies (Pvt) Ltd amounting to Rs. 54,210,000 (equivalent to US$ 339K) valid till May 9, 2021
- Bank guarantee issued in favour of Infinite Links (Pvt) Ltd amounting to Rs. 10,000,000 (equivalent to US$ 63K) valid till January 7, 2021.
- Letter of credit issued in favour of EZY Infotech ME FZE amounting to US$ 239 K for purchase of telecommunication equipment.
- Letter of credit issued in favour of Subcom LLC amounting to US$ 2 K.

32. Representation of comparative figures relating to the discontinued operations

The following schedule summarize the Representation of comparative figures of the consolidated profit or loss for the year ended December 31, 2019, to be consistent with current year classifications as follows:

(In thousands of US$)	**Financial year ended December 31, 2019 As issued**	**Reclassification**	**Financial year ended December 31, 2019 Represented**
Continued operations			
Revenues	69,714	(21,313)	48,401
Other income	733	(709)	24
Purchases and services	(25,842)	3,740	(22,102)
Other expenses	(1,597)	508	(1,089)
Provisions formed	(5,863)	507	(5,356)
Personnel cost	(24,598)	11,527	(13,071)
Depreciation and amortization	(7,539)	941	(6,598)
Impairment loss of non-current assets	(8,203)	-	(8,203)
Impairment loss of other financial assets	(4,881)	4,747	(134)
Gains from disposal of non-current assets	58	(1)	57
Operating (losses)	**(8,018)**	**(53)**	**(8,071)**
Finance income	843	(8)	835
Finance expense	(14,005)	1,782	(12,223)
Net foreign currencies translation differences	(4,655)	2,651	(2,004)
Share of profits of equity accounted investees	170,526	(5,015)	165,511
Net impairment of equity accounted investees	(165,511)	-	(165,511)
(Losses) before income tax	**(20,820)**	**(643)**	**(21,463)**
Income tax expense	(5,724)	2,296	(3,428)
(Losses) for the year	**(26,544)**	**1,653**	**(24,891)**
Discontinued operations			
(Losses) from discontinued operation (net of tax)	(359)	(1,653)	(2,012)
(Losses) for the year	**(26,903)**	**-**	**(26,903)**

33. Demerging effect

On October 2020, the extraordinary general assembly meeting decided with a majority voting to demerge the company into two entities, Orascom Investment Holding OIH (demerging company) and Orascom Financial Holding OFH (demerged company) which was established in December 2020. The Demerging entity (OIH) kept all of its assets and liabilities except for the assets and liabilities associated with Beltone investment Holding (subsidiary company) and Contact Financial Holding (formerly Sarwa Capital) (associate company) which were transferred to Orascom Financial Holding "OFH" for their carrying amount, the demerged entity. The table below illustrates the balances moved to OFH:

(In thousands of US$)	Orascom Investment Holding Before Demerging December 31, 2020	Orascom Financial Holding Demerged company December 31, 2020	Orascom Investment Holding Demerging company December 31, 2020
Assets			
Property and equipment	77,458	10,760	66,698
Intangible assets	25,290	22,907	2,383
Investment property	42,578	-	42,578
Equity accounted investees	152,018	112,908	39,110
Other financial assets	9,803	4,113	5,690
Other assets	15,811	-	15,811
Total non-current assets	**322,958**	**150,688**	**172,270**
Inventories	775		775
Trade receivables	70,802	50,380	20,422
Other financial assets	8,124	3,383	4,741
Other assets	9,794	619	9,175
Cash and cash equivalents	43,316	21,451	21,865
Total current assets	**132,811**	**75,833**	**56,978**
Total assets	**455,769**	**226,521**	**229,248**
Equity and liabilities			
Share capital	366,148	270,258	95,890
Reserves	(150,228)	(127,940)	(22,288)
Retained earnings	34,649	18,643	16,006
Equity attributable to equity holders of the Company	**250,569**	**160,961**	**89,608**
Non-controlling interests	25,878	7,818	18,060
Total equity	**276,447**	**168,779**	**107,668**
Liabilities			
Borrowings	29,681	1,875	27,806
Other liabilities	7,783	-	7,783
Deferred tax liabilities	8,815	1,584	7,231
Total non-current liabilities	**46,279**	**3,459**	**42,820**
Borrowings	42,323	30,607	11,716
Trade payables and other liabilities	72,221	19,064	53,157
Income tax liabilities	4,681	1,217	3,464
Provisions	13,818	3,395	10,423
Total current liabilities	**133,043**	**54,283**	**78,760**
Total liabilities	**179,322**	**57,742**	**121,580**
Total equity and liabilities	**455,769**	**226,521**	**229,248**

34. Subsequent events

- In April 2021, OIH's board of director approved -initially- to sell all the shares owned by the Company in Trans World Association **(TWA)** representing about 51% from total shares, and also approved the appointment of an independent financial advisor to evaluate the TWA according to the rules of registration in the Egyptian stock exchange, also on September 12, 2021, OIH's board of directors discussed the sale and transfer of the total shares owned by the Group in its subsidiary Trans World Association (Private) Limited to Orastar Limited for a total for a total consideration amount of US$ 35.5 million. Moreover, during January 2022, OIH S.A.E. announced the completion of the sale and transfer the ownership of the shares.
  It is worth mentioning that the sale consideration may change in the future due to the fact that the contract stipulates that the final value of the sale will depend on some adjustments to the sale amount, which will be calculated based on the financial statements of TWA on the date of sale transaction which is currently being prepared

- During June 2021, OIH signed a 15-year agreement with Misr Company for Sound, Light and Tourism Development affiliated to the Ministry of Public Business Sector in the Arab Republic of Egypt, to develop the sound and light area in the Pyramids area at a cost of approximately, US$ 15 million to be pumped into the project within 16 months from the date of receiving the site, provided that the Misr Company for Sound and Light will be entitled for 17% of the project's revenues, with a minimum of EGP 36 million annually, with a annually cumulative increase of 7% .

- In September 2021, OIH signed a long-term financing contract with the National Bank of Egypt "NBE" to finance about 72.5% from the investment costs relating to develop the sound and light area in the Pyramids area, the financing amount is about US$ 15 million an interest rate of 1% above the corridor rate. The borrowed amounts are to be repaid through 24 quarterly instalments starting from August 2024 and ending in July 2030.

- On September 12, 2021, OIH's board of directors discussed the sale and purchase agreement signed on August 18,2021 and is related to the sale of the 7 floors owned by the Group's subsidiaries located in Brazil with a total consideration of approximately 426 million Brazilian Real, noting that the transaction is still subject to fulfilment of the conditions precedent as detailed in the sale and purchase agreement. Furthermore, OIH is acting as a guarantor to the fulfilment of the seller's obligations as specified in the sale and purchase agreement.

- In October 2021, Orascom Investment Holding announced the sale of the floors in Brazil owned by the Company through its subsidiary Victoire Holding B.V., against a total consideration of for US$ 76.5 million.

- During 2021, the Company communicated with Bluestone Investment company in order to obtain the difference between the actual return and the return in accordance with the contract concluded between them upon the acquisition of the seven floors in Brazil during 2015, which stipulates a guarantee of obtaining a fixed return annually at the end of the fourth year of the contract in the event that the Company does not the ability to rent the seven floors mentioned above and achieve the return mentioned in the contract, during the term of the contract.
  In October 2021, the Company received a letter from Blue Stone Investment company stating that Blue Stone agrees to transfer the ownership of 6 offices to the Company in the same building representing the aforementioned representing the difference on return. On November 26, 2021, an agreement was signed to transfer 6 offices in the same building, with a total amount of US$ 12.8 million.

- During May 2022, the Board of Victoire Investment Cooperative approved investment in a fund investing into renewable energies through OTMT Brazil of EUR 20 million (US$ 23 million), out of a total fund size of EUR 626 million (US$ 712 million).

- On May 12, 2022, OTMT Brazil Holdings S.à r.l. changed its name to OIH Renewables S.à r.l. and increased its share capital by US$ 23,111 thousands up to US$ 23,131 thousands.

- During September 2022, OIH completed the tax inspection for the years from 2015 to 2020, A total of EGP 27 million (USD 1.7 million) were paid, which included the value of the corporate tax due for those years. Furthermore, according to the estimates of the tax advisor, it is expected that an amount of EGP 11.5 million (USD 0.7 million) will be paid as late payment penalties, accordingly the Group revered an amount of USD 15.6 million from provisions balance in 2020.

- During August 2022, Koryolink Company called for a capital increase by a value of Euro 20 million. The Korea Post and Telecommunications Corporation (KPTC) subscribed to capital increase with 100%. As a result, OIH'S shareholding was diluted from %75% to %60.

- Based on a request from one of Koryolink's shareholders, the management of Koryolink decided during the month of August 2022 to grant both of its shareholders a non-interest-bearing loan, in accordance with the Democratic People's Republic of Korea (DPRK) local laws and rules, accordingly, Koryolink transferred about Euro 82 million to OIH in OIH bank account in the DPRK, as non-interest-bearing loan between the two parties.

- During October 2022, the Board of directors of OIH unanimously approved executing a treasury shares purchase for a maximum number of 524,569,062 shares, representing a maximum %10 of the total Company's issued shares and traded in the Egyptian Stock Exchange (EGX) with a number of 5,245,690,620 shares, in accordance with the market price at the purchase date. The purchase of the treasury shares will be executed during the period from October 23, 2022, until April 22, 2023, from the Company's own resources.

- During 2022, OIH started a lawsuit against the purchaser of the shares in Riza Capital. As a result, management considered that the credit risk of this financial receivable has increased compared to prior years. The Group reflected the risk increase in the ECL computation. While performing this assessment, management took into consideration a legal opinion obtained from the OIH's lawyers during 2022. This legal opinion states that the purchaser's assets serve as a guarantee against the outstanding receivable balance.

- During the month of March 2023, the company sold the company's headquarters for the purpose of re-leasing to GB Auto Leasing Company for an amount of 157 million Egyptian pounds, where the developers agreed to lease the original owned for a period of 5 years starting from March 15, 2023 and ending on March 15, 2027 The original was leased with a total value of 257 million Egyptian pounds.

  The Board unanimously approved the Company executing treasury shares purchase for a maximum number of 524,569,062 shares, representing a maximum 10% of the total Company's issued shares and traded in the Egyptian Stock Exchange (EGX) with a number of 5,245,690,620 shares, in accordance with the market price at the purchase date. The purchase of the treasury shares will be executed during the period from 18/10/2022 until 17/10/2023 from the Company's own resources, during April 2023, the company purchased 25,569,062 treasury shares with a total value of 5,783,908 EGP .

- During the month of April 2023, the Board of Directors unanimously approved two investment projects in (1) renewable energy (electric vehicles), and (2) trade platform to serve the commercial projects in Africa. The council approved the establishment of the necessary companies and approved the procedures for establishing an Egyptian company called "OTL for Trade and Logistics".

ORASCOM INVESTMENT HOLDING S.A.E.

APPENDIX A – SUBSIDIARIES AND INVESTMENT IN EQUITY ACCOUNTED INVESTEES AS OF DECEMBER 31, 2020

Segment	Country of incorporation and place of business	Entity name	Nature of business	Proportion of ordinary shares held by the Company (%)	Proportion of ordinary shares held by OIH Group (%)	Proportion of ordinary shares held by the non-controlling interest / other shareholders (%)	Investment type
Media and Technology	Pakistan	Trans World Associates (Pvt) Ltd	Cables	51%	51%	49%	Subsidiary
Media and Technology	Egypt	Oracap Holding Co. (Free zone)	Other	100%	100%	0.00%	Subsidiary
Media and Technology	Malta	Oracap Far East Ltd	Other	100%	100%	0.00%	Subsidiary
Management services	Lebanon	Orascom Telecom Lebanon	Management services	99,8%	99,8%	0.20%	Subsidiary
Other	Luxembourg	OTMT – Brazil	Other	100%	100%	0.00%	Subsidiary
Other	North Korea	Osorcon	Other	100%	100%	0.00%	Subsidiary
Investment Property	Netherlands	Victoire coop Investment Holding	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Netherlands	Victoire BV	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 2 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 9 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 11 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 13 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 17 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 18 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Investment Property	Brazil	INCA 19 (Brazil)	Investment Property	100.00%	100.00%	0.00%	Subsidiary
Energy	Egypt	O Capital for energy	Energy	99,2%	99,99%	0.01%	Subsidiary
Energy	Egypt	O Capital for services and construction	Energy	99,2%	99,99%	0.01%	Subsidiary
Media and Technology	Egypt	Orascom Telecom Venture co. “S.A.E”	Other	99,99%	99,99%	0.01%	Subsidiary
Entertainment	Egypt	Orascom Pyramids Entertainment “S.A.E”	Entertainment	100%	100%	0.00%	Subsidiary
Entertainment	Egypt	Orascom Prisme Pyramids Entertainment “S.A.E”	Entertainment	70%	70%	30%	Subsidiary
Entertainment	Egypt	Orascom Pyramids for Touristic Establishment	Entertainment	100%	100%	0.00%	Subsidiary
GSM North Korea	North Korea	CHEO Technology JV Company	Telecommunication operator	75%	75.00%	25.00%	Associate