



Orascom Investment Holding
S.A.E.
Condensed Interim Separate Financial Statements
As of and for the nine-months period ended September 30, 2023
Together with Review Report



Hazem Hassan
Public Accountants & Consultants

Translation of review report
originally issued in Arabic

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

Review Report on Condensed Interim Separate Financial Statements

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

Introduction

We have reviewed the accompanying condensed interim separate financial statements of Orascom Investment Holding (S.A.E) as of September 30, 2023,

which include the following,

- The condensed interim separate statement of financial position as of 30 September 2023;
- The condensed interim separate statement of profit or loss for the three-months period and the nine-months period ending on September 30, 2023;
- The condensed interim separate statement of comprehensive income for the three-months period and the nine-months period ending on September 30, 2023;
- The condensed interim separate statement of changes in equity for the nine-months period ending September 30, 2023;
- The condensed interim separate statement of cash flows for the nine-months period ending September 30, 2023;
- Explanatory notes for the condensed interim separate financial statements.

Management is responsible for the preparation and fair presentation of these condensed interim separate financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial statements". Our responsibility is to express a conclusion on these condensed interim separate financial statements based on our review.

Scope of Review

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

Hazem Hassan

The Base of Qualified Conclusion

- 1- The Company has a significant influence over its investments in CHEO Technology JV (“Koryolink”), in the Republic of North Korea, with carrying value EGP 613.6 million as of September 30, 2023, has been classified as “Investments in associates”, also, the Company has cash balances at North Korean Banks amounted EGP 85.6 million, and the Company classified it as other financial assets as of September 30, 2023. Considering Koryolink is operating under an international sanctions ban and financial restrictions imposed by the international community on North Korea, which led to difficulties in transferring profits abroad and repatriating the funds outside of North Korea.

We were unable to obtain sufficient and appropriate audit evidence supporting the recoverable amount of the Company’s investment in Koryolink as well as the valuation of cash balances at North Korean Banks as of September 30, 2023. Accordingly, we were unable to obtain assurance about the measurement of the recoverable amount of the investment balance as well as the accuracy of cash balances valuation at North Korean Banks as of September 30, 2023, Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

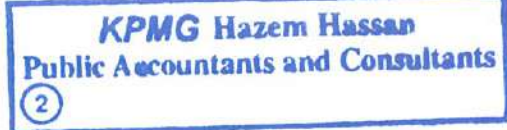
Qualified conclusion

Except for the effects of the possible adjustments , as might have been determined to be necessary if we have been provided with the matters described in the Basis of Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements for the nine-months ended on 30 September 2023 do not present fairly, in all material respects, in accordance with Egyptian Accounting Standard No. (30) “Interim Financial Reporting”.



Mohamed Hassan Mohamed Youssif
Auditor’s register for financial
regulatory authority No (400)
KPMG Hazem Hassan
Public Accountants and Consultants

Cairo November 14, 2023



ORASCOM INVESTMENT HOLDING "S.A.E".

Condensed interim separate statement of financial position as of

| (In thousands of EGP) | Note no. | September 30, 2023 | December 31, 2022 |
|---------------------------------------|-----------------|-------------------------------|------------------------------|
| <u>Non-current assets</u> | | | |
| Fixed assets | (12) | 37,270 | 36,250 |
| Investment property | (13) | --- | 202,032 |
| Investments in subsidiaries | (14) | 672,470 | 669,497 |
| Investments in associates | (15) | 613,632 | 613,632 |
| Other financial assets | (7) | 85,620 | 91,314 |
| Total non-current assets | | 1,408,992 | 1,612,725 |
| <u>Current assets</u> | | | |
| Due from related parties | (8-a) | 82,367 | 14,941 |
| Debtors and other debit balances | (9) | 15,705 | 49,344 |
| Cash and cash equivalents | (6) | 1,293,150 | 703,016 |
| Total current assets | | 1,391,222 | 767,301 |
| Total assets | | 2,800,214 | 2,380,026 |
| <u>Equity</u> | | | |
| Issued and paid-up capital | (17) | 577,025 | 577,025 |
| Treasury shares | (17) | (14,699) | -- |
| Legal reserve | | 215,657 | 177,927 |
| Result of the demerger | | (129,087) | (129,087) |
| Retained earnings | | 918,932 | 202,109 |
| Net profit for the period / year | | 268,924 | 754,553 |
| Total equity | | 1,836,752 | 1,582,527 |
| <u>Non-current liabilities</u> | | | |
| Borrowings | (16) | 136,480 | -- |
| Deferred tax liabilities | (5) | 112,510 | 75,688 |
| Total non-current liabilities | | 248,990 | 75,688 |
| <u>Current liabilities</u> | | | |
| Provisions | (18) | 6,948 | 14,628 |
| Borrowings | (16) | 12,375 | -- |
| Trade payables | | 212 | 225 |
| Other credit balances | (10) | 87,518 | 91,422 |
| Income tax liabilities – income tax | | 83,454 | 91,262 |
| Due to related parties | (11) | 523,965 | 524,274 |
| Total current liabilities | | 714,472 | 721,811 |
| Total liabilities | | 963,462 | 797,499 |
| Total liabilities and equity | | 2,800,214 | 2,380,026 |

- The accompanying notes from (1) to (27) are an integral part of these condensed interim separate financial statements and should be read therewith.

Managing Director

Review Report "Attached"

Chief Financial Officer

ORASCOM INVESTMENT HOLDING "S.A.E".

Condensed interim separate statement of Income for

| (In thousands EGP) | <u>Note no.</u> | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 Represented | The three months ended September 30, 2023 | The three months ended September 30, 2022 Represented |
|--|-----------------|---|--|--|---|
| <u>Continuing operations</u> | | | | | |
| Gain on investments at fair value through profit or loss | (3) | 35,257 | -- | 35,257 | -- |
| Total income | | 35,257 | -- | 35,257 | -- |
| <u>(Less)</u> | | | | | |
| Employees costs and board of directors' remunerations | (4) | (58,583) | (36,829) | (15,628) | (14,232) |
| Consulting and professional services fees | | (19,324) | (39,818) | (7,523) | (22,034) |
| Subscription expenses | | (4,019) | (4,824) | (1,206) | (470) |
| Depreciation of fixed assets | (12,13) | (1,336) | (820) | (564) | (277) |
| Provisions formed/(no longer required) | (18) | (842) | 222,698 | (271) | 199,953 |
| Net impairment losses in financial assets | (19) | (63,923) | (19,864) | (4,732) | (5,214) |
| Other expenses | (22) | (14,433) | (13,643) | (5,332) | (6,289) |
| Operating (losses) | | (127,203) | 106,900 | 1 | 151,437 |
| Interest income | (21) | 28,448 | 449 | 17,304 | 277 |
| Finance costs | | (17,464) | (12) | (8,245) | -- |
| Net foreign currencies translation differences | | 156,695 | 136,655 | (8,448) | 18,236 |
| Net financing income | | 167,679 | 137,092 | 611 | 18,513 |
| Net profit for the period before tax | | 40,476 | 243,992 | 612 | 169,950 |
| Income taxes | (5) | (25,335) | (17,696) | 13,137 | 265 |
| Net profit for the period from continuing operations after tax | | 15,141 | 226,296 | 13,749 | 170,215 |
| <u>Discontinued operations</u> | | | | | |
| Profit from discontinued operations after tax | (27) | 253,783 | 398,330 | 242,161 | 5,535 |
| Net profit for the period | | 268,924 | 624,626 | 255,910 | 175,750 |
| Earnings per share from continuing operations - Basic and diluted | (20-1) | 0.003 | 0.043 | 0.003 | 0.032 |
| Earnings per share from discontinued operations - Basic and diluted | (20-1) | 0.048 | 0.076 | 0.046 | 0.001 |

- The accompanying notes from (1) to (27) are an integral part of these condensed interim separate financial statements and should be read therewith.

ORASCOM INVESTMENT HOLDING "S.A.E".

Condensed interim separate statement of comprehensive income for

| (In thousands EGP) | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|--|---|---|--|--|
| Net profit for the period | 268,924 | 624,626 | 255,910 | 175,750 |
| Other comprehensive income items | -- | -- | -- | -- |
| Total comprehensive income for the period | 268,924 | 624,626 | 255,910 | 175,750 |

- The accompanying notes from (1) to (27) are an integral part of these condensed interim separate financial statements and should be read therewith.

ORASCOM INVESTMENT HOLDING "S.A.E".

Condensed interim separate statement of changes in equity for the nine months ended September 30, 2023

| (In thousands of EGP) | Issued and paid-up capital | Treasury shares | Legal reserve | Result of the demerger | Retained earnings | Net profit for the year | Total |
|---|----------------------------------|--------------------|------------------|------------------------------|----------------------|-------------------------------|------------------|
| Balance as of January 1, 2022 | 577,025 | -- | 175,822 | (129,087) | 162,107 | 42,107 | 827,974 |
| Transferred to legal reserve | -- | -- | 2,105 | -- | -- | (2,105) | -- |
| Transferred to retained earnings | -- | -- | -- | -- | 40,002 | (40,002) | -- |
| Total comprehensive income for the period | -- | -- | -- | -- | -- | 624,626 | 624,626 |
| Balance as of September 30, 2022 | 577,025 | -- | 177,927 | (129,087) | 202,109 | 624,626 | 1,452,600 |
| Balance as of January 1, 2023 | 577,025 | -- | 177,927 | (129,087) | 202,109 | 754,553 | 1,582,527 |
| Transferred to legal reserve | -- | -- | 37,730 | -- | -- | (37,730) | -- |
| Transferred to retained earnings | -- | -- | -- | -- | 716,823 | (716,823) | -- |
| Purchase of treasury shares | -- | (14,699) | -- | -- | -- | -- | (14,699) |
| Total comprehensive income for the period | -- | -- | -- | -- | -- | 268,924 | 268,924 |
| Balance as of September 30, 2023 | 577,025 | (14,699) | 215,657 | (129,087) | 918,932 | 268,924 | 1,836,752 |

- The accompanying notes from (1) to (27) are an integral part of these condensed interim separate financial statements and should be read therewith.

ORASCOM INVESTMENT HOLDING “S.A.E”.
Separate condensed statement of cash flows for the nine months ended

| (In thousands of EGP) | <u>Note no.</u> | <u>September 30, 2023</u> | <u>September 30, 2022</u> |
|---|---------------------|-------------------------------|-------------------------------|
| <u>Continued operations</u> | | | |
| Net profit for the period before tax | | 40,476 | 243,992 |
| <u>Adjustments for:</u> | | | |
| Depreciation of fixed assets | (12,13) | 1,336 | 820 |
| Impairment loss of financial assets | | 63,923 | 19,864 |
| Interest income | | (28,448) | (449) |
| Finance costs | | 17,464 | 12 |
| Net foreign currencies translation differences | | (156,695) | (136,655) |
| | | (61,944) | 127,584 |
| <u>Changes in:</u> | | | |
| Due from related parties | | (131,187) | (27,646) |
| Other debit balances | | 34,560 | (3,958) |
| Trade payables | | (13) | — |
| Other credit balances | | (3,904) | (15,510) |
| Due to related parties | | (309) | (567) |
| Provisions | | (7,680) | (257,089) |
| Income tax paid | | (70,000) | — |
| Cash flows used in operating activities | | (240,477) | (146,166) |
| Interest received | | 28,448 | 449 |
| Net cash flows (used in) operating activities | | (212,029) | (145,717) |
| <u>Cash flows from investing activities</u> | | | |
| Payments for purchase of fixed assets | | (2,355) | (160) |
| Payments for purchase of investment in subsidiaries | | (2,973) | (2,825) |
| Net cash flows used in investing activities from continuing operations | | (5,328) | (2,985) |
| <u>Cash flows from financing activities</u> | | | |
| Payments to purchase treasury shares | | (14,699) | — |
| Interest paid | | (17,464) | (12) |
| Change in other financial assets | | 5,694 | (7,016) |
| Proceeds from borrowing | | 148,855 | — |
| Net cash flows provided from financing activities from Continuing | | 122,386 | (7,028) |
| Net change in cash and cash equivalents during the period from | | (94,971) | (155,730) |
| <u>Discontinued operations:</u> | | | |
| Net cash flow provided from operating activities | | — | — |
| Net cash flow provided from investing activities | | 529,494 | 526,902 |
| Net cash flow provided from financing activities | | — | — |
| Net change in cash and cash equivalents from discontinued operations | | 529,494 | 526,902 |
| Net change in cash and cash equivalents during the period | | 434,523 | 371,172 |
| Change in exchange rate in cash and cash equivalents | | 155,611 | 136,187 |
| Cash and cash equivalents at the beginning of the period | | 703,016 | 97,600 |
| Cash and cash equivalents at the end of the period | (6) | 1,293,150 | 604,959 |

- The accompanying notes from (1) to (27) are an integral part of these condensed interim separate financial statements and should be read therewith.

Orascom Investment Holding S.A.E.

Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

1. Background

a- Legal form

- Orascom Investment Holding S.A.E. (Formerly Orascom Telecom Media and Technology Holding” is an Egyptian Joint Stock company pursuant to provisions of the capital market law no. 95 of 1992, and its executive regulations. The Company was registered at Cairo Commercial Register on November 29, 2011, under No 394061. The Company’s head office is located at Nile City Towers, Ramlet Boulak –Cairo, Egypt the company’s duration is 25 years starting from November 29, 2011.
- In accordance with the Extraordinary General Assembly Resolution of June 5, 2018, the company’s name was changed to Orascom Investment Holding (S.A.E.) instead of Orascom Telecom, Media and Technology Holding (S.A.E.), the commercial register was registered on July 3, 2018.

b- Purpose of the Company

The Company’s purpose is to participate in incorporating companies that issue securities or to increase the share capital of these companies and considering the provisions of article 127 of the executive regulations and the regulations of the Capital Market Law. The Company may have interest or participate, by any mean, in companies and other enterprises that have activities similar to those of the Company or those that may assist the Company to achieve its objectives in Egypt or abroad. It may also merge into those companies and enterprises or acquire them pursuant to the provisions of the law and its executive regulations.

2. Basis of preparation of the condensed interim separate financial statements

a- Statement of compliance with the Egyptian Accounting Standards

- The condensed interim separate financial statements have been prepared in accordance with the Egyptian Accounting Standards No. (30) interim financial statements in compliance with the applicable Egyptian laws and regulations. accordingly, the interim separate financial statements were prepared as a summary compared to the Company’s separate annual financial statements as of and for the year ended on December 31, 2022. Those condensed interim separate financial statements do not include all the information required when preparing the complete annual financial statement and must be read along with the Company’s separate annual financial statements as of and for the year ended December 31, 2022.
- The Egyptian Accounting Standards require referral to International Financial Reporting Standards “IFRS” for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.
- The condensed interim separate financial statements of the Company as of and for the nine-months period ended September 30, 2023, were approved by the board of directors on November 14, 2023.

b- Basis of measurement

These separate financial statements are prepared on the historical cost basis, except for financial Instruments which are stated at fair value or amortized cost which are as follows:

- Financial derivatives.
 - Financial instruments at fair value through profit or loss.
 - Financial assets at fair value through other comprehensive income.
- . Investments in subsidiaries and associates are accounted for at cost basis, in the separate financial statements, which represents the Company’s direct ownership interest in equity and not on the results of operations and net assets of the subsidiaries. The consolidated financial statements provide more understanding of the consolidated financial position, results of operations and the consolidated cash flows of the Company and its subsidiaries (The Group).

Orascom Investment Holding S.A.E.

Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

c- Presentation currency

The Company's functional and reporting currency is the Egyptian Pound "EGP". All the financial information presented in Egyptian pound has been rounded to the nearest thousand EGP except for earnings /(losses) per share, unless otherwise stated.

d- Use of estimates and judgments

The preparation of the condensed interim separate financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may significantly differ from these estimates if there is a change in the surrounding circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e- Source for fair value estimation

Management uses estimates and assumptions for determining the carrying amount for assets and liabilities that cannot be measured reliably from other sources.

The fair value of current financial instruments in the active market depends on the market prices declared as of the financial statements date, while the fair value of non-current financial instruments is determined using valuation methods, which use appropriate inputs and assumptions depending on the market conditions as of the financial statements date, while it could be adjusted as necessary in accordance with the events and circumstances surrounding the Company and its dealings with others.

Orascom Investment Holding S.A.E.

Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

3. Gain on investments at fair value through profit or loss

| <u>(In thousands of EGP)</u> | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|------------------------------|---|---|--|--|
| Capital gain* | 35,257 | -- | 35,257 | -- |
| | 35,257 | -- | 35,257 | -- |

* Represents in value of gain resulting from Securities listed on the Egyptian stock exchange

4. Employees costs and board of directors' remunerations

| <u>(In thousands of EGP)</u> | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|-----------------------------------|---|---|--|--|
| Employees' costs | (52,477) | (34,007) | (13,593) | (13,257) |
| Board of directors' remunerations | (6,106) | (2,822) | (2,035) | (975) |
| | (58,583) | (36,829) | (15,628) | (14,232) |

5. Income taxes

Income tax (condensed interim separate statement of income)

| <u>(In thousands of EGP)</u> | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|------------------------------|---|---|--|--|
| Deferred tax | (36,822) | (32,886) | 1,650 | (6,540) |
| Current income tax | 11,487 | 15,190 | 11,487 | 6,805 |
| Income tax expense | (25,335) | (17,696) | 13,137 | 265 |

Deferred tax movement (condensed interim separate statement of financial position)

| <u>(In thousands of EGP)</u> | <u>September 30, 2023</u> | <u>September 30, 2022</u> |
|---|--------------------------------------|--------------------------------------|
| Balance at the beginning of the period | 75,688 | 2,925 |
| Charged to the condensed interim separate statement of income during the period | 36,822 | 32,886 |
| Balance at the end of the period | 112,510 | 35,811 |

- The effect of deferred tax is calculated based on the temporary differences between the assets tax basis set by the Egyptian income tax law and its executive regulations, and their reported amounts per the accounting principles used in the preparation of the condensed interim separate financial statements.

6. Cash and cash equivalents

| <u>(In thousands of EGP)</u> | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|--|--------------------------------------|-------------------------------------|
| Cash on hand | 1,604 | 427 |
| Current accounts - local currency | 127,467 | 14,464 |
| Current accounts - foreign currencies | 1,165,082 | 689,139 |
| | 1,294,153 | 704,030 |
| Impairment loss of cash and cash equivalents | (1,003) | (1,014) |
| | 1,293,150 | 703,016 |

Orascom Investment Holding S.A.E.

Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

7. Other financial assets

A-Non-current

(In thousands of EGP)

Cash in banks in North Korea - non-current

Borrowing from subsidiaries *

Net Cash at banks in North Korea

Pledged deposits - non-current

Impairment loss of financial assets

Total – non- current

| <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|-------------------------------------|------------------------------------|
| 2,834,459 | 2,289,470 |
| (2,657,694) | (2,146,688) |
| 176,765 | 142,782 |
| --- | --- |
| (91,145) | (51,468) |
| 85,620 | 91,314 |

*During August 2022, at the request of a shareholder in Koryolink, Koryolink decided to indiscriminately grant shareholders an interest-free loan in accordance with the rules and procedures of local law, according to the percentage of their contribution to the capital of Koryolink. The loan amounting to approximately 81.7 million euro (equivalent to an amount of approximately 2.7 billion Egyptian pounds), the loan was transferred to the account of the Orascom Investment Holding Company in the Democratic People's Republic of Korea. It's worth mentioning that all local regulations and laws regarding bank transfers and transactions will be applied to the aforementioned amounts. Orascom Investment Company will continue to comply with international resolutions regarding international sanctions in this regard. It is worth noting that the loan is interest-free and for a period of 5 years, which can be automatically increased for another period or periods, each of which is 3 years. An agreement will be made between the company and Koryolink on the method of payment, whether in cash or by settlement with other balances between the two companies

8. Due from related parties

a- Current

(In thousands of EGP)

CHEO Technology Joint Venture (Koryolink)

Orascom Prisme Entertainment

Orascom Telecom Lebanon

Orascom Telecom Holding

Osorcon company

O-Capital for Services and Contracting

Riza Capital

Victoire investment holding

Orascom Pyramids Entertainment

Orascom Financial Holding

Orascom Telecom Mobile Infrastructure Services

OTL Trading and Logistics Services

BluEV Egypt for electric vehicles service

OSL for Entertainment

Impairment loss

Impairment loss in due from related parties *

| <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|-------------------------------------|------------------------------------|
| 288,561 | 283,967 |
| 35,209 | 35,195 |
| 57,433 | 11,749 |
| 3,848 | 3,848 |
| 3,474 | 3,474 |
| 3,025 | 2,970 |
| 1,429 | 1,429 |
| 816 | 608 |
| 1,047 | 419 |
| 36 | 94 |
| 996 | 996 |
| 7,815 | -- |
| 18,913 | -- |
| 53,726 | 13,820 |
| (393,961) | (343,628) |
| 82,367 | 14,941 |

* The impairment balance in Due from related parties are as follows:

Orascom Investment Holding S.A.E.

Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

Impairment in due from related parties
(In thousands of EGP)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--|---|--|
| CHEO Technology Joint Venture (Koryolink) | (288,561) | (283,967) |
| Orascom Prisme Pyramids Entertainment | (35,195) | (35,195) |
| Orascom Telecom Lebanon | (57,433) | (11,749) |
| Orascom Telecom Holding | (3,848) | (3,848) |
| Osorcon company | (3,474) | (3,474) |
| O-Capital for Services and Contracting | (3,025) | (2,970) |
| Riza Capital | (1,429) | (1,429) |
| Orascom Telecom Mobile Infrastructure Services | (996) | (996) |
| | <u>(393,961)</u> | <u>(343,628)</u> |

b- Non-current

(In thousands of EGP)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|-------------------------------------|---|--|
| Oracap Holding company * | 473,664 | 460,063 |
| <u>Impairment</u> | | |
| Impairment loss in Oracap Holding * | (473,664) | (460,063) |
| | <u>--</u> | <u>--</u> |

* These balances are not re-translated as they are considered as bad debts and the Company in process of completing administrative procedures for writing-off from the Company's books.

9. Debtors and other debit balances

(In thousands of EGP)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|---|---|--|
| Financial assets receivables * | -- | 38,570 |
| Deposit with other | 1,614 | -- |
| Letters of guarantee** | 8,226 | 7,305 |
| Prepaid expenses | 956 | 1,596 |
| Employees' custodies | 1,607 | 730 |
| Accrued Revenue | 468 | 468 |
| Withholding tax | 1,012 | 1,012 |
| Others | 8,375 | 6,216 |
| <u>Impairment</u> | | |
| Impairment loss in other debit balances | (6,553) | (6,553) |
| | <u>15,705</u> | <u>49,344</u> |

* The balance as of December 31,2022 represents the balance due to the company from one of the securities trading companies under the account of selling securities registered on the stock exchange during December 2022.

** Letters of guarantee as of September 30, 2023, represents in cash cover for insurance of investment expenditure for the Sound and Light project, which is in the process of being contractually transferred from Orascom Investment Holding company to OSL Entertainment Projects company.

Orascom Investment Holding S.A.E.

Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

10. Other credit balances

(In thousands of EGP)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|----------------------------|---|--|
| Accrued expenses | 85,157 | 87,863 |
| Withholding tax | 62 | 18 |
| Value added tax | -- | 118 |
| Social insurance authority | 112 | 106 |
| Salaries tax | 686 | 1,512 |
| Other | 1,501 | 1,805 |
| | <u>87,518</u> | <u>91,422</u> |

11. Due to related parties

(In thousands of EGP)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--------------------------|---|--|
| Orascom Telecom Ventures | 517,981 | 518,137 |
| O-Capital for Energy | 5,984 | 6,137 |
| | <u>523,965</u> | <u>524,274</u> |

Orascom Investment Holding S.A.E.
Notes to the Separate condensed Financial Statements for the nine months ended September 30, 2023

12. Fixed assets

| | Buildings | Building improvement | Furniture and office equipment | Computers | Vehicles | Total |
|---|------------------|-----------------------------|---------------------------------------|------------------|-----------------|---------------|
| (In thousands of EGP) | | | | | | |
| Cost | | | | | | |
| Balance as of January 1, 2022 | 44,743 | -- | 249 | 2,012 | 1,667 | 48,671 |
| Additions during the period | -- | -- | 160 | -- | -- | 160 |
| Balance as of September 30, 2022 | 44,743 | -- | 409 | 2,012 | 1,667 | 48,831 |
| Balance as of January 1, 2023 | 44,743 | -- | 1,569 | 2,112 | 1,668 | 50,092 |
| Additions during the period | -- | 377 | 785 | 1,193 | -- | 2,355 |
| Balance as of September 30, 2023 | 44,743 | 377 | 2,354 | 3,305 | 1,668 | 52,447 |
| Accumulated depreciation | | | | | | |
| Balance as of January 1, 2022 | 8,946 | -- | 245 | 1,917 | 1,573 | 12,681 |
| Depreciation during the period | 671 | -- | 11 | 76 | 62 | 820 |
| Balance as of September 30, 2022 | 9,617 | -- | 256 | 1,993 | 1,635 | 13,501 |
| Balance as of January 1, 2023 | 9,844 | -- | 321 | 2,015 | 1,661 | 13,841 |
| Depreciation charge for the period | 671 | 31 | 373 | 254 | 7 | 1,336 |
| Balance as of September 30, 2023 | 10,515 | 31 | 694 | 2,269 | 1,668 | 15,177 |
| Net book value | | | | | | |
| As of January 1, 2022 | 35,797 | -- | 4 | 95 | 94 | 35,990 |
| As of September 30, 2022 | 35,126 | -- | 153 | 19 | 32 | 35,330 |
| As of January 1, 2023 | 34,899 | -- | 1,248 | 97 | 6 | 36,250 |
| As of September 30, 2023 | 34,228 | 346 | 1,660 | 1,036 | -- | 37,270 |

Orascom Investment Holding S.A.E.
Notes to the Separate Financial Statements for the nine months ended September 30, 2023

13. Investment property

(In thousands of EGP)

| | September 30, 2023 | December 31, 2022 |
|---|-------------------------------|------------------------------|
| Cost at the beginning period | 206,506 | 206,506 |
| Accumulated depreciation at the beginning period/year | (4,474) | (344) |
| Net book value at beginning of the period/year | 202,032 | 206,162 |
| Additions | 14,945 | -- |
| Depreciation during the period/year | (3,098) | (4,130) |
| Disposal | (213,879) | -- |
| Net book value at end of the period/year | -- | 202,032 |
| Cost | -- | 206,506 |
| Accumulated depreciation & amortization | -- | (4,474) |

- During 2021, the Company acquired 1.5 building in the Brazil with a total value of EGP 200.1 million, The Company paid an amount of EGP 6.4 million as expenses for transfer of ownership and registration in the real estate registry in Brazil, which were added to the cost of assets, bringing the total value of the investment property to be EGP 206.5 million.

- During May 2023, the company announced that it had received an offer to acquire the assets it owned in Brazil, the Board of Directors agreed to appoint an independent financial advisor to provide a study of the fair price of the assets, in accordance with the procedures set forth in Article 43 of the rules for listing and delisting securities on the Egyptian Stock Exchange, during September 2023, in order to complete the sale transaction, the Company established two subsidiaries companies in Brazil and the ownership of the investment property transferred to these two Companies, The sale process of these two subsidiaries Companies completed for a total value of BRL 90 million equivalent to approximately EGP 539 million (after the deduction of due tax).

14. Investments in subsidiaries

(In thousands of EGP)

| | Country | Ownership percentage % | September 30, 2023 | December 31, 2022 |
|---|----------------|-----------------------------------|-------------------------------|------------------------------|
| Victoire Investment Holding | Netherlands | 99.99 | 325,912 | 325,912 |
| Orascom Telecom Ventures S.A. E | Egypt | 99.99 | 222,802 | 222,802 |
| Orascom Pyramids Entertainment | Egypt | 99 | 113,850 | 113,850 |
| O-Capital for Energy | Egypt | 99.2 | 4,375 | 4,375 |
| Orascom Prisme Entertainment | Egypt | 70 | 3,105 | 3,105 |
| OSL for Entertainment | Egypt | 99.99 | 250 | 250 |
| O-Capital for services and constructions | Egypt | 99.2 | 125 | 125 |
| Orascom Telecom Mobile Infrastructure Services | Egypt | 99.2 | 63 | 63 |
| OIH- Sengal | | | 308 | 308 |
| Afrigate for marketing and electronic brokerage | | | 6,250 | 6,250 |
| OTL Trading and Logistics Services * | | 89 | 237 | -- |
| NUBAY Company ** | | 57 | 2,730 | -- |
| BluEV Egypt for electric vehicles services*** | | 9 | 6 | -- |
| Impairment loss | | | | |
| O-Capital for Energy | | | (4,375) | (4,375) |
| Orascom Telecom Mobile Infrastructure Services | | | (63) | (63) |
| Orascom Prisme Pyramids Entertainment | | | (3,105) | (3,105) |
| | | | 672,470 | 699,497 |

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

- * On March 28, 2023, the company established OTL Trading and Logistics Services Company (a subsidiary) with a 89 in order to work in the field of wholesale and retail trading, commerce and e-marketing. The capital of the subsidiary is one million Egyptian pounds distributed over 10,000 shares with a value of 100 per share. EGP, 25% of the subsidiary's capital has been paid.
- ** During the first quarter of 2023, the company paid an amount of 322 thousand dirhams UAE, equivalent to EGP 2.8 million, to establish the NUBAY company in the state of United Arab Emirates (a subsidiary) with a percentage of 57% in addition to 8% free shares for remaining shareholders in order to work in the field of investment in Africa. The capital of the subsidiary is 500,000 dirhams with a value of 1 dirham per share. The legal procedures for establishing the company are being completed.
- *** During the second quarter of 2023, the company established BluEV Egypt for electric vehicles services (a subsidiary) with a 100% stake in order to work in the field of renting electric batteries and selling, purchasing and distributing electric vehicles. The capital of the subsidiary is EGP 250,000 distributed to 25,000 shares with a nominal value of EGP 10 per share. 25% of the subsidiary's capital has been paid. The contribution percentage of Orascom Investment Holding is 100% directly and indirectly from the subsidiary Company

15. Investment in associates

| <u>(In thousands of EGP)</u> | Country | Ownership % | September 30, 2023 | December 31, 2022 |
|--|-------------|-------------|-----------------------|----------------------|
| CHEO Technology Joint Venture (Koryolink) ^(*) | North Korea | %60 | 613,632 | 613,632 |
| | | | 613,632 | 613,632 |

- (*) The Company's investments in North Korea for 60% of the voting rights in the local telecom operator Koryolink. The accounting treatment has been modified during the period ended September 30, 2015. Therefore, recognizing it as an investment in associates instead of investment in subsidiaries, by ratification from Company's management that there is significant influence instead of full 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 states of the United Nations to pass laws prohibiting joint ventures and existing partnerships with the North Korean Republic unless approval is obtained to continue such joint ventures. In this regard, the Company's management submitted an official request through the ministry of the foreign affairs in 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.

16. Borrowings

| <u>(In thousands of EGP)</u> | September 30, 2023 | December 31, 2022 |
|--|-----------------------|----------------------|
| Liabilities from sale-leaseback -current | 12,375 | - |
| Liabilities from sale-leaseback -non current | 136,480 | - |
| | 148,855 | - |

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

- During March 2023, the company sold the company's headquarters and leased it back to GB Financial Leasing company "the lessor" for an amount of EGP 156,594,000, as the lessor agreed to lease the asset owned by them, located in 2005A, Nile City Towers - South Tower - 26th floor, with an area of 1,304.95 square meters for a period of 5 years starting from March 31, 2023 and ending on March 31, 2028. This asset has been leased for a total value of EGP 148,764,300. The lessee has the option to purchase the leased asset subject to the contract at the end of the lease period for an amount of 1 EGP, the lessee must inform the lessor of their desire to purchase option two months before the time specified for exercising the aforementioned right. The purchase price shall be equal to the current value of the unpaid rents, plus the purchase value of the asset subject to the contract at the end of the lease period and 0.5% penalty for early payment, considering the following conditions:
- If the lessee exercises the right to purchase the asset and informs the lessor of their desire to purchase the asset subject to the contract in writing, the lessor is obligated to draw up a final sales contract for the benefit of the lessee within one month from the date of the end of the contract as long as the lessee has fulfilled all their obligations in this contract. In all cases, the ownership of the leased asset belongs to the lessee does not transfer unless he pays the full price agreed upon and after concluding a signed contract between the two parties, in addition to the lessee's commitment to all other expenses, taxes, fees, and other things related to the sales contract.

17. Issued and paid-up capital

As of September 30, 2023, the authorized capital of the Company is amounting to EGP 2,885 billion and the issued capital is amounting to EGP 577,025,968 consisting of 5,245,690,620 shares of EGP 0.11 par value each.

The following table shows the company's largest shareholders as of September 30, 2023:

| Shareholders | Ordinary shares with voting rights percentage | |
|--|---|----------------|
| | Ordinary shares | percentage |
| Bank of New York Mellon | 2,846,499,353 | 54.264% |
| Others | 2,399,191,267 | 45.736% |
| Total available ordinary shares | 5,245,690,620 | 100.00% |

- During the nine-month period ended September 30, 2023, the company purchased 62,924,478 treasury shares for a total value 14,699,387 Egyptian pounds, in accordance with the approval of the Board of Directors on October 17, 2022, for the company to purchase treasury shares with a maximum of 524,569,062 shares, representing a maximum of 10% of the company's total shares issued and traded on the Egyptian Stock Exchange, according to the market price on the date of purchase

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

18. Provisions

| <u>(In thousands of EGP)</u> | <u>January 1, 2022</u> | <u>Formed</u> | <u>Used</u> | <u>No longer required</u> | <u>December 31, 2022</u> |
|------------------------------|----------------------------|---------------|-----------------|-------------------------------|------------------------------|
| Provisions for claims* | 274,216 | -- | (34,391) | (225,197) | 14,628 |
| Total provisions | 274,216 | -- | (34,391) | (225,197) | 14,628 |

| <u>(In thousands of EGP)</u> | <u>January 1, 2023</u> | <u>Formed</u> | <u>Used</u> | <u>No longer required</u> | <u>September 30, 2023</u> |
|------------------------------|----------------------------|---------------|----------------|-------------------------------|-------------------------------|
| Provisions for claims* | 14,628 | 842 | (8,522) | -- | 6,948 |
| Total provisions | 14,628 | 842 | (8,522) | -- | 6,948 |

- * Provisions are recognized according to the best estimate of the value of the commitments expected at the date of the condensed interim separate financial statements, arising from the exercise of the Company's activities and its contractual relationship with others and the management annually review and settle these provisions according to the latest developments, discussions and agreements with the concerned parties. The required information about these provisions were not disclosed, according to the Egyptian Accounting Standards, because the management of the Company believes that doing so, will strongly affect the final settlement of these provisions for claims.

19. Impairment of assets

| <u>(In thousands of EGP)</u> | <u>December 31, 2022</u> | <u>Formed</u> | <u>Forex</u> | <u>No longer required</u> | <u>September 30, 2023</u> |
|-----------------------------------|------------------------------|---------------|---------------|-------------------------------|-------------------------------|
| Impairment of assets | | | | | |
| Due from related parties | 803,691 | 63,934 | -- | -- | 867,625 |
| Investments in subsidiaries | 7,543 | -- | -- | -- | 7,543 |
| Other debit balances | 6,553 | -- | -- | -- | 6,553 |
| Other financial assets | 51,468 | -- | 39,677 | -- | 91,145 |
| Cash and cash equivalent | 1,014 | -- | -- | (11) | 1,003 |
| Total impairment of assets | 870,269 | 63,934 | 39,677 | (11) | 973,869 |

20. Earnings / (losses) per share

Earnings / (losses) per share is calculated according to the Egyptian Accounting Standard no. (22) as follows:

20-1 From continuing operations

| | <u>The nine months ended September 30, 2023</u> | <u>The nine months ended September 30, 2022</u> | <u>The three months ended September 30, 2023</u> | <u>The three months ended September 30, 2022</u> |
|--|---|---|--|--|
| Net profit / (loss) for the period from continuing operations (in thousands of EGP) | 15,141 | 226,296 | 13,749 | 170,215 |
| Weighted average number of shares outstanding during the period (in thousands of shares) | 5,245,691 | 5,245,691 | 5,245,691 | 5,245,691 |
| Earnings / (losses) per share for the period from continuing operations (EGP) | 0.003 | 0.043 | 0.003 | 0.032 |

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

20-2 From discontinued operations

| | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|--|---|---|--|--|
| Net profit for the period from discontinued operations (in thousands of EGP) | 253,783 | 398,330 | 242,161 | 5,535 |
| Weighted average number of shares outstanding during the period (in thousands of shares) | 5,245,691 | 5,245,691 | 5,245,691 | 5,245,691 |
| Earnings per share for the period from discontinued operations (EGP) | 0.048 | 0.076 | 0.046 | 0,001 |

21. Credit interest

| (In thousands of EGP) | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|------------------------------|---|---|--|--|
| Credit interest | 28,448 | 449 | 17,304 | 277 |
| | 28,448 | 449 | 17,304 | 277 |

22. Other expenses

| (In thousands of EGP) | The nine months ended September 30, 2023 | The nine months ended September 30, 2022 | The three months ended September 30, 2023 | The three months ended September 30, 2022 |
|-----------------------------------|---|---|--|--|
| IT management expenses | (1,493) | (498) | (1,236) | (311) |
| Maintenance expenses | (3,160) | (2,028) | (1,097) | (595) |
| Banking fees | (2,540) | (1,759) | (711) | (507) |
| Ticket fees | (1,141) | -- | (225) | -- |
| Value added tax expenses | (971) | (1,158) | (728) | (122) |
| Telephone expense | (770) | (345) | (177) | (158) |
| Training expense | (432) | -- | -- | -- |
| Marketing and advertising expense | (213) | (297) | (137) | (114) |
| Utilities expense | (542) | (124) | (20) | (75) |
| Buffet expense | (389) | (197) | (209) | (63) |
| Rent expense | (641) | (394) | (218) | (159) |
| Miscellaneous office expenses | (638) | (204) | (129) | (73) |
| Insurance expense | (282) | (398) | (58) | (57) |
| Uniform expense | (105) | (104) | (90) | (27) |
| Donations | (50) | (5,334) | -- | (3,834) |
| Other | (1,066) | (804) | (296) | (194) |
| | (14,433) | (13,643) | (5,332) | (6,289) |

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

23. Significant transactions with related parties

| <u>Company Name</u> <u>(In thousands of EGP)</u> | <u>Nature of the relationship</u> | <u>Nature of the transactions</u> | <u>Volume of Transactions</u> <u>September 30,</u> <u>2023</u> | <u>Volume of Transactions</u> <u>September 30,</u> <u>2022</u> | <u>Balance</u> <u>Debit (credit)</u> <u>September 30,</u> <u>2023</u> | <u>Balance</u> <u>Debit (credit)</u> <u>December 31,</u> <u>2022</u> |
|---|-----------------------------------|--|--|--|--|---|
| CHEO Technology JV (KoryoLink) | Associate | Expenses paid on behalf of the related party | 4,594 | 2,384 | 288,561 | 283,967 |
| | | Loan from related party | -- | 1,547,657 | -- | -- |
| Orascom Telecom Ventures | Subsidiary | Expenses paid on behalf of the related party | 155 | 504 | (517,981) | (518,137) |
| Oracap Holding company | Subsidiary | Expenses paid on behalf of the related party | 13,601 | 15,196 | 473,664 | 460,063 |
| Orascom Telecom Lebanon | Subsidiary | Expenses paid on behalf of the related party | 45,684 | 711 | 57,433 | 11,749 |
| Orascom Financial Holding | Affiliate | Expenses paid on behalf of the related party | 58 | 203 | 36 | 94 |
| Orascom Pyramids Entertainment | Subsidiary | Expenses paid on behalf of the related party | 628 | 134 | 1,047 | 419 |
| O-Capital for Services and Contracting | Subsidiary | Expenses paid on behalf of the related party | 55 | -- | 3,025 | 2,970 |
| OSL | Subsidiary | capital expenditures paid on behalf of the related party | 39,906 | 8,735 | 53,726 | 13,820 |

The Company's financial instruments are represented in financial assets and liabilities. The financial assets comprise, cash at banks, deposits due from related parties and certain other debit balances. The financial liabilities comprise, due to related parties, accounts payable and certain other credit balances.

1- Liquidity risk

Liquidity risk represents that the Company's cash inflows and out flows can't maintain the proper liquidity needed for the monetary balances, but because the company have significant balance of foreign currency which give it the ability to pay all the liabilities including the interest and any other charges.

2- Interest rate risks:

Interest rate risk arises on the Company through loans granted by banks at variable interest rates. The Company may be exposed to the risk of changes in interest rates which may affect the Company's ability to repay these obligations.

3- Other risks

Political and economic risks in the emerging countries:

The Company has investments in different countries, it depends on the market economies of the countries in which the subsidiaries operate. These markets are characterized by economies at different stages of development or undergoing restructuring. The operational results of the Company are therefore affected by current and future economic and political developments in these countries. The results of operations can be adversely affected by changes in political or governmental structures or weaknesses in the local economies of the countries in which they operate. These changes can also have an unfavorable impact on financial position, performance and business opportunities.

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

Organizational risks in the emerging countries:

According to the legal nature and tax authorities of the emerging countries in which the company operates, it is possible that laws and regulations can be amended. Factors such as the current tendency to refrain from taxing the profits of these subsidiaries may include obtaining excessive tax assessments and granting subsidies to certain foreign currency transactions and practices. These factors can have an unfavorable impact on the financial activities of the company and on the ability to receive funds from subsidiaries.

The revenue generated by the majority of the company is disclosed in the local currency of the companies. The Company expects to receive most of the revenue from its subsidiaries in the local currency and it depends on their ability to be able to transfer funds in various countries, such as North Korea (one of the subsidiaries), where there are many restrictions in the payment of interest, dividends and loan repayments credit instruments and bonds denominated in foreign currencies through currency conversion. In addition, in some countries there might be some restrictions imposed on the company that affects its ability to transfer large amounts of foreign exchange due to the regulations of the Central Bank and the central which are likely to modify systems in the future and therefore may change the ability of company to receive funds from its subsidiaries.

Company's activities in North Korea:

Due to the presence of investments of the company in North Korea, which relate to a percentage of investments 60% in the local telecommunications company (Koryolink) and where North Korea is subject to international sanctions imposed by the European Union and the United States as well as the United Nations. These sanctions entail restricting financial transactions, import and export of goods and services, including goods and services needed to operate and maintain and develop mobile phone networks. However, there is no material impact on Koryolink's operations so far. There is no guarantee that if the international sanctions imposed on North Korea are changed, it will be able to finance its operations and activities as well as its ability to transfer funds to and from the company or operate a network North Korea's mobile phone and a review of what is said, it could adversely affect investments in Korea and the company is unable to continue operating its facilities in North Korea.

In addition, North Korea's cash transfers from local currency to foreign currencies are subject to censorship by government authorities, along with North Korea's local currency is un-exchangeable abroad and accordingly limits the level of profits that can be paid from the associate of the parent company from its operations in North Korea.

24. Capital Commitment:

-There are capital commitments represented in the value of the remaining amounts to complete the capital of Afrigate Marketing and Electronic Brokerage Company, at a value of EGP 22.5 million, from a ratio of 10% to 100%, as well as OTL Logistics Trading, at a value of EGP 900 thousand, from a ratio of 10% to 100%.

-There are capital commitments represented in the remaining amounts of the capital of both O-Capital for energy, O-Capital for Services and Contracting and Orascom Prisme Pyramids amounting to EGP 13.1 thousand and EGP 189 thousand and EGP 9.1 million respectively, to complete the percentage from 25% to 100%.

25. Contingent liabilities

(In thousands of EGP)

Contingent liabilities *

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--|-------------------------------------|------------------------------------|
| | 74,937 | 65,747 |
| | <u>74,937</u> | <u>65,747</u> |

* Represents the uncovered portion of letters of guarantee from the National Bank of Egypt.

26. Tax position

There are no material changes in the tax position during the nine-months period ended September 30, 2023, other than what was disclosed in note no. (26), in the Company's annual separate financial statements as of and for the year ended December 31, 2022.

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the nine months ended September 30, 2023

27. Profit from discontinued operations after tax

(In thousands of EGP)

| | <u>The nine months ended September 30, 2023</u> | <u>The nine months ended September 30, 2022</u> | <u>The three months ended September 30, 2023</u> | <u>The three months ended September 30, 2022</u> |
|--|---|---|--|--|
| (Loss)/profit from sale of Company's investment in TWA- subsidiaries companies (*) | (15,414) | 384,317 | (15,414) | -- |
| Gain on sale of investments in subsidiaries (**) | 323,806 | -- | 323,806 | -- |
| Income tax | (73,679) | -- | (73,679) | -- |
| Depreciation of investment property | (3,098) | (3,098) | (1,032) | (1,033) |
| Other income | 22,168 | 17,111 | 8,480 | 6,568 |
| Profit for the period from discontinued operations | 253,783 | 398,330 | 242,161 | 5,535 |

(*)The following is the profit from the sale of the Company's investments in TWA for the nine months ended September 30, 2022. The final settlement of the sale of Trans World Associates was agreed upon by adjusting the price sale. Orascom Investment Holding Company paid an amount of 500 thousand US dollars, equivalent to 15.4 million Egyptian pounds, based on the agreement concluded with the buyer on September 27, 2023.

(In thousands of EGP)

| | <u>The nine months ended September 30, 2023</u> | <u>The nine months ended September 30, 2022</u> |
|--|---|---|
| Consideration received from sale of Company's investment in TWA received in 2022 | -- | 509,791 |
| Settlement of the price during the year 2023. (*) | (15,414) | -- |
| Advance payment from the consideration received in 2021 | -- | 46,964 |
| Total consideration received | -- | 556,755 |
| (Less): | | |
| Cost of investment in TWA | -- | (60,862) |
| Income tax expenses | -- | (111,576) |
| (Loss)/profit from sale of Company's investment in TWA | (15,414) | 384,317 |

(**) During the month of September 2023, two subsidiaries were established in Brazil for the purpose of selling the investment property located in Brazil. The company transferred the ownership of its investment property to the two subsidiaries companies. During the same month, an agreement was signed on the sale contract for the two subsidiaries companies with a total value of 87.5 million Brazilian reals, after deducting the due taxes, equivalent to EGP 539 million.