



**Orascom Investment Holding**  
**S.A.E.**  
**Separate Financial Statements**  
**As of and for the year ended December 31, 2023**  
**Together with Auditor's Report**



*Translation of auditor's report  
originally issued in Arabic*

## **Hazem Hassan**

**Public Accountants & Consultants**

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### **Auditor's report** **To the Shareholders of Orascom Investment Holding S.A.E.**

#### **Report on the Separate Financial Statements**

We have audited the accompanying separate financial statements of Orascom Investment Holding S.A.E (the Company), which comprise the separate statement of financial position as of December 31, 2023, and the related separate statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Separate Financial Statements**

These separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error, management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate financial statements based on our audit. Except as described in the Basis of Qualified Opinion paragraph, we conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.



**Hazem Hassan**

### **Basis of Qualified Opinion**

As explained in Note (16) of the Notes to the separate financial statements; the Company has significant influence over its investments in Cheo Technology Joint Venture (Koryolink) in the Republic of North Korea, amounted at EGP 613.6 million as of 31 December 2023, which was classified as investments in equity accounted investees, Also the Company has cash balances at banks in the Republic of North Korea amounted to EGP 93.7 million as of 31 December 2023 and EGP 91.3 million as of 31 December 2022, which was classified among other financial assets, taking into consideration that Koryolink operates under an international sanctions and operational and financial restrictions imposed by the international community on the Republic of North Korea, resulting in difficulties in transferring profits abroad and returning funds outside the Republic of North Korea.

We were unable to obtain sufficient and appropriate audit evidence about the recoverable amount of the Company's investment in Koryolink and the accuracy of the valuation of cash balances in the Republic of North Korea as of 31 December 2023, and therefore were unable to determine whether any adjustments to these amounts were necessary.

### **Qualified Opinion**

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary if we have obtained the audit evidences described in the Basis of Qualified Opinion paragraph, the separate financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of Orascom Investment Holding S.A.E. as of December 31, 2023, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

### **Report on Other Legal and Regulatory Requirements**

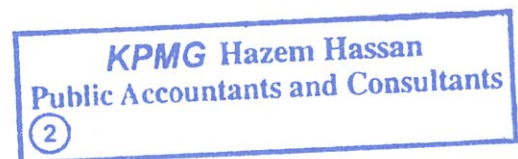
The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company to prove it, the separate financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account within the limits that such information is recorded therein.

KPMG Hazem Hassan

  
Public Accountants and Consultants

Cairo, April 24, 2024





**ORASCOM INVESTMENT HOLDING “S.A.E”.**

**Separate statement of financial position as of December 31,2023**

(In thousands of EGP)	<u>Note no.</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b><u>Non-current assets</u></b>			
Fixed assets	(13)	36,189	36,250
Investment property	(15)	--	202,032
Investments in subsidiaries	(14)	690,229	669,497
Investments in associates	(16)	613,632	613,632
Other financial assets	(8)	93,741	91,314
<b>Total non-current assets</b>		<b>1,433,791</b>	<b>1,612,725</b>
<b><u>Current assets</u></b>			
Balances due from related parties	(9-a)	185,158	14,941
Debtors and other debit balances	(10)	12,159	49,344
Cash and cash equivalents	(7)	1,111,250	703,016
<b>Total current assets</b>		<b>1,308,567</b>	<b>767,301</b>
<b>Total assets</b>		<b>2,742,358</b>	<b>2,380,026</b>
<b><u>Equity</u></b>			
Issued and paid-up capital	(18)	577,025	577,025
Legal reserve		215,657	177,927
Result of the demerger		(129,087)	(129,087)
Retained earnings		932,606	202,109
Net profit for the year		215,151	754,553
<b>Total equity</b>		<b>1,811,352</b>	<b>1,582,527</b>
<b><u>Non-current liabilities</u></b>			
Borrowings	(17)	130,079	--
Deferred tax liabilities	(6)	96,957	75,688
<b>Total non-current liabilities</b>		<b>227,036</b>	<b>75,688</b>
<b><u>Current liabilities</u></b>			
Borrowings	(17)	18,685	--
Provisions	(19)	8,078	14,628
Trade payables		1,545	225
Other credit balances	(11)	87,813	91,422
Income tax	(6)	63,973	91,262
Balances due to related parties	(12)	523,876	524,274
<b>Total current liabilities</b>		<b>703,970</b>	<b>721,811</b>
<b>Total liabilities</b>		<b>931,006</b>	<b>797,499</b>
<b>Total liabilities and equity</b>		<b>2,742,358</b>	<b>2,380,026</b>

- The accompanying notes from (1) to (30) are an integral part of these separate financial statements and should be read therewith.

Chief Financial Officer

Managing Director

\* Auditor's report “attached”



**ORASCOM INVESTMENT HOLDING "S.A.E".**  
**Separate statement of income for the financial year ended**

(In thousand EGP)	Note no.	<u>December 31, 2023</u>	<u>December 31, 2022</u> <u>Represented</u>
<b><u>Continuing operations</u></b>			
Profit from sale of investment at fair value through profit or loss	(4)	35,257	9,787
<b><u>(Less)</u></b>			
Employees costs and board of directors' remunerations	(5)	(90,424)	(53,166)
Consulting and professional services fees		(47,974)	(54,496)
Subscription expenses		(5,437)	(6,285)
Depreciation of fixed assets	(13)	(1,822)	(1,154)
Provisions formed	(19)	(1,972)	--
Provisions No longer required	(19)	--	225,197
Net impairment losses in financial assets	(20)	(74,122)	(25,036)
Other expenses	(22)	(19,170)	(17,034)
<b>Operating (Losses) / Profits</b>		<b>(205,664)</b>	<b>77,813</b>
 Credit interest	(21)	43,733	573
Finance costs		(25,935)	(7)
Net foreign currencies translation differences		140,821	322,337
<b>Net financing income</b>		<b>158,619</b>	<b>322,903</b>
<b>Net (loss) / profit for the year before tax from continuing operations</b>		<b>(47,045)</b>	<b>400,716</b>
Income taxes	(6)	(11,562)	(52,449)
<b>Net (loss) / profit for the year from continuing operations after tax</b>		<b>(58,607)</b>	<b>348,267</b>
<b>Profit from discontinued operations after tax</b>	(28)	273,758	406,286
<b>Net profit for the year</b>		<b>215,151</b>	<b>754,553</b>
<b>(Losses) / Earnings per share from continuing operation - Basic and diluted</b>	(23)	<b>(0.011)</b>	<b>0.066</b>
<b>Earnings per share from discontinued operation- Basic and diluted</b>	(23)	<b>0.052</b>	<b>0.077</b>

- The accompanying notes from (1) to (30) are an integral part of these separate financial statements and should be read therewith.

**ORASCOM INVESTMENT HOLDING "S.A.E".**

**Separate statement of comprehensive income for the financial year ended**

**(In thousands of EGP)**

	<b><u>December 31, 2023</u></b>	<b><u>December 31, 2022</u></b>
Net profit for the year	<b>215,151</b>	<b>754,553</b>
Other comprehensive income items	<b>--</b>	<b>--</b>
<b>Total comprehensive income for the year</b>	<b><u>215,151</u></b>	<b><u>754,553</u></b>

- The accompanying notes from (1) to (30) are an integral part of these separate financial statements and should be read therewith.

**ORASCOM INVESTMENT HOLDING "S.A.E".**

Separate statement of changes in equity for the financial year ended December 31, 2023

(In thousands of EGP)	Issued and paid-up capital	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 year	--	--	--	--	754,553	754,553
Balance as of December 31, 2022	577,025	177,927	(129,087)	202,109	754,553	1,582,527
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)	--
Gain From selling Treasury Shares	--	--	--	13,674	--	13,674
Total comprehensive income for the year	--	--	--	--	215,151	215,151
Balance as of December 31, 2023	577,025	215,657	(129,087)	932,606	215,151	1,811,352

- The accompanying notes from (1) to (30) are an integral part of these separate financial statements and should be read therewith.



**ORASCOM INVESTMENT HOLDING "S.A.E".**  
**Separate statement of cash flows for the financial year ended**

	Note no.	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>(In thousands of EGP)</b>			
<b>Continuing Operations</b>			<b><u>Represented</u></b>
Net (loss) / profit for the year before tax from continuing		<b>(47,045)</b>	<b>400,716</b>
<b>Adjustments by:</b>			
Depreciation of fixed assets	(12)	1,822	1,154
Credit interest	(21)	(43,733)	(573)
Finance costs		25,935	7
Gain from selling financial assets at FVTPL		(35,257)	(9,787)
Net foreign currencies translation differences		(140,821)	(322,337)
<b>Changes in:</b>		<b>(239,099)</b>	<b>69,180</b>
Balance due from related parties		(170,054)	(13,855)
Other Financial Assets		--	1,513
Other debit balances		25,392	(3,956)
Trade payables		1,320	(7)
Other credit balances		(3,609)	12,492
Balance due to related parties		(398)	(644)
Provisions	(19)	(6,550)	(259,588)
<b>Cash flows used in operating activities from continuing</b>		<b>(392,998)</b>	<b>(194,865)</b>
Income Tax paid		(91,262)	--
Interest received		43,733	573
<b>Net cash flows used in operating activities from continuing</b>		<b>(440,527)</b>	<b>(194,292)</b>
<b>Cash flows from investing activities</b>			
Payments for capital increase of subsidiaries	(14)	(20,732)	(6,558)
Proceeds from investment of financial assets at FVTPL		142,559	20,460
Payments for purchase of financial assets at FVTPL		(107,604)	(49,241)
Payments for purchase of fixed assets		(1,761)	(1,414)
<b>Net cash flows provided by / (used in) investing activities</b>		<b>12,462</b>	<b>(36,753)</b>
<b>Cash flows from financing activities</b>			
Interest paid	(17)	(25,935)	(7)
Net proceeds from Treasury Shares		13,674	--
Proceeds from loans		148,764	6,703
<b>Net cash flows provided by financing activities from continuing operations</b>		<b>136,503</b>	<b>6,696</b>
<b>Net change in cash and cash equivalents during the year from continuing operation</b>		<b>(291,562)</b>	<b>(224,349)</b>
<b>Discontinued operation:</b>			
Net cash flow provided by investing activities		549,469	535,890
<b>Net change in cash and cash equivalents from discontinued operation</b>		<b>549,469</b>	<b>535,890</b>
Net change in cash and cash equivalents during the year		257,907	311,541
Effect of Change in exchange rate on cash and cash equivalents		150,327	293,875
Cash and cash equivalents at the beginning of the year		703,016	97,600
<b>Cash and cash equivalents at the end of the year</b>	(7)	<b><u>1,111,250</u></b>	<b><u>703,016</u></b>

- The accompanying notes from (1) to (30) are an integral part of these separate financial statements and should be read therewith.

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

**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

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**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.
- The company was established through split from Orascom Telecom Holding S.A.E, in the frame of Vimpelcom and Wind telecom bargain in October 2010, from which split plan was made in April 14, 2011.

**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 separate financial statements**

**a- Compliance with the Egyptian Accounting Standards**

- The separate financial statements have been prepared in accordance with Egyptian Accounting Standards and applicable laws and regulations. The Egyptian Accounting Standards require referral to the 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 separate financial statements for the financial period ended December 31, 2023 were approved by the Board of Directors on April 24, 2024.

**b- Basis of measurement**

These separate financial statements are prepared on the historical cost basis, except for financial Instruments which are subsequently measured 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 presented 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).
- The financial statements have been prepared on a going concern basis.

**c- Presentation currency**

The separate financial statements are presented in Egyptian Pounds which is the Company's functional and reporting currency is the Egyptian Pound. All the financial information presented in Egyptian pound has been rounded to the nearest thousand except for earnings /(losses) per share, unless otherwise stated at the separate financial statements and the related explanatory notes.

**d- Use of estimates and assumptions**

The preparation of the 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, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other various 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.

The following are the significant accounts where critical judgments and estimates that have been used:

**- Recognition of current and deferred tax assets and liabilities and their measurement**

The Company's profit is subject to income tax, which require using of significant estimates to determine the total income tax liability. As determining the final tax liability for some transactions could be difficult during the period, the Company record current tax liability according to its' best estimate about the taxable treatment of that transactions and the possibility of incurring of additional tax charges that may result from the tax inspection. And when a difference arising between the final tax liability and what is being recorded, such difference is recorded as income tax expense and current tax liability in the current period and to be considered as change in accounting estimates.

For recognition of deferred tax assets, management use assumptions about the availability of sufficient taxable profits allowing use of recognized tax assets in the future. Management also uses assumptions related to determination of the applicable tax rate at the financial statements date at which deferred tax assets and liabilities are expected to be settled in the future.

**- Provisions and contingent liabilities**

Management assess events and circumstances that might led to a commitment on the company's side from performing its normal economic activities management uses in this primary estimates and assumptions to judge the extend on which the provision's recognition conditions have been met at the financial statement date, and analyze information to assume whether past events lead to current liability against the Company and estimate the future cash outflows and timing to settle this obligation in addition to selecting the method which enable the management to measure the value of the commitment reliably.

**- Estimating the useful lives and salvage value for property, plant and equipment and intangible assets and depreciation and amortization methods and recoverable value for those assets**

Management reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each year, the review process involve assessment of the surrounding circumstances and factors affecting fixed assets' useful lives e.g. developments in technology and change in the pattern those assets are used, if the rates used are determined to be inappropriate, rates of depreciation and amortization are adjusted accordingly, if necessary.



### **3. Significant accounting policies applied**

The separate financial statements have been prepared by the same accounting policies that are followed on an ongoing basis when preparing the Company's separate financial statements,

#### **3-1 Foreign currencies translation**

The Company's functional and reporting currency is the Egyptian Pound, the currency in which most of the Company's cash flows are usually generated or retained. Transactions in currencies other than the Egyptian Pound are recorded at the exchange rates prevailing at the transactions dates. At the end of each financial period date, monetary assets and liabilities that are denominated in foreign currencies are translated to the Egyptian Pound at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated to Egyptian Pound at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences are recognized in income statement in the period in which they arise in a separate item, except for exchange differences arising on non-monetary asset and liabilities carried at fair value, where translation differences are recognized as part of changes in fair value.

#### **3-2 Property, Plant and equipment**

Property, Plant and equipment held for use for administrative purposes are stated in the separate statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

For assets under construction for administrative purposes or for a currently undetermined future use are carried at cost less any recognized impairment loss. Cost includes professional fees, direct labor cost and carried "for qualifying assets" borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for use.

Depreciation of buildings and equipment as well as furniture and fixtures commence when the assets are ready for their intended use. Land owned by the company is not depreciated (if any).

Subsequent costs are capitalized in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation is charged to the income statement over the estimated useful life of each asset using the straight-line method.

The following are the estimated useful lives, for each class of assets, for depreciation calculation purposes:

<u>Asset</u>	<u>Years</u>
Buildings	50 Years
Buildings improvements	5 Years
Furniture and fixtures	3 Years
Computers	3 Years
Vehicles	5 Years

### **3-3 Investment property**

#### **Recognition and initial measurement**

Investment property are represented in leased buildings (operating leases) to others. Investment property are measured at cost plus transaction costs, less the accumulated depreciation and impairment losses. The book value of the investment property, default lives and depreciation methods are reviewed at the end of each fiscal year.

The fair value of these investments is disclosed at the statement of financial position date, unless there are cases where it is difficult to determine the fair value of any of these investments in a reasonable manner, in which case this is disclosed.

#### **Depreciation**

Depreciation is charged to the separate statement of income according to the straight-line method over the estimated useful life of each type of investment property, and the following is the estimated useful lives:

<u>Asset</u>	<u>Years</u>
Leased units	50 years

### **3-4 Investments in subsidiaries**

Investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements as investments in subsidiaries at the acquisition cost less impairment. Impairment is estimated for each investment separately and recognized in the income statement. Subsidiaries are companies controlled by the company when all of the following is met for the investor:

- Power over the investee.
- Exposure, or rights, to variable returns from involvement with the investee.
- The ability to use power over the investee to affect the amount of investor return.

The Company should re-assess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above mentioned.

Regarding subsidiaries "structured entities", no cost shall be recognized in the Company's separate financial statements. Therefore, the nature and risks to those subsidiaries "structured entities" are disclosed in the separate financial statements as related party companies.

### **3-5 Investments in associates**

The associate Company is an entity over which the Company has a significant influence to participate in the financial and operating policy decisions of this entity but doesn't reach to control or joint control over these policies.

Investments in Associates are carried at cost, unless classified as non-current investments held-for-sale in which case, they are measured at the lower of the carrying amount or fair value less cost of selling.

In case of an objective evidence that an impairment loss has been incurred on investments in associates at the date of the financial statements, the carrying amount of the investment is reduced to the recoverable amount and impairment losses are recognized immediately in the separate income statement.

### **3-6 Non-current assets held for sale**

Non-current assets and (disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition without any conditions other than the sales conditions. Management must be committed to the sale, which should be expected to qualify for recognition as a

completed sale within one year from the date of classification. Unless the delay is due to events beyond the control of the Company and if there is sufficient evidence that confirms the continuation of the Company in its commitment to sell the asset.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

### **3-7 Impairment of non-financial assets**

On annual basis, the company reviews the carrying amounts of its tangible and non-financial assets (for example: investment in subseries and associate) to determine whether there is any indication that those assets have suffered an impairment loss, if any such indication exists, The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset, company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of the asset or the cash-generating unit is the fair value - selling costs - or the value in use, which is greater. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted, If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount, An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in separate income statement.

### **3-8 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **- Current Income tax**

The current income tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the separate statement of income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the fiscal period.

#### **- Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet Liability Method.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets or liabilities are not recognized for temporary differences resulting from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted



or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### **Current and deferred tax for the year**

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized directly in equity, in which case, the current and deferred tax are recognized directly in equity.

### **3-9 Provisions**

- Provisions are recognized when the Company has a present obligation (legal or constructive), arising from past event, the settlement of which is expected to result in an outflow of the enterprise resources embodying economic benefits, the cost to settle related obligations are probable and a reliable estimate is made of the amount of the obligation.
- The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the separate balance sheet date, taking into account the risks and uncertainties surrounding the obligation.
- Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as finance cost in separate income statement.

### **3-10 Cash and cash equivalents**

The Company considers all cash on hand, bank current accounts, Treasury bills due in less than 3 months and other short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value with original maturities of three months or less as cash and cash equivalents at the date of acquisition.

### **3-11 Revenue recognition and measurement**

- Revenue is measured at the fair value of consideration received or receivable to the Company net of discounts and value added tax.
- Dividends income from its equity investments is recognized when the Company's rights to receive payment have been established.
- Revenue from technical support is recognized in the separate profit or loss over the term of the contracts with subsidiaries and associates according to the accrual basis, when the services have been rendered according to contracts, and that revenue can be estimated reliably, probable economic benefits associated with the transaction will flow to the entity, and revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction and can be measured reliably.
- Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate applied until maturity.
- Revenues from sale of financial investments are recognized according to accrual basis at fair value of the consideration received or payable to the Company after deduction of any discounts, expenses, transaction cost, or investment cost.



### **3-12 Financial instruments**

#### **Financial assets**

##### **Classification:**

The Company classifies its financial assets into the following measurement categories:

- Financial assets at fair value through profit or loss or other comprehensive income, and
- Financial assets measured at amortized cost.

The classification depends on the Company's business model for managing those financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income. For investments in equity instruments that are not held for sale, this will depend on whether the Company has made an irrevocable election at the initial recognition of accounting for these investments to be at fair value through other comprehensive income.

The Company reclassifies its investments when and only when there are changes in the business model for managing those assets.

##### **Recognition and derecognition:**

The normal way of buying and selling financial assets, on the trade date, which is the date on which the Company has a commitment to buy or sell the financial asset. A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred significantly.

##### **Measurement:**

On initial recognition, the Company measures the financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are expensed in the statement of profit or loss.

Embedded financial assets are considered entirely embedded derivatives when determining whether their cash flows are solely payments of principal and interest.

##### **Debt instruments:**

The measurement of debt instruments depends on the company's business for managing the asset and characteristics of cash flow of the asset, there are three measurement categories by which the Company classifies debt instruments:

• **Amortized cost:** Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate item in the statement of profit or loss.

• **Fair value through other comprehensive income:** Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the cash flows of assets represent only payment of original amount and interest, are measured at fair value through other comprehensive income. Changes in carrying amount are taken into other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expenses). Interest income from these financial assets is included in financing income using the interest rate method, and impairment expense is presented as a separate item in the statement of profit or loss.

• **Fair value through profit or loss:** Assets that do not meet the criteria for depreciated cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented under other income / (expenses) in the period in which they arise.

#### **Equity instruments in separate statement of Profit or Loss**

The Company subsequently measures all investments in equity instruments at fair value. When the company's management chooses to present the fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposal of the investment. Dividends from these investments continue to be recognized in the statement of profit or loss as other income when the company's right to receive dividends is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income /(expenses) in the statement of profit or loss. Impairment losses (and reversals of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

#### **Impairment:**

At each financial position date, The Company assesses the expected credit losses associated with the investment in debt instruments, which are carried at amortized cost and fair value through other comprehensive income. Expected credit losses of a financial asset occurs when there is one or more adverse events to the expected cash flows of the financial asset.

Evidence of expected credit losses includes the following observable data.

- Breach of contract by defaulting on loan repayment or delaying payment for more than 90 days from the due date.
- Restructuring the loan and the advance payment from the company on terms not in the interest of the company.
- It is probable that the borrower will go bankrupt or other financial scheduling, or the active market will disappear due to financial difficulties.

Provision of financial assets at amortized cost is deducted from the total amount of assets.

#### **Financial derivatives**

When needed, the Company enters in some financial derivatives' Contracts to hedge the risks of fluctuation in exchange rates, in addition to embedded derivatives resulting from contractual terms contained in agreements in which the company may enter as a party with respect of both financial and non-financial instruments. Embedded derivatives that meet recognition criteria are recognized separately from the host contract and are measured at fair value through profit or loss in accordance with the accounting requirements. Derivatives are initially recognized at fair value, while attributable transaction costs are recognized in profit or loss when incurred. Changes in fair value of derivatives during each financial period are charged to the income statement. For the financial derivatives designated as hedging instruments at initial recognition in a documented and effective relationship, the time of recognition of fair value change in the income statement depends on the coverage relationship type and the nature of hedged item.

#### **Financial liabilities and equity instruments issued by the Company**

##### **Classification as debt or equity**

Financial instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement at the date of issuance of these instruments.



### **Equity instruments**

Equity instruments represent any contract that gives the Company the right to the net assets of an entity after deducting all of its obligations.

Equity instruments issued by the Company are recorded at the value of the proceeds received or the net value of the assets transferred, deduct the costs of issuance directly attributable to the transaction.

### **Financial liabilities**

Financial liabilities are classified as either financial liabilities (at fair value through profit or loss) or other financial liabilities.

### **Other financial liabilities**

The Company has classified its financial liabilities as trade payables, due to related parties borrowings and other credit balances, which are initially measured at fair value (proceeds received), net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### **Derecognition of financial instruments from books**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they contractually expired.

### **3-13 Effective interest rate method:**

The effective interest rate method is used to calculate the amortized cost of financial assets that are debt instruments and to distribute the return over the relevant periods. The effective interest rate is the rate at which future cash receipts (which includes all fees and payments or receipts between parties to the contract that are part of the effective interest rate and also includes transaction costs and any other premiums) are discounted over the estimated life of the financial assets or any appropriate less period.

The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profits or losses, where the return on them is included in the net change in their fair value.

### **3-14 Short term employees' benefits**

Salaries, wages, paid vacations, sick leaves; bonus and other non-cash benefits in favor of employees' services for the Company are recognized according to the accrual basis in the same period these services were rendered.

### **3-15 Dividends**

Dividends declared to the shareholders, Board of Directors and employees are recognized as a liability in the financial statements in the period in which these dividends have been approved by the Company's shareholders.

### **3-16 Borrowings and borrowing costs**

Borrowings are recognized initially at fair value, net of transaction cost incurred and subsequently stated at amortized cost, net of transaction cost incurred any difference between them and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least 12 months after the separate financial statement date.

Borrowing costs includes the foreign exchange differences relating to borrowings to the extent that they are regarded as an adjustment to interest costs. The gain and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency and borrowings costs actually incurred on foreign currency borrowings.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in separate statement of income in the period in which they are incurred.

### **3-17 Earnings per share**

Basic and diluted earnings per share is calculated based on dividing the profit or loss, according to the separate financial statements, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

### **3-18 Estimation of fair value**

Applying the accounting policies stated in note no. (3) requires from management to use 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 separate financial statements date, while it could be adjusted as necessary in accordance with the events and circumstances surrounding the Company and its transactions with others.

### **3-19 Discontinued operations:**

The discontinued operations is determined as one of the group's operations that represent separate main operational segment or a geographical segment or represents part of a coordinated plan made for action in separate main operational segment or geographical segment.

Or a subsidiary being issued for the purpose of re-selling.

And these transactions are classified as discontinued operations at re-sell, or classified as assets held for sale when the conditions are applied, whichever is premier.

When the transaction is categorized as discontinued operation, the comparative figures in the statement of income are reclassified upon the assumption of the operation is discontinued from beginning of comparative year.

### **3-20 Legal reserves**

In accordance with the articles of association, 5% of the annual net income is required to be transferred to a legal reserve until its balance reaches 50% of issued capital. The Company is required to resume transfer of net profit to the legal reserve once its balance falls below this percentage. This reserve can be used for covering the incurred losses and for the increase of the Company capital subject to the approval of the shareholders in general assembly.

### **3-21 Employees' profit share**

The Company pays 10% of its cash dividends as profit sharing to its employees to the sum of their annual

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

**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability in the provision which distribution has been approved by shareholders. And since dividends' distribution is the right of the Company's shareholders so the liability is not recognized for the employees' dividends related to profits that are not declared for distribution till the separate financial statements date (retained earnings).

**3-22 Cash flows statement**

The separate statement of cash flows is prepared using the indirect method

**4. Profit from sale of investments in fair value through Profit or Loss:**

**(In thousands of EGP)**

	<b><u>The financial year ended December 31, 2023</u></b>	<b><u>The financial year ended December 31, 2022</u></b>
Profit from sale of investment at fair value through profit or loss	142,863	59,030
(less)		
Expenses and Brokerage commission related to sales process	(4,272)	(2,136)
Cost of investment in financial instruments	(103,334)	(47,107)
	<b>35,257</b>	<b>9,787</b>

**5. Employees costs and board of directors' remunerations**

**(In thousands of EGP)**

	<b><u>The financial year ended December 31, 2023</u></b>	<b><u>The financial year ended December 31, 2022</u></b>
Employees' costs	(81,299)	(46,644)
Board of directors' remunerations	(9,125)	(6,521)
	<b>(90,424)</b>	<b>(53,166)</b>

**Key management remunerations**

**(In thousands of EGP)**

	<b><u>The financial year ended December 31, 2023</u></b>	<b><u>The financial year ended December 31, 2022</u></b>
Short term compensation	(40,565)	(18,197)
	<b>(40,565)</b>	<b>(18,197)</b>

- The key management includes Board of director's members and executive directors of the Company.

**6. Income tax**

**Income tax (separate statement of income)**

**(In thousands of EGP)**

	<b><u>The financial year ended December 31, 2023</u></b>	<b><u>The financial year ended December 31, 2022</u></b>
Deferred Income tax	(21,269)	(72,763)
Current Income tax	9,707	20,314
<b>Current Income tax from continuing operation</b>	<b>(11,562)</b>	<b>(52,449)</b>
Current Income tax from discontinuing operation	(73,679)	(111,576)
<b>Current Income tax</b>	<b>(85,241)</b>	<b>(164,025)</b>

**Deferred tax movement (separate statement of financial position)**

**(In thousands of EGP)**

	<b><u>December 31, 2023</u></b>	<b><u>December 31, 2022</u></b>
Balance at the beginning of the year	75,688	2,925
Charged to the income statement during the year	21,269	72,763
<b>Balance at the end of the year</b>	<b>96,957</b>	<b>75,688</b>



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- 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 separate financial statements.

**Reconciliation of effective tax rate**

**(In thousands of EGP)**

		<b><u>The financial year ended December 31, 2023</u></b>		<b><u>The financial year ended December 31, 2022</u></b>
Net profit for the year before tax		300,392		918,578
Income tax according to applied tax rate	22.5%	67,588	22.5%	206,680
Effect of provisions and impairment losses which no tax assets was formed for		17,121		(50,669)
Non-deductible expenses		4,939		10,208
Exempted revenue		(7,933)		(2,202)
Tax on the sale of securities listed on the stock exchange market – Independent Tax Base		3,526		9
<b>Income tax</b>		<b>85,241</b>		<b>164,025</b>
<b>Effective tax rate</b>		<b>28.38%</b>		<b>17.86%</b>

**7. Cash and cash equivalents**

**(In thousands of EGP)**

	Note No.	<b><u>December 31, 2023</u></b>	<b><u>December 31, 2022</u></b>
Cash on hand		2,212	427
Current accounts - local currency		49,339	14,464
Current accounts - foreign currencies		1,063,579	689,139
		<b>1,115,130</b>	<b>704,030</b>
Less: Expected credit loss (*)	(20)	(3,880)	(1,014)
		<b>1,111,250</b>	<b>703,016</b>

**8. Other financial assets**

**(In thousands of EGP)**

	Note	<b><u>December 31, 2023</u></b>	<b><u>December 31, 2022</u></b>
Cash in banks in North Korea - non-current		2,964,702	2,289,470
Borrowing from Koryolink (*)		(2,779,816)	(2,146,688)
<b>Net cash at bank in North Korea</b>		<b>184,886</b>	<b>142,782</b>
Expected credit loss of financial assets	(20)	(91,145)	(51,468)
<b>Total other financial assets – non- current</b>		<b>93,741</b>	<b>91,314</b>

\* During August 2022, Koryolink decided, at the request of a shareholder in the company, to grant shareholders without discrimination, a non-interest loan in accordance with the rules and procedures of local law, each according to the percentage of its contribution to the company's capital. The loan amounting to approximately 81.7 million Euros (equivalent to about 2.78 billion Egyptian pounds), was transferred to the Bank account of Orascom Investment Holding Company in the Republic of Korea, knowing that all local regulations and laws regarding bank transfers and transactions will be applied to the mentioned amounts, and Orascom Investment Company will continue to comply with international sanctions resolutions in this regard.

Noting that the loan is interest-free and for a period of 5 years, which can be automatically increased for another period or periods of 3 years each, and it will be agreed between the company and Koryolink on the method of payment, whether in cash or by settlement with other balances between the two companies.

Impairment losses of other financial assets Recognized as following:

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Notes to the Separate Financial Statements for the financial year ended December 31, 2023

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Net cash in North Korean banks non-current	184,886	142,782
(Less) Expected credit losses	(91,145)	(51,468)
<b>Net cash in North Korean banks non-current</b>	<b>93,741</b>	<b>91,314</b>

**9. Due from related parties**

Related parties are represented in the shareholders, Board of Directors of Parent Company and the companies on which parent company has significant influence or control over these companies. Analysis of related parties' resulting balances as of December 31, 2023 is as follows: -

Disclosure (24) describes significant transactions concluded during the year.

**a- Current**

**(In thousands of EGP)**

**Note No.**

		<u>December 31, 2023</u>	<u>December 31, 2022</u>
CHEO Technology Joint Venture (Koryolink) - associate		290,734	283,967
Orascom Prisme Entertainment		35,210	35,195
Orascom Telecom Lebanon		57,389	11,749
Orascom Telecom Holding		3,848	3,848
Osorcon company		3,474	3,474
O Capital for services and contracting		3,027	2,970
Riza Capital		1,429	1,429
Victoire investment holding		815	608
Orascom Pyramids Entertainment		43,953	419
Orascom Finance holding		91	94
Orascom Telecom mobile infrastructure services		996	996
OSL for entertainment projects		51,893	13,820
OTL For Trading and Logistics service		25,618	--
Blue-EV Company		61,031	--
OIH-Renewables Company		1,757	--
<b>Less:</b>			
Impairment in due from related parties *	(20)	(396,107)	(343,628)
		<b>185,158</b>	<b>14,941</b>

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

**Impairment in due from related parties**

**(In thousands of EGP)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
CHEO Technology Joint Venture (Koryolink)	(290,734)	(283,967)
Orascom Prisme Entertainment	(35,210)	(35,195)
Orascom Telecom Lebanon	(57,389)	(11,749)
Orascom Telecom Holding	(3,848)	(3,848)
Osorcon company	(3,474)	(3,474)
O Capital for services and contracting	(3,027)	(2,970)
Riza Capital	(1,429)	(1,429)
Orascom Telecom mobile infrastructure services	(996)	(996)
	<b>(396,107)</b>	<b>(343,628)</b>

**b- Non-current**

**(In thousands of EGP)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Oracap Holding company	477,331	460,063
<b>Less</b>		
Impairment loss in Oracap Holding	(477,331)	(460,063)
	<b>--</b>	<b>--</b>

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Notes to the Separate Financial Statements for the financial year ended December 31, 2023

**10. Debtors and other debit balances**

<u>(In thousands of EGP)</u>	<u>Note No.</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Receivables from sale of financial assets*		304	38,570
Letters of guarantee**		8,224	7,305
Prepaid expenses		2,144	1,596
Employees' custodies		1,623	730
Accrued Revenue		468	468
Withholding tax		1,012	1,012
Other Debtors		1,478	1,124
Others		4,968	5,092
<b>Less</b>			
Expected credit loss on other debit balances	(20)	(8,062)	(6,553)
		<b>12,159</b>	<b>49,344</b>

\* The amount represented in the balance due to the company from one of the securities trading companies and that for the sale of securities listed on the stock exchange.

\*\* The amount represents in letters of guarantee cash cover as of December 31, 2023, for securing the investment expenditure for the Sound and Light project, which is in the process of being contractually transferred to OSL Entertainment Projects company from Orascom Investment Holding company.

**11. Other credit balances**

<u>(In thousands of EGP)</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accrued expenses	78,647	87,863
Withholding tax	52	18
Value added tax	--	118
Social insurance authority	157	106
Salaries tax	5,336	1,512
Other	3,621	1,805
	<b>87,813</b>	<b>91,422</b>

**12. Due to related parties**

<u>(In thousands of EGP)</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Orascom Telecom Ventures	517,895	518,137
O-Capital for Energy	5,981	6,137
	<b>523,876</b>	<b>524,274</b>



Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

### 13. Fixed Assets

	Buildings	Improvements in buildings	Furniture and office equipment	Computers	Vehicles	Total
<b>(In thousands of EGP)</b>						
<b>Cost</b>						
Balance as of January 1, 2022	44,743	--	249	2,012	1,667	48,671
Additions during the year	--	--	1,314	100	--	1,414
<b>Balance as at December 31, 2022</b>	<b>44,743</b>	<b>--</b>	<b>1,563</b>	<b>2,112</b>	<b>1,667</b>	<b>50,085</b>
Balance as of January 1, 2023	44,743	--	1,563	2,112	1,667	50,085
Additions during the year	--	376	120	1,265	--	1,761
<b>Balance as at December 31, 2023</b>	<b>44,743</b>	<b>376</b>	<b>1,683</b>	<b>3,377</b>	<b>1,667</b>	<b>51,846</b>
<b>Accumulated depreciation</b>						
Balance as of January 1, 2022	8,946	--	245	1,917	1,573	12,681
Depreciation charge for the year	895	--	76	100	83	1,154
<b>Balance as at December 31, 2022</b>	<b>9,841</b>	<b>--</b>	<b>321</b>	<b>2,017</b>	<b>1,656</b>	<b>13,835</b>
Balance as of January 1, 2023	9,841	--	321	2,017	1,656	13,835
Depreciation charge for the year	895	50	445	425	7	1,822
<b>Balance as at December 31, 2023</b>	<b>10,736</b>	<b>50</b>	<b>766</b>	<b>2,442</b>	<b>1,663</b>	<b>15,657</b>
<b>Net book value</b>						
As of January 1, 2022	35,797	--	4	95	94	35,990
<b>As at December 31, 2022</b>	<b>34,902</b>	<b>--</b>	<b>1,242</b>	<b>95</b>	<b>11</b>	<b>36,250</b>
As of January 1, 2023	34,902	--	1,242	95	11	36,250
<b>As at December 2023</b>	<b>34,007</b>	<b>326</b>	<b>917</b>	<b>935</b>	<b>4</b>	<b>36,189</b>

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**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

**14. Investments in subsidiaries**

<u>(In thousands of EGP)</u>	<u>Country</u>	<u>Ownership percentage %</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Victoire Investment Holding	Netherlands	99.99	325,911	325,911
Orascom Telecom Ventures S.A. E	Egypt	99.99	222,802	222,802
Orascom Prisme Entertainment	Egypt	99	113,850	113,850
O-Capital for Energy	Egypt	99.2	4,376	4,376
Orascom Prisme Pyramids Entertainment	Egypt	70	3,105	3,105
OSL for Entertainment (*)	Egypt	99.99	13,000	250
O-Capital for services and construction	Egypt	99.2	125	125
Orascom Telecom Mobile Infrastructure Services	Egypt	99.2	63	63
Afrigate Marketing and Electronic Brokerage Company (**)	Egypt	90	11,250	6,250
OIH Senegal	Senegal	100	308	308
OTI for Trading and logistics service (***)	Egypt	99	248	--
NUBAY (****)	UAE	57	2,728	--
Blue EV Egypt	Egypt	9	6	--
			<b>697,772</b>	<b>677,040</b>
<b><u>Impairment</u></b>		<b><u>Note No.</u></b>		
O-Capital for Energy	(20)		(4,375)	(4,375)
Orascom Telecom Mobile Infrastructure Services	(20)		(63)	(63)
Orascom Prisme Pyramids Entertainment	(20)		(7,543)	(7,543)
			<b>690,229</b>	<b>669,497</b>

(\*) During September 2021, Orascom Investment Holding S.A.E. established OSL for Entertainment Projects to manage, operate and develop the sound and light project in the pyramids area. During June 2021, Orascom Investment Holding Company signed a 15-year agreement With the Misr Company for Sound and Light and Tourism Development which is a subordinate to the Ministry of Business Sector in the Arab Republic of Egypt, to develop the sound and light area in the pyramids at a cost of about 15 million US dollars to be paid within 16 months from the date of receiving the site, Misr Company for Sound and Light shall to get 17 % from project's revenue with a minimum of 36 million Egyptian pounds annually and with an increase of 7% cumulatively. On November 17, 2021, a contract was made to transfer all rights and obligations arising from the contract for the development and management of the sound and light project to OSL for Entertainment Projects, which will be the legal representative to face any obligations arising from the operating contract. During the year 2023, the company increased its subsidiary's Capital amounting to 119 million Egyptian pounds and around 12.5 million have been settled under the capital increase.

(\*\*) During September 19, 2022, the company participated in the establishment of the "Afrigate" marketing and electronic brokerage company, "Afrigate", with 50% of the total shares of the company, to work in the field of import, export and commercial agencies. The issued capital of "Afrigate" amounted to EGP 50 million and 25% of the issued Capital was paid. The commercial registry of Afrigate was registered on September 19, 2022. In October 2023, the company issued shares from both Nile for investment and El Nasr Export and Import of which their no. of shares reached 460 thousands shares amounting to 5 million Egyptian pounds; and therefore company's investment percentage became 90%



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**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

- (\*\*\*) On March 28, 2023, the company established OTL for commerce and logistics services (subsidiary) with 99% for the purpose of Wholesale, Retail trade and e-commerce marketing, the subsidiary's capital amounts to One million Egyptian pounds distributed on 10,000 shares with par value 100 Egyptian pounds, 25% of subsidiary's capital is settled.
- (\*\*\*\*) During the first quarter of the year 2023, the company paid 322 thousand AED equivalent to 2.7 million Egyptian Pounds, for the establishment of NUBAY company in United Arab Emirates (subsidiary) with 57% in addition to 8% free shares for the rest of shareholders for the purpose of working in the investment field in Africa, the subsidiary's capital amounts to 500,000 AED distributed over 500,000 shares with par value of 1AED/share. Legal requirements are to be continued for company's establishment.
- (\*\*\*\*\*) During the second quarter of the year 2023, the company established Blue EV Egypt for Electric vehicles services (subsidiary) with 100%, for the purpose of renting and leasing electric batteries and buying and selling and distribution of electric vehicles field. Subsidiary's capital amounts to 250 thousands Egyptian Pounds distributed over 25,000 shares with par value of 10 EGP per share. 25% of subsidiary's capital is settled. Orascom Investment Holding shares 100% directly and indirectly.

**15. Investment property**

**(In thousands of EGP)**

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

During May 2023, the company announced about an acquisition offer received regarding its owned assets in Brazil of which the Board of Directors approved to hire an independent financial consultant, to report a study related to the fair value of the assets and that in accordance with the requirements of article (34) from rules for listing and delisting securities on the stock exchange. During September, 2023 and for securing the selling transaction, the company established two subsidiaries in Brazil and the ownership of the investment property has been transferred to the two companies with the amount totaling to 87.5 million BRL equivalent to around 539 million Egyptian pounds (after deduction of due taxes).

**16. Investment in associates**

**(In thousands of EGP)**

	<b>Country</b>	<b>Ownership %</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
CHEO Technology Joint Venture (Koryolink) (*)	North Korea	60 %	613,632	613,632
			<b>613,632</b>	<b>613,632</b>

- (\*) The Company's investments in North Korea represents in 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, as confirmation from the



Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

Company's management that there is significant influence instead of full control because if the inability of the company to take the main financial and operating decisions jointly or separately, Thus in light of the increase of the financial restrictions 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 through 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 issue laws prohibiting joint ventures and existing partnerships with the North Korean Republic unless an approval is obtained to continue such joint projects or new.

At the present, 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.

#### 17. Borrowings

**(In thousands of EGP)**

Sales and lease back liabilities - current  
Sales and lease back liabilities – non current  
**Total Borrowing**

<b>December 31, 2023</b>	<b>December 31, 2022</b>
18,685	--
130,079	--
<b>148,764</b>	<b>--</b>

- During March 2023, the company sold and leased back its headquarters to GB for finance leasing for amount 156,594,000 Egyptian pounds, the lessor agreed to rent owned assets that located in 2005 – A. Nile City Towers- South Tower – Floor 26 that of 1304.95 square meter for 5 years starting from March 31, 2023 ending March 31, 2028. This asset has been leased for 148,764,300 Egyptian pounds and the lessee has the right to buy the leased asset at the end of the contracted period for 1 Egyptian Pounds, for the lessee to inform the lessor with practicing the buying option two months before the defined period ends and for the selling price at the end of contracted period to be equal to the fair value of the unpaid current lease prices plus cost of purchasing the contracted asset at the end of lease term with 5% early-settlement penalty taking into consideration terms and conditions as follows:
- In the case of the lessee practiced his right to buy the asset and notified the lessor his willing to buy the asset, the lessor has to propose a final selling contract to the lessee within a month from the end of contract date as long as the lessee applied all written terms and conditions. And in all cases, asset ownership cannot be transferred from lessor to lessee unless the lessee fully settles the contracted amount, formed a written contract between the two parties moreover the lessee is obliged to pay all expenses, taxes, customs and any other related payments of the selling contract.
- During March 2024, the company requested to settle the loan amount and penalties related to early-payments, the company transferred the amount in full including the early-payment penalties dated March 13, 2024, and is currently working towards signing the liability's settlement agreement.

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

**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

**18. Issued and paid-up capital**

As of December 31, 2023, the authorized capital is EGP 2,885 billion, issued and paid-up capital is 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 December 31, 2023:

Shareholders	Ordinary shares	Ordinary shares with voting rights percentage
Bank of New York Mellon	2,846,499,353	54.26 %
Others	2,399,191,267	45.74%
<b>Total available ordinary shares</b>	<b>5,245,690,620</b>	<b>%100</b>

- During the financial year ended December 31.2023 the company has, purchased 62,924,478 Treasury shares for the total amount of 14,699,234 Egyptian pounds as per the Board of directors approval dated October 17, 2022 allowing the company to purchase a maximum of 524,569,062 number of treasury shares forming a maximum of 10% of the company's total issued and outstanding shares in Egyptian Stock Market as per the market price at that date, the company has resold them during November 2023, gaining from this transaction profits amounting to 13.6 million Egyptian Pounds.

**19. Provisions**

(In thousand EGP)	December 31, 2021	Formed	No longer required	Used	December 31, 2022
<b>Provisions</b>					
Provisions for claim*	274,216	--	(225,197)	(34,391)	14,628
<b>Total provisions</b>	<b>274,216</b>	<b>--</b>	<b>(225,197)</b>	<b>(34,391)</b>	<b>14,628</b>
(In thousand EGP)	December 31, 2022	Formed	No longer required	Used	December 31, 2023
<b>Provisions</b>					
Provisions for claim*	14,628	1,972	--	(8,522)	8,078
<b>Total provisions</b>	<b>14,628</b>	<b>1,972</b>	<b>--</b>	<b>(8,522)</b>	<b>8,078</b>

- \* Provisions are recognized according to the best estimate of the value of the commitments expected at the date of the separate financial statements arising from the exercise of the Company's activities and its contractual relationship with others. The management annually review and settle these provisions according to the latest developments, discussions and agreements with the concerned parties. The usual 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 claims

**20. Impairment of assets**

(In thousands of EGP)	Note No.	December 31, 2022	Formed	No longer required	December 31, 2023
<b>Impairment of assets</b>					
Balances due from related parties	(A-9)	803,691	69,747	--	873,438
Investments in subsidiaries	(14)	7,543	--	--	7,543
Debitors and other debit balances	(10)	6,553	1,509	--	8,062
Other financial assets	(8)	51,468	--	39,677	91,145
Cash and Cash equivalent	(7)	1,014	2,866	--	3,880
<b>Total impairment of assets</b>		<b>870,269</b>	<b>74,122</b>	<b>39,677</b>	<b>984,068</b>



Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

## 21. Credit interest

(In thousands of EGP)

Credit interest

**For the financial year  
ended December 31, 2023**

43,733

**43,733**

**For the financial year  
ended December 31, 2022**

573

**573**

## 22. Other expenses

(In thousands of EGP)

IT management expenses

(1,836)

(784)

Maintenance expenses

(4,306)

(2,545)

Banking fees

(3,351)

(2,266)

Flight expenses

(1,224)

(238)

Value added tax expenses

(1,519)

(1,393)

Calls charges

(977)

(517)

Rent expenses

(854)

(542)

Office expenses and supplies

(834)

(944)

Water and electricity Expenses

(765)

(591)

Buffet Expenses

(565)

(214)

Training Expenses

(432)

--

Insurance Expenses

(311)

(401)

Marketing and Advertising Expenses

(246)

(297)

Uniform

(186)

(179)

Donations

(50)

(5,334)

Other

(1,705)

(789)

**(19,170)**

**(17,034)**

## 23. (Losses) / earnings per share

(Losses) / earnings per share is calculated according to the Egyptian Accounting standard (22) as follows:

Net (Losses) / Earnings for the year from continuing operations (in thousands of EGP)

(58,607)

348,267

Weighted average number of shares outstanding during the year (in thousands of shares)

5,245,691

5,245,691

**(Losses) / Earnings per share for the year from continued operations of (EGP) – Basic and diluted**

**(0.011)**

**0.066**

Net profit for the year from discontinued operations (in thousands of EGP)

273,758

406,286

Weighted average number of shares outstanding during the year (in thousands of shares)

5,245,691

5,245,691

**Earnings per share for the year from discontinued operations of (EGP) – Basic and diluted**

**0.052**

**0.077**



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

**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

**24. Significant transactions with related parties**

<u>Company Name</u> (In thousands of EGP)	<u>Nature of the relationship</u>	<u>Nature of the transactions</u>	<u>Volume of Transactions</u> <u>2023</u>	<u>Volume of Transactions</u> <u>2022</u>	<u>Balance Debit (credit)</u> <u>December 31, 2023</u>	<u>Balance Debit (credit)</u> <u>December 31, 2022</u>
CHEO Technology JV (KoryoLink)	Associate	Expenses paid on behalf of the related party	6,767	2,973	290,734	283,967
Orascom Telecom Lebanon	Subsidiary	Expenses paid on behalf of the related party	45,640	1,873	57,389	11,749
Orascom Telecom Ventures	Subsidiary	Expenses paid on behalf of the related party	242	580	(517,895)	(518,137)
Oracap Holding	Subsidiary	Expenses paid on behalf of the related party	17,269	18,225	477,331	460,063
Orascom Pyramids Entertainment	Subsidiary	Expenses paid on behalf of the related party	43,533	1,398	43,952	419
Orascom Financial Holding	Affiliate	Expenses paid on behalf of the related party	89	297	89	94
O Capital Services and Contracting	Subsidiary	Expenses paid on behalf of the related party	56	36	3,027	2,970
OIH Renewables	Subsidiary	Expenses paid on behalf of the related party	1,757	--	1,757	--
Blue EV	Subsidiary	Expenses paid on behalf of the related party	61,031	--	61,031	--
O Trade	Subsidiary	Expenses paid on behalf of the related party	25,618	--	25,618	--

**25. Financial instruments and management of associated risks**

- The Company's financial instruments are represented in financial assets and liabilities. The financial assets includes, cash at banks if any balances due from related parties and some other debit balances. The financial liabilities includes both of balances, due to related parties, accounts payable, some borrowings and other credit balances.
- In light of the global and local economic conditions and geopolitical risks facing the country, the government, represented mainly in the Central Bank of Egypt, has taken a number of financial measures during 2022 and 2023 to contain the impact of these crises as well as the resulting inflationary impact over the Egyptian economy, including the devaluation of the Egyptian pound against foreign currencies, raising the interest rate on overnight deposits and lending rates, and setting maximum limits on cash withdrawals and deposits in banks. This resulted in a decrease in exchange rates and availability of foreign currencies through the official channels, which resulted in delaying foreign currencies debts payments as well as the increase of purchases' costs as well as settlement costs.
- On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

**Financial risk management**

**Financial risk factors**

The Company is exposed to a several financial risks: market risk (including foreign exchange risk, cash flows, fair market value risk), liquidity risk and credit risk. Specially that the company is exposed to risks from the fluctuation in foreign exchange rates and interest rates and market prices, as well as the company's comprehensive risk management program focuses on the unpredictability of the financial markets and seeks to minimize the potential negative impact on the performance of the Company.

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

**Market Risk:**

**Foreign currency exchange risks**

The Company may be exposed to foreign exchange risk arising when its trading transactions are in currencies other than the Parent Company's main currency (the Egyptian pound) by repaying such transactions in the major currencies such as the USD, Euro, AED and BRL.

(In Thousand EGP)

	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in Foreign Currency	EGP	Balance in Foreign Currency	EGP
USD (*)	31,310	965,226	24,503	605,287
Euro (**)	5,454	185,553	5,460	143,466
UAE (***)	2,706	22,712	3,362	22,614
GBP	2	62	2	50
CNY	2	9	2	7
BRL	1,701	7,452	685	3,616

(\*) The US dollar balances, consist of:

(In Thousand EGP)

	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in Foreign Currency	EGP	Balance in Foreign Currency	EGP
Cash and Cash equivalent	33,577	1,035,098	26,820	662,513
Financial assets	233	7,197	183	4,529
Financial Liabilities	(2,500)	(77,069)	(2,500)	(61,755)
	31,310	965,226	24,503	605,287

(\*\*) Euro balances, consist of:

(In Thousand EGP)

	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in Foreign Currency	EGP	Balance in Foreign Currency	EGP
Cash and Cash equivalent	20	667	26	692
Other financial assets	5,434	184,886	5,434	142,774
	5,454	185,553	5,460	143,466

(\*\*\*) UAE balances, consist of:

(In Thousand EGP)

	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in Foreign Currency	EGP	Balance in Foreign Currency	EGP
Cash and Cash equivalent	2,706	22,712	3,362	22,614

**Cash flows and interest rate risks:**

Interest rate risk arises on the Company through loans granted by financial institutions at variable interest rates. The Company may be exposed to the risk of changes in interest rates represented in loan balance



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

**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

amounted to 148,763 thousands Egyptian Pounds as of December 31, 2023, the expenses and finance interest costs in the separate financial statements related to these balances amounted to 25,935 thousands Egyptian pounds, was settled in subsequent period). Current accounts with interest amounted around 1.1 Billion Egyptian pounds as of December 31, 2023 and the credit interests related to these accounts stated in the separate financial statement amounted around 43.7 million Egyptian pounds as of December 31, 2023.

**Credit risk**

Credit risks related to cash and financial deposits arise in the debtor's inability to settle its financial dues towards the Company, and its financial insolvency, and subsequently the debtors are unable to return the deposited or fulfill the liability under the transactions. The maximum exposed credit risk in the date of the separate financial position date is as follows:

<b>(In thousands of EGP)</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Debtors and other debit balances	12,159	49,344
Cash at banks	1,109,038	702,589
	<b>1,121,197</b>	<b>751,933</b>

**Liquidity risk**

Liquidity risk represents that the company's cash in and out flows can't maintain the proper liquidity needed for the monetary balances, but because the company has significant balance of foreign currency which give it the ability to pay all the liabilities including the interest and any other charges, and the following table analyzes the financial liabilities that are expected to be paid according to their due dates:

<b>31 December 2023</b> <b>(In thousands of EGP)</b>	<b>Carrying amount</b>	<b>Expected cash flow</b>	<b>One year or less</b>	<b>From 1 to 5 years</b>
Accounts payable-non-interest bearing	1,545	1,545	1,545	--
Other Credit Balances-non-interest	82,268	82,268	82,268	--
Balances due to related parties-non-	523,876	523,876	523,876	--
Borrowing interest bearing	148,764	240,125	51,978	188,147
<b>Balance as of December 31, 2023</b>	<b>765,453</b>	<b>847,814</b>	<b>659,667</b>	<b>188,147</b>
<b>31 December 2022</b> <b>(In thousand EGP)</b>	<b>Carrying amount</b>	<b>Expected cash flow</b>	<b>One year or less</b>	<b>From 1 to 5 years</b>
Accounts payable-non-interest bearing	225	225	225	--
Other Credit Balances-non-interest bearing	89,668	89,668	89,668	--
Balances due to related parties-non-interest bearing	524,274	524,274	524,274	--
<b>Balance as of December 31, 2022</b>	<b>614,167</b>	<b>614,167</b>	<b>614,167</b>	<b>--</b>

**Other risks**

**Company's activities in North Korea:**

Due to the existence of investments of the company in North Korea, which is related to the percentage of investments which reaches 60% in the local telecommunications company (Koryolink) and because of 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.



Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

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 government authorities control, moreover 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.

**Financial instruments categories:**

The tables below show the classification of financial assets and liabilities by category:

**A- Financial assets as presented in the separate statement of financial position as of December 31:**

(In thousands of EGP)	<u>2023</u>	<u>2022</u>
Cash and cash equivalent	1,111,250	703,016
<b><u>Financial assets at amortized cost</u></b>		
Balances due from related parties	185,158	14,941
Other financial assets	93,742	91,314
Other debit balances	12,159	49,812
<b>Total</b>	<b><u>1,402,309</u></b>	<b><u>859,083</u></b>

**B- Financial liabilities at amortized cost as presented in the separate statement of financial position as of December 31:**

(In thousands of EGP)	<u>2023</u> <u>Amortized</u> <u>cost</u>	<u>2022</u> <u>Amortized</u> <u>cost</u>
Accounts payables	1,545	225
Current borrowings	148,764	--
Other credit balances	82,668	89,668
Balances due to related parties	523,876	524,274
<b>Total</b>	<b><u>756,453</u></b>	<b><u>614,167</u></b>

**26. Tax position**

**26-1 Corporate tax**

Tax return is submitted by the Company to the tax authority on legal due dates, in accordance with law No. 91 for the year 2005, as amended, its executive regulations and its amendments since the beginning of the activity in 2011 to date. The Company began submitting the tax return electronically on the Egyptian Tax Authority website, starting from 2018, in accordance with the laws issued in this regard.

**The period since inception in 2011 to 2020**

The Company was inspected for the years from the beginning of the activity till 2020, and all due taxes were settled.

Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

**Years from 2021 to 2022**

The Company have not been inspected, the company submits its tax position in the legal time frame.

**26-2 Payroll tax**

**The period since inception to 2018**

Tax inspection was not performed since the beginning of the activity until 2018, all due taxes were settled.

**Years from 2019 to 2023**

Tax inspection was not performed yet, the company deducts the tax and pays it to the tax authority on legal dates.

**26-3 Withholding taxes**

**The period since inception till 2023**

The Company applies the provisions of Law No. 91 for the year 2005, its amendments and its Executive Regulations and its amendments with respect to the deduction of withholding and collection under the tax account. The Company submit the tax within the legal dates.

**26-4 Stamp Tax**

**The period since inception to December 31, 2013**

The Company was inspected for these years and tax differences due were settled.

**The period from January 1, 2014 till December 31, 2019**

The Company has received a notify from the tax authority to inspect the years from 2014 to 2019. Analysis and documents related to the examination have been submitted and awaiting the start of the inspection by the tax authority.

**The period from January 1, 2020 till December 31, 2023**

The company has not been inspected yet.

**26-5 Value Added Tax**

The company was registered in the VAT authority during March, 2023 and its started to submit this tax return electronically on the Tax Authority's website starting from this date as per issued laws related to this topic.

**26-6 Real- Estate Tax:**

The company is settles the real estate tax annually.

**27. Contingent liabilities and contractual commitment**

(In thousands of EGP)	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Contingent liabilities *	74,017	53,538
The unpaid part of capital for subsidiaries	173,688	72,145
	<u>247,705</u>	<u>125,683</u>

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

**28. Net profit from discontinued operations**

(In thousands of EGP)	<u>The financial year ended December 31, 2023</u>	<u>The financial year ended December 31, 2022</u>
<b><u>Investment in Brazil (*)</u></b>		
Profit from sale of Company's investment in subsidiaries	323,806	--
Income Tax	(73,679)	--
Depreciation of property investment	(3,098)	(4,130)
Income From Leasing of property investment	26,143	26,143

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

**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

<b>Total</b>	<b>273,172</b>	<b>21,969</b>
Adjustment on (loss)/ income from sale investments in TWA	(15,414)	495,893
Income Tax from sale investments in TWA	--	(111,576)
Adjustment on income from sale investments in MENA cables	16,000	--
<b>Net profit for the year from discontinued operations after tax</b>	<b>273,758</b>	<b>406,286</b>

\* During September 2023, two subsidiaries have been established in Brazil for the purpose of selling Real Estate investments where the company has transferred its ownership of these investments owed to it to the two subsidiaries and during the month the agreement was signed to sell it to the two subsidiaries with total amount of 87.5 million BRL after taxes, equivalent to 539 million EGP.

**29. Representation of Comparative figures**

The table below summarizes the representation occurred on the Separate statement of Income for the financial year ended December 31, 2023, to align with the classification of the current separate financial statements that relate to the discontinued operation as follows:

(In thousands of EGP)	<u>December 31, 2022, as issued before</u>	<u>Reclassified (Debit)/credit</u>	<u>December 31, 2022 represented</u>
Other Revenue	26,099	(26,099)	--
<b>Total income</b>	<b>35,886</b>	<b>(26,099)</b>	<b>9,787</b>
Depreciation property investment and fixed assets	(5,284)	4,130	(1,154)
<b>Operating Profit</b>	<b>99,782</b>	<b>(21,969)</b>	<b>77,813</b>
<b>Net Financing Income</b>	<b>322,903</b>	<b>--</b>	<b>322,903</b>
<b>Net profit for the year before tax</b>	<b>422,685</b>	<b>(21,969)</b>	<b>400,716</b>
Income Tax	(52,449)	--	(52,449)
<b>Net profit for the year from continued operations</b>	<b>370,236</b>	<b>(21,969)</b>	<b>348,267</b>
<b><u>Discontinued operations</u></b>			
Net profit from discontinued operations (after tax)	384,317	21,969	406,286
<b>Net profit for the year</b>	<b>754,553</b>	<b>--</b>	<b>754,553</b>



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Notes to the Separate Financial Statements for the financial year ended December 31, 2023

**30- New issuance and amendment of Egyptian accounting standards**

On 3 March 2024, The decision no (636) for year 2024 for accounting standards amendment and the summary for the significant amendment as the following:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (34) amended 2024 "Investment Property"	Amendment of the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the separate financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after <b>January 1, 2024</b> with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by <b>adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.</b>
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the <b>option to use the equity method</b> as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	Management is currently studying the possibility of changing the accounting policy followed and instead use the equity method to account for investments in subsidiaries, associated companies and jointly controlled companies, and assessing the potential impact on the separate financial statements if this method has been used.	The amendments shall apply to financial periods commencing on or after <b>January 1, 2024</b> with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.

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**Notes to the Separate Financial Statements for the financial year ended December 31, 2023**

<p>Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"</p>	<p>This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date.</p> <p>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.</p>	<p>Management is currently evaluating the potential impact on the financial statements from the application of the amendments done on the standard.</p>	<p>Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after January 1, 2024 with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should:</p> <ul style="list-style-type: none"> <li>• When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application.</li> <li>• When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.</li> </ul>
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Orascom Investment Holding S.A.E.

Notes to the Separate Financial Statements for the financial year ended December 31, 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (10) "Fixed Assets".</li> <li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li> <li>- Egyptian Accounting Standard No. (34) "Investment property".</li> </ul>	The Company is currently assessing the impact of applying this new standard on its financial statements.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <u>on or after July 1, 2024</u> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.