



**Orascom Investment Holding
"S.A.E"**
Consolidated financial statements.
for the financial year ended December 31, 2023
Together with auditor's report



Hazem Hassan

Public Accountants & Consultants

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

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Orascom Investment Holding S.A.E. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated 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 Consolidated Financial Statements

These consolidated financial statements are the responsibility of Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and applicable Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated 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 consolidated financial statements based on our audit. Except as described in the Basis of Qualified Opinion paragraphs, we conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

Hazem Hassan

Basis of Qualified Opinion

- 1- As explained in Note (14) of the Notes to the Financial Statements, the Group has significant influence in its investments in Cheo Technology Joint Venture (Koryolink) in the Republic of North Korea, which amounted to EGP 613.6 million as of December 31, 2023, and it has been classified as "equity accounted investees", and the Group also has cash balance in North Korean Banks amounting to EGP 93.7 million as of December 31, 2023 and EGP 91.3 million as of December 31, 2022, which was classified as other financial assets.

Considering that Koryolink operates under an international sanctions and operational and financial restrictions imposed by the international community on Republic of North Korea, which leads to difficulties in transferring profits abroad and repatriating funds outside the Republic of North Korea, the investment in Koryolink is measured at cost which represents the management's best estimate of the recoverable amount of this investment.

Therefore, We were unable to obtain sufficient and appropriate audit evidence about the recoverable amount of the Group's investment in Koryolink as well as the accuracy of the valuation of the cash balances in North Korean Banks as of 31 December 2023, and the Group's share of the associate company's profits in the consolidated income statement for the financial year ended December 31, 2023, and therefore were unable to determine whether any adjustments to these amounts were necessary.

- 2- The management didn't provide us with financial information audited by the component auditor of Orascom Telecom Lebanon (a component) as of and for the year ended December 31, 2023, due to the current circumstances in Lebanon, therefore we couldn't obtain reasonable assurance over the existence, accuracy, completeness and ownership of the balances and amounts of the component company as of and for the year ended December 31, 2023, for a total amount of assets of EGP 156.6 million, which represents 3.23% from total assets of the Group and a total amount of liabilities of EGP 100 million, which represents 5.6% from total liabilities of the Group's consolidated balances as of December 31, 2023. We couldn't perform alternative audit procedures to obtain reasonable assurance over the existence, accuracy, completeness, and ownership of the balances and amounts for consolidation purposes of the consolidated financial statements.

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 paragraphs, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Orascom Investment Holding S.A.E. and its subsidiaries (the Group) as of December 31, 2023, and of its consolidated financial performance and its consolidated 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 consolidated financial statements.



KPMG Hazem Hassan

Public Accountants and Consultants

Cairo April 24, 2024

KPMG Hazem Hassan
Public Accountants and Consultants

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Orascom Investment Holding "S.A.E"
Consolidated Statement of Financial Position As of

(In thousands of EGP)	Note no.	December 31, 2023	December 31, 2022 Restated	January 1, 2022 Restated
Assets				
<u>Non-current assets</u>				
Property, Plant, and equipment	(15-16)	651,434	460,154	215,616
Right of use assets	(17)	146,306	--	--
Investment property	(18)	--	202,032	206,162
Equity accounted investees	(14)	613,632	613,632	613,632
Other financial assets	(19)	845,860	791,605	57,109
Total non-current assets		2,257,232	2,067,423	1,092,519
<u>Current assets</u>				
Inventory		1,121	--	--
Trade receivables	(21)	211,896	216,956	67,170
Other financial assets	(19)	--	113,600	86,100
Other assets	(22)	63,614	72,144	28,524
Cash and cash equivalents	(23)	2,307,693	1,684,863	1,103,172
		2,584,324	2,087,563	1,284,966
Assets held for sale		--	--	1,586,106
Total current assets		2,584,324	2,087,563	2,871,072
Total assets		4,841,556	4,154,986	3,963,591
Equity and liabilities				
Share capital	(24)	577,025	577,025	577,025
Reserves		1,112,627	708,060	135,057
Retained earnings		1,386,896	1,438,383	862,906
Equity attributable to owners of the parent Company		3,076,548	2,723,468	1,574,988
Non-controlling interests		(8,446)	(10,739)	316,697
Total equity		3,068,102	2,712,729	1,891,685
Liabilities				
<u>Non-current liabilities</u>				
Borrowings	(26)	716,621	343,370	159,310
Provisions	(28)	--	4,680	2,818
Deferred tax liabilities	(20)	139,097	179,026	75,382
Total non-current liabilities		855,718	527,076	237,510
<u>Current liabilities</u>				
Borrowings	(26)	87,616	49,133	280
Other liabilities	(27)	554,495	514,987	395,810
Tax liabilities- income tax		66,510	102,385	49,702
Provisions	(28)	209,115	248,676	435,571
Total Current Liabilities		917,736	915,181	881,363
Liabilities associated with assets held for sale		--	--	953,033
Total current liabilities		917,736	915,181	1,834,396
Total liabilities		1,773,454	1,442,257	2,071,906
Total equity and liabilities		4,841,556	4,154,986	3,963,591

- The accompanying notes from (1) to (37) form an integral part of these consolidated financial statements and should be read therewith.

Chief Financial Officer

Managing Director

Auditor's report "attached"

Orascom Investment Holding S.A.E.
Consolidated Statement of Income for The Year Ended

(In thousands of EGP)	Note no.	December 31, 2023	December 31, 2022 Restated
<u>Continuing operations</u>			
Operating revenues	(8)	176,375	97,518
Other income	(33)	3,531	7,507
Purchases and services costs	(9)	(143,652)	(123,668)
Other expenses	(10)	(19,444)	(12,031)
Provisions (formed) / no longer required	(28)	(45,571)	200,066
Personnel costs	(11)	(198,693)	(108,845)
Depreciation and amortization	(12)	(39,419)	(6,992)
Impairment in value of financial assets	(21) (19) (23)	(29,172)	88,973
Operating (loss)/ profit		(296,045)	142,528
Finance income	(13)	129,982	150,937
Finance costs	(13)	(259,620)	(6,354)
Net income from foreign currencies translation	(13)	216,650	328,140
(Loss) / Profit for the year before income tax		(209,033)	615,251
Income tax	(20)	47,773	(93,568)
(Loss) / Profit for the year from continuing operation		(161,260)	521,683
<u>Discontinued operations</u>			
Net operation results from discontinued operations (after tax)	(7)	133,040	81,555
Net (loss)/profit for the year		(28,220)	603,238
Attributable to:			
Owners of the parent company from continuing operations		(160,471)	(511,258)
Owners of the parent company from discontinued operations		133,040	81,555
Non-controlling interests		(789)	10,425
		(28,220)	603,238
(Losses) /Earning per share basic and diluted from continuing operations – (in EGP)	(29)	(0.031)	0.097
Earnings per share basic and diluted from discontinued operations – (in EGP)	(29)	0.025	0.016

- The accompanying notes from (1) to (37) form an integral part of these consolidated financial statements and should be read therewith.

Orascom Investment Holding S.A.E.
Consolidated Statement of Comprehensive Income for The Year Ended

(In thousands of EGP)	December 31, 2023	December 31, 2022 Restated
Net (Loss) / profit for the year	(28,220)	603,238
Other comprehensive income items		
Reclassification reserve of foreign currency translation differences to income statement during the disposal of discontinued operation	--	43,339
Foreign currency translation differences	366,850	512,328
Total other comprehensive income items for the year	366,850	555,667
Total comprehensive income for the year	338,630	1,158,905
<u>Attributable to:</u>		
Owners of the parent company	339,406	1,148,480
Non-controlling interests	(776)	10,425
	338,630	1,158,905

- The accompanying notes from (1) to (37) form an integral part of these consolidated financial statements and should be read therewith.

Orascom Investment Holding S.A.E.
Consolidated Statement of Changes in Equity for The Year Ended December 31, 2023

<i>(In thousands of EGP)</i>	Paid up capital	Legal reserves	Foreign operation Translation reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
<i>Balance as of January 1, 2022, as issued before</i>	577,025	175,822	(40,765)	911,448	1,623,530	316,697	1,940,227
<i>Adjustment on retained earnings</i>	--	--	--	(48,542)	(48,542)	--	(48,542)
<i>Balance as of January 1, 2022, restated</i>	577,025	175,822	(40,765)	862,906	1,574,988	316,697	1,891,685
<i>Transferred to legal reserve</i>	--	17,336	--	(17,336)	--	--	--
<i>Comprehensive income for the year:</i>							
<i>Net profit for the year restated*</i>	--	--	--	592,813	592,813	10,425	603,238
<i>Reclassification reserve of foreign currency translation differences to income statement during the disposal of discontinued operation</i>	--	--	43,339	--	43,339	--	43,339
<i>Foreign currency translation differences of subsidiaries with foreign presentation currency</i>	--	--	512,328	--	512,328	--	512,328
<i>Total comprehensive income for the year</i>	--	--	555,667	592,813	1,148,480	10,425	1,158,905
<i>Disposal of subsidiary with non-controlling interest</i>	--	--	--	--	--	(337,861)	(337,861)
<i>Balance as of December 31, 2022, (restated)</i>	577,025	193,158	514,902	1,438,383	2,723,468	(10,739)	2,712,729

<i>(In thousands of EGP)</i>	Paid up Capital	Legal reserves	Foreign operation Translation reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
<i>Balance as of January 1, 2023, restated</i>	577,025	193,158	514,902	1,438,383	2,723,468	(10,739)	2,712,729
<i>Transferred to legal reserve</i>	--	37,730	--	(37,730)	--	--	--
<i>Comprehensive income for the year:</i>							
<i>Net profit for the year restated</i>	--	--	--	(27,431)	(27,431)	(789)	(28,220)
<i>Foreign currency translation differences of subsidiaries with foreign presentation currency</i>	--	--	366,837	--	366,837	13	366,850
<i>Total comprehensive income for the year</i>	--	--	366,837	(27,431)	339,406	(776)	338,630
<i>Payment of non-controlling interest of their shares in investments in subsidiaries</i>	--	--	--	--	--	3,069	3,069
<i>Gains from disposal of treasury shares</i>	--	--	--	13,674	13,674	--	13,674
<i>Balance as of December 31, 2023</i>	577,025	230,888	881,739	1,386,896	3,076,548	(8,446)	3,068,102

- The accompanying notes from (1) to (37) form an integral part of these consolidated financial statements and should be read there with.

Orascom Investment Holding S.A.E.
Consolidated Statement of Cash Flow for The Year Ended

<i>(In thousands of EGP)</i>	Note no.	December 31, 2023	December 31, 2022 Restated
<u>Continuing operations</u>			
<u>Cash flows from operating activities</u>			
Net (loss) / profit for the year before tax		(209,033)	615,251
Adjustments for:			
Depreciation and amortization	(12)	39,419	6,992
Finance costs	(13)	259,620	6,354
Finance income	(13)	(129,982)	(150,937)
Net (gains) from foreign currencies translation	(13)	(216,650)	(328,140)
Change in provisions		36,307	(234,458)
Change in current assets included in working capital		(126,670)	(73,340)
Change in current liabilities included in working capital		102,514	145,720
Cash flows used in operating activities		(244,475)	(12,558)
Interest received		123,255	2,006
Income tax paid		(106,837)	--
Net cash flows used in operating activities		(228,057)	(10,552)
<u>Cash flows from investing activities</u>			
Net cash outflows for investments in:			
Fixed assets		(185,195)	(193,552)
Financial investments at fair value through profit or loss		(116,447)	(610,132)
Net cash proceeds from disposal of:			
Financial investments at fair value through profit or loss		142,559	20,460
Net cash flows used in investing activities		(159,083)	(783,224)
<u>Cash flows from financing activities</u>			
Interest paid		(99,260)	(6,428)
Net proceeds from non-current borrowings	(26)	176,547	181,081
Net proceeds from selling of treasury shares		13,337	--
Proceeds from the non-controlling interest in capital of subsidiaries		3,069	--
Net proceeds from financial assets		--	6,726
Borrowing payments		(2,780)	(280)
Net cash flows provided by financing activities		90,913	181,099
Net change in cash and cash equivalents during the year from continuing operations		(296,227)	(612,677)
<u>Discontinued operations</u>			
Net cash flows provided by / (used in) operating activities		549,469	(51,658)
Net cash flows provided by investing activities		--	535,818
Net cash flows (used in) financing activities		--	--
Net change in cash and cash equivalents during the year from discontinued operations		549,469	484,160
Net change in cash and cash equivalents during the year		253,242	(128,517)
Cash and cash equivalents at the beginning of the year		1,684,863	1,103,172
Effect of Change in the exchange rate on cash and cash equivalents in foreign currencies for continuing operations		369,588	710,208
Cash and cash equivalents at the end of the year	(23)	2,307,693	1,684,863

- The accompanying notes from (1) to (37) form an integral part of these consolidated financial statements and should be read there with.

Orascom Investment Holding S.A.E.

Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

1- General information about parent of the Group

a- Legal status

Orascom Investment Holding S.A.E. "the Company" (formerly Orascom Telecom Media and Technology Holding) is an Egyptian Joint Stock Company pursuant to the provisions of the Capital Market Law no. 95 of 1992, and its executive regulations. The Company was registered at Commercial Register on November 29, 2011, under No 394061. The Company's Head Office located at Nile City Towers, Ramlet Boulak – Cairo –Egypt. The Company's duration is 25 years starting from November 29, 2011, and the extended period from that date till December 31, 2012, is considered the first financial year.

The company was established by demerger from Orascom Telecom Holding within the framework of a VimpelCom agreement and Wind Telecom in October 2010 to merge the two companies. The demerger plan was agreed upon on April 14, 2011.

b- Purpose of the Company

The Company's purpose is to participate in establishing the joint stock and limited liability Companies that issue securities or to increase its share capital of these companies, 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 purchase them or affiliate them pursuant to the provisions of the law and its executive regulations.

2- Framework and compliance with the Accounting Standards

- The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards. The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRS" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.
- The consolidated financial statements as of and for the year ended December 31, 2023, were approved by the board of directors on April 24, 2024.

3- Basis of measurement and presentation currency

A) Basis of measurement

The consolidated financial statements are prepared on the historical cost convention, except for financial assets that are measured at fair value which represented in derivatives, financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income additionally financial assets at amortized cost. The historical cost depends mainly on the fair value of the consideration transferred to obtain assets.

B) Presentation currency

These consolidated financial statements are presented in Egyptian pounds, which is the Parent Company's functional currency. All financial information presented in Egyptian pounds has been rounded to the nearest thousand except for earnings per share for the year, unless otherwise stated in the consolidated financial statements or notes

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).
- A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

- Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses from changes in fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Disposals

• Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which significantly all of the risks and rewards of ownership of the financial asset are transferred or in which

the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

• **Financial liabilities**

Financial liabilities are derecognized when its contractual liabilities are settled, cancelled or expired.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are significantly different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or contingent liability) is recognized in profit or loss.

4-10-1 Impairment

The Group applies two impairment models for financial assets measured at amortized cost and FVOCI:

- the **simplified approach model** for trade receivables related to fees and commission under the scope of EAS No. (48) "Revenues from Contracts with Customers"; and
- the **general approach model** for financial assets under the scope of EAS No. (47).
- Impairment losses on financial assets are recognized in the Consolidated Income Statement within the credit losses expenses.

4-10-2 Simplified approach model

With regards to trade receivables related to fees and commission, the simplified approach model for determining the impairment is performed in two steps:

- any trade receivable in default is individually assessed for impairment; and
- a general reserve is recognized for all other trade receivables (including those not past due) based on the determined historical loss rates and carryforward losses expectations.

4-10-3 General approach model

- For purposes of the impairment policy below, these instruments are referred to as ("Financial Assets").
- The determination of impairment losses and allowance moves from an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under previous accounting standard, to an expected credit loss model, where allowances are taken upon initial recognition of the Financial Asset, based on expected credit losses at the time of initial recognition.
- The Group uses three main components to measure ECL. These are Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").
- The probability of tripping the corresponding parties is derived from internal group assessments. The Group allocates the probability of default for each exposure of the counterparty based on the economic environment in which the customer works, considering the relevant available quantitative and qualitative information and quality available.
- Loss estimates when you stumble are independent of the client's probability of default. Loss models when tripping ensure that the main drivers of losses, including the quality of the warranty, are reflected in the loss factor when the specified stumble.
- Exposure when its stumbles is defined as the expected amount of credit risk to the counterparty at the time of its stumble. The exposure model is designed when you default on the life of the financial asset considering the expected payment files.
- EAS No. (47) Introduces a three-stage approach to impairment for Financial Assets that are not credit-impaired at the date of origination or purchase. This approach is summarized as follows:

- **Stage 1:** The Group recognizes a credit loss allowance at an amount equal to 12-month expected credit losses. This represents the portion of lifetime expected credit losses from probability default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly after initial recognition.
- **Stage 2:** The Group recognizes a credit loss allowance at an amount equal to lifetime expected credit losses for those Financial Assets which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on lifetime probability of default, lifetime loss given default and lifetime exposure at default that represents the probability of default occurring over the remaining lifetime of the Financial Asset. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.
- **Stage 3:** The Group recognizes a loss allowance at an amount equal to lifetime expected credit losses, via the expected recoverable cash flows for the asset, for those Financial Assets that are credit impaired. For further detail see following paragraph "Credit-impaired Financial Assets in Stage 3".
- The Group calculates expected credit losses for each financial asset individually. Similarly, the determination of the need to transfer between stages is made on an individual asset basis.

4-10-4 Significant increase in credit risk

when determining whether the credit risk (i.e., risk of default) of a Financial Asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information based on the Group's historical experience, credit risk assessment and forward-looking information (including macro-economic factors). The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2).

4-10-5 Credit-impaired financial assets

- At each reporting date, the Group reviews the indicators for impairment of receivables balances, in order to take the necessary actions to account for impairment against the amounts that may not be collected from customers. The study is necessary to ensure that clients own and maintain a portfolio of shares to cover the debt owed to them - enabling the Group to take necessary measures to preserve the Group's right in case of any amounts due from customers and failure or delay in payment. The calculation using aging reports will not be applicable on brokerage receivables as there is no specified or expected time frame for clearing or collection, however a provision is to be formed for the difference between debit due balance and the value of owned shares (collateral).
- For Financial Assets considered to be credit-impaired, the ECL allowance covers the amount of loss the Group is expected to incur. The estimation of ECLs is done on a case-by-case basis for non-homogeneous portfolios, or by applying portfolio-based parameters to individual Financial Assets in these portfolios via the Group's ECL model for homogeneous portfolios.
- Consideration of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the expected present value with the difference between the contractual cash flows that are due to the Group under the contract; and the cash flows that the Group expects to receive.

4-10-6 Collateral for financial assets considered in the impairment analysis

- Cash flows expected from collateral and other credit enhancements are to be reflected in the ECL calculation. The following are key aspects with respect to collateral and guarantees:
- Eligibility of collateral, i.e. which collateral should be considered in the ECL calculation.
- Collateral evaluation, i.e. what collateral (liquidation) value should be used; and
- Estimation of the available collateral amount over the life of a transaction

4-10-7 Monetary accounting estimates

- The accounting estimates and judgments related to the impairment of Financial Assets is a critical accounting estimate because the underlying assumptions used can change from period to period and may significantly affect the Group's results of operations.

- In assessing assets for impairments, management judgment is required, particularly in projecting future economic information and scenarios where circumstances of economic and financial uncertainty, when developments and changes to expected cash flows can occur both with greater rapidity and less predictability. The actual amount of the future cash flows and their timing may differ from the estimates used by management and consequently may cause actual losses to differ from reported allowances.

4-11 Financial obligations and equity instruments issued by the Group

Classification of instruments as equity or liability

Financial instruments are classified as liabilities or as equity in accordance with the substance of the group's contracts at the date of issue of those instruments.

Equity instruments

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

Equity instruments issued by the Group are stated at the value of the proceeds received or the net value of the assets transferred, less the costs of issuance directly attributable to the transaction.

Financial obligations

Financial liabilities have been classified as either "fair value through profit or loss" or other financial liabilities.

Other financial liabilities

Other financial obligations include balances of loans, suppliers, balances due to related parties and other credit balances. The first financial obligations are recognized at fair value (the value received) after deducting the transaction cost, provided if it is subsequently measured at amortized cost using the effective interest rate and the distribution of interest expense over the relevant periods. It is based on the actual return.

The effective interest rate method is a method for calculating the amortized cost of financial liabilities and charging interest expense over the relevant periods.

The effective interest rate is the rate at which future cash payments are discounted over the estimated life of the financial liability or any less appropriate period.

4-12 De-recognition of financial instruments from books:

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and recognizes a collateralized borrowing for this asset.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are settled, paid, cancelled, or expired as per the contractual period.

4-13 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 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 based on 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.

4-14 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are being determined using the weighted average method to price goods sold. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4-15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, demand deposits and short-term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value of and with a maturity date of three months or less from the acquisition date.

4-16 Income taxes and deferred taxes

A provision for probable tax claims is generally recognized based on management comprehensive study of prior years' tax assessments and disputes.

An estimated income tax expense is recognized in the consolidated statement of income in each reporting period, that include both the amounts of current tax and deferred tax for which actual income tax expense is recognized in profit or loss at year-end.

Deferred tax assets and liabilities are recognized on the temporary differences between the assets and liabilities tax basis set by the Egyptian Tax Law and its executive regulations, and their reported amounts per the accounting principles used in the preparation of the consolidated financial statements.

Current tax payable is calculated based upon taxable profit of the year as determined in accordance with applicable local laws and regulations using tax rates enacted on the financial statement of position date. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws prevailing at the balance sheet date.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

Deferred tax assets and liabilities are accounted for using the balance sheet method and are reported in the balance sheet as non-current assets and liabilities.

4-17 Provisions

Provisions are recognized when the Group has a present liability (legal or constructive) as result of past events and that it is probable that an outflow of economic resources will be required to settle the liability, the costs to settle related obligations are probable and a reliable estimate is made of the amount of the liability.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the liability.

Where a provision is measured using the cash flows estimated to settle the present liability, it's 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 in the profit or loss as finance costs.

4-18 Non-current assets held for sale (or disposal assets groups)

A non-current asset Classified (or disposal Group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use .For this to be the case the asset (or disposal Group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal Groups) and its sale must be highly probable. Management must be committed to a plan to sell the asset (or disposal Group) In addition; the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, unless delay results from external events beyond control of the Group and that sufficient evidence exist that the Group is committed to a sale plan.

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

4-19 Revenue recognition

The Company recognize revenue depending on the following five steps:

- 1- Defining the contract with the customer.
- 2- Defining the contractual obligation to transfer goods and/or services (known as performance obligations).
- 3- Determine the transaction price.
- 4- Allocate the transaction price to the specified performance obligations based on the stand-alone selling price for each good or service.
- 5- Recognition of revenue when the related performance obligation is satisfied

The company's revenues are as follows:

1- Entertainment revenue represents in revenue from services provided in the archaeological pyramids area of Giza - as follows:

- **Rental revenue:** Rental revenue is recognized based on accrual base through a straight-line method according to the essence of the lease agreement (in accordance with the requirements of the EAS No.49).
- **Sponsorship revenue:** Sponsorship revenue is recognized by distributing the sponsorship fee on a straight-line basis over the duration of the sponsorship contract.
- **Party revenue (Events):** Events revenue is recognized when performing the service for customers, no revenue is recognized in case the recovery of costs related to it cannot be guaranteed.

- 2- **Revenues from sound and light shows:** Represent in the revenues resulting from sound and light shows presented within the area of the archaeological pyramids.
- 3- **Sales commissioning revenue:** The company operates as foodstuffs supply agent to a number of suppliers who resell those products, and the company recognizes the commission in the income statement as a result of this agreement.
- 4- **Interest income**
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable until maturity.
- 5- **Dividends income**
Revenues resulting from dividends to which the group is entitled from its investments in equity instruments - other than its investments in associated companies - are recognized in consolidated statement of profits or losses this occurs when the right to receive the dividends is issued to the group.
- 6- **Revenues from investment property**
Revenues from investment property are recognized on accrual basis (on net amount less any deductions) accrued to consolidated statement of income, based on the straight-line method through rental contract duration.

4-20 Employees' benefits

Short-term employees' benefits

Salaries, wages, paid vacations, sick leave, bonus, and other non-cash benefits in favour of employees' services for the Group, are recognized on an accrual basis in the same period these services have been rendered.

4-21 Dividends distribution

Dividends declared to the shareholders of the Parent company, non-controlling interests in subsidiaries, board of directors' remunerations, and employees' share of profits are recognized as a liability in the financial statements in the period in which these dividends have been approved by each Group company's shareholders.

4-22 Borrowing costs

Borrowing costs are recognized immediately in the consolidated statement of income, except for borrowing costs directly attributable to the acquisition, or construction of qualifying assets, which are added to the cost of those assets until such assets are substantially ready for their intended use.

4-23 Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

4-24 Segment reporting

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

4-25 Estimation of fair value

Applying the accounting policies stated in Note (4) requires from management to use estimates and assumptions in determining the carrying amount of assets and liabilities that are not readily apparent from other sources.

The fair value of financial instruments quoted in an active market depends on observable market prices at the date of the financial statements, while the fair value of non-quoted financial instruments is determined using valuation techniques based on market conditions available at the financial statements date.

4-26 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.

4-27 Employees' profit share

Each company of the Group which operates in Egypt is obliged to pay 10% of its cash dividends as profit sharing to its employees to the sum of their annual 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 financial statements date (Retained earnings).

4-28 Statement of cash flows

The statement of cash flows has been prepared using the indirect method.

4-29 Fair value estimation

- The fair value of a financial instrument traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active, if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on a trading basis. These instruments are included in Level 1.
- The fair value of instruments that are not traded in an active market (for example privately negotiated derivatives between two parties) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer and broker quotes for similar instruments and other techniques such as option valuation models and discounted cash flows.

4-30 Critical accounting judgments and key sources of uncertainty estimates

Preparation of the consolidated financial statements and application of the Group's accounting policies, according to the Egyptian accounting standards, requires management to make judgments, estimates and assumptions about the presentation of these statements and about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Those estimates and associated assumptions are based on management historical experience and other factors that are considered relevant under current circumstances and conditions in which carrying amounts of assets and liabilities are determined. Actual results may differ from these estimates significantly if surrounding conditions and factors changed.

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 items on which estimates, and personal judgements are used:

4-30-1 Review the main conditions of contractual agreements

The management reviews its assumptions and judgements including those used to conclude on the extent of the Group's ability to control, jointly control, or exercise significant influence on its investees whenever a significant event or amendment to the conditions prevailing in its contractual agreements.

4-30-2 Valuation of financial Instruments

For some financial instruments that are not traded in an active market and included in the financial statements such as financial derivatives. Management estimated its fair value using valuation techniques based on inputs and assumptions, some linked to quoted market prices and other non-linked to market prices but depend on management's estimates. Management used acceptable option valuation models during the period in estimating the fair value of these financial instruments.

4-30-3 Impairment of non-current assets excluding goodwill

Non-current assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognized. In order to determine whether any such elements exist it is necessary to make subjective measurements, based on information obtained within the Group and in the market considering the past experience.

When indicators exist that an asset may have become impaired, the Group estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

4-30-4 Estimating the useful lives for fixed assets and depreciation method and the salvage value

Management reviews the estimated useful lives of fixed 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 are adjusted accordingly.

4-30-5 Recognition and measurement of current and deferred tax assets and liabilities

Current and deferred income taxes are determined by each Group entities in accordance with the applicable tax laws to each country in which the Group entities domiciled.

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 tax inspections. And when a difference arising between the final tax assessment and what have been recorded, such difference is recorded as income tax expense and current tax liability in the current period and is considered as a change in accounting estimates.

In order to recognize deferred tax assets, management uses assumptions about the availability of sufficient future tax profits to allow the use of the recognized deferred tax assets, and management uses assumptions related to determining the tax rate announced at the date of the financial statements, at which it is expected that both assets and tax liabilities will be settled in the future.

This process requires the use of multiple and complex estimates in the estimation and determination of taxable vessels and taxable and deductible tax differences arising from the difference between the accounting basis and the tax basis of certain assets and liabilities. In addition to estimating the possibility of using deferred tax assets arising from tax losses in the light of estimating the future tax profits and future plans for each activity of the Group companies.

4-30-6 Goodwill

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

4-30-7 Provisions and contingent liabilities

Management assess events and circumstances that might led to a commitment on the company's side resulting from performing its normal economic activities, management uses estimates and assumptions to assess whether the provision's recognition conditions have been met at the financial statement date, and analyse information to assess whether past events led to current liability against the company and estimates 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.

4-31 Lease contracts

At incorporation of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49. This policy is applied to contract entered since company incorporation or after.

4-31-1 Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- And the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is premeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4-31-2 As a lessor

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

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

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

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

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

If an arrangement contains lease and non-lease components, then the Group applies EAS (48) to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS (47) to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

5- Financial instruments risk management

The Group's financial instruments comprise of financial assets and liabilities. Financial assets comprise of cash at banks if any, due from related parties, and other debit balances. The financial liabilities comprise of due to related parties and trade payables and other credit balances.

In light of the global and local economic conditions and geopolitical risks facing the country, the government represented in the Central Bank of Egypt has taken a package 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.

The Group is exposed to various financial risks resulted from its ordinary course of business. These risks include market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group is especially exposed to currency risk, interest rate risk, and price risk. The Group's financial risk management function seeks to minimize the effects of these risks mainly through operational and finance continuing activities. The management of the Group is responsible for designing and monitoring the framework of the risk management function.

Market risk

Foreign currency risk

The company may be exposed to foreign exchange risks resulted from its commercial transactions in currencies different from the company's main listing and presentation currency (EGP) by paying those transactions in major currencies such as USD, EUR, AED and Brazilian reals.

(In thousands of EGP)	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in foreign currency	Equivalent in EGP	Balance in foreign currency	Equivalent in EGP
USD (*)	31,310	965,226	24,503	605,287
Euro (**)	5,454	185,553	5,460	143,466
GBP	2	62	2	50
CNY	2	9	2	7
AED (***)	2,706	22,712	3,362	22,614
Brazilian Rival	1,701	7,452	685	3,616

(*) USD balances consist of the following:

(In thousands of EGP)	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in foreign currency	Equivalent in EGP	Balance in foreign currency	Equivalent in 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)
Total	31,310	965,226	24,503	605,287

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Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

(**) EUR balances consist of the following:

(In thousands of EGP)	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in foreign currency	Equivalent in EGP	Balance in foreign currency	Equivalent in EGP
Cash and cash equivalent	20	667	26	692
Other financial assets	5,434	184,886	5,434	142,774
Total	5,454	185,553	5,460	143,466

(**) AED balances consist of the following:

(In thousands of EGP)	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Balance in foreign currency	Equivalent in EGP	Balance in foreign currency	Equivalent in EGP
Cash and cash equivalent	2,706	22,712	3,362	22,614

Referring to the foreign exchange risks the rise in foreign currencies against the Egyptian pound. On March 6, 2024, the Central Bank issued a decision to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. The credit and discount rates were also raised by 600 points to reach 27.75%, while allowing the use of a flexible exchange rate determined according to market mechanisms. This led to an increase in the average official exchange rate of the US dollar during the first week from the date of the Central Bank's decision, reaching between 49 and 50 EGP/USD.

Change in market price risks.

The main objective of investments in equity instruments is to maintain to for not short periods and for strategic purposes, and the company seeks the assistance of external consultants for this purpose.

Interest rate risk

Risk associated with interest rates for the Group is related to borrowings, where Group is exposed to the risk of fluctuations in cash flows resulting from the change in market interest rates for loans with variable interest rates, as the Group is exposed to the risk of change in fair value of loans with fixed interest rates.

The Group monitors and analyses the interest rate risks on an on-going basis and calculates the impact of movements in market interest rates on the income statement for each currency.

The following table shows the total outstanding loans of the Group on the financial position date and the proportion of each of the loans with fixed or variable interest rates, as well as those that were obtained without interest to total outstanding loans:

(In thousands of EGP)	December 31, 2023	December 31, 2022
Lease Liabilities at a variable interest rate	148,764	--
Lease Liabilities at a fixed interest rate	227,300	21,672
Borrowings	428,173	370,831
Total borrowings	804,237	392,503
of which % is at a variable interest rate	%72	%94.5

Credit risk

Credit risk of the Group represents the inability of contractual parties to pay their debts, especially, receivables, financial instruments, cash at banks and equivalent.

The credit risks which the Group is exposed to can be analysed for each segment, as follows:

Cash balances at banks

The credit risk associated with the balances of cash and cash equivalents risk is very limited as the Group deals with banks with good reputation in the market.

In general, the receivables and financial receivables included in financial assets relate to a variety of small amounts due from a wide range customer, which reduce the credit risk given to customers.

Liquidity risk

Liquidity risk represents the factors which may affect the Group's ability to pay part or all of its liabilities, management monitors these liabilities and in case these liabilities have been increased, management depends on obtaining dividends from its subsidiaries or through management of excess cash at subsidiaries to mitigate any increase in these liabilities above acceptable levels. The Group monitors and mitigates liquidity risk arising from the uncertainty of cash inflows and outflows by maintaining sufficient liquidity of cash balances. In general, liquidity risk is monitored at entity level whereby each subsidiary is responsible for managing and monitoring its cash flows and rolling liquidity reserve forecast in order to ensure that it has sufficient committed facilities to meet its liquidity needs and a coordination with the management of the Group exist to manage surplus cash balances, where the Group directs these surpluses to companies that have deficit in their liquidity, so the Group depends mainly on internal transfers between Companies of the Group and on dividends from subsidiaries.

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

The below table analyses the Group's financial liabilities into relevant maturity Groupings based on the payment remaining period at the date of the consolidated financial statements:

(In thousands of EGP)

As of December 31, 2023	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and year2	Between 2 and 5 years	More than 5 years
Liabilities						
Borrowings	804,237	1,795,622	181,794	198,157	660,757	754,914
Other Liabilities	515,097	515,097	515,097	--	--	--
	1,319,334	2,310,719	696,891	198,157	660,757	754,914

(In thousands of EGP)

As of December 31, 2022	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and year2	Between 2 and 5 years	More than 5 years
Liabilities						
Borrowings from bank	392,503	797,944	53,307	142,875	428,626	142,875
Other Liabilities	456,708	456,708	456,708	--	--	--
	849,211	1,254,652	510,015	142,875	428,626	142,875

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

Capital risk management.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. Management currently depends mainly on various internal resources to finance its activities and capital expenditures.

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Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

Classes of financial instrument

(In thousands of EGP)	31 December 2023			31 December 2022		
	Financial assets at amortized Cost	Financial assets at fair value through PL	Total	Financial assets at amortized Cost	Financial assets at fair value through PL	Total
Other financial assets	93,998	751,862	845,860	91,571	700,034	791,605
Trade receivables	211,896	--	211,896	216,956	--	216,956
Other assets	63,613	--	63,613	72,144	--	72,144
Cash and cash equivalents	2,307,693	--	2,307,693	1,684,863	--	1,684,863
Total	2,677,200	751,862	3,429,062	2,065,534	700,034	2,765,568

(In thousands of EGP)	31 December 2023			31 December 2022		
	Financial liabilities at through profit or loss	Financial liabilities at amortized cost	Total	Financial liabilities at fair value through PL	Other financial liabilities at amortized cost	Total
Borrowings	--	804,237	804,237	--	392,503	392,503
Other Liabilities	--	515,097	515,097	--	456,708	456,708
Total	--	1,319,334	1,319,334	--	849,211	849,211

6- Segment reporting

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective.

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

- Revenues from Entertainment activities: relating to services provided by one of the subsidiaries by The Pyramids area.
- Revenues from Light and Sound shows: relating to Light and Sound shows by one of the subsidiaries by The Pyramids area.
- Investment property: investment properties relate to real estate property the Group owns in Sao Paulo, Brazil. (included in discontinued operations during 2023).
- GSM – Lebanon: relating to the management contract of the Lebanese mobile telecommunications operator Alfa, which is owned by the Republic of Lebanon.
- Submarine cables: relating to the provision of direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations through submarine fibre optic cables. (included in discontinued operations).
- Others: Includes equity investment of the Group and investments at fair value through profits and losses and income and expenses related to holding company
- The Group reports on operating segments, which are independently managed. The chief operating decision-maker assesses the performance of such operating segments based on:
- Total revenue and earnings before Interest, tax, depreciation and amortization.
- Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

Orascom Investment Holding S.A.E.

Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

Revenue and EBITDA disclosure per segment

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

Continuing operations

(In thousands of EGP)	December 31, 2023				December 31, 2022			
	Operating revenue	Inter segment revenue	Revenue from external customers	Adjusted EBITDA*	Operating revenue	Inter segment revenue	Revenue from external customers	Adjusted EBITDA*
Entertainment activities	126,190	--	126,190	51,338	97,518	--	97,518	46,308
Sound & Light Show	50,185	--	50,185	942	--	--	--	--
Others	14,621	(14,621)	--	(308,010)	16,300	(16,300)	--	103,213
Total	190,996	(14,621)	176,375	(256,626)	113,818	(16,300)	97,518	149,521

* Impairment of non-financial assets and gains on sale of non-financial assets are not considered in the calculation of the adjusted EBITDA.

The following table illustrate the reconciliations on the Adjusted EBITDA to reach the net profit /(loss) before income tax for the year ended:

(in thousands of EGP)	December 31, 2023	December 31, 2022
Adjusted EBITDA	(256,626)	149,521
Adjustments:		
Depreciation and amortization	(39,419)	(6,992)
Finance income	129,982	150,937
Finance costs	(259,620)	(6,354)
Net gains from foreign currencies translation	216,650	328,140
(Loss)/profit for the year before income tax	(209,033)	615,251

Assets per segment

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

(In thousands of EGP)	December 31, 2023					December 31, 2022				
	Property and equipment	Intangible assets	Investment property	Equity instruments	Total	Property and equipment	Intangible assets	Investment property	Equity instruments	Total
Investment Property	--	--	--	--	--	--	--	202,032	--	202,032
Entertainment activities	613,306	--	--	--	613,306	421,647	--	--	--	421,647
Other	38,128	--	--	613,632	651,760	38,507	--	--	613,632	652,139
Total	651,434	--	--	613,632	1,265,066	460,154	--	202,032	613,632	1,275,818

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the year ended December 31, 2023, and the year ended December 31, 2022:

(In thousands of EGP)	The year ended December 31, 2023	The year ended December 31, 2022
Entertainment activities	210,686	251,507
Other activities	3,744	--
Total	214,430	251,507

Orascom Investment Holding S.A.E**Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023****7- Net profit for the year from discontinued operations results**

The discontinued operations represent the following: -

(In thousands of EGP)

		Year ended December 31, 2023	Year ended December 31, 2022
(Adjustment) / Profits from sale investment in TWA-Subsidiary	(7-a-1))	(15,414)	38,298
Net results of discontinued operations from TWA	(7-a-1)	--	21,378
Adjustment of sale investment in Mena cables		16,000	--
Excepted credit loss of Trade receivables (Riza Capital)		(140,718)	--
Profit from sale investment in subsidiaries		323,806	--
Income Tax		(73,679)	--
Investment Property Depreciation		(3,098)	(4,130)
Lease Revenue		26,143	26,009
Net profit from discontinued operations		133,040	81,555

(7-a-1) Discontinued operations result from TWA:

During 2021 the Company has announced the sale of all shares of TWA, Orascom Investment Holding owns 51% of total TWA and the sale transaction is completed on 21 January 2022 and the share of Orascom Investment Holding amounted about USD 35.5 million and the shares ownership has been transferred on that date mentioned above.

The following is 'TWA' profits during the financial year ending : (In thousands of EGP)

	2023	2022
Sale value of Company in Trans World Associate received in 2022	--	509,791
Advanced payment of sale value paid in 2021	--	46,964
Reconciliation Price during 2023	(15,414)	--
Total amount received	(15,414)	556,755
Carrying amount of assets sold	--	(701,415)
Disposal of carrying amount to NCI	--	337,873
Disposal of cumulative amount OCI	--	(43,339)
Company shares in TWA profit before tax	(15,414)	149,874
Income Tax	--	(111,576)
Group net profit from the disposal	(15,414)	38,298

It is worth to be mentioned that during the year 2023, the final selling price has been agreed to be around 35 million USD and according to this adjustment, Orascom Investment Holding settled around 15,414,000 EGP equivalent to around USD 500 thousands as adjustments to the transaction of subsidiary's selling.

* 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 to the two subsidiaries with the total amount of 78.5 million BRL after deduction of accrued taxes equivalent to 539 million EGP.

8- Operating revenues

(In thousands of EGP)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenues from entertainment activities	126,190	97,518
Revenues from Light and sound Show	50,185	--
Total	176,375	97,518

Orascom Investment Holding S.A.E.**Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023****9- Purchases and services cost****(In thousands of EGP)**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Consulting and professional services	67,797	83,100
Costs of Light and Sound Show	25,460	1,834
Advertising and promotional services	4,310	11,034
Maintenance costs	4,725	2,556
Bank charges	7,099	3,520
Site costs	3,909	1,940
Cost of Purchases of goods and material	1,791	493
Insurance expenses	506	672
Rent expenses	1,833	834
Travel and accommodation expenses	4,147	1,251
Equipment technology supplies expenses	2,107	872
Utilities and energy costs	1,184	985
Other service expenses	18,784	14,577
Total	143,652	123,668

10- Other expenses**(In thousands of EGP)**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Tax expenses other than income tax	11,875	2,476
Other operating expenses	7,569	9,555
Total	19,444	12,031

11- Personnel costs**(In thousands of EGP)**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Wages and salaries	167,029	93,175
Bonuses	14,526	8,307
Other benefits	2,785	1,298
Subscriptions	241	104
End of service	5,000	--
Social and medical insurance	7,844	5,765
Other personnel costs	1,268	196
Total	198,693	108,845

12- Depreciation and amortization**(In thousands of EGP)****Depreciation of fixed assets**

	For the year ended December 31, 2023	For the year ended December 31, 2022
Buildings	14,151	2,453
Computers and other equipment	9,012	4,539
ROU assets amortization (Note 17)	16,256	--
Total	39,419	6,992

Orascom Investment Holding S.A.E**Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023****13- Net finance income**

(In thousands of EGP)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Finance income generated from:		
Interest income	88,237	11,793
Change in FV for Financial Assets Through P&L	--	139,144
Profit of sale investment in financial assets	41,745	--
Total finance income	129,982	150,937
Finance cost generated from:		
Interest Expense	(130,996)	(6,354)
Change in FV for Financial Assets Through P&L	(128,624)	--
Total finance cost	(259,620)	(6,354)
Net foreign currencies translation gains	216,650	328,130
Total foreign currencies translation Gain	216,650	328,130
Net finance income	87,012	472,723

14- Equity-accounted investees

(In thousands of EGP)	Country	Ownership percentage % in 2023	December 31,2023	Ownership percentage % in 2022	December 31,2022
CheoTechnology Joint ventures -Koryolink	Northern Korea	60	13,849,381	60	13,294,524
Less: Impairment in investments			(13,235,749)		(12,680,892)
			613,632		613,632

The Company's investments in North Korea for 60% of the voting rights in the local telecom operator Koryolink. The accounting treatment has been modified during the period ended September 30, 2015. Therefore, recognizing it as an investment in associates instead of investment in subsidiaries, by ratification from Company management that there is significant influence instead of full control, Thus in light of the increase of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction imposed by the international community including the United States of America, the European Union and the United Nations.

These sanctions have the effect of restricting financial transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks.

In addition to, the restrictions implemented on the company that affect the ability of the associate company to transfer profits to the parent (return of funds to its native) and the absence of a free-floating currency exchange market in North Korea, announced by the Central Bank of North Korea, other than launching a competing local telecom operator wholly owned by the North Korean Government.

Orascom Investment Holding S.A.E.
Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

The following table presents the movement on the investment of Koryolink Company during the year ended:

(In thousands of EGP)	December 31, 2023	December 31, 2022
Total assets	12,112,885	9,154,900
Total liabilities	(1,066,419)	(923,919)
Net assets	11,046,466	8,230,981
	December 31, 2023	December 31, 2022
Total revenues	2,455,736	1,472,938
Total expenses	(1,530,975)	(886,007)
Net profit after tax	924,761	586,931
Share of profit of the associate company	554,857	396,178
	December 31, 2023	December 31, 2022
Opening balance of the investment	13,294,524	12,898,346
Group's share of profit of the associate company	554,857	396,178
Ending balance of the investment	13,849,381	13,294,524
Opening balance of impairment	(12,680,892)	(12,284,714)
Impairment of Group's share of profit of the associate	(554,857)	(396,178)
Ending balance of impairment	(13,235,749)	(12,680,892)
	613,632	613,632

15- Fixed assets

(In thousands of EGP)

Cost	202,218	18,104	29,088	249,410
Accumulated depreciation and impairment	(13,246)	(10,281)	(2,398)	(25,925)
Net book value as of January 1, 2023	188,972	7,823	26,690	223,485
Additions	24,149	42,790	--	66,939
Depreciation	(14,151)	(4,857)	(4,155)	(23,169)
Reclassification and representation	(15)	15	--	--
Foreign currencies translation differences	--	13	--	13
Net book value as of December 31, 2023	198,954	45,784	22,535	267,273
Cost	226,367	61,289	29,088	316,744
Accumulated depreciation and impairment	(27,413)	(15,505)	(6,553)	(49,471)

December 31, 2023

Land and Buildings	Computers, fixtures and other equipment	Electric and Station	bus Charge	Total
202,218	18,104	29,088		249,410
(13,246)	(10,281)	(2,398)		(25,925)
188,972	7,823	26,690		223,485
24,149	42,790	--		66,939
(14,151)	(4,857)	(4,155)		(23,169)
(15)	15	--		--
--	13	--		13
198,954	45,784	22,535		267,273
226,367	61,289	29,088		316,744
(27,413)	(15,505)	(6,553)		(49,471)

December 31, 2022

(In thousands of EGP)

Cost	52,520	16,970	5,709	75,199
Accumulated depreciation and impairment	(10,777)	(8,883)	(745)	(20,405)
Net book value as of January 1, 2022	41,743	8,087	4,964	54,794
Additions	149,696	2,586	23,378	175,660
Depreciation	(2,453)	(2,887)	(1,652)	(6,992)
Reclassifications	(15)	15	--	--
Foreign currencies translation differences	--	23	--	23
Net book value as of December 31, 2022	188,971	7,824	26,690	223,483
Cost	202,218	18,103	29,087	249,408
Accumulated depreciation and impairment	(13,245)	(10,282)	(2,397)	(25,925)

Orascom Investment Holding S.A.E**Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023**

- (*) Orascom Pyramids Entertainment signed lease contracts for leasing 6 electric buses and 2 charging stations and their amount is to be settled on quarterly in 27 installments, these contracts give the company the right to own these leased assets at the end of contract period compared to the amount determined in contract as mentioned in disclosure no (26)

16- Assets Under construction**(In thousands of EGP)**

Project of development pyramids Area
Advanced payment on account

December 31, 2023	December 31, 2022
382,108	173,807
2,052	62,865
384,160	236,671

17- Right of use assets**(In thousands of EGP)**

Cost at the beginning of the year

Additions during the year

Total Cost as of December 31, 2023

December 31, 2023
--
162,563
162,563

Accumulated depreciation

Accumulated depreciation of opening balance

Depreciation during the year

Accumulated depreciation on December 31, 2023

--
(16,256)
(16,256)

Net book value as of December 31, 2023

146,307

The amount represents the right of use of the subsidiaries (Orascom Pyramids for Entertainment Projects) using the ancient location of the Pyramids in Giza for 15 years starting from the signing date as mentioned in note no (26-4).

18- Investment property**(In thousands of EGP)**

Cost at beginning of the year

Accumulated amortization

Net book value of the beginning balance

Additions

Depreciation during the year

Disposals

Net book value at the ending balance

Cost

Accumulated amortization and impairment at the end of the year

December 31, 2023	December 31, 2022
206,506	206,506
(4,474)	(344)
202,032	206,162
14,945	--
(3,098)	(4,130)
(213,879)	--
--	206,162
--	206,506
--	(4,474)

During May 2023, the group 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 equivalent price of the assets and that in accordance with the requirements of article (43) 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).

Orascom Investment Holding S.A.E.

Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

19- Other financial assets

(In thousands of EGP)

	December 31, 2023			December 31, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Debit financial assets at amortized cost (19-3)	--	--	--	--	113,600	113,600
Cash at bank in North Korea Non-current (19-1)	2,873,557	--	2,873,557	2,238,259	--	2,238,259
Borrowing from Koryolink*	(2,779,816)	--	(2,779,816)	(2,146,688)	--	(2,146,688)
Total financial investment at amortized cost	93,741	--	93,741	91,571	113,600	205,171
Financial investment at fair value through profit or loss – (Vortex fund) (19-2)	752,119	--	752,119	700,034	--	700,034
Total Financial investment at amortized cost	845,860	--	845,860	791,605	113,600	905,205

* During August 2022, Koryolink Company took a decision based on a shareholder's request in Koryolink company, the decision give all shareholders without distinguish free interest loan according to rules and procedures specific to local law. Loan transferred amounted to EUR 81.7 million (equivalent to EGP 2.78 billion) to Orascom Investment Holding account in Republic of North Korea knowing that all local policies and laws related specified to bank transfers and transactions of the amounts mentioned. Orascom Investment Holding will continue to comply with international decision specified to international penalties related to this matter.

It is worth to mention that The loan is free interest for 5 years can be increased automatically to a period or to periods or other periods each one is 3 years. There will be an agreement with Koryolink about the settlement either in cash or by offsetting intercompany balances.

19-1- Pledged deposit and restricted cash at amortized cost

(In thousands of EGP)

	December 31, 2023			December 31, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Pledged deposit	257	--	257	257	--	257
Cash at bank in North Korea	184,886	--	184,886	142,782	--	142,782
Impairment loss in financial assets	(91,145)	--	(91,145)	(51,468)	--	(51,468)
	93,998	--	93,998	91,571	--	91,571

19-2- Financial Investment at fair value through Profit or loss- Lighthouse energy SCSP

During 2022, the group invested in one of the Mutual funds in the Renewable Energy field, the group's share amounts I the mutual fund is equivalent to USD 26.6 million.

The investment of this mutual fund is classified as a financial investment at fair value through profits and losses in December 31, 2023 and is also classified as level three (from fair value valuation levels) as some inputs used were unobservable to assets and liabilities, and there were no changes in the levels till December 31, 2023.

Mutual fund has been valuated as level three by using unadjusted inputs provided by its management according to internal borrowings of the company's staff, the management's valuation represents the average of minimum and maximum limits of external valuation.

	(In thousands of EGP)
Acquisition Cost	560,890
Effect of the change in Fair value for investment in 2022	139,144
Balance on 31 December 2022	700 034
Effect of the change in Fair value for investment in 2023	(128,624)
Foreign currencies translation differences	180,452
Balance on 31 December 2023	751,862

19-3- Debit financial assets at amortized cost

During September 2019, Orascom Investment Holding sold all its shares owned by the group in Riza Capital to an external party for USD 13.323 thousands, the bargain was structured that the buyer pays the amount on six equal installments starting from selling date and ending in February 2022. And with that, till December 2023, the buyer only paid the first two installments dated September 2019 and February 2019 with the total amount of USD 4.442 thousands and USD 107 thousands for the third payment that was accrued in August 2020. After considering all circumstances, the group has estimated the Expected Credit Losses amounting to EGP 140 million through year 2023 and by that the Expected Credit Losses percentage for this asset reached 100% of the total amount as follows:

(In thousands of EGP)	Financial year ended December 31, 2023	Financial year ended December 31, 2022
Total debit financial assets at amortized cost	283,429	226,926
ECL (discontinued operation)	(283,429)	(113,326)
Net After ECL	--	(113,600)

The movement of ECL in trade receivables as follows:

(In thousands of EGP)	Financial year ended December 31, 2023	Financial year ended December 31, 2022
Beginning balance	113,326	143,500
ECL (discontinued operation)	140,718	--
Foreign entities valuation differences	29,385	(30,174)
Total	283,429	113,326

20- Income tax

(In thousands of EGP)	Financial year ended December 31, 2023	Financial year ended December 31, 2022
Current tax expense	7,597	(9,517)
Deferred tax	40,176	103,085
Total Income Tax	47,773	(93,568)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the Group to offset current tax assets and liabilities, and when the deferred tax assets and liabilities are settled with the same tax authority in the country, and when the Group has the intention to settle the net of these balances or to redeem these tax assets and settle these tax liabilities at the same time.

The following table shows the most important deferred tax liabilities as presented in the consolidated financial statements of the Group:

(In thousands of EGP)	2023	2022
Balance as of January 1, 2023	(179,026)	(75,382)
Foreign entities valuation differences	(247)	(559)
Charged to the statement of income during the year	40,176	(103,085)
Balance as of December 31, 2023	(139,097)	(179,026)

Orascom Investment Holding S.A.E.
Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

The following table includes the nature of items comprising the deferred tax liabilities:

Deferred tax liabilities	December 31, 2023					December 31, 2022				
	Depreciation and amortization	Unremitted earnings	Forex	Other	Total	Depreciation and amortization	Unremitted earnings	Forex	Other	Total
(In thousands of EGP)										
Opening balance at Jan1	(13,137)	(14,557)	(79,577)	(71,755)	(179,026)	(3,768)	(18,914)	(6,814)	(45,886)	(75,382)
Charged to the income statement for the year	(5,212)	9,042	(21,269)	57,615	40,176	(9,369)	4,357	(72,763)	(25,310)	(103,085)
Currency translation differences	--	--	--	(247)	(247)	--	--	--	(559)	(559)
Ending balance at 31 Dec. 2023	(18,349)	(5,515)	(100,846)	(14,387)	(139,097)	(13,137)	(14,557)	(79,577)	(71,755)	(179,026)

Unrecognized deferred tax assets

(In thousands of EGP)

Tax Losses

Provisions and Impairment losses

Balance as of December 31, 2023

2023
24,511
22,411
46,922

Reconciliation of effective tax rate

(In thousands of EGP)

Net profit for the year before income tax

Income tax according to applied tax rate

22.5%

Effect of tax rates currencies translation differences

Effect of provisions and impairment losses

Non-deductible expenses

Revenue non-taxable for tax purposes

for the sale of securities listed on the stock exchange

Losses for the year with no tax assets formed

Other Adjustment

Income tax

Effective tax rate

The financial year ended December 31, 2023

The financial year ended December 31, 2022

(2,314)

(521)

(5,190)

22,411

6,071

(7,933)

4,174

24,511

(17,617)

25,906

(%1.120)

808,382

181,886

4,169

--

2,758

(2,203)

9

4,007

14,518

205,144

(%25.3)

Orascom Investment Holding S.A.E
Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023
21- Trade receivables

(In thousands of EGP)

	December 31, 2023	December 31, 2022
Commercial Trade receivables	453,293	419,266
Receivables from Koryolink dividends	382,035	375,268
Other debit balances	56,312	26,263
Expected credit losses	(679,744)	(603,841)
Total	211,896	216,956

Movement of expected credit loss is represented as follows:

(In thousands of EGP)

	December 31, 2023	December 31, 2022
Beginning balance	603,841	575,029
Foreign currency translation differences	61,018	142,336
Additions / (No longer required)	14,885	(113,524)
Ending balance	679,744	603,841

The following table shows the aging analysis of trade receivables as of December 31, 2023, and 2022, net of the relevant allowance for doubtful debts:

(In thousands of EGP)

	December 31, 2023	December 31, 2022
Not past due	34,778	5,735
Past due 0-30 days	1,354	--
Past due 31-120 days	421	--
Past due 121 - 150 days	4,573	--
Past due more than 150 days	170,770	211,221
Total trade receivables	211,896	216,956

22- Other assets

(In thousands of EGP)

	December 31, 2023			December 31, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	--	7,427	7,427	--	5,117	5,117
Advances to suppliers	--	24,717	24,717	--	3,965	3,965
Receivables due from tax authority	--	2,059	2,059	--	2,267	2,267
Income tax paid in advance	--	1,215	1,215	--	1,097	1,097
Other receivables	4,000	36,369	40,369	4,000	66,263	70,263
Expected credit loss	(4,000)	(8,173)	(12,173)	(4,000)	(6,565)	(10,565)
Total	--	63,614	63,614	--	72,144	72,144

23- Cash and cash equivalents.

(In thousands of EGP)

	December 31, 2023	December 31, 2022
Banks- current accounts and deposits *	2,337,730	1,699,281
Cash on hand	2,383	472
	2,340,113	1,699,753
ECL of cash and cash equivalents	(32,420)	(14,890)
Total	2,307,693	1,684,863

Orascom Investment Holding S.A.E

Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

Orascom Investment Holding Company

- There are letters of credit amounting to EGP 74,017 million in favor of the National Bank of Egypt

** INCA2 and INCA19 Company

There are Tax disputes in Brazil with the above-mentioned companies and no judgment was issued towards, but the company's management states that the final judgments for similar cases has been for the company benefit.

33- Other income

(In thousand EGP)

Other income

Total

December 31, 2023	December 31, 2022
3,531	7,507
3,531	7,507

34- Restatement on comparative figures

The table below summarizes the representation occurred on the Consolidated Income Statement for the financial period ended December 31, 2022, to align with the classification of the current financial statements that relate to the discontinued operations as follows after the split and selling of property investment in Brazil to be discontinued operations in addition to adjustments occurred on financial statements for Orascom Telecom Lebanon for the year 2022 as follows:

(In thousands of EGP)	December 31, 2022 As issued	Represented *	Reclassified	Amendments of Orascom Telecom Lebanon 2022	December 31, 2022 (Restated)
Continuing operations					
Operating revenues	97,518		--		97,518
Other income	43,404	(26,009)	(9,787)	--	7,507
Purchases and services costs	(122,365)	--	--	(1,303)	(123,668)
Other expenses	(12,031)	--	--	--	(12,031)
Provisions formed	(200,066)	--	--	--	(200,066)
Depreciation and amortization	(11,122)	4,130	--	--	(6,992)
Impairment of non-current assets	(95,391)	--	--	184,364	88,973
Profits disposal of non-current assets	139,144	--	(139,144)	--	--
Profit / (losses) Operating	129,320	(21,879)	(148,931)	184,018	142,528
Finance income	2,006	--	148,931	--	150,937
Finance cost	(6,428)	--	--	74	(6,354)
Foreign currencies translation profits	328,140	--	--	--	328,140
Share of profit of equity accounted investees	396,178	--	--	--	396,178
Net impairment in equity accounted investees	(396,178)	--	--	--	(396,178)
(Loss) for the year before income tax	453,037	(21,879)	--	184,092	615,250
Income tax	(84,664)	--	--	(8,904)	(93,568)
Profits for the year from continuing operation	368,373	(21,879)	--	175,189	521,683
Discontinued operations					
Operation results from discontinued operations after tax	59,676	21,879	--	--	81,555
Profits for the year	428,049	--	--	175,189	603,238
Basic earnings /(losses) per share profit from continuing operation (EGP)	0.070	--	--	0.037	0.097
Basic earnings per share profit from discontinuing operation (EGP)	0.009	--	--	0.007	0.016

Orascom Investment Holding S.A.E.**Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023**

* As mentioned on disclosure no. (18) the group established two subsidiaries in Brazil and has transferred its property investment ownership to these two companies and the selling transaction of these subsidiaries has been made and accordingly property investment has been reclassified as discontinued operations.

** Comparative amounts have been adjusted as per adjustments made on the separate financial statement (Orascom Telecom Lebanon).

35- Adjustments of Retained earnings.

This table summarizes the adjustments made on consolidated financial statements as a result of adjustments made on Orascom Telecom Lebanon in years 2021, 2022 and have been taken into consideration for the adjustments made on Retained Earnings as follows:

35-1. year 2022:

(In thousands of EGP)

	December 31, 2022	Adjustments	December 31, 2022
Non- Current assets			
Non- Current assets Total	2,067,423	--	2,067,423
Current Assets			
Trade Receivables	72,739	144,217	216,956
Other Financial assets	113,600	--	113,600
Other assets	72,282	(138)	72,144
Cash and cash equivalent	1,699,753	(14,890)	1,684,863
Current assets Total	1,958,374	129,189	2,087,563
Total assets	4,025,797	129,189	4,154,986
Owners' Equity and Liabilities			
Issued and paid-up capital	577,025	--	577,025
Reserves	701,970	6,090	708,060
Retained earnings	1,311,736	126,647	1,438,383
Total Owners 'equity of the parent company	2,590,731	132,737	2,723,468
Rights of non-controlling interests	(10,739)	--	(10,739)
Total Owners 'equity	2,579,992	132,737	2,712,729
Liabilities			
Non-current liabilities			
Total non-current liabilities	527,076	--	527,076
Current Liabilities			
Borrowings	49,133	--	49,133
Other Liabilities	553,488	(38,501)	514,987
Income Tax-Tax liabilities	91,205	11,180	102,385
Provisions	224,903	23,773	248,676
Total Current liabilities	918,729	(3,548)	915,181
Total liabilities	1,445,805	129,189	1,442,257
Total Owners' Equity and Liabilities	4,025,797	129,189	4,154,986

Orascom Investment Holding S.A.E

Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023

35-2 Year 2021:-

(In thousands of EGP)

Non- Current assets

Non- Current assets Total

Current Assets

Trade Receivables

Other Financial assets

Other assets

Cash and cash equivalent

Assets held for sale

Total current assets

Total assets

Owners' Equity and Liabilities

Retained earnings

Issued and paid-up capital

Reserves

Total Owners 'equity of the parent company

Rights of non-controlling interests

Total Owners 'equity

Liabilities

Non-current liabilities

Total non-current liabilities

Current Liabilities

Total Current liabilities

Total Current liabilities

Total liabilities

Total Owners' Equity and Liabilities

	December 31, 2021	Adjustments	December 31, 2021
Non- Current assets Total	1,092,519	--	1,092,519
Current Assets			
Trade Receivables	106,254	(39,084)	67,170
Other Financial assets	86,100	--	86,100
Other assets	28,524	--	28,524
Cash and cash equivalent	1,112,630	(9,458)	1,103,172
	1,333,508	(48,542)	1,284,966
Assets held for sale	1,586,106	--	1,586,106
Total current assets	2,919,614	(48,542)	2,871,072
Total assets	4,012,133	(48,542)	3,963,591
Owners' Equity and Liabilities			
Retained earnings	911,448	(48,542)	862,906
Issued and paid-up capital	577,025	--	577,025
Reserves	135,057	--	135,057
Total Owners 'equity of the parent company	1,623,530	(48,542)	1,574,988
Rights of non-controlling interests	316,697	--	316,697
Total Owners 'equity	1,940,227	(48,542)	1,891,685
Liabilities			
Non-current liabilities			
Total non-current liabilities	237,510	--	237,510
Current Liabilities			
Total Current liabilities	881,363	--	881,363
Total Current liabilities	1,834,396	--	1,834,396
Total liabilities	2,071,906	--	2,071,906
Total Owners' Equity and Liabilities	4,012,133	(48,542)	3,963,591

36- Adjustments of cash Flow Statement

(In thousands of EGP)

Note

31 December

Represented

Adjustment

31 December

Continuing operations

Cash flows from operating activities

Net Profit for the year before tax

Adjustments for:

Net Cash Flow (Used In)

Net Cash Flow (Used In) investing Activities

Net cash flows generated from (used in) financing activities

Net change in cash and cash equivalents during the year from continuing operations

Discontinued operations

Net change in cash and cash equivalents during the year from discontinued operations

Net change in cash and cash equivalents during the year

Cash and cash equivalents at the beginning of the year

Effect of Change in the exchange rate on cash and cash equivalents in foreign currencies for continuing operations

Cash and cash equivalents at year end

(22)

453,037	(21,879)	148,093	615,251
(29,229)	2,772	--	(26,457)
(754,443)	(28,781)	--	(783,224)
181,099	--	--	181,099
(602,573)	(26,009)	--	(628,582)
458,151	26,009	--	484,160
(144,422)	--	--	(144,422)
1,112,630	--	--	1,112,630
716,654	--	--	716,654
1,684,863	--	--	1,684,863

*There is no affect on Orascom Telecom Lebanon on total the total cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

Orascom Investment Holding S.A.E.**Notes to the Consolidated Financial Statement for The Financial Year Ended December 31, 2023****37- 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 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 January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially 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 model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method 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 financial statements if this method has been used.	The amendments shall apply to financial periods commencing on or after January 1, 2024 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 papplies this method for the first time.

Orascom Investment Holding S.A.E**Notes to the Consolidated Financial Statement 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 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">• 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.• 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.
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Orascom Investment Holding S.A.E.**Notes to the Consolidated Financial Statement 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">- Egyptian Accounting Standard No. (10) "Fixed Assets".- Egyptian Accounting Standard No. (23) "Intangible Assets".- Egyptian Accounting Standard No. (34) "Investment property".	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.