Orascom Investment Holding
S.A.E.
(Formerly Orascom Telecom Media and Technology Holding)

Consolidated financial statements
Together with auditor's report
For the year ended December 31, 2019

KPMG

Hazem Hassan
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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 S.A.E Holding (the Company), which comprise the consolidated statement of financial position as at December 31, 2019, 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 Company'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. 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Orascom Investment S.A.E Holding as at December 31, 2019, 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.

Emphasis of matter

Without modifying our opinion

1. As mentioned in details in note (35) from the accompanying notes of the consolidated financial statements, during the first quarter of 2020, most of countries of the world, including Egypt, were exposed to the outbreak of the novel coronavirus (COVID-19) pandemic, causing disruptions in most commercial and economic activities in general. Therefore, this is likely to have a significant impact on the assets, liabilities and financial performance of the Company's consolidated financial statements during the following periods, in addition to the potential impact on pre-determined operational plans and future cash flows associated with them, the Company's management is currently taking several measures to address this risk and reduce its impact on its consolidated financial position, but in light of the instability and uncertainty of the outcome of the current events, the magnitude of the impact of that event depends mainly on the estimate of the duration of these impacts. The implications and the Company's ability to achieve its plans to address this threat, which is difficult to determine in the present time.

2. In reference to what was mentioned in note (14-1) from the accompanying notes of the consolidated financial statements, that the Company has a significant influence in its investee "Koryolink" in North Korea, the investment is amounting to EGP 613.6 million as of December 31, 2019, Which the Company classified as investments in associate. Considering that Koryolink is operating under an international ban, operational and financial restrictions imposed by the international community, which lead to difficulties in transferring profits abroad and repatriate the funds to their home country.

KPMG Hazem Hassan

H. Hassan

Public Accountants and Consultants

Cairo May 5, 2020

KPMG Hazem Hassan
Public Accountants and Consultants
(2)

ORASCOM INVESTMENT HOLDING S.A.E.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT

(In thousands of EGP)	Note	31 December 2019	31 December 2018
Assets			
Non-current assets			
Property and equipment	(15)	1,079,333	1,265,207
Intangible assets	(16)	407,504	619,978
Investment property	(17)	977,271	1,154,159
Equity accounted investees	(14)	2,289,257	2,204,602
Other financial assets	(18)	278,619	251,559
Other assets	(21)	268,059	236,181
Total non-current assets		**5,300,043**	**5,731,686**
Current assets			
Inventories		8,095	7,376
Trade receivables	(20)	900,723	967,109
Other financial assets	(18)	79,036	1,877,564
Other assets	(21)	220,103	195,093
Cash and cash equivalents	(22)	1,015,000	1,903,267
		2,222,957	**4,950,409**
Assets held for sale	(33)	155,663	-
Total current assets		**2,378,620**	**4,950,409**
Total Assets		**7,678,663**	**10,682,095**
Equity and Liabilities			
Share capital	(23)	2,203,190	2,203,190
Reserves		1,403,244	1,598,207
Retained earnings		613,064	1,075,557
Equity attributable to equity holders of the parent Company		**4,219,498**	**4,876,954**
Non-controlling interest		294,587	348,583
Total equity		**4,514,085**	**5,225,537**
Liabilities			
Non-current liabilities			
Borrowings	(25)	304,616	859,662
Creditors and other credit balances	(26)	114,055	461,583
Deferred tax liabilities	(19)	203,374	272,609
Total non-current liabilities		**622,045**	**1,593,854**
Current liabilities			
Borrowings	(25)	747,832	1,988,224
Creditors and other credit balances	(26)	1,186,749	1,339,493
Tax liabilities- income tax		92,896	133,948
Provisions	(27)	470,467	401,039
		2,497,944	**3,862,704**
Liabilities associated with assets held for sale	(33)	44,589	-
Total current liabilities		**2,542,533**	**3,862,704**
Total Liabilities		**3,164,578**	**5,456,558**
Total Equity and Liabilities		**7,678,663**	**10,682,095**

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements and should be read therewith.

Chief Financial Officer **Chairman and 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	31 December 2019	31 December 2018 Reclassified
Continuing operations			
Operating revenues	(8)	1,168,974	1,326,692
Other income		12,293	221,936
Purchases and services cost	(9)	(458,742)	(561,199)
Other expenses	(10)	(93,755)	(94,322)
Provision formed	(27)	(101,336)	(154,436)
Personnel cost	(11)	(412,713)	(400,665)
Depreciation and amortization	(12)	(105,274)	(114,520)
Impairment of non-current assets		(137,059)	(18,019)
Gain / (loss) from disposal of non-current assets		741	(3,331)
Operating (loss) / profit		**(126,871)**	**202,136**
Finance income	(13)	14,120	61,316
Finance cost	(13)	(213,820)	(167,041)
(Losses) from foreign currency translation	(13)	(78,104)	(32,314)
Share of profit of equity accounted investments	(14)	2,861,043	2,827,173
Net impairment in equity accounted investments	(14)	(2,776,907)	(2,827,173)
(Loss) / profit for the year before income tax		**(320,539)**	**64,097**
Income tax	(19)	(97,229)	(106,168)
(Loss) for the year from continuing operation		**(417,768)**	**(42,071)**
Discontinuing operations			
Operation results from discontinuing operations after tax	(7)	(7,453)	907,669
Net (loss) / profit for the year		**(425,221)**	**865,598**
Attributable to:			
Owners of the parent company		(417,818)	910,703
Non-controlling interests		(7,403)	(45,105)
		(425,221)	**865,598**
(losses) / earnings per share (basic and diluted) – (in EGP)	(28)	**(0.080)**	**0.174**

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements and should be read therewith.

Chief Financial Officer **Chairman and Managing Director**

ORASCOM INVESTMENT HOLDING S.A.E.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED

(In thousands of EGP)	31 December 2019	31 December 2018 Reclassified
Net (loss) / profit for the year	**(425,221)**	**865,598**
Other comprehensive (loss) items that may be subsequently reclassified to profit or loss:		
Revaluation of available for sale investments	(5,676)	(3,618)
Foreign operations – foreign currency translation differences	(321,206)	(940,541)
Total other comprehensive (loss) items for the year	**(326,882)**	**(944,159)**
Total comprehensive (loss) for the year	**(752,103)**	**(78,561)**
Attributable to:		
Owners of the parent company	(668,404)	51,172
Non-controlling interest	(83,699)	(129,733)
Total comprehensive (loss) for the year	**(752,103)**	**(78,561)**

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements and should be read therewith.

Chief Financial Officer | **Chairman and Managing Director**

ORASCOM INVESTMENT HOLDING S.A.E.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(In thousands of EGP)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interest	Total equity
Balance as at 1 January 1 2018	**2,203,190**	**556,306**	**1,737,957**	**85,756**	**195,157**	**4,778,366**	**447,225**	**5,225,591**
Foreign operations – foreign currency translation differences	-	-	(857,000)	-	-	**(857,000)**	(83,541)	**(940,541)**
Change in the fair value of available for sale investments	-	-	-	(2,531)	-	**(2,531)**	(1,087)	**(3,618)**
Net profit for the year	-	-	-	-	910,703	**910,703**	(45,105)	**865,598**
Total comprehensive income / (comprehensive loss) for the year	**-**	**-**	**(857,000)**	**(2,531)**	**910,703**	**51,172**	**(129,733)**	**(78,561)**
Transfer to legal reserves	-	30,303	-	-	(30,303)	-	-	-
Revaluation of financial derivatives- purchase option	-	-	-	39,317	-	**39,317**	16,851	**56,168**
Other reserves	-	-	-	8,099	-	**8,099**	-	**8,099**
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	14,240	**14,240**
Total	**-**	**30,303**	**-**	**47,416**	**(30,303)**	**47,416**	**31,091**	**78,507**
Balance as at 31 December 2018	**2,203,190**	**586,609**	**880,957**	**130,641**	**1,075,557**	**4,876,954**	**348,583**	**5,225,537**

(In thousands of EGP)	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interest	Total equity
Balance as at 1 January 2019	**2,203,190**	**586,609**	**880,957**	**130,641**	**1,075,557**	**4,876,954**	**348,583**	**5,225,537**
Foreign operations – foreign currency translation differences	-	-	(246,611)	-	-	**(246,611)**	(74,595)	**(321,206)**
Changes in the fair value of available for sale investments	-	-	-	(3,975)	-	**(3,975)**	(1,701)	**(5,676)**
Net (loss) for the year	-	-	-	-	(417,818)	**(417,818)**	(7,403)	**(425,221)**
Total comprehensive (loss) for the year	**-**	**-**	**(246,611)**	**(3,975)**	**(417,818)**	**(668,404)**	**(83,699)**	**(752,103)**
Transfer to legal reserves	-	2,940	-	-	(2,940)	-	-	-
Revaluation of financial derivatives- purchase option	-	-	-	60,782	-	**60,782**	26,050	**86,832**
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	(41,735)	**(41,735)**	(39,551)	**(81,286)**
Disposal of subsidiaries with non-controlling interests	-	-	-	(8,099)	-	**(8,099)**	43,204	**35,105**
Total	**-**	**2,940**	**-**	**52,683**	**(44,675)**	**10,948**	**29,703**	**40,651**
Balance as at 31 December 2019	**2,203,190**	**589,549**	**634,346**	**179,349**	**613,064**	**4,219,498**	**294,587**	**4,514,085**

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements and should be read therewith.

Chief Financial Officer **Chairman and Managing Director**

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

(In thousands of EGP)	31 December 2019	31 December 2018 Reclassified
Cash flows from operating activities		
Net (loss)/ profit for the year before tax	**(320,539)**	**64,097**
Adjustments for:		
Depreciation, amortization and impairment	105,274	114,520
Finance cost	213,820	167,041
Finance income	(14,120)	(61,316)
Losses from foreign currency translation	78,104	32,314
Impairment loss in non-current asset	137,059	18,019
(Gain) / loss from disposal of non-current assets	(741)	3,331
Share of profit of equity accounted investments	(2,861,043)	(2,827,173)
Net impairment of equity accounted investments	2,776,907	2,827,173
Change in provisions	69,428	34,137
Change in current assets included in working capital	(114,799)	(345,394)
Change in current liabilities included in working capital	(477,412)	(107,446)
Cash flows (used in) operating activities	**(408,062)**	**(80,697)**
Income taxes paid	(140,485)	(371,022)
Dividends paid to employees	(14,057)	(15,784)
Interest received	14,120	61,316
Net cash flows (used in) operating activities	**(548,484)**	**(406,187)**
Cash flows from investing activities		
Net cash outflows for investments in:		
Property and equipment	(131,221)	(109,451)
Intangible assets	(3,969)	(13,146)
Payments under the account of investment in associates	(561)	(1,590,000)
Proceeds from investments available for sale	3,435	-
Other financial assets	-	(55,835)
Net cash inflows from disposal of:		
Property and equipment	3,004	821
Intangible assets	-	3,426
Other financial assets	1,753	-
Net cash received from subsidiaries acquired	-	9,220
Net cash received from subsidiaries sold	37,246	-
Net cash flows (used in) investing activities	**(90,313)**	**(1,754,965)**
Cash flows from financing activities		
Interest paid	(172,853)	(165,535)
Proceeds from non-current borrowing	217,794	1,967,134
Net (payments) from financial liabilities	(1,727,083)	(405,065)
Change in bank deposits	1,651,680	-
Financial assets-restricted deposits	5,583	(1,186,300)
Net cash flows (used in) / generated by financing activities	**(24,879)**	**210,234**
Net change in cash and cash equivalents during the year from continuing operations	**(663,676)**	**(1,950,918)**
Discontinuing operations		
Net cash flows (used in) / generated by operating activities	(80,703)	183,919
Net cash flows generated by investing activities	-	1,322,682
Net cash flows (used in) investing activities	-	(5,194)
Net change in cash and cash equivalents during the year from discontinuing operations	**(80,703)**	**1,501,407**
Net change in cash and cash equivalents during the year	**(744,379)**	**(449,511)**
Cash and cash equivalents at the beginning of the year	1,903,267	2,373,000
Effect of exchange rates on cash and cash equivalents	(143,888)	(20,222)
Cash and cash equivalents at the end of the year	**1,015,000**	**1,903,267**

- The accompanying notes from (1) to (36) form an integral part of these consolidated financial statements and should be read therewith.

Chief Financial Officer **Chairman and Managing Director**

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 29 November 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 29 November 2011, and the extended period from that date till 31 December 2012, is considered the first financial year.

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.

c- Brief over incorporation of the Company

The Company was established as a result of legal demerger from Orascom Telecom Holding S.A.E as part of the VimpelCom transaction. In October 2010, VimpelCom Ltd and Wind Telecom announced that both groups had signed a merger agreement, and where Wind Telecom (previously Wind Investment) owns 51.7% of shares of Orascom Telecom Holding SAE "**OTH**". On 14 April 2011, the demerger plan was concluded, in order to transfer certain assets to the demerged Company that are not intended to form part of the VimpelCom – Wind Telecom group going forward. Those assets represent mainly OTH investments in the Egyptian Company for Mobile Services, CHEO Technology in North Korea, Orascom Telecom Ventures SAE, as well as other investments in the media and technology sectors, including undersea cable assets. Accordingly, the demerger plan provided that the split of OTH will be executed by way of legal demerger, and the incorporation of Orascom Telecom, Media and Technology Holding S.A.E - OTMT (demerged Company), which will acquire the investments excluded from the transaction. The demerger resulted in existing shareholders of OTH holding the same percentage interest in OTMT as they hold in OTH as of the execution date of the demerger.

2- Statement of compliance with the Egyptian Accounting Standards

- The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment's decree No. 243 of 2006 and applicable Egyptian laws and regulations. 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 separate financial statements for the year ended 31 December 2019, were approved by the board on 5 May 2020.

3- Basis for preparation of consolidated financial statements

As disclosed in Note 1-C, the Company was established as a result of demerger from OTH, the new legal status represents continued economic body starting from the date on which the demerging company acquired or established the subsidiaries and associates and then ownership was transferred to the resulting demerged company.

The management of the Company considers that the substance of the demerger and establishment of the company with the objective of transferring ownership subsidiaries and associates and continuation of its activities under the umbrella of a new legal entity, is considered a common control transaction. The transferred entities pursuant to the demerger plan were under the control of same main shareholders both before and after the demerger and control is not considered temporary, and so transactions under common control is out of scope of the Egyptian Accounting Standard (29) and International Accounting Standard (IFRS 3).

In the absence of a specific guidance in Egyptian Accounting Standards, EAS 5 requires management to select and apply an appropriate accounting policy. Management used its judgement in developing and applying an accounting policy to account for its investments in subsidiaries and associates transferred as part of the demerger as follow:

Although the legal acquisition of subsidiaries was through transfer of shares of equity ownership certificates in application of the demerge decision which was taken in December 2011, the net assets of the company were consolidated through the spin off process as a continuing economic entity under the company's control from the actual date on which the demerger company has acquired the subsidiaries or incorporated them and so the statement of changes in equity includes the retained earnings of these entities during the period from controlling or incorporating these companies by the demerger company.

A) Basis of measurement

The consolidated financial statements are prepared on the historical cost convention, except for financial derivatives that are measured at fair value, and financial instruments at fair value through profit or loss. 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 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 / period, unless otherwise stated in the consolidated financial statements or notes.

4- Significant accounting policies

4-1 Basis of preparing the consolidated financial statements

The consolidated financial statements of the Group incorporate the financial statements of the Company (Parent) and entities controlled by the company (its Subsidiaries) as of the balance sheet date. Control is achieved where the Group has the following:

- Power over the investee.
- Exposure or right to variable returns through its contribution to the investee.
- The ability to use his authority over the investee in order to influence the amount of proceeds he receives from it.

The parent company should reassess the control of the investee if the facts and circumstances indicate that there are variables for one or more of the three control elements mentioned above.

The consolidated income statement includes the income and expenses of subsidiaries acquired or disposed of during the year as of the effective date of acquisition or the effective date of disposal as appropriate. The total income of the subsidiaries is distributed between the shareholders of the holding company and the non-controlling interests even if the negative balance of the non-controlling interests (deficit) arises.

The necessary adjustments are made to the financial statements of the Group companies whenever necessary, making their accounting policies consistent with the accounting policies applicable to other Group companies.

All transactions, balances, income and expenses between the Group companies are eliminated on consolidation of the financial statements.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination. Losses applicable to owners of the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that owners of the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

4-2 Business combination

Business combinations (acquisitions) are accounted for using the acquisition method. The consideration transferred in a business combination transaction is measured at fair value, which is calculated on the basis of the total fair values at the acquisition date of the assets transferred from the Group and the liabilities incurred by the Group in favor of the former owners of the acquiree as well as the equity instruments issued by the Group in exchange for control of the acquiree.

Goodwill is measured on the basis that it represents an increase in (1) Total: the consideration transferred, and any rights to the owners of non-controlling interests in the acquired entity, and the fair value of the share, which the company acquired owned in the company's ownership rights acquired before the acquisition date (if any) for (2) Net values: Assets acquired and liabilities incurred at the date of acquisition. If, after reassessment shows that the net acquired assets by the values and obligations incurred over the total: the consideration transferred, and any rights to the owners of non-controlling interest in the acquired entity, and the fair value of the acquirers share in the acquired company's owners' equity before the date of acquisition (if any) then the increase would be recognized in the profit or loss for the period. (bargain purchase).

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

In Group Entities under Common Control, the Group treats the differences between the cost of business combination and the Group's share in the carrying amount of the net assets and contingent consideration of the acquired entity as a reserve for the consolidation of a business in equity if the acquisition does not result in Change in the principle of absolute control of the Group over the enterprises or companies that have been assembled before and after the acquisition. The same policy is also applied if the Group acquires a proportion of the non-controlling interests' interest in the subsidiary or the Group dispossesses a percentage of its ownership in the subsidiary but retains control of the subsidiary.

In this case, the fair value of the net assets and contingent consideration of the acquired entity is not determined until the date of initial control, taking into account changes in equity items that occurred during the period from the date of initial control until the date of increasing the control share.

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

Holding company (Parent company) currently holds the following direct and indirect interests in its subsidiaries:

Entity name	Segment	Country	Direct and indirect interest in entity
Orabank NK	Other	North Korea	95 %
Trans World Associates (Pvt) Ltd	Media and Technology	Pakistan	51 %
Oracap Holding Co. (Free zone)	Media and Technology	Egypt	99.96%
Oracap Far East Ltd	Media and Technology	Malta	100 %
Orascom Telecom Lebanon	Management services	Lebanon	99.8%
Beltone Financial Holding "S.A.E"	Financial services	Egypt	70 %
Beltone Investment Funds "S.A.E"	Financial services	Egypt	70 %
Beltone Promotion and Underwriting"S.A.E"	Financial services	Egypt	70 %
Beltone Investments Holding- free zone "S.A.E"	Financial services	Egypt	70 %
Auerbach Grayson for Securities Brokerage	Financial services	USA	70 %
Beltone Information Technology "S.A.E"	Financial services	Egypt	70 %
Beltone Securities Holding "S.A.E"	Financial services	Egypt	70 %
Beltone Securities Brokerage "S.A.E"	Financial services	Egypt	70 %
Beltone Financial – Emirates	Financial services	UAE	70 %
Beltone Securities Brokerage "S.A.E"	Financial services	Egypt	70 %
International for Securities Company – Libya	Financial services	Libya	34.3%
Beltone Market Maker "S.A.E"	Financial services	Egypt	70 %
Beltone Financial – USA	Financial services	USA	70 %
Beltone Financial – UK	Financial services	UK	70 %
OTMT – Brazil	Other	Luxembourg	100 %
Victoire coop Investment Holding	Investment Property	Netherlands	100 %
Victoire B.V.	Investment Property	Netherlands	100 %
Victorie 2 (Brazil)	Investment Property	Brazil	100 %
Victorie 9 (Brazil)	Investment Property	Brazil	100 %
Victorie 11 (Brazil)	Investment Property	Brazil	100 %
Victorie 13 (Brazil)	Investment Property	Brazil	100 %
Victorie 17 (Brazil)	Investment Property	Brazil	100 %
Victorie 18 (Brazil)	Investment Property	Brazil	100 %
Victorie 19 (Brazil)	Investment Property	Brazil	100 %
O Capital for energy	Energy	Egypt	99.2 %
O Capital for services and construction	Energy	Egypt	99.2 %
Orascom Telecom Venture co. "S.A.E"	Media and Technology	Egypt	100 %
Orascom prisme pyramids Entertainment "S.A.E"	Other	Egypt	70%
Orascom pyramids Entertainment "S.A.E"	Other	Egypt	100 %

4-3 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments classified as held for sale, are accounted for in accordance with EAS 32 Non-current Assets Held for Sale and Discontinued Operations, where they are stated at the lower of their carrying amount or fair value less costs to sell.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with EAS 29 Business Combination, Therefore:

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is excluded from the carrying amount of the investment and is instead recognized immediately in profit or loss in the determination of the group's share of the associate's profit or loss in the period in which the investment was acquired.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred, in which case appropriate provision is made for impairment for that asset.

The following table provides a list of the Group's associates:

	Segment	Country	Direct and indirect interest in entity
CHEO Technology JV (Koryolink)	GSM	North Korea	75%
Axes Holding	Information system for financial services	USA	33.9%
Electronic Fund Administration Services	Mutual funds management services	Egypt	20 %
International Fund Administration Services	Mutual funds management services	Egypt	20 %
Sarwa Capital	Financial Services	Egypt	28.88%

4-4 Interests in joint operations

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

Joint operation arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the entities are in the incorporation phase or have not started significant operations till the date of the consolidated financial statements. Investments classified as held for sale, are accounted for in accordance with EAS 32 Non-current Assets Held for Sale and Discontinued Operations, where they are stated at the lower of their carrying amount or fair value less costs to sell.

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

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

The following table provides a list of the jointly controlled entities, in which Beltone Financial Holding holds direct and indirect interests:

	Country	Segment	Direct and indirect interest in entity
Misr Beltone Asset Management	Egypt	Mutual funds management	50%

4-5 Foreign currencies translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of preparing the consolidated financial statements, the results and financial position of each group entity are expressed in Egyptian pound; which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the separate financial statements of the individual entities, transactions in currencies other than Egyptian pounds are recorded at the rates of exchange prevailing at the dates of the transactions.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated to the Egyptian pound at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for exchange differences arising on non-monetary assets and liabilities carried at fair value, where translation differences are recognized as part of changes in fair value.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign and local subsidiaries whose reporting currencies are different from the presentation currency of the Group (EGP), are expressed in Egyptian Pound using exchange rates prevailing at the balance sheet date, equity items are expressed in Egyptian Pound using the historical exchange rates at the date of acquisition or incorporation. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognized in the Group's foreign currency translation reserve.

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

	Closing rate as of	Average for the year ended	Closing rate as of	Average for the year ended
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
American Dollar (EGP)	16.000	16.778	17.860	17.771
Pakistan Rupee (PKR)	0.104	0.112	0.129	0.147
Brazilian Real (BRL)	3.981	4.253	4.603	4.862
Euro (EUR)	17.935	18.779	20.484	20.988

4-6 Fixed assets and depreciation

All items of fixed assets are reported in the balance sheet at historical cost, less any accumulated depreciation and impairment losses. Cost of an item of fixed assets includes expenditures that are directly attributable to the acquisition of the item.

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

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation of the depreciable assets is based on the straight-line method and is charged to income statement over the useful life of each group of assets.

The following are estimated useful lives for fixed assets that are used to calculate depreciation:

Asset	Years
Buildings	50 Years
Cellular equipment	8 – 15 Years
Machines	5 – 10 Years
Computer equipment	3 – 5 Years
Furniture and fixtures	5 – 10 Years
Vehicles	3 – 6 Years
Leasehold improvements	3 – 8 Years

4-7 Projects under Construction

Projects under construction are carried at cost, less accumulated impairment, if any. Costs include all costs associated with the acquisition of the asset and bringing it to be ready for its intended use. Projects under construction are transferred to fixed assets when they become ready for their intended use.

There in start its depreciation using the assumptions that is used in depreciate the same types of the assets.

4-8 Intangible assets

Non-monetary assets that don't have physical substance, but can be identified separately, acquired for operating purpose, and expected to generate future economic benefits is treated as intangible assets. Intangible assets (excluding goodwill) include; computer systems, telecom network licenses, right of use, and trademarks. Intangible assets are measured at cost, which represents the cash price at the initial recognition. In case of deferral of payments for periods exceed the normal credit terms, difference between cash price and total amount is recognized as interest. Intangible assets are carried at cost net of amortization and impairment losses, subsequent expenditures on intangible assets are capitalized over the carrying amount of the asset, when and only when, these expenditures increase the future economic benefits of the asset or assets, while other expenditures are charged to income statement.

Intangible assets are amortized on a straight-line basis over their useful lives, unless the useful lives of intangible assets are not identified, an impairment test is performed annually.

4-9 Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. This applies as well on investments in associates, where goodwill is included within the carrying amount of the investment.

The Group's policy for goodwill arising on the acquisition of an associate is described above at "Investments in associates.

4-10 Impairment of tangible and intangible assets excluding goodwill

On annual basis, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and those not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4-11 Investment property

a) Recognition and initial measurement

This item includes buildings leased to lessee under operating leases. Investments property are carried at cost including transaction costs less the accumulated depreciation and impairment, the carrying amount of investment property, useful life and depreciation method is reviewed on annual basis. The fair values of these investments are disclosed at the balance sheet date unless it is not practical to be determined in a reliable manner. In this case such fact shall be disclosed.

b) Depreciation

Is charged to the income statement on a straight-line basis over the estimated useful lives of each component of the investment properties. The estimated useful lives are as follows:

Assets	Years
Leased units	50

4-12 Financial instruments

Financial assets

Investments are recognized and derecognized on the "trade date" where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss- financial derivatives, cash at banks, due from related parties, available for sale investments, accounts receivable, and other debit balances. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial asset, or, where appropriate, a shorter period to the carrying amount of the asset on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than financial assets designated as at FVTPL where income is included in net change in its fair value.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement mismatch for assets and liabilities or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Group is provided internally on that basis. Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Financial derivatives

When needed, the Group companies enter in some financial derivatives' Contracts to hedge the risks of fluctuation in exchange rates, in addition to embedded derivatives resulting from contractual terms contained in agreements in which the company may enter as a party with respect of both financial and non-financial instruments. Embedded derivatives that meet recognition criteria are recognized separately from the host contract and are measured at fair value through profit or loss in accordance with the accounting requirements.

Derivatives are initially recognized at fair value, while attributable transaction costs are recognized in profit or loss when incurred.

Changes in fair value of derivatives during each financial period are charged to the income statement. For the financial derivatives designated as hedging instruments at initial recognition in a documented and effective relationship, the time of recognition of fair value change in the income statement depends on the coverage relationship type and the nature of hedged item.

Available for sale investments

Available-for-sale financial assets are non-derivative assets that are designated as available-for-sale at acquisition and not classified as loans and receivables; (b) held-to-maturity investments as financial assets at fair value through profit or loss.

Available-for-sale financial assets that are quoted on an active market are classified as available for sale and are carried at fair value at the end of each financial period. Investments in unrestricted shares that are not traded in an active market but are also classified as available-for-sale financial assets are carried at fair value at the end of each reporting period (if the fair value can be reliably measured). Changes in the carrying amount of financial assets available for sale are recognized in equity under investment revaluation reserve, if any.

After initial recognition, AFS investments are subsequently measured at fair value with gains or losses resulting from fair value measurement recognized directly in equity, until the investment is derecognized, at which time the cumulative gain or loss previously recognized in equity are then recognized in the profit or loss. In case there is objective evidence that an impairment loss has been incurred on AFS investments at the date of the financial statements, the cumulative loss that had been previously recognized in equity are removed from equity and recognized in profit or loss even though the investments have not been derecognized.

Unlisted equity securities classified as AFS, for which no quoted market price is available in an active market and whose fair value cannot be measured reliably are stated at cost.

Loans and receivables

Loans and receivables are non-derivative financial assets with a fixed or determinable payment date that are not traded in an active market and include customers and other receivables, due to related parties, bank and cash balances and others.

Loans and receivables are measured at amortized cost using the effective interest method less any impairment.

Credit interest arising on the use of the effective interest method is recognized except for the interest earned on the measurement of short-term customer balances in the interest rate that is not recognized if it is not of a material interest.

4-13 Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the net assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs.

Financial liabilities

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

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

4-14 De-recognition of financial instruments

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 also recognizes a collateralized borrowing for the proceeds received.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

4-15 Impairment of financial assets

The group determines at the end of each reporting period whether its financial assets, other than those at FVTPL, are subject to indicators of impairment.
Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.
As for the shares listed and unlisted in the stock exchange and which are classified as available for sale investments, the permanent decrease in the fair value of the share represents an objective evidence on impairment in its value.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. If impairment losses have been recognized for financial assets carried at amortized cost, and in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

4-16 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.

4-17 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.

4-18 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 profit or loss in each reporting period, while 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 balance sheet 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.

4-19 Provisions

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

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

Where a provision is measured using the cash flows estimated to settle the present obligation, 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.

4-20 Non-current assets held for sale (or disposal 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 evidences 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.

4-21 Revenue recognition

Revenues are measured at fair value of the consideration received or due to the Group till the end of the financial period. Revenue is shown net of value added tax, rebates and discounts.

Revenue is recognized when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a) The amount of revenue can be measured reliably; and
b) It is probable that the economic benefits associated with the transaction will flow to the entity; and
c) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

- The following represents the types of services provided, and policies used by the group for recognition of generated revenue and other revenue resulted from the use of the group assets.

1- Technical support revenue

Technical support fees are recognized in the profit or loss over the term on which the services are rendered and based on the contracts with subsidiaries and associates

Revenue from the financial service section

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a) The amount of revenue can be measured reliably; and

b) It is probable that the economic benefits associated with the transaction will flow to the entity; and

c) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Operating revenues represent the following types:

Investment banking revenue

The activities revenue is recognized that represented in security and investment banking fees for the companies when complete the implementation of the service.

Management fees of funds and portfolios

Management fees are recognized as revenue on an accrual basis, as the services are rendered, in accordance with the contractual terms of each fund and portfolio.

Incentive fees are recognized as revenue based on predetermined percentages agreed with clients, calculated by reference to the annual return on each fund or portfolio, but only to the extent that the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group.

Brokerage commissions

Sale commissions: represents commission on sale of securities for local or global clients in stock exchanges, represented in percentage of selling transaction by agreement with the client.
Purchase commissions: represent commissions on purchase of securities for local or global clients in stock exchanges, represented in percentage of purchasing transaction by agreement with the client.

Custodian fees

Recognized at the difference between fees collected from clients and those incurred or paid to custodians.
Recognized by irrevocable contracts with clients on accrual basis.
Recognized the commissions for collecting of the coupons for customers, the collection of these coupons are on behalf of the customers.

2- Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable until maturity.

3- Dividends income

Dividends income from equity investments other than associates is recognized in the profit and loss when the Group's rights to receive payment have been established; the cost of the investment is reduced by the dividends related to the pre-acquisition period which represents recovery of the acquisition cost.

4- Investment property revenue

Investment property revenue recognized on accrual basis (on net amount less any deductions) accrued to income statement, based on the straight-line method through rental contract duration.

4-22 Employees' benefits

Short-term employees' benefits

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

4-23 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.

4-24 Borrowing costs

Borrowing costs are recognized immediately in the profit and loss, 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.

4-25 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.

4-26 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.

4-27 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.

4-28 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.

4-29 Employees' profit share

Each company of the Group which operates in Egypt is obliged to pays 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).

4-30 Statement of cash flows

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

4-31 Fair value estimation

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

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

The following table sets forth the Group's financial assets and liabilities that are measured at fair value as of 31 December 2019 and 31 December 2018.

(in thousands of US$)	Fair value at 31 December 2019 EGP	Fair value at 31 December 2018 EGP	Fair value Level	Valuation methods
Investments at fair value through profit and loss (18-4)	-	14,572	One	Active market prices
Investments at fair value through profit and loss (18-4)	552	14,525	Two	Prices from fund managers
Investments at fair value through profit and loss (18-4)	-	7,576	Two	Other methods
Financial assets available for sale at fair value (18-3)	40,749	47,723	One	Active market prices

4-32 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:

4-32-1 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.

4-32-2 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.

4-32-3 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.

4-32-4 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.

4-32-5 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.

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.

4-32-6 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 extrapolation.

4-32-7 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.

5- Financial instruments risk management

The Group's financial instruments comprise of financial assets and liabilities. Financial assets comprise of financial assets at fair value through profit or loss – financial derivatives, debt instruments represented in treasury bills, cash at banks, due from related parties, available for sale investments, accounts receivable and other debit balances. The financial liabilities comprise of borrowings, credit facilities, credit to customers, due to related parties and payables. Following are the most significant risks, the Group companies are exposed to when conducting their business activities, financial instruments used and strategies that the Group follows to manage those risks.

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 management related to operations

Each of the Group companies is conducting its operating activities using its functional currency. Hence, some of companies of the Group are exposed to exchange rate fluctuations risk related to payments, collections, or equity instruments using currencies other than functional currency. These liabilities and equity instruments are usually related to capital expenditures with external suppliers and revenues resulted from services rendered to external customers. The Group monitors the risk of foreign currencies fluctuation risk resulted from its operating activities.

At year end, major net assets / (net liabilities) foreign currencies positions presented in Egyptian pound (EGP), were as follows:

(In thousands of EGP)	31 December 2019	31 December 2018
USD	321,710	1,677,111
Euro	211,776	(96,690)
PKR	(430,784)	(284,324)
GBP	751	8,358
Other	189,019	203,356

Management estimates that if any changes occurs either upward or downward in the exchange rate of the Egyptian pound (functional currency) in the range of 10% against the US Dollar, Euro, or the Pakistani rupee with the stability of all other variables, the receivables and payables denominated in foreign currencies will be affected by increase or decrease equivalent to EGP 80 million (2018: EGP 134 Million) which affecting the net (loss)/ profit for the year by the same amount.

Change in market price risks

This risk is considered limited as invested equity instruments exposed to this risk are not material from management's point of view.

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 did not enter into any derivative contracts to hedge the risks associated with possible fluctuations in interest rates, whether to hedge the cash flows or fair value.

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 December 31, 2019 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)	31 December 2019	31 December 2018
Total borrowings	**1,052,448**	**2,847,886**
of which % is at a fixed interest rate	%0	%59
of which % is at a variable interest rate	%100	%41
of which % is free interest rate	%0	%0

Management estimates the impact resulting from the change in the interest rate by 1%, leading to an increase or decrease in the finance cost for the current period in the amount of EGP 5.9 Million (2018: EGP 9.3 Million).

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:

Submarine cable segment

Submarine cable customers are offered maximum payment term of 30 days. Customers are checked for creditworthiness before offering credit terms.

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 of counterparties, therefore, the Group does not consider that it has a significant concentration of credit risk.

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 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 31 December 2019	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
Liabilities					
Borrowings from banks	1,021,646	1,138,290	530,001	603,238	5,051
Other borrowings	30,802	32,430	17,816	14,614	-
Creditors and other credit balances	1,127,673	1,127,673	1,127,673	-	-
	2,180,121	**2,298,393**	**1,675,490**	**617,852**	**5,051**

(In thousands of EGP)

As of 31 December 2018	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
Liabilities					
Borrowings from lease	2,792,250	2,940,412	1,919,169	1,021,243	-
Other borrowings	49,054	52,544	30,823	21,721	-
Creditors and other credit balances	1,277,081	1,277,081	1,277,081	-	-
	4,118,385	**4,270,037**	**3,227,073**	**1,042,964**	-

* 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.

Other Risks

Governmental authorizations

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

Political and economic risk in emerging countries

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

Regulatory risk in emerging countries

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

Revenue generated by the majority of the Group subsidiaries is expressed in local currency, the Group expects to receive most of this revenue from its subsidiaries and therefore it relies on their ability to be able to transfer funds.

The regulations in the various countries, such as for example North Korea, where the subsidiaries operate could reduce the ability to pay interest and dividends and to repay loans, credit instruments and securities expressed in foreign currency through the transfer of currency. In addition, in some countries it could be difficult to convert large amounts of foreign currency due to central bank regulations. The central banks may amend regulations in the future and therefore the ability of the Company to receive funds from its subsidiaries may be changed.

Classes of financial instrument

	31 December 2019			31 December 2018		
(In thousands of EGP)	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
Other financial assets	303,930	53,725	**357,655**	2,066,746	62,377	**2,129,123**
Trade receivables	900,723	-	**900,723**	967,109	-	**967,109**
Other assets	71,060	-	**71,060**	36,996	-	**36,996**
Cash and cash equivalents	1,015,000	-	**1,015,000**	1,903,267	-	**1,903,267**
Total	**2,290,713**	**53,725**	**2,344,438**	**4,974,118**	**62,377**	**5,036,495**

(In thousands of EGP)	31 December 2019			31 December 2018		
	Financial liabilities through profit or loss	Other financial liabilities at amortized cost	**Total**	Financial liabilities through profit or loss	Other financial liabilities at amortized cost	**Total**
Borrowings	-	1,052,448	**1,052,448**	-	2,847,886	**2,847,886**
Other non-current liabilities	-	-	**-**	-	400,712	**400,712**
Creditors and other credit balances	-	589,949	**589,949**	-	1,069,659	**1,069,659**
Total	**-**	**1,642,397**	**1,642,397**	**-**	**4,318,257**	**4,318,257**

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:

- Financial Service: relating to the financial services of Beltone financial group and Riza Capital represented in the group of different financial segment of Investment Banking, Asset Management, Brokerage and Other financial Services.
- Investment property: investment properties relate to real estate property the Group owns in Sao Paolo, Brazil
- GSM – Lebanon: relating to the management contract of the Lebanese mobile telecommunications operator Alfa, which is owned by the Republic of Lebanon.
- 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.
- Includes equity investment of the group 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.

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.

(In thousands of EGP)	31 December 2019 Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA	31 December 2018 Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA
Investment Property	61,276	-	61,276	38,673	65,456	-	65,456	41,329
Management fees	120,156	-	120,156	76,582	127,942	-	127,942	187,127
Financial Services	237,418	-	237,418	12,295	332,812	-	332,812	52,143
Cables	747,349	-	747,349	354,462	800,482	-	800,482	410,842
Others	22,256	(19,481)	2,775	(367,291)	21,941	(21,941)	-	(353,435)
Total	**1,188,455**	**(19,481)**	**1,168,974**	**114,721**	**1,348,633**	**(21,941)**	**1,326,692**	**338,006**

Assets per segment

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

(In thousands of EGP)	31 December 2019 Property and equipment	Intangible assets	Investment Property	Equity Instruments	Total	31 December 2018 Property and equipment	Intangible assets	Investment Property	Equity Instruments	Total
Financial Services	137,460	381,351	-	-	518,811	178,333	595,154	-	-	773,487
Investment Property	-	-	977,271	-	977,271	-	-	1,154,159	-	1,154,159
Cable	892,005	26,153	-	-	918,158	1,035,852	24,824	-	-	1,060,676
Other	49,868	-	-	2,289,257	2,339,125	51,022	-	-	2,204,602	2,255,624
Total	**1,079,333**	**407,504**	**977,271**	**2,289,257**	**4,753,365**	**1,265,207**	**619,978**	**1,154,159**	**2,204,602**	**5,243,946**

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment for the year ended 31 December 2019, and the year ended 31 December 2018:

(In thousands of EGP)	The year ended 31 December 2019	The year ended 31 December 2018
Financial Services	2,008	18,309
Cable	246,090	101,947
Other	3,561	18,120
Total	**251,659**	**138,376**

7- Business combination and discontinuing operations results

a) Business combination

Auerbach Grayson Company (AGCO):

On 25 September 2016, the Board of Directors of Beltone Financial Holding has approved the acquisition of 60% of Auerbach Grayson Company (AGCO) through one of its subsidiaries (New Frontier Securities - USA) for USD 24 million. The acquisition contract includes three option rights as follows:

1. The seller is entitled to the first option to purchase 9% of (AGCO) shares, which is owned by New Frontier Securities, within one year starting from the contract date, at a specified price and terms stated in the contract.
2. New Frontier is entitled to the second option to buy all or part of the seller's share in (AGCO) starting from the third year of the contract date and at a specified price and terms stated in the contract.
3. The seller is entitled to the third option to sell the rest of his interest (40%) in (AGCO), which is owned by New Frontier Securities starting from the fifth year of the contract date and at a specific price and terms stated in the contract.

On 30 January 2017, regulatory approval was obtained upon securities brokerage activity in the United States of America to acquire a stake in (AGCO). The acquisition procedures were completed on 1st February 2017, so this date to be considered as the date of acquisition.
The company has also identified the initial accounting for business combination related to the acquisition of AG company temporary on 1st February 2017, This is until the completion of the study of the fair value of the acquired assets and liabilities, including intangible assets, at the date of the acquisition (if any).

The Group prepared study for the Purchase Price Allocation (PPA) and its amendments to the fair value of assets, liabilities and related adjustments in the last quarter of 2018. The comparative figures for 2017 were reclassified to reflect the final figures resulting in a final value of USD 3,300,385 as follows:

	USD
Intangible assets	3,013,000
Net identifiable assets acquired	16,975,465
	19,988,465
Percentage of acquisition	%60
	11,993,079
Financial derivatives	8,070,000
Deferred tax liabilities	(686,964)
	19,376,115
Consideration	
Cash	(22,000,000)
deferred consideration	(676,500)
	(22,676,500)
Goodwill	**(3,300,385)**

The balance of financial derivatives represented in fair value for the second option of new frontier.

(In thousands of EGP)	31 December 2019	31 December 2018
Financial derivatives – option contracts	-	86,832
Total	**-**	**86,832**

As the group on 31 December 2019 used the second option right of New Frontier company to purchase all seller percentage of Aurebach Grayson company within the third year from the acquisition date without paying any return.

b) Discontinuing operations results

The discontinued operations represent the following: -

(In thousands of EGP)	31 December 2019	31 December 2018
Discontinuing operations results from Riza Capital disposal (7-b-1)	87,681	(117,220)
Discontinuing operations results from Auerbach Grayson (7-b-2)	(95,134)	(107,974)
Discontinuing operations results from Mena cable (7-b-3)	-	1,132,863
Net (loss) / profit from discontinuing operations	**(7,453)**	**907,669**

(7-b-1) Riza Capital disposal:

On 10 September 2019, OTMT Brazil Holding company signed a sale and purchase agreement "SPA" with Marco Orelio company to sell all its shares which is 57.5% of Riza Capital for USD 13,323,850 to be collected over six batches semi-annually by USD 2,220,642 each in which last batch will be accrued on 28 February 2022.

The income results from disposal of Riza Capital at 31 December 2019 is as follows: -

(In thousand EGP)	31 December 2019
Assets	
Cash Consideration	**222,185**
Deduct	
Company's percentage of net assets	(91,359)
Beginning balance of non-controlling interest	(15,306)
Disposed of foreign currency translation differences n	3,314
(Losses) of the period of Riza Capital	(31,153)
Group profit from the disposal	**87,681**

(Losses) of the year of Riza Capital represents the following: -

(In thousands of EGP)	31 December 2019	31 December 2018
Operating revenue	48,587	57,268
Operating cost	(26,672)	(12,700)
Gross income	21,915	44,568
Other expenses	(53,068)	(161,788)
Net (loss) of the year	**(31,153)**	**(117,220)**
Attributable to:		
Owners of the parent company	(17,922)	(67,437)
Non-controlling interests	(13,231)	(49,783)

(7-b-2) Discontinuing operations result from Auerbach Grayson

Within the year the board of directors of Beltone company delegated the chairman and the CEO to take all necessary procedures and negotiations to sell the Beltone company percentage of Auerbach Grayson company shares which is whole owned by New Frontier company (one of the subsidiaries of Beltone company) in which the company starts to determine the buyer so the related assets and liabilities disclosed as held for sale based on the Egyptian accounting standard no (32).

(Losses) of the year of Auerbach Grayson represents the following: -

(In thousands of EGP)	31 December 2019	31 December 2018
Brokerage operation revenue	287,742	363,875
Other revenue	2	371
Total revenue	**287,744**	**364,246**
Employees' salaries and bonus	(94,185)	(198,760)
Execution commissions	(108,083)	(140,411)
Property and equipment deprecation	(1,089)	(1,102)
Intangible assets amortization	(2,497)	(4,147)
Other expenses	(175,603)	(126,688)
foreign currency translation differences	(2,367)	(2,688)
Total expenses	**(96,080)**	**(109,550)**
Deferred tax	946	1,576
Net (losses) of the year	**(95,134)**	**(107,974)**

(7-b-3) Discontinued operations result from Mena Cable

On 21 May 2018, Orascom Investment Holding announced that they sign a buying and selling contract with Egyptian International Company for submarine cables which is owned by 50% to Egyptian Telecom to sell all its direct and indirect shares in its subsidiary company middle east and north Africa submarine cables company (Mena Cable) by total amount of USD 90 Million so Orascom Investment Holding S.A.E. (Formerly Orascom Telecom Media and Technology Holding) owned 100% of Mena cable shares.

The company make the selling transaction on 17 September 2018, by selling price of USD 88.9 million (Equivalent EGP 1,588 million)

a) Profit from the disposal of Mena Cable as of 30 September 2018 as follows:

(In thousand EGP)	31 December 2018
Proceeds from sale	**1,565,131**
Less:	
Selling expenses	(5,853)
Liabilities held for sale	492,638
Assets held for sale	(1,471,967)
Mena Cable losses for the period	(97,957)
Disposal of foreign exchange translation differences	557,525
Deferred taxes	93,346
Group profits from the disposal	**1,132,863**

b) Mena Cable losses for the period

(In thousand EGP)	31 December 2019	31 December 2018
Operating revenue	-	35,819
Operating expenses	-	(64,280)
Total loss	-	**(28,461)**
Depreciation of property and equipment	-	(57,858)
Other expenses	-	(11,638)
Total	-	**(97,957)**

8- Operating revenues

(In thousands of EGP)	For the year ended 31 December 2019	For the year ended 31 December 2018
Interconnection traffic	747,349	800,482
Revenues from financial services	237,418	332,812
Management contract -Fees	120,156	127,942
Revenues from investment property	61,276	65,456
Other revenues	2,775	-
Total	**1,168,974**	**1,326,692**

9- Purchases and services

(In thousands of EGP)	For the year ended 31 December 2019	For the year ended 31 December 2018
Customer acquisition costs	130,169	136,553
Consulting and professional services	94,989	187,556
International communication fees	68,266	72,612
Maintenance costs	40,590	41,281
Rental of local network, technical sites and other leases	5,106	6,832
Purchases of goods and changes in inventories	28,597	15,669
Advertising and promotional services	16,984	26,342
Utilities and energy cost	14,095	19,510
Site cost	11,621	9,907
Insurance expense	8,578	13,897
Travel and accommodation expenses	6,458	7,802
Airfare expense	4,366	3,786
Security expenses	3,436	3,746
Equipment technology supplies expenses	3,280	4,198
Banking expense	2,099	2,852
Brokerage commission	2,014	752
Other service expenses	18,094	7,904
Total	**458,742**	**561,199**

10- Other expenses

(In thousands of EGP)	For the year ended 31 December 2019	For the year ended 31 December 2018
Allowance for doubtful receivables	66,992	11,254
Promotion and gifts	834	588
Other operating expenses	25,929	82,480
Total	**93,755**	**94,322**

11- Personnel costs

(In thousands of EGP)	For the year ended 31 December 2019	For the year ended 31 December 2018
Wages and salaries	349,472	342,759
Bonuses	27,037	13,284
Other benefits	12,738	13,262
Pension costs	8,938	13,579
Social security	6,263	7,537
Subscriptions	3,431	5,895
Other personnel costs	4,834	4,349
Total	**412,713**	**400,665**

12- Depreciation and amortization

(In thousands of EGP)	For the year ended 31 December 2019	For the year ended 31 December 2018
Depreciation of property and equipment		
Buildings	4,524	4,836
Communication stations	130	159
Equipment of cable system	46,086	55,545
Computers and other equipment	24,341	22,084
Depreciation of investment property		
Buildings	22,268	25,452
Amortization of intangible assets		
License	1,067	1,650
Right of use	1,703	429
Other	5,155	4,365
Total	**105,274**	**114,520**

13- Net financing (cost)

(In thousands of EGP)	For the year ended 31 December 2019	For the year ended 31 December 2018
Finance income generated from:		
Interest income	14,120	61,316
Total financial income	**14,120**	**61,316**
Finance cost generated from:		
Interest expense	(170,476)	(139,652)
Impairment of other debit balances	-	(3,128)
Other finance expense	(43,344)	(24,261)
Total finance cost	**(213,820)**	**(167,041)**
Foreign currencies translation (loss)	(78,104)	(32,314)
Total foreign currencies translation (loss)	**(78,104)**	**(32,314)**
Net financing (cost)	**(277,804)**	**(138,039)**

14- Equity-accounted investees

(In thousands of EGP)	Country	%	31 December 2019	31 December 2018
Cheo Technology-Koryolink (*)	DPRK	75	9,774,529	6,997,622
Sarwa capital company (**)	Egypt	29.61	1,674,834	1,590,000
Electronic Fund Administration Services	Egypt	20	286	307
International Fund Administration Services	Egypt	20	505	663
Axes Holding company	Egypt	33.9	10,035	11,155
Less: Impairment in investment			(9,170,932)	(6,395,145)
			2,289,257	**2,204,602**

14-1 Koryolink Company

(*) The Company's investments in North Korea related primarily to the 75% voting rights in the local telecom operator Koryolink. The accounting treatment has been modified during period ended 30 September 2015. Through, recognizing it as an investment in associates instead of investment in subsidiaries, as the group management believes that the existence of significant influence instead of control. Thus, in light of the increase of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction imposed by the international community including the United States of America, the European Union and the United Nations. These sanctions have the effect of restricting financial transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks. In addition to, the restrictions implemented on the company that affect the ability of the associate company to transfer profits to the parent (return of funds to its native) and the absence of a free-floating currency exchange market in North Korea, announced by the Central Bank of North Korea, other than launching a competing local telecom operator wholly owned by the North Korean Government.

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

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

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

	31 December 2019	31 December 2018
Total assets	30,704,243	29,524,958
Total liabilities	(4,820,905)	(4,658,281)
Net assets	**25,883,338**	**24,866,677**

	31 December 2019	31 December 2018
Total revenues	6,561,415	6,683,060
Total expense	(2,858,872)	(2,911,422)
Net profit after tax	**3,702,543**	**3,771,638**
Share of profit of the associate company	**2,776,907**	**2,827,173**

	31 December 2019	31 December 2018
Opening balance of the investment in the associate	**6,997,622**	**4,170,449**
Group's share of profit of the associate company	2,776,907	2,827,173
Ending balance	**9,774,529**	**6,997,622**
Opening balance of impairment	**(6,383,990)**	**(3,556,817)**
Impairment of group's share of profit of the associate	(2,776,907)	(2,827,173)
Ending balance of impairment	**(9,160,897)**	**(6,383,990)**
	613,632	**613,632**

14-2 Sarwa capital Company

** On 20 December 2018, the company purchased number of 216,032,608 share from shares of Sarwa capital, which represents 30% of total equity by price per share 7.36 by total price EGP 1.590 million and it was financed by the contract related to open credit facility with bank Audi by amount of USD 90 million during December 2018.

The group make an assessment of the Purchase Price Allocations (PPA) including its adjustments of the fair value of the assets and the liabilities and the related reconciliations in the last quarter of 2019, in which the comparative figures of 2018 have been adjusted to reflect the final figures which resulted into a goodwill by an amount of EGP 876,049,204 as follows:

(In thousands of EGP)	December 31, 2018
Assets	
Acquired assets excluding goodwill	3,489,946
Liabilities	
Total liabilities	(1,851,478)
Net Assets of the Sarwa company at 31 December 2018	**1,638,468**
Assets resulted from the acquisition of 30% for Sarwa company after PPA assessment	
Tangible assets (land)	51,909
Intangible assets	894,361
Other	8,008
Deferred tax	(212,911)
Net assets	**2,379,835**
Company's percentage of net acquired assets (30%)	713,951
Consideration paid	1,590,000
Goodwill	**876,049**

- On 9 May 2019, the board of director of Sarwa Capital company approve a decision to increase the issued and paid-up capital by issuing 28 million shares with par value of EGP 0.16 each, with total value of EGP 4,480,000, the full value of the increase should be fully funded by the balance of the retained earnings, and this increase to be assigned for the share based payments program (ESOP) for Sarwa's employees which was approved by the Financial Reporting Authority (FRA) on 26 February 2019.
- On 3 October 2019, the issued and paid up capital has been increased based on the decision of the board of directors meeting on 13 May 2019, by distributing free shares to the shareholders by his percentage of ownership (3 shares for every 5 shares) and to be funded by the retained earnings.
- On 3 October 2019, the issued capital of Sarwa Capital company was increased by a decision of the board of directors on 13 May 2019, by distributing free shares to shareholders, each according to the percentage of his contribution with 3 shares for every five shares, the full value of the increase is financed by the balance of the retained earnings.
- As a result of the above, the number of shares of share based payments (ESOP) has increased to a total of 45 million shares and the Company has allocated 15.5 million shares from ESOP shares to employees and managers, which led to a decrease in the ownership percentage of Orascom Investment Holding to 29.61% as of 31 December 2019.

(In thousands of EGP)	December 31, 2019	December 31, 2018
Total revenue	3,963,581	3,451,909
Total expenses	(3,557,067)	(3,154,094)
Net profit after tax	**406,514**	**297,814**
Owners of the parent company	**388,712**	**248,164**
Group share of profit of associates	115,105	-
Items resulted from the acquisition of 30% of the associate company		
Decrease in the investment based on the decrease of the ownership percentage from 30% to 29.61%	(20,571)	-
Client list amortization	(13,241)	-
Deferred tax	2,979	-
	84,272	-

(In thousands of EGP)	December 31, 2019
Opening balance of the investment	**1,590,000**
Paid for the increase of the investment percentage	562
Group's share of profit of the associate company	84,272
Ending balance of the investment	**1,674,834**

15- Fixed assets

(In thousands of EGP)	Land and Buildings	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
Cost	211,274	1,160,387	208,342	31,325	**1,611,328**
Accumulated depreciation and impairment	(18,908)	(235,824)	(91,389)	-	**(346,121)**
Net Book value as at 1 January 2019	**192,366**	**924,563**	**116,953**	**31,325**	**1,265,207**
Additions	1,596	32,156	51,558	56,838	**142,148**
Disposals	-	(71)	(9,295)	-	**(9,366)**
Change in scope of consolidation	(18,113)	-	(14,284)	-	**(32,397)**
Depreciation	(4,524)	(46,086)	(24,471)	-	**(75,081)**
Depreciation of assets held for sale (discounting operations)	-	-	(1,089)	-	**(1,089)**
Reclassifications to assets held for sale	-	-	(1,301)	-	**(1,301)**
Reclassifications	-	16,491	8,869	(25,360)	-
Foreign currency translation differences	(1,583)	(181,720)	(16,954)	(8,531)	**(208,788)**
Net book value as at 31 December 2019	**169,742**	**745,333**	**109,986**	**54,272**	**1,079,333**
Cost	189,638	977,279	206,389	54,272	**1,427,578**
Accumulated depreciation and impairment	(19,986)	(231,946)	(96,403)	-	**(348,245)**

(In thousands of EGP)	Land and Buildings	Cable system and equipment	Commercial and other tangible assets	Assets under Construction	Total
Cost	241,868	6,121,472	171,452	65,925	**6,600,717**
Accumulated depreciation and impairment	(29,976)	(3,988,656)	(81,801)	(32,806)	**(4,133,239)**
Net Book value as at 1 January 2018	**211,892**	**2,132,816**	**89,651**	**33,119**	**2,467,478**
Additions	8,434	17,460	59,570	43,654	**129,118**
Disposals	-	-	(1,101)	-	**(1,101)**
Change in scope of consolidation	(11,382)	(901,655)	7,736	(35,023)	**(940,324)**
Depreciation	(4,836)	(55,545)	(22,243)	-	**(82,624)**
Depreciation of the assets (discounting operations)	(2,357)	-	(1,935)	-	**(4,292)**
Foreign currency translation differences	(9,385)	(272,097)	(16,932)	(4,634)	**(303,048)**
Reclassifications	-	3,584	2,207	(5,791)	-
Net book value as at 31 December 2018	**192,366**	**924,563**	**116,953**	**31,325**	**1,265,207**
Cost	211,274	1,160,387	208,342	31,325	**1,611,328**
Accumulated depreciation and impairment	(18,908)	(235,824)	(91,389)	-	**(346,121)**

Pledged assets of amount of EGP 1.057 Million for Trans World Associates against credit facilities obtained for the expansion in marine cables SMW (5).

16- Intangible assets

(In thousands of EGP)	License	Goodwill	Right of use	Customer Base	Trade Mark	Other	Total
Cost	34,450	493,930	7,969	78,200	24,900	32,703	672,152
Accumulated amortization and impairment	(28,151)	(8,098)	(460)	(11,730)	(3,735)	-	(52,174)
Net Book value as at 1 January 2019	**6,299**	**485,832**	**7,509**	**66,470**	**21,165**	**32,703**	**619,978**
Additions	1,111	-	6,151	-	-	2,306	9,568
Amortization	(1,067)	-	(1,703)	(3,910)	(1,245)	-	(7,925)
Amortization of assets held for sale (discontinuing operations)	-	-	-	(2,060)	(437)	-	(2,497)
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Change in scope of consolidation	(293)	(119,037)	-	-	-	-	(119,330)
Reclassifications	1,788	-	-	19,760	10,630	(32,178)	-
Assets held for sale	-	(52,938)	-	(15,798)	(9,167)	-	(77,903)
Currency translation differences	(1,460)	(7,690)	(1,818)	(1,880)	(1,048)	(491)	(14,387)
Net book value as at 31 December 2019	**6,378**	**306,167**	**10,139**	**62,582**	**19,898**	**2,340**	**407,504**
Cost	34,358	314,265	12,080	78,200	24,900	2,340	466,143
Accumulated amortization and impairment	(27,980)	(8,098)	(1,941)	(15,618)	(5,002)	-	(58,639)

(In thousands of EGP)	License	Goodwill	Right of use	Customer Base	Trade Mark	Other	Total
Cost	41,263	411,135	388,402	78,200	24,900	4,897	948,797
Accumulated amortization and impairment	(11,206)	(8,098)	(181,400)	(7,820)	(2,490)	(1,159)	(212,173)
Net Book value as at 1 January 2018	**30,057**	**403,037**	**207,002**	**70,380**	**22,410**	**3,738**	**736,624**
Additions	4,744	-	4,233	-	-	2,403	11,380
Amortization	(1,650)	-	(429)	(3,120)	(1,245)	-	(6,444)
Amortization of assets (discontinuing operations)	(4,151)	-	-	-	-	-	(4,151)
Impairment	(20,661)	-	-	-	-	-	(20,661)
Disposals	(3,426)	-	-	-	-	-	(3,426)
Change in scope of consolidation	(232)	119,037	(208,955)	-	-	-	(90,150)
Reclassifications	(3,007)	-	4,934	(790)	-	(1,137)	-
Currency translation differences	4,625	(36,242)	724	-	-	27,699	(3,194)
Net book value as at 31 December 2018	**6,299**	**485,832**	**7,509**	**66,470**	**21,165**	**32,703**	**619,978**
Cost	34,450	493,930	7,969	78,200	24,900	32,703	672,152
Accumulated amortization and impairment	(27,980)	(8,098)	(460)	(11,730)	(3,735)	-	(52,174)

The balance of intangible assets includes goodwill resulted from the Group acquisitions during the year and prior years as the following:

	31 December 2019				31 December 2018			
(In thousands of EGP)	**Financial Service**	**Cable**	**Others**	**Total**	**Financial Service**	**Cable**	**Others**	**Total**
Cost	476,754	9,078	8,098	493,930	391,344	11,693	8,098	411,135
Accumulated amortization and impairment	-	-	(8,098)	(8,098)	-	-	(8,098)	(8,098)
Assets held for sale	(52,938)	-	-	(52,938)	-	-	-	-
Acquisition results during the year	-	-	-	-	119,037	-	-	119,037
Change in scope of consolidation	(119,037)	-	-	(119,037)	-	-	-	-
Foreign currency translation differences	(5,908)	(1,782)	-	(7,690)	(33,627)	(2,615)	-	(36,242)
	298,871	**7,296**	-	**306,167**	**476,754**	**9,078**	-	**485,832**
Cost	298,871	7,296	8,098	314,265	476,754	9,078	8,098	493,930
Accumulated amortization and impairment	-	-	(8,098)	(8,098)	-	-	(8,098)	(8,098)

17- Investment property

(In thousands of EGP)	31 December 2019	31 December 2018
Cost	1,256,024	1,457,655
Accumulated amortization and impairment	(101,865)	(90,102)
	1,154,159	**1,367,553**
Depreciation	(22,268)	(25,452)
Currency translation differences	(154,620)	(187,942)
As at 31 December	**977,271**	**1,154,159**
Cost	1,086,307	1,256,024
Accumulated amortization and impairment	(109,036)	(101,865)

The investment property balance comprises of the value of seven floors which owned by Victoire company in Brazil. The investment property is carried at its historical cost with fair value as at 31 December 2019 with amount USD 92 million (Equivalent EGP 1,472 million).

(In thousands of EGP)	31 December 2019	31 December 2018
Rental income	61,275	65,456
Direct operating expenses from property that generated rental income	17,683	29,411
Direct operating expenses from property that did not generate rental income	10,851	21,676

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

(In thousands of EGP)	December 31, 2019	December 31, 2018
Within one year	76,183	65,547
Later than one year but not later than 5 years	296,746	262,186
More than 5 years	32,612	-

18- Other financial assets

(In thousands of EGP)	As of 31 December 2019			As of 31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Financial receivables	110,681	76,553	**187,234**	54,342	19,482	**73,824**
Pledged deposit and restricted cash (18-1)	114,213	1,931	**116,144**	134,840	1,821,409	**1,956,249**
Financial assets at fair value through profit or loss (18-4)	-	552	**552**	-	36,673	**36,673**
Financial assets available for sale -At Cost (18-2)	12,976	-	**12,976**	14,654	-	**14,654**
Financial assets available for sale -At Fair value (18-3)	40,749	-	**40,749**	47,723	-	**47,723**
	278,619	**79,036**	**357,655**	**251,559**	**1,877,564**	**2,129,123**

18-1 Pledged deposit and restricted cash

(In thousands of EGP)	As of 31 December 2019			As of 31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Pledged deposit	5,250	1,931	**7,181**	10,850	1,821,409	**1,832,259**
Cash at bank in North Korea	108,963	-	**108,963**	123,990	-	**123,990**
	114,213	**1,931**	**116,144**	**134,840**	**1,821,409**	**1,956,249**

18-2 Financial assets available for sale – at cost

Company name	31 December 2019	31 December 2018
Misr for Central Clearing Depository and Registry	7,655	7,655
Guarantee Settlement Fund	5,027	6,705
El Arabi for Investment	194	194
MENA Capital	2,666	2,964
BMG	100	100
(Less): Impairment of available for sale investments	(2,666)	(2,964)
Total	**12,976**	**14,654**

The above investments are measured at cost as they represent non-listed securities that do not have quoted market prices and their fair value cannot be reliably measured.

18-3 Financial assets available for sale – at fair value

Company name	31 December 2019	31 December 2018
EGX funds company	8,093	7,501
Egypt opportunities fund	32,656	40,222
	40,749	**47,723**

18-4 Financial assets at fair value through profit or loss

	31 December 2019	31 December 2018
Investment in cash investment in funds	-	14,572
Investment in investment funds	552	14,525
Treasury Bills	-	7,576
Total	**552**	**36,673**

19- Income tax

(In thousands of EGP)	31 December 2019	31 December 2018
Current tax expense	110,253	133,276
Deferred tax liabilities	(13,024)	(27,108)
Total Income Tax	**97,229**	**106,168**

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)	2019	2018
As of 1 January,	(272,609)	(426,703)
Foreign currency translation differences	24,408	31,048
Charged to the statement of income	13,024	32,677
Liabilities associated with assets held for sale	9,487	-
Dividends tax	16,000	-
Change in scope of consolidation	6,316	90,369
As of 31 December,	**(203,374)**	**(272,609)**

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

	31 December 2019					31 December 2018				
Deferred tax liabilities	**Depreciation and amortization**	**Unremitted earnings**	**Forex**	**other**	**Total**	**Depreciation and amortization**	**Unremitted earnings**	**Forex**	**other**	**Total**
(In thousands of EGP)										
Balance as at 1 January	(184,783)	(40,582)	(62,939)	15,695	**(272,609)**	(214,821)	(16,967)	(195,932)	1,017	**(426,703)**
Charged to the income statement for the year	(35,050)	(21,698)	55,695	14,077	**13,024**	(1,010)	(23,615)	42,624	14,678	**32,677**
Change in scope of consolidation	-	-	-	6,316	**6,316**	-	-	90,369	-	**90,369**
Reclassification	(11,680)	16,967	3,157	(8,444)	-	-	-	-	-	-
Liabilities related to assets held for sale	-	-	-	9,487	**9,487**	-	-	-	-	-
Dividends tax	-	16,000	-	-	**16,000**	-	-	-	-	-
Currency translation differences	32,313	-	-	(7,905)	**24,408**	31,048	-	-	-	**31,048**
Balance as at 31 December	**(199,200)**	**(29,313)**	**(4,087)**	**29,226**	**(203,374)**	**(184,783)**	**(40,582)**	**(62,939)**	**15,695**	**(272,609)**

20- Trade receivables

(In thousands of EGP)	**31 December 2019**	**31 December 2018**
Debit balance-subscribers	1,067,793	1,102,054
Receivables from Koryolink dividends	366,167	365,528
Other debit balance	17,540	12,322
Allowance for doubtful debts	(550,777)	(512,795)
Total	**900,723**	**967,109**

Movement of the impairment is represented as follows:

(In thousands of EGP)	**2019**	**2018**
Balance as at 1 January	512,795	503,815
Foreign currency translation differences	(15,517)	(2,560)
Additions (allowances recognized as an expense)	99,623	62,052
Used from provisions	(13,555)	286
Reversal of provisions	(32,569)	(50,798)
Balance as at 31 December	**550,777**	**512,795**

The following table shows the ageing analysis of trade receivables as of 31 December 2019 and 2018, net of the relevant allowance for doubtful debts:

(In thousands of EGP)	**31 December 2019**	**31 December 2018**
Not past due	41,223	685,784
Past due 0-30 days	8,574	17,955
Past due 31-120 days	44,728	42,429
Past due 121 - 150 days	36,054	1,899
Past due more than 150 days	770,144	219,042
Total trade receivables	**900,723**	**967,109**

21- Other assets

(In thousands of EGP)	31 December 2019			31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	268,059	52,003	**320,062**	236,181	53,404	**289,585**
Advances to suppliers	-	10,392	**10,392**	-	6,127	**6,127**
Receivables due from tax authority	-	14,527	**14,527**	-	7,164	**7,164**
Employee loans	-	1,189	**1,189**	-	9,253	**9,253**
Income tax	-	82,939	**82,939**	-	97,396	**97,396**
Other receivables	-	67,317	**67,317**	-	27,743	**27,743**
Allowance for doubtful current assets		(8,264)	**(8,264)**		(5,994)	**(5,994)**
Total	**268,059**	**220,103**	**488,162**	**236,181**	**195,093**	**431,274**

22- Cash and cash equivalents

(In thousands of EGP)	31 December 2019	31 December 2018
Banks- current accounts and deposits*	1,014,018	1,901,919
Cash on hand	982	1,348
Total	**1,015,000**	**1,903,267**

* Banks current accounts as at 31 December 2019, include an amount of EGP 24.8 million (USD 1.6 million) which represents restricted amounts in Lebanon based on the restrictions of the government over the local banks which related to transfers abroad.

23- Issued and paid up capital

The Company's authorized capital amounted to EGP 22 Billion, the issued and paid up capital amounted to EGP 2,203,190,060 distributed among 5,245,690,620 shares of EGP 0.42 par value each, according to the approval of the General Authority for Investment and the Extraordinary General Assembly of Orascom Telecom Holding (Demerging company).

24- Non-distributable earnings

Retained earnings include an amount of EGP 30 Million as of 31 December 2019 (comparing to EGP 27 Million as of 31 December 2018), which is not available for distribution, representing a legal and special reserves at the subsidiaries level.

25- Borrowings

(In thousands of EGP)	31 December 2019			31 December 2018		
	Current	Non-current	Total	Current	Non-current	Total
Borrowings from banks	731,128	290,518	**1,021,646**	1,952,701	839,549	**2,792,250**
Finance lease	-	-	**-**	6,582	-	**6,582**
Other borrowings	16,704	14,098	**30,802**	28,941	20,113	**49,054**
Total	**747,832**	**304,616**	**1,052,448**	**1,988,224**	**859,662**	**2,847,886**

The following table shows the ageing analysis of borrowings:

(In thousands of EGP)	within one year	1-2 years	2-3 years	3-4 years	4-5 years	after 5 years	Total
31 December 2019							
Borrowings from banks	731,128	125,537	95,886	62,882	2,071	4,142	**1,021,646**
Other borrowings	16,704	7,869	6,229	-	-	-	**30,802**
As at 31 December 2019	**747,832**	**133,406**	**102,115**	**62,882**	**2,071**	**4,142**	**1,052,448**
31 December 2018							
Borrowings from banks	1,952,701	77,745	573,678	31,065	76,371	80,690	**2,792,250**
Other borrowings	35,523	4,320	700	8,775	-	6,318	**55,636**
As at 31 December 2018	**1,988,224**	**82,065**	**574,378**	**39,840**	**76,371**	**87,008**	**2,847,886**

(In thousands of EGP)	US$	Euro	Egyptian Pound	Pakistan Rupee	Total
As at 31 December 2019	**405,475**	-	**259,233**	**387,740**	**1,052,448**
As at 31 December 2018	**2,247,422**	-	**91,171**	**509,293**	**2,847,886**

Loans for Trans World associate

Borrowings include loans obtained from the shareholders of Trans World associate private by an amount of EGP 31 Million of which EGP 17 Million due within one year and EGP 14 Million due after more than one year with an interest rate of 3.45% per annum.

Borrowings also include loans obtained from banks amounted to EGP 388 Million from which EGP 98 Million due within one year and EGP 290 Million due after more than one year these borrowings were obtained by Trans World Associate Private with interest rates ranges between 12.48% to 15.44%.

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

On 28 September 2015, the company borrowed non-current loan from a foreign bank by a maximum amount of USD 35 Million for the sole purpose of financing 50% of the purchase price of seven floors in the "Patio Malzoni Faria Lima Tower A" in Sao Paolo, Brazil through the direct or indirect acquisition of the shares of the following companies incorporated in Brazil: Victoire 2, Victoire 9, Victoire 11, Victoire 13, Victoire 17, Victoire 18, and Victoire 19.

- Finance cost USD 100 thousand, due at the date of signing the contract.

Interest and interest period

- Interest shall be set at a variable rate of US Dollar the subjected bank reference rate +1%, currently set at 7.82% per annum.
- The interest shall be calculated on the basis of a year of Three hundred Sixty (360) days and the actual number of days elapsed.

Financial covenants

- The loan shall be covered at 200% by the real estate value of the floors during the financing period, and valuation of the floors should occur every 6 months at the borrower's expenses.
- In the event the coverage falls at or below 175%, and at the option of the borrower, the loan will either be reduced to maintain the ratio of 200%, or the borrower must grant an additional security acceptable to the lender in order to maintain the coverage ratio at 200%.

Securities

- In favor of the lender of the total acquired shares in the capital of the companies owning the floors, and the borrower shall deliver the certificates of the shares pledged.
- A chattel mortgage on all floors duly registered at the relevant real estate register in Sao Paolo Brazil.
- The borrower pledges to assign in favor of the lender of rental proceeds of the floors. The proceeds will be transferred to the borrower's account with the lender to cover interest and constitute a reserve account covering one interest payment.
- An irrevocable undertaking by the borrower to cover by the second anniversary of the first drawdown, the balance of the loan in principal and interest by a pledge account opened in his name.
- On 18 October 2017, OIH Company performed a reschedule agreement with bank through which the loan amounted USD 33.4 million will be paid as follows:

Date of payment	Amount (USD)
21 October, 2019	10,000
21 October, 2020	10,000
21 October, 2021	13,423
Total	**33,423**

Other credit facilities:

-On December 13, 2018, the Company signed an agreement to open credit facility amounted to USD 90,000,000 secured by USD time deposits, where the percentage of finance makes up 90% of the secured time deposits and on 18 August 2019 the company paid all the credit facility mentioned above from the mortgage deposit as a guarantee for the credit facility.

-The credit bank facilities granted to Beltone Financial Holding one of Group components for financing the settlement of guarantee against payment concerning brokerage sector and these facilities are unsecured and bearing average interest market rate.

The following table shows the movement of borrowings during the year:

(In thousands of EGP)	31 December 2019	31 December 2018
Opening balance	**2,847,886**	**1,407,760**
Current borrowing	1,988,224	266,847
Non-current borrowing	859,662	1,140,913
Repayment of borrowings	(1,727,083)	(459,620)
Proceeds from borrowings	217,794	2,023,851
Transferred to assets held for sale	(6,359)	-
Foreign currency translation differences	(279,790)	(124,105)
Ending balance	**1,052,448**	**2,847,886**
Current borrowings	747,832	1,988,224
Non-current borrowings	304,616	859,662

26- Other liabilities

(In thousands of EGP)	As of 31 December 2019			As of 31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Capital expenditure payables	-	80,102	**80,102**	-	84,879	**84,879**
Trade payables (*)	-	240,664	**240,664**	-	150,733	**150,733**
Trade payables financial services		211,817	**211,817**		732,943	**732,943**
Customers credit balance	-	16,067	**16,067**	-	50,626	**50,626**
Other trade payables	-	41,299	**41,299**	-	50,478	**50,478**
	-	**589,949**	**589,949**	-	**1,069,659**	**1,069,659**
Accrued and deferred revenue	114,055	8,177	**122,232**	60,871	6,053	**66,924**
Due to government bodies	-	50,899	**50,899**	-	56,359	**56,359**
Accrued employee expenses	-	17,670	**17,670**	-	53,963	**53,963**
Customer deposits	-	774	**774**	-	684	**684**
Other credit balances**	-	519,280	**519,280**	400,712	152,775	**553,487**
	114,055	**596,800**	**710,855**	**461,583**	**269,834**	**731,417**
Total	**114,055**	**1,186,749**	**1,300,804**	**461,583**	**1,339,493**	**1,801,076**

(*) This balance includes balances of related parties (refer to note no. 31 for information about the significant transactions with related parties)

(**) Current other credit balance includes employees benefit in Orascom Telecom Lebanon company with an amount of EGP 202.2 million at 31 December 2019, (EGP 227.8 million as at 31 December 2018), which was classified as non-current other credit balance in 2018 .

27- Provisions

(In thousands of EGP)	1 January	No longer required	Formed	Used	Change in scope of consolidation	Foreign currency translation differences	31 December
Provision for Claims (short term)	401,039	(56)	101,392	(31,194)	-	(714)	470,467
Total provision as at 31 December 2019	**401,039**	**(56)**	**101,392**	**(31,194)**	-	**(714)**	**470,467**
Provision for Claims (short term)	366,902	-	154,435	(109,775)	(8,479)	(2,045)	**401,039**
Total provision as at 31 December 2018	**366,902**	-	**154,435**	**(109,775)**	**(8,479)**	**(2,045)**	**401,039**

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

28- (Losses) / earnings per share

Basic: Basic (losses) / earnings per share is calculated by dividing the net (loss) / profit attributable to shareholders of the Parent company by the weighted average number of ordinary shares outstanding during the year.

	The year ended 31 December 2019	The year ended 31 December 2018
Net (loss)/ profit for the year (In thousands of EGP)	**(417,818)**	**910,703**
Weighted average number of shares (in thousands)	5,245,691	5,245,691
(Losses)/ earnings per share (in EGP)	**(0.080)**	**0.174**

Diluted: Diluted (losses) / earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration. As for share option the average potential shares to be issued by options is added to the average ordinary shares and deducting from that the average potential shares weighted by the relation between the exercise price and average fair value of the share during period. As there are no debt instruments that are convertible to bonds, so diluted and basic (losses) / earnings per share are equal.

29- Subsidiaries

The subsidiaries are owning non- controlling interest in Trans World Associates (Pvt) Ltd and Belton financial management company.

Company name	Activity Country	Percentage of non-controlling interest		Carrying amount of non-controlling interest	
		31 December		31 December	
		2019	2018	2019	2018
Trans World Associates (Pvt) Ltd	Pakistan	49%	49%	288,975	286,707
Belton financial management company	Egypt	30%	30%	16,331	99,621

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

Summarised financial information of non-wholly owned subsidiaries with material non-controlling interests.

Summarised Financial position:

	Trans World Associates (Pvt) Ltd		Belton financial management	
	31 December		31 December	
	2019	2018	2019	2018
Current assets	297,229	358,680	842,540	1,181,458
Current liabilities	(387,359)	(462,117)	(1,030,169)	(1,348,711)
Total current net assets	**(90,130)**	**(103,437)**	**(187,629)**	**(167,253)**
Non-current assets	1,270,928	1,295,315	285,493	441,661
Non-current liabilities	(597,454)	(603,447)	1,956	(18,242)
Total non-current net assets	**673,473**	**691,868**	**287,449**	**423,419**
Net assets	**583,344**	**588,431**	**99,820**	**256,166**

Summarised comprehensive income statement:

	Trans World Associates (Pvt) Ltd		Beltone financial management	
	2019	**2018**	**2019**	**2018**
Operating revenue	293,602	800,482	243,009	342,718
Profit / (loss) before income tax	196,597	226,899	(19,844)	14,089
Income tax expense	(75,946)	(63,949)	(6,847)	(28,282)
Profit / (loss) after tax from continuing operations	120,651	162,950	(26,690)	(14,192)
(Losses) of the year from the discontinuing operations	-	-	(95,134)	(107,974)
Other comprehensive income items that may be subsequently reclassified to profit or loss	-	(131,170)	(40,137)	(66,069)
Total comprehensive income / (loss)	**120,651**	**31,780**	**(161,961)**	**(188,235)**
Total comprehensive income allocated to non-controlling interests	(2,234)	644	(30,319)	(39,753)

Summarised cash flow:

	Trans World Associates (Pvt) Ltd		Beltone financial management	
	31 December		**31 December 31**	
	2019	**2018**	**2019**	**2018 reclassified**
Net profit / (loss) for the year	196,597	143,130	(19,844)	14,089
Net cash generated from/(used in) operating activities	246,419	248,836	(762,675)	(244,746)
Net cash (used in)/generated from investing activities	(125,371)	(146,189)	1,427	(56,630)
Net cash (used in)/generated from financing activities	(146,919)	(60,127)	201,073	29,327
Net change in cash and cash equivalents during the year	**(25,871)**	**42,520**	**(560,176)**	**(272,049)**
Effect of movement in exchange rates on cash and cash equivalents	2,373	(4,950)	(34,468)	(6,480)
Cash and cash equivalents at the beginning of the year	99,936	77,176	868,483	1,147,012
Cash and cash equivalents at the end of the year	**76,437**	**114,746**	**273,839**	**868,483**

30- Capital Commitments

The capital commitments as of 31 December 2018, are as follows:

(In thousands of EGP)	**31 December 2019**	**31 December 2018**
Commitments related to property and equipment	14,643	93,123
Other commitments	146,071	215,287
Total	**160,714**	**308,410**

Other capital commitments represent the group commitments arise from the obligation to pay the rent related to AUREBACH GRAYSON & CO company amounted to EGP 92 million, in addition to an amount of EGP 31 million related to Trans World Associate (subsidiary).

31- Related parties

The following table provides the total amount of significant transactions that have been entered into with related parties together with balances outstanding as of the relevant years of the financial statements:

(In thousands of EGP)	31 December 2019			31 December 2018		
	Purchase of services and goods	Selling goods and services	Investment expenses	Purchase of services and goods	Selling goods and services	Investment expenses
Associate						
Koryolink	-	629	-	-	6,753	-
Other related parties						
LTD Orastar	-	-	(1,124)	-	-	(1,395)
Dr. Omar Zawawy (shareholder of a subsidiary)	-	-	(288)	-	-	(358)

(In thousands of EGP)	31 December 2019 Receivables	31 December 2019 Payables	31 December 2018 Receivables	31 December 2018 Payables
Other related parties				
Orastar LTD	-	24,569	-	50,586
Dr.Omar Zawawy (shareholder of a subsidiary)	-	6,288	-	-
Beltone Mena Equity Fund	439	-	487	-
EGX funds company	4	-	14	-
Misr Beltone	-	6,066	-	6,047
International Fund Management Services	-	879	-	1,900
Electronic Fund Management Service Co.	-	1,018	-	616

Key management compensation

(In thousand EGP)	The Year ended December 31, 2019	The Year ended December 31, 2018
Board of directors' allowances and transportations	22,508	49,971
	22,508	**49,971**

32- Contingent liabilities

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

Trans World Associates (Subsidiary)

- A bank guarantee issued in favour of Higher Education Commission (HEC) amounting to EGP 601 thousand and valid until 31 December 2020.
- There is a restricted balance, which is equivalent to EGP 561 thousand in favour of inbox valid until 9 May 2020.
- There is a letter of credit amounting to EGP 1.4 million in favour of Huawei Company valid until 21 January 2020.
- There is a letter of credit amounting to EGP 103 thousand in favour of Subcom Company valid until 21 January 2020.
- There is a letter of credit Equivalent to EGP 6.5 million in favour of Premier Systems Company amounted to USD 410 thousand valid until 4 April 2020.

33- Assets and liabilities held for sale

During the year ended 31 December 2019, the board of directors decide to exclude itself out of New Frontier company by selling its percentage of Auerbach Grayson company shares in which the company starts to determine the buyer so the related assets and liabilities disclosed as held for sale based on the Egyptian accounting standard no (32).

(In thousands of EGP)	**31 December 2019**
33–A Assets held for sale	
Fixed assets	1,301
Intangible assets	24,965
Good will	52,938
Due from brokerage company	4,692
Accounts receivables	19,859
Debtors and other debit balance*	31,310
Cash on hand and on banks	20,599
Total Assets held for sale	**155,663**
33-B Liabilities related to assets held for sale	
Deferred tax	9,487
Creditors and other credit balance	35,102
Total liabilities related to assets held for sale	**44,589**

* The debtors and other debit balances include the margin of the letters of credit and letters of guarantees related to Auerbach Grayson company building rent (USA).

34- Reclassification of comparative figures

As of 31December 2018, some of the comparative figures of the Profit or loss Statement were reclassified as follows:

(In thousands of EGP)	31 December 2018 As presented	Reclassification	31 December 2018 Reclassified
Continuing operations			
Operating revenues	1,746,615	(419,923)	1,326,692
Other income	223,525	(1,589)	221,936
Purchases and services cost	(876,166)	314,967	(561,199)
Other expenses	(110,686)	16,364	(94,322)
Provision formed	(154,436)	-	(154,436)
Personnel cost	(691,504)	290,839	(400,665)
Depreciation and amortization	(122,963)	8,443	(114,520)
Impairment of non-current assets	(18,019)	-	(18,019)
(losses) from disposal of non-current assets	(3,331)	-	(3,331)
Operating (loss) / income	**(6,965)**	**209,101**	**202,136**
Finance income	61,372	(56)	61,316
Finance cost	(173,791)	6,750	(167,041)
Foreign currency translation (loss)	(43,289)	10,975	(32,314)
Share of profit of equity accounted investment	2,827,173	-	2,827,173
Net impairment in equity accounted investment	(2,827,173)	-	(2,827,173)
(Loss)/ profit for the year before income tax	**(162,673)**	**226,770**	**64,097**
Income tax	(104,592)	(1,576)	(106,168)
(Loss) for the year from continuing operation	**(267,265)**	**225,194**	**(42,071)**
Discontinuing operations			
Operation results from discontinuing operations after tax	1,132,863	(225,194)	907,669
Profit for the year	**865,598**	-	**865,598**

35- Material non-adjusting events after the reporting period

35-1 The recent outbreak of the novel coronavirus (COVID-19) continues to impact the global economy and markets. Going forward the COVID-19 outbreak may negatively impact amongst others our supply chain, workforce, operations, demand of our end markets, and liquidity. Accordingly, The Management has set up a COVID-19 taskforce to develop and implement contingency plans, and we are closely and continuously evaluating the developments. We will take all necessary actions to keep our operations running and, most importantly, protect our employees, suppliers, customers and all other stakeholders.

Based on our current knowledge and available information, we do not expect COVID-19 to have an impact on our ability to continue as a going concern in the foreseeable future.

35-2 During January 2020, the Company make an accelerated payment of the loan relating to the direct or indirect acquisition of the shares related to the companies owning the Brazil building, with a balance of EGP 374,606 thousand as at 31 December 2019, and the shares mortgage have been cancelled during January 2020.

35-3 On 27 February 2020, the board of directors of Sarwa Capital company, proposed cash dividends to the shareholders for the year ended 31 December 2019, by a total amount of EGP 117,759,480, hence, the share of each share will EGP 0.10, in which the share of the Company from these declared dividends will be EGP 34.5 million before tax on dividends.

35-4 In December 2019, the board of directors of the Company received a letter from the Minister of Telecommunication "MOT" in Lebanon for the non-renewal of the contract between Orascom Investments Holding and MOT, and based on the current circumstances in Lebanon, the Company didn't hand over the Lebanon company to the MOT, and the Company is still managing the Lebanon Company according to the terms outlined in the old contract.

35-5 In April 2020 Beltone Financial Holding company (owned by Orascom Investment Holding company by 70%) signed an agreement to sell Auerbach Grayson subsidiarity company, and the sale will be finalized after obtaining the approval from the US Financial Industry Regulatory USA.

36- New Accounting Standards

On 18 March 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015, which include some new accounting standards as well as introducing amendments to certain existing standards. The most prominent amendments are as follows:

The New Egyptian Accounting Standard No. (47) "Financial Instruments"

The new Egyptian accounting standard No. 47 determines the basis for the recognition and measurement of the financial assets and liabilities also the basis of calculation of the financial asset's impairment.

a- Classification and measurement

The implementation of EAS 47, will affect the classification and the measurement of the financial assets but it is not expected that it will have a material effect on the classification and the measurement of the financial liabilities. Based on the requirements of the EAS 47, the classification and the measurement of the financial assets will be based on a business model which includes hold the financial asset to collect the contractual cash flows in which these conditions will determine whether the financial assets will be measured using amortized cost, fair value through profit and loss of fair value through other comprehensive income. The EAS 47 cancelled the classifications of (held to maturity- loans and facilities – available for sale).

b- Financial assets impairment

Impairment loss is calculated for the financial assets at amortized cost and fair value through other comprehensive income. In the initial recognition the expected credit loss (ELC) is calculated which resulted from the default events on the financial instrument that are possible within 12 months after the reporting date. If the credit risk increased significantly so the recognition of the expected credit loss (ELC) will be based on full lifetime expected credit losses.

The financial assets which have expected losses for the next 12 months are classified on stage 1, while the financial assets which faced significantly credit risk is classified on stage 2, and the impaired assets on stage 3 in which the Company make a frequent assessment of the credit risk.

The expected credit losses should be based on neutral and weighted and should include all historical, future and expected information which includes the future economic expectations at the report date and the time value of money so the expected credit loss in EAS 47 is a future estimation.

The New Accounting Standard No. (48) "Revenue from contracts with customers"

The New Egyptian Accounting Standard No. (48) "Revenue from contract with customers" supersede the following standards and accordingly such standards shall be deemed null and void.

- Egyptian Accounting Standard No. (8) "Construction Contracts" as amended in 2015.
- Egyptian Accounting Standard No. (11) "Revenue" as amended in 2015.

For revenue recognition, the new standard establishes a five-step model to account for revenue arising from contracts with customers and require that revenue to be recognized at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new standard requires entities to exercise judgement, taking into consideration all of relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Incremental costs of obtaining a contract with customer are recognized as an asset, if the enterprise expected to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met.

The standard requires that contract must have commercial substance in order for revenue to be recognized.

The new standard establishes expanded presentation and disclosure requirements.

The New Egyptian Accounting Standard No. (49) "Lease Contracts"

The New Egyptian Accounting Standard No. (49) "Lease contracts" shall supersede and revoke Egyptian Accounting Standard No. (20) "Accounting rules and standards related to finance leasing" as amended in 2015.

The standard introduces a single, on-balance sheet accounting model for the lessee. At the commencement date of the lease, the lessee recognizes a right-of-use asset representing its right to use the underlying asset and recognizes a lease liability at the present value of unpaid lease payments representing its obligation to make lease payments, taking into account that lease contracts are not classified in respect of the lease as operating or finance lease contracts.

There is a recognition exemption for short term leases, which will be recognized on a straight-line basis as expense in the statement profit or loss and leases of low value assets.

Lessees shall remeasure the liability and adjust the right of use asset on occurrence of certain events such as change in the lease term, future lease payments resulting from a change in an index or rate used to determine those payments.

The lessor shall classify each lease contract either as an operating lease or finance lease contract.

As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present them as amounts receivable with an amount equivalent to the net investment in the lease contract.

As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.

The Company measured the impact on the new accounting standards mentioned above in the following table:

(In thousands of EGP)	Opening balance at 1 Jan. 2020	Effect of Standard no. 47	Effect of Standard no. 48	Effect of Standard no. 49	Adjusted opening balance
Assets					
Non-current assets					
Property and equipment	1,079,333	-	-	93,154	1,172,487
Intangible assets	407,504	-	-	-	407,504
Investment property	977,271	-	-	-	977,271
Equity accounted investments	2,289,257	-	-	-	2,289,257
Other financial assets	278,619	-	-	-	278,619
Other assets	268,059	-	-	(2,879)	265,180
Total non-current assets	**5,300,043**				**5,390,318**
Current assets					
Inventories	8,095	-	-	-	8,095
Trade receivables	900,723	(31,749)	-	-	868,974
Other financial assets	79,036	(550)	-	-	78,486
Other assets	220,103	-	-	(4,698)	215,405
Cash and cash equivalents	1,015,000	-	-	-	1,015,000
	2,222,957				**2,185,960**
Assets held for sale	155,663	-	-	66,101	221,764
Total current assets	**2,378,620**				**2,407,724**
Total Assets	**7,678,663**				**7,798,042**
Equity and Liabilities					
Share capital	2,203,190	-	-	-	2,203,190
Reserves	1,403,244	-	-	-	1,403,244
Retained earnings	613,064	(24,643)	(4,636)	(7,423)	576,362
Equity attributable to equity holders of the parent Company	**4,219,498**				**4,182,796**
Non-controlling interest	294,587	(7,324)	(4,454)	(4,307)	278,502
Total equity	**4,514,085**				**4,461,298**
Liabilities					
Non-current liabilities					
Borrowings	304,616	-	-	79,511	384,127
Other liabilities	114,055	-	8,215	-	122,270
Deferred tax liabilities	203,374	-	(3,842)	-	199,532
Total non-current liabilities	**622,045**				**705,929**
Current liabilities					
Borrowings	747,832	-	-	11,918	759,750
Other liabilities	1,186,749	-	4,717	-	1,191,466
Tax liabilities- income tax	92,896	(332)	-	-	92,564
Provisions	470,467	-	-	-	470,467
	2,497,944				**2,514,247**
Liabilities associated with assets held for sale	44,589	-	-	71,979	116,568
Total current liabilities	**2,542,533**				**2,630,815**
Total Liabilities	**3,164,578**				**3,336,744**
Total Equity and Liabilities	**7,678,663**				**7,798,042**

Orascom Investment Holding S.A.E.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Appendix (1) – Liabilities to banks and other borrowings as of 31 December 2019

Description	Currency	Current	Non-Current	Total	Nominal	Secured / Unsecured	Transaction cost	Interest Rate	Maturity	Assets secured
Orascom Investment Holding Loans										
Foreign Bank loan	USD	374,606	-	**374,606**	33,372	Secured	LIBOR+1.25%		Oct-2021	pledge of shares
Local bank loan	EGP	738	7	**745**	4,738	Secured	Bank certificate rate of return + 2% at least 12% annually		December 2020	Time Deposit
Local bank loan	EGP	942	644	**1,586**	4,710	Secured	Bank certificate rate of return + 1.5% at least 11% Annually		December 2021	Time Deposit
Total		**376,286**	**651**	**376,937**						
TWA Loans										
Long term loan from sponsor's (Orastar)	USD	3,131	11,272	**14,403**	178,843	Unsecured	3M +LIBOR+1%	%3.45	December 2022	
Long term loan from sponsor's (Dr. Omar Zawawi)	USD	803	2,890	**3,693**	45,857	Unsecured	3M +LIBOR+1%	%3.45	December 2022	
Short term loan- from sponsor's (Orastar)	USD	10,166	-	**10,166**	115,074	Unsecured	3M +LIBOR+1%	%3.45	December 2020	
Short term loan from sponsor's (Dr. Omar Zawawi)	USD	2,606	-	**2,606**	29,503	Unsecured	3M +LIBOR+1%	%3.45	December 2020	
Finance lease liabilities	PKR	882	3,509	**4,391**	42,401	Secured		%15.40	December 2023	Future Current Liabilities and Fixed Assets (Except Land and Buildings)
Long term syndicated finance facility-NIB Bank Ltd	PKR	29,928	40,087	**70,015**	666,667	Secured	6M +KIBOR+2.50%	%13.78	April 2022	
Long term syndicated finance facility-Osman PK	PKR	19,832	27,450	**47,282**	450,000	Secured	6M +KIBOR+2.50%	%13.55	May 2022	
Long term loan finance facility-Habib Bank Limited	PKR	17,313	24,336	**41,649**	391,665	Secured	6M +KIBOR+1.50%	%13.58	April 2022	
Running Finance Facility-Meezan Bank Limited	PKR	24,668	-	**24,668**	227,525	Secured	3M +KIBOR+1.45%	%13.58	August 2020	
Long term syndicated loan- MCB Bank	PKR	5,291	184,065	**189,356**	1,778,000	Secured	6M +KIBOR+1.25%	%12.48	October 2023	
Long term syndicated finance facility-Osman PK	PKR	26	10,356	**10,382**	100,000	Secured	3M +KIBOR+1.90%	%15.44	December 2026	
		114,646	**303,965**	**418,611**						
Beltone Financial Holding company										
Credit Facilities	EGP	256,900	-	**256,900**	440,000	Unsecured	CBE + 0.75% : 2%		Current	
		256,900	-	**256,900**						
Total Loans		**747,832**	**304,616**	**1,052,448**						