



**ORASCOM**  
INVESTMENT

**Orascom Investment Holding  
S.A.E.**  
**Condensed Interim Consolidated Financial Statements  
And Review Report  
for the three-month period ended March 31, 2020**



## **Hazem Hassan**

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### **Review Report on Condensed Interim Consolidated Financial Statements**

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

#### ***Introduction***

We have performed a review for the accompanying condensed interim consolidated statement of financial position of Orascom Investment Holding (S.A.E) as of March 31, 2020, and the related condensed interim consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

#### ***Scope of Review***

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

#### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the three-month then ended in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting".



Hazem Hassan

***Emphasis of matter***

Without modifying our conclusion:

1. As mentioned in detail in note (25) from the accompanying notes of the condensed interim consolidated financial statements, most of the world countries, including Egypt, were exposed during the first quarter of 2020 to a state of slowdown and economic contraction as a result of the outbreak of the novel coronavirus (COVID-19) pandemic, and the governments of the world, including the Egyptian government have made a packages of precautionary measures to prevent the spread of the epidemic, these measures have led to a state of economic slowdown at the global and local levels, which has shown its impact on all activities in different forms in Egypt, so this may have an important impact on the elements of assets, liabilities and business results in the consolidated financial statements of the Company for the next upcoming years, in addition to the potential impact on pre-defined operational and marketing plans and future cash flows associated with them and as indicated in the above-mentioned clarification, the Company's management is currently taking several measures to confront this risk and reduce its impact on its financial position, however, in light of the instability and uncertainty as a result of the current events, the magnitude of the impact of that event depends mainly on the expected extent and in the time period at which this event is expected to end and its implications and the Company's ability to achieve its plans to face this danger which is difficult to be determined at the present time.
2. In reference to what was mentioned in note (9) from the accompanying notes of the condensed interim 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 March 31, 2020, 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

Public accountants and consultants

Cairo July 13, 2020

**KPMG Hazem Hassan**  
**Public Accountants and Consultants**

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

(In thousands of EGP)	Note No.	March 31, 2020	December 31, 2019
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Property and equipment	(10)	997,438	1,079,333
Intangible assets	(10)	404,064	407,504
Investment property	(11)	735,339	977,271
Equity accounted investees	(9)	2,282,233	2,289,257
Other financial assets	(12)	225,647	278,619
Other assets	(14)	236,022	268,059
<b>Total non-current assets</b>		<b>4,880,743</b>	<b>5,300,043</b>
<b><u>Current assets</u></b>			
Inventories		13,559	8,095
Trade receivables		937,586	900,723
Other financial assets	(12)	84,103	79,036
Other assets	(14)	195,604	220,103
Cash and cash equivalents	(13)	798,055	1,015,000
		<b>2,028,907</b>	<b>2,222,957</b>
Assets held for sale	(23)	156,700	155,663
<b>Total current assets</b>		<b>2,185,607</b>	<b>2,378,620</b>
<b>Total Assets</b>		<b>7,066,350</b>	<b>7,678,663</b>
<b>Equity and liabilities</b>			
Share capital	(15)	2,203,190	2,203,190
Reserves		1,136,761	1,403,244
Retained earnings		642,413	613,064
<b>Equity attributable to equity holders of the parent</b>		<b>3,982,364</b>	<b>4,219,498</b>
Non-controlling interests		417,339	294,587
<b>Total equity</b>		<b>4,399,703</b>	<b>4,514,085</b>
<b>Liabilities</b>			
<b><u>Non-current liabilities</u></b>			
Borrowings	(16)	355,899	304,616
Creditors and other credit balances	(17)	93,402	114,055
Deferred tax liabilities		179,551	203,374
<b>Total non-current liabilities</b>		<b>628,852</b>	<b>622,045</b>
<b><u>Current liabilities</u></b>			
Borrowings	(16)	250,602	747,832
Creditors and other credit balances	(17)	1,171,839	1,186,749
Tax liabilities- income tax		104,951	92,896
Provisions	(19)	463,091	470,467
		<b>1,990,483</b>	<b>2,497,944</b>
Liabilities associated with assets held for sale	(23)	47,312	44,589
<b>Total current liabilities</b>		<b>2,037,795</b>	<b>2,542,533</b>
<b>Total liabilities</b>		<b>2,666,647</b>	<b>3,164,578</b>
<b>Total equity and liabilities</b>		<b>7,066,350</b>	<b>7,678,663</b>

- The accompanying notes from (1) to (26) form an integral part of these condensed interim consolidated financial statements and should be read therewith.

Chief Financial Officer



Chairman and Managing Director



Review report "attached"

**ORASCOM INVESTMENT HOLDING S.A.E.  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME  
FOR THE THREE-MONTHS PERIOD ENDED**

(In thousands of EGP)	Note No.	March 31, 2020	March 31, 2019 Reclassified
<b><u>Continuing operations</u></b>			
Operating revenues	(5)	272,171	322,271
Other income		3,458	701
Purchases and services costs	(6)	(104,233)	(108,029)
Other expenses		(9,267)	(7,571)
Provision formed	(19)	(6,944)	(14,467)
Personnel cost		(93,794)	(99,591)
Depreciation and amortization		(28,847)	(29,154)
Gains from disposal of non-current assets		318	392
<b>Operating profit</b>		<b>32,862</b>	<b>64,552</b>
Finance income	(7)	68,662	2,984
Finance cost	(7)	(35,543)	(49,809)
Net (losses) from foreign currency translation	(7)	(13,309)	(44,176)
Share of profit of equity accounted investees		1,088,966	802,901
Net impairment in equity accounted investees		(1,064,692)	(764,563)
<b>Profit for the period before income tax</b>		<b>76,946</b>	<b>11,889</b>
Income tax	(8)	(24,343)	(41,459)
<b>Profit / (loss) for the period from continuing operations</b>		<b>52,603</b>	<b>(29,570)</b>
<b><u>Discontinuing operations</u></b>			
Net operation results from discontinuing operations after tax	(22)	(966)	(49,293)
<b>Net profit / (loss) for the period</b>		<b>51,637</b>	<b>(78,863)</b>
<b>Attributable to:</b>			
Owners of the parent company		43,095	(78,463)
Non-controlling interests		8,542	(400)
		<b>51,637</b>	<b>(78,863)</b>
<b>Earnings / (losses) per share (basic and diluted) – (in EGP)</b>	(18)	<b>0.008</b>	<b>(0.015)</b>

- The accompanying notes from (1) to (26) form an integral part of these condensed interim consolidated financial statements and should be read therewith.

Chief Financial Officer



Chairman and Managing Director





**ORASCOM INVESTMENT HOLDING S.A.E.  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED**

<b>(In thousands of EGP)</b>	<b>March 31, 2020</b>	<b>March 31, 2019 Reclassified</b>
<b>Net profit / (loss) for the period</b>	<b>51,637</b>	<b>(78,863)</b>
<b>Other comprehensive (loss) items that may be subsequently reclassified to profit or loss:</b>		
Revaluation of available for sale investments	(5,543)	3,075
Foreign operations – foreign currency translation differences	(287,326)	(73,429)
<b>Total other comprehensive (loss) items for the period</b>	<b>(292,869)</b>	<b>(70,354)</b>
<b>Total comprehensive (loss) for the period</b>	<b>(241,232)</b>	<b>(149,217)</b>
<b><u>Attributable to:</u></b>		
Owners of the parent company	(221,601)	(138,147)
Non-controlling interest	(19,631)	(11,070)
<b>Total comprehensive (loss) for the period</b>	<b>(241,232)</b>	<b>(149,217)</b>

- The accompanying notes from (1) to (26) form an integral part of these condensed interim consolidated financial statements and should be read therewith.

Chief Financial Officer



Chairman and Managing Director



**ORASCOM INVESTMENT HOLDING S.A.E.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH-PERIOD ENDED March 31, 2020**

<i>(In thousands of EGP)</i>	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 January 1, 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	-	-	(61,836)	-	-	(61,836)	(11,593)	(73,429)
Change in the fair value of available for sale investments	-	-	-	2,152	-	2,152	923	3,075
Net (loss) for the period	-	-	-	-	(78,463)	(78,463)	(400)	(78,863)
Total comprehensive income / (loss) for the period	-	-	(61,836)	2,152	(78,463)	(138,147)	(11,070)	(149,217)
Transfer to legal reserves	-	2,940	-	-	(2,940)	-	-	-
Revaluation of financial derivatives- purchase option	-	-	-	1,739	-	1,739	744	2,483
Total	-	2,940	-	1,739	(2,940)	1,739	744	2,483
Balance as at March 31, 2019	2,203,190	589,549	819,121	134,532	994,154	4,740,546	338,257	5,078,803

<i>(In thousands of EGP)</i>	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 January 1, 2020	2,203,190	589,549	634,346	179,349	613,064	4,219,498	294,587	4,514,085
Foreign operations – foreign currency translation differences	-	-	(260,482)	-	-	(260,482)	(26,844)	(287,326)
Changes in the fair value of available for sale investments	-	-	-	(4,214)	-	(4,214)	(1,329)	(5,543)
Net profit for the period	-	-	-	-	43,095	43,095	8,542	51,637
Total comprehensive (loss) for the period	-	-	(260,482)	(4,214)	43,095	(221,601)	(19,631)	(241,232)
Transfer to legal reserves	-	-	-	-	-	-	-	-
Revaluation of financial derivatives- purchase option	-	-	-	-	-	-	-	-
Change in scope – consolidation of subsidiaries	-	-	(1,787)	-	(13,746)	(15,533)	142,383	126,850
Total	-	-	(1,787)	-	(13,746)	(15,533)	142,383	126,850
Balance as at March 31, 2020	2,203,190	589,549	372,077	175,135	642,413	3,982,364	417,339	4,399,703

- The accompanying notes from (1) to (26) form an integral part of these condensed interim consolidated financial statements and should be read therewith.

Chief Financial Officer



Chairman and Managing Director



**ORASCOM INVESTMENT HOLDING S.A.E.  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH-PERIOD ENDED**

<i>(In thousands of EGP)</i>	Note No.	<b>March 31, 2020</b>	<b>March 31, 2019 Reclassified</b>
<b>Cash flows from operating activities</b>			
Net profit for the period before tax		76,946	11,889
<b>Adjustments for:</b>			
Depreciation, amortization and impairment		28,847	29,154
Finance cost		35,543	49,809
Finance income		(68,662)	(2,984)
Losses from foreign currency translation		13,309	44,176
(Gains) from disposal of non-current assets		(318)	(392)
Share of profit of equity accounted investments		(1,088,966)	(802,901)
Net impairment of equity accounted investments		1,064,692	764,563
Change in provisions		(7,376)	(5,880)
Change in current assets included in working capital		(10,563)	41,080
Change in current liabilities included in working capital		7,570	(399,384)
<b>Cash flows generated by / (used in) operating activities</b>		<b>51,022</b>	<b>(270,870)</b>
Income taxes paid		(5,593)	(16,291)
Dividends paid to employees		-	(9,923)
Interest received		6,968	2,880
<b>Net cash flows generated by / (used in) operating activities</b>		<b>52,397</b>	<b>(294,204)</b>
<b>Cash flows from investing activities</b>			
<b>Net cash outflows for investments in:</b>			
Property and equipment		(17,742)	(70,742)
Intangible assets		(1,586)	(4,301)
Payments for investments in associates companies		(3,390)	-
Other financial assets		-	(3,424)
<b>Net cash inflows from disposal of:</b>			
Property and equipment		870	1,312
Intangible assets		-	3,390
Proceeds from selling assets – Riza Capital		29,860	-
Proceeds from investments available for sale		2,364	-
Other financial assets		-	16,700
Net cash from banks deposits		1,717	5,600
<b>Net cash flows generated by / (used in) investing activities</b>		<b>12,093</b>	<b>(51,465)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(22,331)	(35,430)
Proceeds from non-current borrowing		20,221	134,074
Net (payments) from financial liabilities		(381,971)	(79,612)
Proceeds from non-controlling interest from the capital increase		126,850	-
<b>Net cash flows (used in) / generated by financing activities</b>		<b>(257,231)</b>	<b>19,032</b>
<b>Net change in cash and cash equivalents during the period from continuing operations</b>		<b>(192,741)</b>	<b>(326,637)</b>
<b>Discontinuing operations</b>			
Net cash flows resulted from / (used in) operating activities		720	(43,215)
Net cash flows (used in) investing activities		-	(970)
<b>Net change in cash and cash equivalents during the period from discontinuing operations</b>		<b>720</b>	<b>(44,185)</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>(192,021)</b>	<b>(370,822)</b>
Cash and cash equivalents at the beginning of the period		1,015,000	1,903,267
Effect of exchange rates on cash and cash equivalents		(24,924)	(35,196)
<b>Cash and cash equivalents at the end of the period</b>	<b>(13)</b>	<b>798,055</b>	<b>1,497,249</b>

The accompanying notes from (1) to (26) form an integral part of these condensed interim consolidated financial statements and should be read therewith.

Chief Financial Officer



5

Chairman and Managing Director






**1- General information about Parent of the group**

**a- Legal status**

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

**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 April 14, 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.

**d- Approval of the condensed interim consolidated financial statements**

The condensed interim consolidated financial statements of the Company for the period ended March 31, 2020 were approved by the board of directors on July 13, 2020.

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

## **2- Basis for preparation of condensed interim consolidated financial statements**

### **a- Statement of compliance with the Egyptian Accounting Standards**

These condensed interim consolidated financial statements have been prepared in accordance with The Egyptian Accounting Standard (EAS 30) "Interim Financial Reporting" and relevant Egyptian laws and regulations. Accordingly, the financial statements were prepared in a condensed version as compared to the annual consolidated financial statements for the year ended December 31, 2019.

These condensed interim consolidated financial statements do not include all of the information and disclosures required for a complete set of consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended December 31, 2019.

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.

### **b- Basis of measurement**

The condensed interim consolidated financial statements are prepared on the historical cost convention, except for financial derivatives that are measured at fair value, and financial assets and financial liabilities at fair value through profit or loss or at amortized cost. The historical cost depends mainly on the fair value of the consideration transferred to obtain assets.

### **c- Presentation currency**

These condensed interim 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 condensed interim consolidated financial statements or notes.

## **3- Significant accounting policies**

The accounting policies and presentation adopted in the preparation of this condensed interim consolidated financial statements are consistent with those of the previous year complete set of the consolidated financial statements for the year ended December 31, 2019. It's worth mentioning that the group activities are not normally the kind that faces significant seasonal effects. The significant accounting policies applied for the condensed interim consolidated financial statements are as follows:

### **3-1 Basis of preparing the consolidated financial statements**

The condensed interim 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 condensed interim consolidated statement of income 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.

### **3-2 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.



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

**Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020**

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
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 %
Osorcon Co.	Other	North Korea	100 %
Orascom Telecom Lebanon	Management services	Lebanon	99.8%
Beltone Financial Holding "S.A.E"	Financial services	Egypt	74.55%
Beltone Investment Funds "S.A.E"	Financial services	Egypt	74.55%
Beltone Promotion and Underwriting "S.A.E"	Financial services	Egypt	74.55%
Beltone Investments Holding- free zone "S.A.E"	Financial services	Egypt	74.55%
Auerbach Grayson for Securities Brokerage	Financial services	USA	74.55%
Beltone Information Technology "S.A.E"	Financial services	Egypt	74.55%
Beltone Securities Holding "S.A.E"	Financial services	Egypt	74.55%
Beltone Securities Brokerage "S.A.E"	Financial services	Egypt	74.55%
Beltone Financial – Emirates	Financial services	UAE	74.55%
Beltone Securities Trading "S.A.E"	Financial services	Egypt	74.55 %
International for Securities Company – Libya	Financial services	Libya	36.53%
Beltone Market Maker "S.A.E"	Financial services	Egypt	74.55%
Beltone Financial – USA	Financial services	USA	74.55%
Beltone Financial – UK	Financial services	UK	74.55%
Beltone Investment property "S.A.E"	Financial services	Egypt	74.55%
Beltone Real Estate Finance "S.A.E"	Financial services	Egypt	74.55%
Beltone Financial leasing "S.A.E"	Financial services	Egypt	74.55%
Beltone retail services "S.A.E"	Financial services	Egypt	74.55%
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 for Entertainment Projects "S.A.E"	Other	Egypt	70%
Orascom Pyramids for Entertainment Projects "S.A.E"	Other	Egypt	100 %
Orascom Pyramids for Tourist Establishments	Other	Egypt	100 %



### **3-3 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:

<u>Company</u>	<u>Segment</u>	<u>Country</u>	<u>Direct and indirect interest in entity</u>
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 Holding	Financial Services	Egypt	29.7%

### **3-4 Non-current assets held for sale**

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use is classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

### **3-5 Discontinued operations**

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

### **3-6 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:

<u>Asset</u>	<u>Years</u>
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

### **3-7 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.

### **3-8 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:

<u>Assets</u>	<u>Years</u>
Leased units	50

### **3-9 Borrowings and borrowing costs**

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for its intended use or sale.

Borrowing costs includes the foreign exchange differences relating to borrowings to the extent that they are regarded as an adjustment to interest costs. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred on foreign currency borrowings.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of income in the period in which they are incurred.

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

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

**4- Segment reporting**

(In thousands of EGP)	March 31, 2020				March 31, 2019			
	Total segment revenue	Inter segment revenue	Revenue from external customers	Adjusted EBITDA	Total segment revenue	Inter segment revenue	Revenue from external customers	Adjusted EBITDA
Investment property	15,068	-	15,068	10,178	18,830	-	18,830	13,508
Management fees	28,221	-	28,221	16,306	31,415	-	31,415	18,367
Financial Services	64,538	-	64,538	11,154	57,884	-	57,884	4,602
Cables	163,829	-	163,829	68,103	214,142	-	214,142	113,725
Others	5,017	(4,502)	515	(44,350)	5,174	(5,174)	-	(56,888)
<b>Total</b>	<b>276,673</b>	<b>(4,502)</b>	<b>272,171</b>	<b>61,391</b>	<b>327,445</b>	<b>(5,174)</b>	<b>322,271</b>	<b>93,314</b>

(In thousands of EGP)	March 31, 2020					December 31, 2019				
	Property and equipment	Intangible assets	Investment Property	Equity Instruments	Total	Property and equipment	Intangible assets	Investment Property	Equity Instruments	Total
Financial Services	135,811	380,062	-	-	515,873	137,460	381,351	-	-	518,811
Investment Property	-	-	735,339	-	735,339	-	-	977,271	-	977,271
Cable	813,639	24,002	-	-	837,641	892,005	26,153	-	-	918,158
Other	47,988	-	-	2,282,233	2,330,221	49,868	-	-	2,289,257	2,339,125
<b>Total</b>	<b>997,438</b>	<b>404,064</b>	<b>735,339</b>	<b>2,282,233</b>	<b>4,419,074</b>	<b>1,079,333</b>	<b>407,504</b>	<b>977,271</b>	<b>2,289,257</b>	<b>4,753,365</b>

Unallocated items are represented in revenues and costs related to activities provided centrally from the head quarter to subsidiaries, and these activities also include functions of employees with extensive responsibilities within the Group, such as legal services, financial consultation, communications, investor relationships and internal audit.

- The below table illustrates the capital expenditures incurred by each segment in the current and comparative period:

(In thousands of EGP)	The three months ended March 31, 2020	The three months ended March 31, 2019
Financial Services	398	1,266
Cables	17,635	73,363
Other	1,878	-
<b>Total</b>	<b>19,911</b>	<b>74,629</b>

**5- Operating revenues**

(In thousands of EGP)	The three months ended March 31, 2020	The three months ended March 31, 2019
Revenues from financial services	64,538	57,884
Interconnection traffic	163,829	214,142
Management contract -Fees	28,221	31,415
Revenues from investment property	15,068	18,830
Other revenues	515	-
<b>Total</b>	<b>272,171</b>	<b>322,271</b>



**6- Purchases and services**

(In thousands of EGP)	The three months ended March 31, 2020	The three months ended March 31, 2019
Customer retention	-	1,772
Rental of civil and technical telecommunication areas and other leases	29,738	36,411
Purchases of goods, materials cost and consumables	7,819	5,524
International telecommunication cost	16,872	18,023
Maintenance costs	10,249	10,858
Telecommunications, Utilities and energy costs	3,887	3,367
Brokerage commission	748	134
Advertising and promotional services	2,220	4,585
Consulting and professional services	20,315	16,242
Insurance expenses	405	600
Bank expenses	1,483	1,780
Flight expenses	1,079	340
Travel and accommodation expenses	597	377
Technical supply expenses	675	1,096
Work sites expenses	3,058	2,466
Security expenses	855	950
Other service costs	4,233	3,504
<b>Total</b>	<b>104,233</b>	<b>108,029</b>

**7- Net financing income / (cost)**

(In thousand EGP)	The three months ended March 31, 2020	The three months ended March 31, 2019
<b>Finance income from:</b>		
Credit interest (*)	68,662	2,984
<b>Total finance income</b>	<b>68,662</b>	<b>2,984</b>
<b>Finance cost from:</b>		
Debit interest	(28,287)	(32,713)
Other finance expenses	(7,256)	(17,096)
<b>Total finance cost</b>	<b>(35,543)</b>	<b>(49,809)</b>
Foreign currency translation differences	(13,309)	(44,176)
<b>Total foreign currency translation differences</b>	<b>(13,309)</b>	<b>(44,176)</b>
<b>Net financing income / (cost)</b>	<b>19,810</b>	<b>(91,001)</b>

(\*) The credit interest during the three-month period ending March 31, 2020, includes an amount of EGP 61,694 thousand, represent the value of revenue resulted from the early settlement of the loan granted from foreign banks related to the acquisition of shares of companies that own the Brazil building.

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

#### 8- Income taxes

(In thousand EGP)

	<b>The three months ended March 31, 2020</b>	<b>The three months ended March 31, 2019</b>
Current income tax	21,617	27,763
Deferred tax	2,726	13,696
<b>Total income tax expenses</b>	<b>24,343</b>	<b>41,459</b>

#### 9- Equity accounted investees

(In thousand EGP)

	<b>Country</b>	<b>Ownership percentage</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Koryolink company (*)	North Korea	75%	10,839,221	9,774,529
Sarwa Capital Holding	Egypt	29.7%	1,667,824	1,674,834
Electronic Fund Administration Services	Egypt	20%	286	286
Global Fund Administration Services	Egypt	20%	491	505
Axes Holding Company	Egypt	33.9%	9,854	10,035
(Deduct): Impairment loss in investment in associates			(10,235,443)	(9,170,932)
<b>Total</b>			<b>2,282,233</b>	<b>2,289,257</b>

##### 9-1 Koryolink company

The Group's investments in North Korea related for 75% of the voting rights in the local telecom operator Koryolink. The accounting treatment has been modified during the period ended September 30, 2015, through recognizing it as an investment in associates instead of investment in subsidiaries. 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, 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, the absence of a free-floating currency exchange market in North Korea, whereas the Group's management has no exchange rate available other than the official exchange rate announced by the Central Bank of North Korea, other than launching a competing local telecom operator wholly owned by the North Korean Government.

On September 11, 2017 the United Nations Security Council issued a resolution obliging member states of the United Nations to pass laws prohibiting joint ventures and existing partnerships with the North Korean Republic unless approval is obtained to continue such joint ventures. At the present, the Group'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 December 26, 2018, the request to the Security Council Committee established to follow up the implementation of sanctions on North Korea was approved, with the exception of Koryolink, to ban foreign investment in North Korea and to allow Orascom Investment Holding to continue its activities in North Korea. And Consider the company as a telecommunications infrastructure company offering a public service.

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended at March 31, 2020

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

(In thousand EGP)	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Total assets	30,348,896	30,704,243
Total liabilities	(3,901,955)	(4,820,905)
Net assets	<b>26,446,941</b>	<b>25,883,338</b>
	<b>The three months ended March 31, 2020</b>	<b>The three months ended March 31, 2019</b>
Total revenues	1,530,119	1,766,507
Expenses	(110,530)	(747,090)
Net profit after taxes	<b>1,419,589</b>	<b>1,019,417</b>
Group's share in profits of associates	<b>1,064,692</b>	<b>764,563</b>

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

(In thousand EGP)	<b>The three months ended March 31, 2020</b>	<b>The three months ended March 31, 2019</b>
Opening balance	9,774,529	6,997,622
Group's share of profit of associates	1,064,692	764,563
Ending balance	<b>10,839,221</b>	<b>7,762,185</b>
Impairment opening balance	(9,160,897)	(6,383,990)
Impairment of group's share of profit	(1,064,692)	(764,563)
Impairment ending balance	<b>(10,225,589)</b>	<b>7,148,553</b>
	<b>613,632</b>	<b>613,632</b>

## 9-2 Sarwa Capital Company

On December 20, 2018, the company purchased 216,032,608 shares from Sarwa Capital company with 30% of the share capital with price 7,36 from total amount 1,590 million EGP, and it has been financed through the agreed contract with Audi bank which is related to the credit facility opening with an amount 90 million USD within December 2018.

The Group has prepared a Purchase Price Allocations (PPA) study and its adjustments for the fair value of the assets, liabilities and related adjustments in the last quarter of 2019 and the comparative numbers for 2018 have been modified to reflect the final numbers, which resulted in a final value for goodwill amounting to EGP 876,049,204 as follows:

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

**Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020**

(In thousand EGP)	December 31 2018
<b>Assets</b>	
Total assets acquired excluding goodwill	3,489,946
<b>Liabilities</b>	
Total liabilities	(1,851,478)
<b>Net assets as at December 31, 2018</b>	<b>1,638,468</b>
<b>Assets resulted from 30% acquisition in Sarwa Company after the PPA study</b>	
Tangible assets (lands)	51,909
Intangible assets	894,361
Other	8,008
Differed tax	(212,911)
<b>Net assets</b>	<b>2,379,835</b>
Company's share of the net assets acquired with 30%	713,951
Consideration paid	1,590,000
<b>Goodwill</b>	<b>876,049</b>

- On March 3, 2019, the board of directors of Sarwa Capital company approved a decision to increase the issued and paid-up capital on May 9, 2019 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 February 26, 2019.
- On October 3, 2019, the issued and paid up capital has been increased based on the decision of the board of directors meeting on May 13, 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.
- As a result of the above, the number of shares of share based payments (ESOP) is 44.8 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 December 31, 2019.

During the three-month period ended March 31, 2020, the Company purchased 1,022 thousand shares of Sarwa Capital Holding Company at a value of EGP 3,391 thousand, thus the Company's contribution to the capital of the associate company became 29.7%.



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

Notes to condensed interim consolidated financial statements for the three-month period ended at March 31, 2020

- The following tables show the Company's share in Sarwa Capital, which is also accounted for in the equity method, the movement of investments in Sarwa Capital during the period:

(In thousand EGP)	<b>The three months ended March 31, 2020</b>	<b>The three months ended March 31, 2019</b>
Total revenues	1,146,840	773,017
Expenses	(1,053,056)	(645,137)
<b>Net profit after taxes</b>	<b>93,784</b>	<b>127,880</b>
<b>Shareholders equity in parent company</b>	<b>90,659</b>	<b>127,880</b>
<b>Group's share in profits of associates</b>	<b>26,846</b>	<b>38,363</b>
<b>Items resulted from 30% acquisition of associate</b>		
Customer list amortization	(3,310)	-
Differed tax	745	-
	<b>24,281</b>	<b>38,363</b>

(In thousand EGP)	<b>The three months ended March 31, 2020</b>	<b>The three months ended March 31, 2019</b>
<b>Opening balance</b>	<b>1,674,834</b>	<b>1,590,000</b>
Increase in investment	3,390	-
Dividends	(34,681)	-
Group's share of profit of associates	24,281	38,363
<b>Ending balance</b>	<b>1,667,824</b>	<b>1,628,363</b>

**10- Property, equipment and intangible assets**

(In thousand EGP)	<b>Property and equipment</b>	<b>Intangible assets</b>
<b>Balance as at January 1, 2020</b>	<b>1,079,333</b>	<b>407,504</b>
Additions	18,954	957
Disposals	(2,148)	-
Depreciation and amortization	(22,097)	(2,143)
Translation of foreign operations	(76,604)	(2,254)
<b>Balance as at March 31, 2020</b>	<b>997,438</b>	<b>404,064</b>
<b>Balance as at January 1, 2019</b>	<b>1,265,207</b>	<b>619,978</b>
Additions	70,328	4,301
Disposals	(1,312)	-
Depreciation and amortization	(21,140)	(1,870)
Translation of foreign operations	(50,858)	(8,358)
<b>Balance as at March 31, 2019</b>	<b>1,262,225</b>	<b>614,051</b>

- There are pledged assets for Transworld company equivalent to EGP 891 million, and this in exchange for facilities for the Company to expand in marine cable SMW(5).

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

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

**11- Investment property**

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

(In thousand EGP)	March 31, 2020	December 31, 2019
Cost	1,086,307	1,256,024
Accumulated amortization and impairment	(109,036)	(101,865)
<b>Beginning net book value</b>	<b>977,271</b>	<b>1,154,159</b>
Depreciation	(4,607)	(22,268)
Translation of foreign operations	(237,325)	(154,620)
<b>Ending net book value</b>	<b>735,339</b>	<b>977,271</b>
Cost	822,405	1,086,307
Accumulated amortization and impairment	(87,066)	(109,036)

**12- Other financial assets**

(In thousand EGP)	March 31, 2020			December 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Financial assets	75,122	81,084	156,206	110,681	76,553	187,234
Restricted time deposits (12-1)	107,748	1,972	109,720	114,213	1,931	116,144
Financial assets available for sale -at cost (12-2)	16,181	-	16,181	12,976	-	12,976
Financial assets available for sale -at FV (12-3)	26,596	-	26,596	40,749	-	40,749
Investments at FVTPL (12-4)	-	1,047	1,047	-	552	552
<b>Total</b>	<b>225,647</b>	<b>84,103</b>	<b>309,750</b>	<b>278,619</b>	<b>79,036</b>	<b>357,655</b>

**12-1 Restricted cash**

(In thousand EGP)	As of March 31, 2020			As of December 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Pledged deposit	5,250	1,972	7,222	5,250	1,931	7,181
Cash at bank in North Korea	102,498	-	102,498	108,963	-	108,963
	<b>107,748</b>	<b>1,972</b>	<b>109,720</b>	<b>114,213</b>	<b>1,931</b>	<b>116,144</b>

**12-2 Financial assets available for sale – at cost**

(In thousand EGP)	March 31, 2020	December 31, 2019
<b>Company name</b>		
Misr for Central Clearing Depository and Registry	7,655	7,655
Guarantee Settlement Fund	5,232	5,027
El Arabi for Investment	194	194
MENA Capital company	2,618	2,666
BMG company	100	100
Egyptian goods stock	3,000	-
<b>(Less):</b>		
Impairment loss of available for sale investments	(2,618)	(2,666)
<b>Total</b>	<b>16,181</b>	<b>12,976</b>

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

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

Notes to condensed interim consolidated financial statements for the three-month period ended at March 31, 2020

**12-3 Financial assets available for sale – at fair value**

(In thousand EGP)

Company name	March 31, 2020	December 31, 2019
EGX funds company	5,560	8,093
Egypt opportunities fund	21,036	32,656
<b>Total</b>	<b>26,596</b>	<b>40,749</b>

**12-4 Investments at fair value through profit or loss.**

(In thousand EGP)

Investment in investment funds	March 31, 2020	December 31, 2019
	1,047	552
<b>Total</b>	<b>1,047</b>	<b>552</b>

**13- Cash and cash equivalents**

(In thousand EGP)

Banks – current accounts *	March 31, 2020	December 31, 2019
	797,039	1,014,018
Cash on hand	1,016	982
<b>Total</b>	<b>798,055</b>	<b>1,015,000</b>

\* Banks - current accounts as of March 31, 2020, include an amount of EGP 71.8 million (equivalent to USD 4.6 million) represents in a cash restricted in Lebanon, according to the Lebanese restrictions by the Lebanese government on local banks along with the restriction on the cash transfer abroad.

**14- Other assets**

(In thousand EGP)

(In thousand EGP)	March 31, 2020			December 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	236,022	56,510	292,532	268,059	52,003	320,062
Advances to suppliers	-	31,409	31,409	-	10,392	10,392
Receivables due from tax authority	-	10,150	10,150	-	14,527	14,527
Employee loans	-	1,104	1,104	-	1,189	1,189
Income tax	-	80,462	80,462	-	82,939	82,939
Other receivables	-	24,069	24,069	-	67,317	67,317
Allowance for doubtful accounts	-	(8,100)	(8,100)	-	(8,264)	(8,264)
<b>Total</b>	<b>236,022</b>	<b>195,604</b>	<b>431,626</b>	<b>268,059</b>	<b>220,103</b>	<b>488,162</b>

**15- Issued and paid up capital**

The Company's authorized capital amounting to EGP 22 Billion, the issued and paid up capital is amounting 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) as explained in Note (1-c).

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

**16- Borrowings**

	March 31, 2020	March 31, 2019
Opening balance	1,052,448	2,847,886
Current borrowing	747,832	1,988,224
Non-current borrowing	304,616	859,662
Repayment of borrowings	(381,971)	(79,612)
Proceeds from borrowings	20,221	134,074
Foreign currency translation differences	(84,197)	(87,371)
<b>Ending balance</b>	<b>606,501</b>	<b>2,814,977</b>
Current borrowing	250,602	1,989,364
Non-current borrowing	355,899	825,613

**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 (libor 3 months+1%)

Borrowings also include loans obtained from banks amounted to EGP 384 Million from which EGP 43 Million due within one year and EGP 341 Million due after more than one year these borrowings were obtained by Trans World Associate Private with interest rates ranges between kibor 3 months + 1.45% to 1.9% and kibor 6 months + 1,25% to 2.5%.

**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% commission
- 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%.



Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended at March 31, 2020

### 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:

<u>Date of payment</u>	<u>Amount (USD)</u>
21 October, 2019	10,000
21 October, 2020	10,000
21 October, 2021	13,423
<b>Total</b>	<b>33,423</b>

In January 2020, the company made an early settlement for the rest of the loan granted from one of the foreign banks amounted to 23.4 million USD (equivalent to EGP 313 million).

### Other credit facilities:

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.

## 17- Creditors and other credit balances

(In thousand EGP)

	<b>March 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Non-current</b>	<b>Current</b>	<b>Total</b>	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
Capital fixed assets suppliers	-	76,784	76,784	-	80,102	80,102
Trade payables	-	247,218	247,218	-	240,664	240,664
Trade payables financial services	-	262,874	262,874	-	211,817	211,817
Customers' credit balance	-	9,047	9,047	-	16,067	16,067
Trade payables financial services	-	54,226	54,226	-	41,299	41,299
	-	<b>650,149</b>	<b>650,149</b>	-	<b>589,949</b>	<b>589,949</b>
Prepaid traffic and deferred income	93,402	16,386	109,788	114,055	8,177	122,232
Payables to governmental authorities	-	53,809	53,809	-	50,899	50,899
Payables to employees	-	48,200	48,200	-	17,670	17,670
Customers deposits	-	799	799	-	774	774
Other credit balances	-	402,496	402,496	-	519,280	519,280
	<b>93,402</b>	<b>521,690</b>	<b>615,092</b>	<b>114,055</b>	<b>596,800</b>	<b>710,855</b>
<b>Total</b>	<b>93,402</b>	<b>1,171,839</b>	<b>1,265,241</b>	<b>114,055</b>	<b>1,186,749</b>	<b>1,300,804</b>

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

### 18- Earnings / (losses) per share

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

**Diluted:** Diluted earnings / (losses) 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 there are no debt instruments that are convertible to shares or share option, so diluted and basic earnings / (losses) per share are equal.

	<b>The three months ended March 31, 2020</b>	<b>The three months ended March 31, 2019</b>
Net profit / (loss) during the period (in thousand EGP)	43,095	(78,463)
Weighted average number of shares outstanding during the period (in thousand)	5,245,691	5,245,691
Earnings / (losses) per share – basic and diluted (in EGP)	<b>0.008</b>	<b>(0.015)</b>

### 19- Provisions

(In thousand EGP)	Opening balance	Formed	Used	Forex	Ending balance
<b><u>Presented separately in current liabilities</u></b>					
Provision for claims (current)	470,467	6,944	(15,137)	817	463,091
<b>Total provisions presented separately as of March 31, 2020</b>	<b>470,467</b>	<b>6,944</b>	<b>(15,137)</b>	<b>817</b>	<b>463,091</b>
<b><u>Presented separately in current liabilities</u></b>					
Provision for claims (current)	401,039	14,467	(27,034)	(703)	387,769
<b>Total provisions presented separately as of March 31, 2019</b>	<b>401,039</b>	<b>14,467</b>	<b>(27,034)</b>	<b>(703)</b>	<b>387,769</b>

Provisions are made according to the best estimate of the value of the expected liabilities as of the financial statements date, arising from the Group's 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 expected claims.

### 20- Capital commitments

The capital commitments are as follows:

(In thousand EGP)	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Commitments related to property and equipment	30,644	14,643
Other commitments	51,084	146,071
<b>Total</b>	<b>81,728</b>	<b>160,714</b>

The main capital commitments are related to property and equipment arising from the Group commitments of the installation of property and equipment related to the supply of marine communication cable, equipment, and technical equipment related to the contract of Trans World associates (subsidiary).

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended at March 31, 2020

**21- Contingent liabilities**

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)**

- The amount equivalent to EGP 549 thousand, held by the bank for the sake of the Higher Education Commission (HEC) until December 31, 2020.
- There is a restricted balance at the bank of EGP 5,131 in favor of Inbox valid until May 9, 2020.
- There is a restricted balance at the bank of EGP 947 thousand in favor of Infinity Link company valid until January 7, 2021.
- There is a letter of credit amounting to EGP 1,505 thousand, in favor of Subcom company valid until January 21, 2020.
- There is a letter of credit amounting to EGP 6.4 million (equivalent to USD 410 thousand) in favor of Premiere Systems company valid until April 4, 2020.

**22- 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 January 30, 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 February 1, 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 February 1, 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).

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

**Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020**

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:

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

As the Group on December 31, 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: -

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>(In thousands of EGP)</b>		
Discontinuing operations results from Riza Capital disposal (22-b-1)	-	(22,023)
Discontinuing operations results from Auerbach Grayson (22-b-2)	(966)	(27,270)
<b>Net (loss) from discontinuing operations</b>	<b>(966)</b>	<b>(49,293)</b>

**(22-b-1) Riza Capital disposal:**

On 10 September 2019, OTMT Brazil Holding company signed a sale and purchase agreement "SPA" with Marco Orelia 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 February 28, 2022.

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

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>(In thousands of EGP)</b>		
Operating revenue	-	7,808
Operating cost	-	(3,320)
<b>Gross (loss)</b>	-	4,488
Other expenses	-	(26,511)
<b>Net (loss) of the period</b>	-	<b>(22,023)</b>
Attributable to:		
Owners of the parent company	-	(12,663)
Non-controlling interests	-	(9,360)



**(22-b-2) Discontinuing operations result from Auerbach Grayson**

Within 2019 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)	March 31, 2020	March 31, 2019
Brokerage operation revenue	84,020	78,900
Other revenue	-	3
<b>Total revenue</b>	<b>84,020</b>	<b>78,903</b>
Employees' salaries and bonus	(16,622)	(28,269)
Execution commissions	(45,412)	(30,750)
Depreciation of property and equipment	(189)	(315)
Amortization of intangible assets	-	(653)
Other expenses	(22,763)	(45,772)
Foreign currency translation differences	-	(570)
<b>Net (loss) before tax</b>	<b>(966)</b>	<b>(27,426)</b>
Deferred tax	-	156
<b>Net (loss) of the period</b>	<b>(966)</b>	<b>(27,270)</b>

**23- 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)	March 31, 2020	December 31, 2019
<b>23-A Assets held for sale</b>		
Fixed assets	994	1,301
Intangible assets	24,513	24,965
Goodwill	51,981	52,938
Due from brokerage company	5,835	4,692
Accounts receivables	21,995	19,859
Debtors and other debit balances*	2,213	31,310
Cash on hand and on banks	49,169	20,599
<b>Total Assets held for sale</b>	<b>156,700</b>	<b>155,663</b>
<b>23-B Liabilities associated with assets held for sale</b>		
Deferred tax	9,315	9,487
Creditors and other credit balance	37,997	35,102
<b>Total liabilities associated with assets held for sale</b>	<b>47,312</b>	<b>44,589</b>

\* 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).

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

**24- Reclassification of comparative figures**

Some of the comparative figures of statement of income for the three-month period ended March 31, 2019, were reclassified to be in consistent with the current period reclassification in relation to the discontinuing operation as follows:

(In thousands of EGP)	<u>March 31, 2019</u>		<u>March 31, 2019</u>
	<u>As presented</u>	<u>Reclassification</u>	<u>Reclassified</u>
<b><u>Continuing operations</u></b>			
Operating revenues	408,981	(86,710)	322,271
Other income	701	-	701
Purchases and services cost	(170,003)	61,974	(108,029)
Other expenses	(32,065)	24,494	(7,571)
Provisions formed	(14,467)	-	(14,467)
Personnel cost	(145,271)	45,680	(99,591)
Depreciation and amortization	(31,228)	2,074	(29,154)
Impairment of non-current assets	392	-	392
<b>Operating income</b>	<b>17,040</b>	<b>47,512</b>	<b>64,552</b>
Finance income	3,060	(76)	2,984
Finance cost	(50,779)	970	(49,809)
Foreign currency translation (loss)	(44,692)	516	(44,176)
Share of profit of equity accounted investment	802,901	-	802,901
Net impairment in equity accounted investment	(764,563)	-	(764,563)
<b>(Loss)/ profit for the period before income tax</b>	<b>(37,033)</b>	<b>48,922</b>	<b>11,889</b>
Income tax	(41,830)	371	(41,459)
<b>(Loss) for the period from continuing operation</b>	<b>(78,863)</b>	<b>49,293</b>	<b>(29,570)</b>
<b><u>Discontinuing operations</u></b>			
Operation results from discontinuing operations after tax	-	(49,293)	(49,293)
<b>(Loss) for the period</b>	<b>(78,863)</b>	<b>-</b>	<b>(78,863)</b>

**25- Significant events during the period**

1- The impact of the recent outbreak of the virus (Covid-19) on the global economy and markets continues. And its negative impact on several aspects, including supplies, manpower, operations, demand for our products and liquidity available to the company. Accordingly, the company's management has formed a working group to develop and implement contingency plans to meet these exceptional circumstances, and we are currently closely monitoring and evaluating all the developments related to the spread of the emerging virus. Where all the necessary measures have been taken to maintain our operational processes, and most importantly, it is to protect our employees, suppliers, customers of the Company and all stakeholders associated with the Company.

**2- Postponing the adoption of the amendments to the New Egyptian accounting standards :**

On March 18, 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. Given the current circumstances that the country is going through due to the outbreak of the new Corona virus and its economic and financial effects related to it, in addition implementing prevention measures and countering its spread from imposing restrictions on the presence of human resources in companies at their full capacity on a regular basis. The Higher Committee for the Review of Egyptian Accounting Standards, Limited review, and other assurance services formulated by Prime Minister Decision No. 909 of 2011, which states that the application of the New Egyptian Accounting standards can be postponed and the amendments related to this issued by decision No. 69 on the annual financial statements of these companies at the end of 2020, and include the combined effect for the whole year by the end of 2020.

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 or 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 (ECL) 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 (ECL) 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.

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

**Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020**

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.



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

Notes to condensed interim consolidated financial statements for the three-month period ended at March 31, 2020

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

(In thousands of EGP)	Opening balance at January 1, 2020	Effect of Standard no. 47	Effect of Standard no. 48	Effect of Standard no. 49	Adjusted opening balance
<b>Assets</b>					
<b><u>Non-current assets</u></b>					
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 investees	2,289,257	-	-	-	2,289,257
Other financial assets	278,619	-	-	-	278,619
Other assets	268,059	-	-	(2,879)	265,180
<b>Total non-current assets</b>	<b>5,300,043</b>				<b>5,390,318</b>
<b><u>Current assets</u></b>					
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
	<b>2,222,957</b>				<b>2,185,960</b>
Assets held for sale	155,663	-	-	66,101	221,764
<b>Total current assets</b>	<b>2,378,620</b>				<b>2,407,724</b>
<b>Total assets</b>	<b>7,678,663</b>				<b>7,798,042</b>
<b><u>Equity and liabilities</u></b>					
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
<b>Equity attributable to equity holders of the parent company</b>	<b>4,219,498</b>				<b>4,182,796</b>
Non-controlling interest	294,587	(7,324)	(4,454)	(4,307)	278,502
<b>Total equity</b>	<b>4,514,085</b>				<b>4,461,298</b>
<b><u>Liabilities</u></b>					
<b><u>Non-current liabilities</u></b>					
Borrowings	304,616	-	-	79,511	384,127
Creditors and other credit balances	114,055	-	8,215	-	122,270
Deferred tax liabilities	203,374	-	(3,842)	-	199,532
<b>Total non-current liabilities</b>	<b>622,045</b>				<b>705,929</b>
<b><u>Current liabilities</u></b>					
Borrowings	747,832	-	-	11,918	759,750
Creditors and other credit balances	1,186,749	-	4,717	-	1,191,466
Tax liabilities- income tax	92,896	(332)	-	-	92,564
Provisions	470,467	-	-	-	470,467
	<b>2,497,944</b>				<b>2,514,247</b>
Liabilities associated with assets held for sale	44,589	-	-	71,979	116,568
<b>Total current liabilities</b>	<b>2,542,533</b>				<b>2,630,815</b>
<b>Total liabilities</b>	<b>3,164,578</b>				<b>3,336,744</b>
<b>Total equity and liabilities</b>	<b>7,678,663</b>				<b>7,798,042</b>

Orascom Investment Holding S.A.E.

Notes to condensed interim consolidated financial statements for the three-month period ended March 31, 2020

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26- **Subsequent events**

During April 2020, Beltone Financial Holding company signed an agreement to sell its subsidiary Aurebach Grayson with a group of investors. All sales procedures will be finalized after obtaining the approval of the Financial Sector Regulatory Authority (FINRA) in the United States of America.

**Chief Financial Officer**



**Chairman and Managing Director**

