



**Orascom Investment Holding**  
**S.A.E.**  
**Condensed Interim Separate Financial Statements**  
**As of and for the three-month period ended March 31, 2023**  
**Together with Review Report**



**Hazem Hassan**  
Public Accountants & Consultants

Translation of review report  
originally issued in Arabic

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**Review Report on Condensed Interim Separate Financial Statements**

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

***Introduction***

We have reviewed the accompanying condensed interim separate statement of financial position of Orascom Investment Holding (S.A.E) as of March 31, 2023, and the related condensed interim separate 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 separate financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim separate financial statements based on our review.

***Scope of Review***

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

***The Base of Qualified Conclusion***

- 1- The Company has significant influence in its investments in CHEO Technology JV ("Koryolink"), in the Republic of North Korea, which is carried at EGP 613,6 million as of March 31, 2023, which is classified as "Investments in associates", also, the Company has cash balances in North Korean Banks amounting to EGP 91 million, which the Company classified as other financial assets as of March 31, 2023. As Koryolink is operating under an international ban and financial restrictions imposed by the international community on North Korea, which lead to difficulties in transferring profits abroad and repatriating the funds outside of North Korea.

We were unable to obtain sufficient and appropriate evidence supporting the recoverable amount of the Company's investment in Koryolink as well as the valuation of cash balances in North Korean Banks as of March 31, 2023. Accordingly, we were unable to obtain assurance about the measurement of the recoverable amount of the investment balance as well as the valuation of cash balances in North Korean Banks as of March 31, 2023, Consequently, we were unable to determine whether any adjustments to these amounts were necessary.



Hazem Hassan

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***Qualified conclusion***

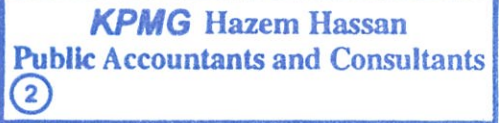
Based on our review, except for the possible effects of the matters described in in the Basis of Qualified Conclusion, as might have been determined to be necessary if we obtained of the matters described in the Basis of Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

KPMG Hazem Hassan



Public Accountants and Consultants

Cairo May 31, 2023



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

**Condensed interim separate statement of financial position as of**

(In thousands of EGP)	Note no.	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<b><u>Non-current assets</u></b>			
Fixed assets	(12)	36,884	36,250
Investment property	(13)	200,999	202,032
Investments in subsidiaries	(14)	672,316	669,497
Investments in associates	(15)	613,632	613,632
Other financial assets	(7)	91,145	91,314
<b>Total non-current assets</b>		<b>1,614,976</b>	<b>1,612,725</b>
<b><u>Current assets</u></b>			
Due from related parties	(8-a)	30,207	14,941
Debtors and other debit balances	(9)	21,192	49,344
Cash and cash equivalents	(6)	951,767	703,016
		<b>1,003,166</b>	<b>767,301</b>
<b>Total assets</b>		<b>2,618,141</b>	<b>2,380,026</b>
<b><u>Equity</u></b>			
Issued and paid-up capital	(17)	577,025	577,025
Legal reserve		215,657	177,927
Result of the demerger		(129,087)	(129,087)
Retained earnings		918,932	202,109
Net profit for the period / year		64,462	754,553
<b>Total equity</b>		<b>1,646,989</b>	<b>1,582,527</b>
<b><u>Non-current liabilities</u></b>			
Borrowings	(16)	148,764	--
Deferred tax liabilities	(5)	114,002	75,688
<b>Total non-current liabilities</b>		<b>262,766</b>	<b>75,688</b>
<b><u>Current liabilities</u></b>			
Provisions	(18)	8,428	14,628
Trade payables		225	225
Other credit balances	(10)	84,064	91,422
Income tax liabilities		91,262	91,262
Due to related parties	(11)	524,405	524,274
<b>Total current liabilities</b>		<b>708,382</b>	<b>721,811</b>
<b>Total liabilities</b>		<b>971,152</b>	<b>797,499</b>
<b>Total liabilities and equity</b>		<b>2,618,141</b>	<b>2,380,026</b>

- The accompanying notes from (1) to (29) are an integral part of these condensed interim separate financial statements and should be read therewith.

Chief Financial Officer



Managing Director



Review Report "Attached"

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

**Condensed interim separate statement of income for the three months ended**

(In thousands EGP)	<u>Note no.</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b><u>Continuing operations</u></b>			
Other income	(3)	6,612	4,483
<b>Total income</b>		<b>6,612</b>	<b>4,483</b>
<b><u>(Less)</u></b>			
Employees costs and board of directors' remunerations	(4)	(17,699)	(11,151)
Consulting and professional services fees		(3,844)	(4,014)
Subscription expenses		(2,578)	(2,694)
Depreciation of fixed assets and investment property	(12,13)	(1,367)	(1,303)
Provisions formed	(18)	(271)	(4,554)
Net impairment losses in financial assets	(19)	(46,904)	(11,762)
Other expenses	(22)	(3,762)	(2,835)
<b>Operating (losses)</b>		<b>(69,814)</b>	<b>(33,830)</b>
Interest income	(21)	1,688	125
Finance costs		--	(13)
Net foreign currencies translation differences		170,903	102,687
<b>Net financing income</b>		<b>172,591</b>	<b>102,799</b>
<b>Net profit / (loss) for the period before tax</b>		<b>102,777</b>	<b>(68,969)</b>
Income taxes	(5)	(38,315)	(18,354)
<b>Net profit for the period from continuing operations after tax</b>		<b>64,462</b>	<b>50,615</b>
<b><u>Discontinued operations</u></b>			
Profit from discontinued operations after tax	(29)	--	384,317
<b>Net profit for the period</b>		<b>64,462</b>	<b>434,932</b>
<b>Earnings per share from continuing operations</b>			
- Basic and diluted	(20-1)	0.012	0,0096
<b>Earnings per share from discontinued operations</b>			
- Basic and diluted	(20-2)	--	0,073

- The accompanying notes from (1) to (29) are an integral part of these condensed interim separate financial statements and should be read therewith.

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

**Condensed interim separate statement of comprehensive income for the three months ended**

(In thousands of EGP)

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Net profit for the period	64,462	434,932
Other comprehensive income items	--	--
<b>Total comprehensive income for the period</b>	<b>64,462</b>	<b>434,932</b>

- The accompanying notes from (1) to (29) are an integral part of these condensed interim separate financial statements and should be read therewith.

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

Condensed interim separate statement of changes in equity for the three months ended March 31, 2023

(In thousands of EGP)	Issued and paid-up capital	Legal reserve	Result of the demerger	Retained earnings	Net profit / (loss) for the year / period	Total
Balance as of January 1, 2022	577,025	175,822	(129,087)	162,107	42,107	827,974
Transferred to legal reserve	--	2,105	--	--	(2,105)	--
Transferred to retained earnings	--	--	--	40,002	(40,002)	--
Total comprehensive income for the period	--	--	--	--	(434,932)	434,932
<b>Balance as of March 31, 2022</b>	<b>577,025</b>	<b>177,927</b>	<b>(129,087)</b>	<b>202,109</b>	<b>434,932</b>	<b>1,262,906</b>
Balance as of January 1, 2023	577,025	177,927	(129,087)	202,109	754,553	1,582,527
Transferred to legal reserve	--	37,730	--	--	(37,730)	--
Transferred to retained earnings	--	--	--	716,823	(716,823)	--
Total comprehensive income for the period	--	--	--	--	64,462	64,462
<b>Balance as of March 31, 2023</b>	<b>577,025</b>	<b>215,657</b>	<b>(129,087)</b>	<b>918,932</b>	<b>64,462</b>	<b>1,646,989</b>

- The accompanying notes from (1) to (29) are an integral part of these condensed interim separate financial statements and should be read therewith.

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

**Condensed interim separate statement of cash flows for the three months ended**

(In thousands of EGP)	<u>Note no.</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Net profit for the period before tax		102,777	68,969
<b><u>Adjustments for:</u></b>			
Depreciation of fixed assets and investment property	(12,13)	1,367	1,303
Impairment loss of financial assets		46,904	11,762
Interest income		(1,688)	(125)
Finance costs		--	13
Net foreign currencies translation differences		(170,903)	(102,687)
		<b>(21,542)</b>	<b>(20,765)</b>
<b>Changes in:</b>			
Due from related parties		(62,169)	(6,542)
Other debit balances		29,072	(982)
Other credit balances		(7,358)	(5,941)
Due to related parties		131	(34)
Provisions		(6,200)	4,554
<b>Cash flows (used in) operating activities</b>		<b>(68,066)</b>	<b>(29,709)</b>
Interest received		1,688	125
<b>Net cash flows (used in) operating activities from</b>		<b>(66,378)</b>	<b>(29,584)</b>
<b><u>Cash flows from investing activities</u></b>			
Payments for purchase of fixed assets		(968)	(140)
Payments for investment in subsidiaries		(2,819)	--
<b>Net cash flows (used in) investing activities from continuing operations</b>		<b>(3,787)</b>	<b>(140)</b>
<b><u>Cash flows from financing activities</u></b>			
Interest paid		--	(13)
Net received from other financial assets		169	
Payments for loans		148,764	(137)
<b>Net cash flows provided from/ (used in) financing activities from continuing operations</b>		<b>148,933</b>	<b>(150)</b>
<b>Net change in cash and cash equivalents during the period from continuing operations</b>		<b>78,768</b>	<b>(29,874)</b>
<b><u>Discontinued operations:</u></b>			
Net cash flows provided from operating activities		--	--
Net cash flow provided from investing activities		--	509,791
Net cash flow provided from financing activities		--	--
<b>Net change in cash and cash equivalents from discontinued operations</b>		<b>--</b>	<b>509,791</b>
Net change in cash and cash equivalents during the period		78,768	479,917
Change in exchange rate in cash and cash equivalents		169,983	93,521
Cash and cash equivalents at the beginning of the period		703,016	97,600
<b>Cash and cash equivalents at the end of the period</b>	<b>(6)</b>	<b>951,767</b>	<b>671,038</b>

- The accompanying notes from (1) to (29) are an integral part of these condensed interim separate financial statements and should be read therewith.



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

**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

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**1. Background**

**a- Legal form**

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

**b- Purpose of the Company**

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

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

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

- The condensed interim separate financial statements have been prepared in accordance with the Egyptian Accounting Standards No. (30) interim financial statements in compliance with the applicable Egyptian laws and regulations. accordingly, the interim separate financial statements were prepared as a summary compared to the Company’s separate annual financial statements for the fiscal year ended on December 31, 2022. Those condensed interim separate financial statements do not include all the information required when preparing the complete annual financial statement and must be read along with the Company’s separate annual financial statements on December 31, 2022.
- Egyptian accounting standards require referring to the International Financial Reporting Standards (IFRS) for events and transactions for which no Egyptian accounting standard or legal requirements have been issued explaining how to address them.
- The condensed interim separate financial statements of the Company as of and for the three-month period ended March 31, 2023, were approved by the board of directors on May 30, 2023.

**b- Basis of measurement**

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

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

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

**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

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**c- Presentation currency**

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

**d- Use of estimates and judgments**

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

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

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

**A. Estimation of fair value**

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

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

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

**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

**3. Other income**

**(In thousands of EGP)**

	<b><u>The three months ended March 31, 2023</u></b>	<b><u>The three months ended March 31, 2022</u></b>
Income from investment property *	6,388	4,285
Other income	224	198
	<b><u>6,612</u></b>	<b><u>4,483</u></b>

\* Represents in rental income of investment property assets relating to offices owned by the Company in a building in Brazil (refer to note no. 13)

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

**(In thousands of EGP)**

	<b><u>The three months ended March 31, 2023</u></b>	<b><u>The three months ended March 31, 2022</u></b>
Employees' costs	(15,664)	(10,241)
Board of directors' remunerations	(2,035)	(910)
	<b><u>(17,699)</u></b>	<b><u>(11,151)</u></b>

**5. Income taxes**

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

**(In thousands of EGP)**

	<b><u>The three months ended March 31, 2023</u></b>	<b><u>The three months ended March 31, 2022</u></b>
Deferred tax	(38,315)	(21,929)
Current income tax	--	3,575
<b>Income tax expenses</b>	<b><u>(38,315)</u></b>	<b><u>(18,354)</u></b>

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

**(In thousands of EGP)**

	<b><u>March 31, 2023</u></b>	<b><u>March 31, 2022</u></b>
<b>Balance at the beginning of the period</b>	<b>75,687</b>	<b>2,925</b>
Charged to the condensed interim separate statement of income during the period	38,315	21,929
<b>Balance at the end of the period</b>	<b><u>114,002</u></b>	<b><u>24,854</u></b>

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

**6. Cash and cash equivalents**

**(In thousands of EGP)**

	<b><u>March 31, 2023</u></b>	<b><u>December 31, 2022</u></b>
Cash on hand	4,650	427
Current accounts - local currency	153,920	14,464
Current accounts - foreign currencies	794,211	689,139
	<b><u>952,781</u></b>	<b><u>704,030</u></b>
Impairment loss of cash and cash equivalents	(1,014)	(1,014)
	<b><u>951,767</u></b>	<b><u>703,016</u></b>

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

**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

**7. Other financial assets**

<u>(In thousands of EGP)</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Cash in banks in North Korea - non-current	2,922,968	2,289,470
Borrowing from subsidiaries *	(2,740,678)	(2,146,688)
<b>Net Cash in banks in North Korea</b>	<b>182,290</b>	<b>142,782</b>
Impairment loss of financial assets	(91,145)	(51,468)
<b>Total – non- current</b>	<b>91,145</b>	<b>91,314</b>

\*During August 2022, at the request of a shareholder in Koryolink, , Koryolink decided to indiscriminately grant shareholders an interest-free loan in accordance with the rules and procedures of local law, according to the percentage of his contribution to the capital of Koryolink. The loan amounting to approximately 81.7 million euro (equivalent to an amount of approximately 2.7 billion Egyptian pounds as of March 31, 2023), the loan was transferred to the account of the Orascom Investment Holding Company in the Republic of Korea, knowing that all local regulations and laws regarding bank transfers and transactions will be applied to the amounts. The aforementioned, and Orascom Investment Company will continue to comply with international resolutions regarding international sanctions in this regard. It is worth that the loan is interest-free and for a period of 5 years, which can be automatically increased for another period or periods, each of which is 3 years. An agreement will be made between the company and Koryolink on the method of payment, whether in cash or by settlement with other balances between the two companies.

**8. Due from related parties**

**a- Current**

<u>(In thousands of EGP)</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
CHEO Technology Joint Venture (Koryolink)	284,299	283,967
Orascom Prisme Entertainment	35,195	35,195
Orascom Telecom Lebanon	55,604	11,749
Orascom Telecom Holding	3,848	3,848
Osorcon company	3,474	3,474
O-Capital for Services and Contracting	3,059	2,970
Riza Capital	1,429	1,429
Victoire investment holding	816	608
Orascom Pyramids Entertainment	545	419
Orascom Financial Holding	182	94
Orascom Telecom Mobile Infrastructure Services	998	996
OTL	12	--
OSL for Entertainment Projects	28,694	13,820
<b><u>Impairment loss</u></b>		
Impairment loss in due from related parties *	(387,948)	(343,628)
	<b>30,207</b>	<b>14,941</b>

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

**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

**14. Investments in subsidiaries**

<u>(In thousands of EGP)</u>	<u>Country</u>	<u>Ownership percentage %</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Victoire Investment Holding	Netherlands	99.99	325,911	325,911
Orascom Telecom Ventures S.A. E	Egypt	99.99	222,802	222,802
Orascom Prisme Entertainment	Egypt	99	113,850	113,850
O-Capital for Energy	Egypt	99.2	4,376	4,376
Orascom Prisme Pyramids Entertainment	Egypt	70	3,105	3,105
OSL for Entertainment	Egypt	99.99	250	250
O-Capital for services and constructions	Egypt	99.2	125	125
Orascom Telecom Mobile Infrastructure Services	Egypt	99.2	63	63
OIH- Sengal			308	308
Evergate for marketing and electronic brokerage			6,250	6,250
OTL Trading and Logistics Services *			89	--
NUBAY Company **			2730	--
<b><u>Impairment loss</u></b>				
O-Capital for Energy			(4,375)	(4,375)
Orascom Telecom Mobile Infrastructure Services			(63)	(63)
Orascom Prisme Pyramids Entertainment			(3,105)	(3,105)
			<b>672,316</b>	<b>669,497</b>

\* On March 28, 2023, the company established OTL Trading and Logistics Services Company (a subsidiary) with a 100% in order to work in the field of wholesale and retail trade, commerce and e-marketing. The capital of the subsidiary is one million Egyptian pounds distributed over 10,000 shares with a value of 100 per share. EGP, 10% of the subsidiary's capital has been paid

\*\* During the first quarter of 2023, the company paid an amount of 322 thousand dirhams UAE, equivalent to 2.8 million pounds, to establish the NUBAY company in the state of Dubai (a subsidiary) with a percentage of 57% in order to work in the field of investment in Africa. The capital of the subsidiary is 500,000 Emirati Dirham shares distributed to 500,000 shares with a value of 1 dirham per share. The legal procedures for establishing the company are being completed.

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

**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

**15. Investment in associates**

**(In thousands of EGP)**

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

(\*) The Company's investments in North Korea for 60% of the voting rights in the local telecom operator Koryolink. The accounting treatment has been modified during the period ended September 30, 2015. Therefore, recognizing it as an investment in associates instead of investment in subsidiaries, by ratification from Company's management that there is significant influence instead of full control. Thus, in light of the increase of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction imposed by the international community including the United States of America, the European Union and the United Nations. These sanctions have the effect of restricting financial transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks.

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

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

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

**16. Borrowings**

**(In thousands of EGP)**

	March 31, 2023	December 31, 2022
Obligation from sale-leaseback -non current	148,764	--
	<b>148,764</b>	<b>--</b>

On March 2023, the company sold the company's headquarters and leased it back to GB Financial Leasing Company "the lessor" for an amount of 156,594,000 Egyptian pounds, as the lessor agreed to lease the asset owned by them, located in 2005A, Nile City Towers - South Tower - 26th floor, with an area of 1,304.95 square meters for a period of 5 years starting from March 31, 2023 and ending on March 31, 2028. This asset has been leased for a total value of 148,764,300 Egyptian pounds. The lessee has the option to purchase the leased asset subject to the contract at the end of the lease period for an amount of 1 EGP, The lessee must inform the lessor of his desire to purchase option two months before the time specified for exercising the aforementioned right. The purchase price shall be equal to the current value of the unpaid rents, plus the purchase value of the asset subject to the contract at the end of the lease period and 5.0% penalty for early payment, considering the following conditions:

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If the lessee choice the right to purchase the asset and informs the lessor of his desire to purchase the asset subject to the contract in writing, the lessor is obligated to draw up a final sales contract for the benefit of the lessee within one month from the date of the end of the contract as long as the lessee has fulfilled all his obligations in this contract. In all cases, it does not transfer. Ownership of the leased asset belongs to the lessee only after he pays the full price agreed upon and after concluding a signed contract between the two parties, in addition to the lessee's commitment to all other expenses, taxes, fees, and other things related to the sales contract.

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

As of March 31, 2023, the authorized capital of the Company is amounting to EGP 2,885 billion and the issued capital is amounting to EGP 577,025,968 consisting of 5,245,690,620 shares of EGP 0.11 par value each.

The following table shows the company's largest shareholders as of March 31, 2023:

Shareholders	Ordinary shares with voting rights	Ordinary shares with voting rights percentage
Bank of New York Mellon	2,846,499,353	54.264%
Others	2,399,191,267	736.45%
<b>Total available ordinary shares</b>	<b>5,245,690,620</b>	<b>100.00%</b>

**18. Provisions**

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

<u>(In thousands of EGP)</u>	<u>January 1, 2023</u>	<u>Formed</u>	<u>Used</u>	<u>No longer required</u>	<u>March 31, 2023</u>
Provisions for claims*	14,628	271	(6,471)	--	8,428
<b>Total provisions</b>	<b>14,628</b>	<b>271</b>	<b>(6,471)</b>	<b>--</b>	<b>8,428</b>

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

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**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

**19. Impairment of assets**

<u>(In thousands of EGP)</u>	<u>December 31, 2022</u>	<u>Formed</u>	<u>Forex</u>	<u>No longer required</u>	<u>March 31, 2023</u>
<b>Impairment of assets</b>					
Due from related parties	803,691	46,904	--	--	850,595
Investments in subsidiaries	7,543	--	--	--	7,543
Other debit balances	6,553	--	--	--	6,553
Other financial assets	51,468	--	39,677	--	91,145
Cash and cash equivalents	1,014	--	--	--	1,014
<b>Total impairment of assets</b>	<b>870,269</b>	<b>46,904</b>	<b>39,677</b>	--	<b>956,850</b>

**20. Earnings / (losses) per share**

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

**20-1 From continuing operations**

	<u>The three months ended March 31, 2023</u>	<u>The three months ended March 31, 2022</u>
Net profit for the period from continuing operations (in thousands of EGP)	64,462	50,615
Weighted average number of shares outstanding during the period (in thousands of shares)	5,245,691	5,245,691
<b>Earnings per share for the period from continuing operations (EGP)</b>	<b>0.012</b>	<b>0.0096</b>

**20-2 From discontinued operations**

	<u>The three months ended March 31, 2023</u>	<u>The three months ended March 31, 2022</u>
Net profit for the period from discontinued operations (in thousands of EGP)	--	384,317
Weighted average number of shares outstanding during the period (in thousands of shares)	5,245,691	5,245,691
<b>Earnings per share for the period from discontinued operations (EGP)</b>	<b>--</b>	<b>0.073</b>

**21. Credit interest**

<u>(In thousands of EGP)</u>	<u>The three months ended March 31, 2023</u>	<u>The three months ended March 31, 2022</u>
Credit interest	1,688	125
	<b>1,688</b>	<b>125</b>



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**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

**22. Other expenses**

**(In thousands of EGP)**

	<b><u>The three months ended March 31, 2023</u></b>	<b><u>The three months ended March 31, 2022</u></b>
Maintenance expenses	(1,191)	(707)
Banking fees	(1,230)	(456)
Value added tax expenses	--	(134)
IT management expenses	(69)	(24)
Other	(1,272)	(1,513)
	<b><u>(3,762)</u></b>	<b><u>(2,834)</u></b>

**23. Significant transactions with related parties**

<b><u>Company Name</u></b>	<b><u>Nature of the relationship</u></b>	<b><u>Nature of the transactions</u></b>	<b><u>Volume of Transactions March 31, 2023</u></b>	<b><u>Volume of Transactions March 31, 2022</u></b>	<b><u>Balance Debit (credit) March 31, 2023</u></b>	<b><u>Balance Debit (credit) December 31, 2022</u></b>
<b>(In thousands of EGP)</b>						
CHEO Technology JV (KoryoLink)	Associate	Expenses paid on behalf of the related party	332	2,702	284,299	283,967
Orascom Telecom Ventures	Subsidiary	Expenses paid on behalf of the related party	134	141	(518,271)	(518,137)
Oracap Holding company	Subsidiary	Expenses paid on behalf of the related party	2,584	4,555	462,647	460,063
Orascom Telecom Lebanon	Subsidiary	Expenses paid on behalf of the related party	43,855	--	55,604	11,749
Orascom Financial Holding	Affiliate	Expenses paid on behalf of the related party	89	1	183	94
Orascom Pyramids Entertainment	Subsidiary	Expenses paid on behalf of the related party	126	(312)	545	419
O capital	Subsidiary	Expenses paid on behalf of the related party	89	5	3,059	2,970
OSL	Subsidiary	Expenses paid on behalf of the related party	14,874	2,043	28,694	13,820

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

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

**1- Interest rate risks:**

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

**2- Liquidity risk**

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

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**Notes to the condensed interim separate financial statements for the three months ended March 31, 2023**

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**3- Other risks**

**Political and economic risks in the emerging countries:**

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

**Organizational risks in the emerging countries:**

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

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

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

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

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

**25. Capital Commitment:**

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

-There are capital commitments represented in the remaining amounts of the capital of both O-Capital for energy, O-Capital for Services and Construction and Orascom Prisme Pyramids amounting to EGP 13,125 million and EGP 189 thousand and EGP 9,315 million respectively, to complete the percentage from 25% to 100%.

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**26. Contingent liabilities**

<u>(In thousands of EGP)</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Contingent liabilities *	74,952	65,747
	<b>74,952</b>	<b>65,747</b>

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

**27. Tax position**

There are no material changes in the tax position during the three-month period ended March 31, 2023, other than what was disclosed in note no. (25), in the Company's annual separate financial statements as of and for the year ended December 31, 2022.

**28. Profit / (loss) from discontinued operations**

<u>(In thousands of EGP)</u>	<u>The three months ended March 31, 2023</u>	<u>The three months ended March 31, 2022</u>
Profit from sale of Company's investment in TWA *	--	384,317
<b>Profit / (loss) for the period from discontinued operations</b>	<b>-</b>	<b>384,317</b>

(\*) The following is the profit from the sale of the Company's investments in TWA. It is worth mentioning that the sale consideration may change in the future due to the fact that the contract stipulates that the final value of the sale will depend on some adjustments to the sale amount, which will be calculated based on the financial statements of TWA on the date of sale transaction which is currently being prepared.

<u>(In thousands of EGP)</u>	<u>The three months ended March 31, 2022</u>
Consideration received from sale of Company's investment in TWA received in 2022	509,791
Advance payment from the consideration received in 2021	46,964
<b>Total consideration received</b>	<b>556,755</b>
(Less:)	
Cost of investment in TWA	(60,862)
Income tax expenses	(111,576)
<b>Profit from sale of Company's investment in TWA</b>	<b>384,317</b>

**29. Subsequent events**

-On May 8, 2023, Orascom Investment Holding Company announced its desire to invest with BluEV, a pioneering Egyptian company in developing digital platform technology for the management of sustainable electric transportation and its electronic financial systems. Through its smart network, the company offers innovative solutions to replace empty batteries for light transportation. It operates on electricity with charged batteries, with complete management of payments and services through the BluEV electronic wallet, and the rest of the necessary procedures are being completed to complete the partnership with BluEV.

-During the subsequent period, the company purchased treasury shares, as the company purchased 36,969,622 shares for a total value 8,463,331 Egyptian pounds, in accordance with the approval of the Board of Directors on October 17, 2022, for the company to purchase treasury shares with a maximum of 524,569,062 shares, representing a maximum of 10% of the company's total shares issued and traded on the Egyptian Stock Exchange, according to the market price on the date of purchase.