

Orascom Financial Holding Company "S.A.E."
The Condensed Separate Interim Financial Statements
For the three months ended 31 March 2023
and
Limited Review Report thereon



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*Translation of financial statements
originally issued in Arabic*

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Report on Limited Review
of Condensed Separate Interim Financial Statements

To the Board of the Director of Orascom Financial Holding Company (S.A.E)

Introduction

We have performed a limited review for the accompanying condensed Separate statement of financial position of Orascom Financial Holding Company (Egyptian Joint Stock Company) as of 31 March 2023 and the related condensed Separate statements of income, comprehensive income, changes in equity and cash flows for the three months ended. The management is responsible for the preparation and fair presentation of these condensed Separate interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Statements". Our responsibility is to express a conclusion on these condensed Separate interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of condensed Separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited 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 Separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed Separate interim financial statements are not prepared in all material respects in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Statements".

KPMG Hazem Hassan
Public Accountants and Consultants
KPMG Hazem Hassan
Public accountants and consultants

Cairo 30 May 2023

Orascom Financial Holding Company "S.A.E"
Condensed Interim Separate Statement of Income

(In thousands of EGP)	Note no.	For the financial period from 1 Jan 2023 to 31 March 2023	For the financial period from 1 Jan 2022 to 31 March 2022
Dividends income (Net)	(14)	83,895	75,752
Total revenues		83,895	75,752
Employee's costs and board of director's salaries and remunerations	(15)	(6,851)	(5,247)
Depreciation of property, plant and equipment	(6)	(12)	(11)
Other expenses		(1,090)	(1,667)
Gross profit		75,942	68,827
Credit Interest income	(16)	19,296	5,472
Net foreign currencies translation differences		28,919	11,776
Net financing income		48,215	17,248
Net profit for the period before tax		124,157	86,075
Income tax	(17)	(13,686)	-
Net profit for the period after tax		110,471	86,075
Earnings per share (EGP/share) for the period	(18)	0.0218	0.0164

The accompanying notes from (1) to (22) are an integral part of these condensed interim separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Condensed Interim Separate Statement of Comprehensive Income

(In thousands of EGP)	For the financial period from 1 Jan 2023 to 31 March 2023	For the financial period from 1 Jan 2022 to 31 March 2022
Net profit for the period after tax	110,471	86,075
Items of other comprehensive income	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	110,471	86,075

The accompanying notes from (1) to (22) are an integral part of these condensed interim separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"

Condensed Interim Separate Statement of Changes in Equity

(In thousands of EGP)	Note No.	Reserves				Total Equity
		Issued and paid up capital	Treasury shares	Legal reserve	Reserve resulted from the demerger	
Balance as of 1 January 2022		1,626,165	-	419,522	129,087	2,656,640
Total comprehensive income for the period		-	-	-	-	86,075
Transferred to Legal reserve		-	-	4,491	-	(4,491)
Balance as of 31 March 2022		1,626,165	-	424,013	129,087	2,742,715

(In thousands of EGP)

(In thousands of EGP)	Note No.	Reserves				Total Equity
		Issued and paid up capital	Treasury shares	Legal reserve	Reserve resulted from the demerger	
Balance as of 1 January 2023		1,626,165	(93,653)	424,013	129,087	2,361,032
Purchase of treasury shares	(10-1)	-	(19,297)	-	-	(19,297)
Total comprehensive income for the period		-	-	-	-	110,471
Balance as of 31 March 2023		1,626,165	(112,950)	424,013	129,087	2,452,206

The accompanying notes from (1) to (22) are an integral part of these condensed interim separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Condensed Interim Separate Statement of Cash Flows

(In thousands of EGP)	Note no.	For the financial period from 1 Jan 2023 to 31 March 2023	For the financial period from 1 Jan 2022 to 31 March 2022
Net income for the period before tax		124,157	86,075
Adjusted for:			
Dividends income	(14)	(83,895)	(75,752)
Depreciation of Property, Plant and equipment	(6)	12	11
Interest income	(15)	(19,296)	(5,472)
Net foreign currencies translation differences		(28,919)	(11,776)
		(7,941)	(6,914)
Change in:			
Other assets		(2,628)	(222)
Other liabilities		(7,636)	(2,257)
Due to related parties		89	1
Cash flows (used in) operating activities		(18,116)	(9,392)
Proceeds from interest		17,358	5,472
Taxes Paid (Treasury bills)		(2,116)	-
Net cash flows (Used in) operating activities		(2,874)	(3,920)
Cash flows from financing activities			
payments for purchase Treasury shares	(10-1)	(19,297)	-
Net cash flows (used in) financing activities		(19,297)	-
Net change in cash and cash equivalents during the period		(22,171)	(3,920)
Effect of exchange rate fluctuation on cash and cash equivalent in foreign currencies		28,919	11,776
Cash and cash equivalents at beginning of the period		625,478	306,388
Cash and cash equivalents at end of the period	(9)	632,226	314,244

The accompanying notes from (1) to (22) are an integral part of these condensed interim separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"

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

1- Background

a- Legal form and operation

Orascom Financial Holding S.A.E. Which will be mentioned later as the demerged company or "the Company" 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 No 430755 on December 10, 2020. The Company's head office is located at Nile City Towers, Ramlet Boulak – Cairo, Egypt. The Company's duration is 25 years starting from December 10, 2020.

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 in relation to the Capital Market Law. The Company may have interest or participate, by any mean, in companies and other enterprises that have activities like 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.

c- Brief over the incorporation of the Company

The Company was established through the demerger from Orascom Investment Holding S.A.E.

Based on the decision of the Board of Directors of Orascom Investment Holding held on July 9, 2020, it was approved to submit a detailed demerger project to be presented to the extraordinary general assembly of Orascom Investment Holding, as the project includes demerger of Orascom Investment Holding, into two companies, company with the same name of Orascom Investment Holding, which includes investments in companies operating in different fields, and a demerged company to be established called "Orascom Financial Holding" and includes investments in companies operating in non-banking financial services activities, namely Beltone Financial Holding (a subsidiary company) and Contact Financial Holding (Previously Sarwa Capital Holding Company) (an associate company), and the affiliation of Beltone Financial Holding Company and Sarwa Capital Holding Company for Financial Investments, as well as the current account due to Orascom Investment Holding Company, is transferred from Victoire Investment Company to the demerged company.

On October 19, 2020, the Extraordinary General Assembly of Orascom Investment Holding, approved the demerger plan of Orascom Investment Holding S.A.E. according to the horizontal demerger method using the book value of the share and to use the separate financial statements for the financial year ended December 31, 2019, as a basis for the demerger where Orascom Investment Holding S.A.E.(the demerging Company) will still exist and its issued capital shall be reduced by reducing the par value of its shares and will also specialize in performing various investment activities while maintaining its license as a company whose purpose is "to participate in the establishment of all joint stock companies or to recommend shares that issue securities or to increase their capital.". Furthermore, the demerger resulted in the establishment of a new company in the name of Orascom Financial Holding S.A.E. (the demerged Company) in the form of an Egyptian joint stock company, subject to the provisions of the Capital Market Law No. 95 of 1992 and its executive regulations, and its purpose is to "participate in the establishment of companies that issue securities or increase their capital and that operate in the fields of non-banking financial activities." The companies resulting from the demerger shall be owned by the same shareholders of Orascom Investment Holding at the date of the execution of the demerger having the same ownership percentages for each shareholder before the execution of the demerger.

Orascom Financial Holding "S.A.E"

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

The extraordinary general assembly meeting also approved the report issued by the Economic Performance Authority of the General Authority for Investment and Free Zones issued on September 2, 2020, with the net equity of the demerged company based on the financial statements as of December 31, 2019, and which concluded that the book value of the net equity of the demerged company is EGP 2,009,824,600, where it was agreed that the authorized capital of the demerged company will be EGP 8,130,820,461, and the issued capital amounted to EGP 1,626,164,092.2, distributed over 5,245,690,620 shares with a nominal value of EGP 0.31 per share, accordingly the distribution of net equity is as follows:

Amounts in thousands EGP:

Issued and paid up capital	1,626,165
Legal reserve	419,522
Retained	(35,862)
The net attributable equity for company	<u>2,009,825</u>

Adjustments have been made to the report of the Economic Performance Authority, which created an impairment in the value of the investment in the Contact Financial Holding Company by an amount of EGP 390,698 thousand, as the report relied only on the market value of the share on the stock exchange as of December 31, 2020, and the value in use was not taken into consideration for the investment value as of December 31, 2019, which is greater than the book value, and therefore the impairment was reversed and was proven within the equity of the demerged company, where the retained earnings were increased by EGP 390,698 thousand.

Orascom Financial Holding S.A.E. was established. (the demerged Company) pursuant to the decision of the Chairman of the Financial Regulatory Authority no. 1453 of 2020, on November 30, 2020, pursuant to the decision of the Committee for Examination of Applications for the Establishment and Licensing of Companies Formed in the Authority in its session No. 440 on November 26, 2020, where the approval of the Financial Regulatory Authority was issued with No. 13821 issued on December 1, 2020, on the issuance of shares of Orascom Financial Holding (the demerged company) with a capital of EGP 1,626,164,092.2 , according to the evaluation of the committee formed at the General Investment Authority, and on December 10, 2020, the company was registered in the commercial registry with No. 430755 Cairo Registry, and its articles of association were published in the number of newspapers Companies The company has an authorized capital of EGP 8,130,820,461.

2- Basis of preparation of the separate 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, 2022.
- 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, 2022.
- The separate financial statements of the Company for the year ended March 31, 2023, were approved by the board of directors on May 30, 2023.

Orascom Financial Holding "S.A.E"

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

b- Basis of measurement

These separate financial statements are prepared on the historical cost basis, except for financial Instruments which are stated at fair value or amortized cost.

- Financial derivatives.
- Financial instruments at fair value through profit and 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 invested companies. 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).

c- Presentation currency

The Company's functional and reporting currency is the Egyptian Pound. All the financial information presented in Egyptian pound has been rounded to the nearest thousand except for earnings per share, unless otherwise indicated in the independent periodic financial statements or in the notes

d- Use of estimates and judgments

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

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

- Impairment of assets.
- Deferred tax assets.
- The useful lives of fixed assets.
- Provision for expected claims and contingent liabilities.

3- Significant accounting policies applied

The condensed interim financial statements have been prepared following the same accounting policies as applied in prior year.

Orascom Financial Holding "S.A.E"

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

4. Investments in subsidiary

(In thousands of EGP)

	Country	Contribution	March 31,2023	December 31,2022
DOT company for Electronics Development and Electronic Payments	Egypt	78.90%	146,825	104,875
Paid under account of increased investment (DOT company for Electronics Development and Electronic Payments)	Egypt	-	-	41,850
			146,825	146,825

5- Investments in associates

(In thousands of EGP)

	Country	Contribution %	31 March 2023	Contribution %	31 December 2022
Contact financial Holding company *	Egypt	29.47%	1,604,423	29.58%	1,604,423
			1,604,423		1,604,423

*The amount represents the value of the Company's investments in the Contact Financial Holding Company (formerly Sarwa Capital Financial Holding Company), whose ownership has been transferred from the demerging company to the demerged company, based on the demerger contract mentioned in detail in note no. (1-C).

*During 2023 Employment stock ownership Plan (ESOP) was allocated that results in decrease in contribution percentage of contact financial holding company to become 29.47%

6-Property, Plant and equipment

(In thousands of EGP)

A- Cost

	Computers	Total
Balance as of 1 Jan 2022	130	130
Additions During the Period	-	-
Total cost as of 31 March 2022	130	130
Balance as of 1 January 2023	145	145
Additions During the year	-	-
Total cost as of 31 March 2023	145	145

B-Accumulated depreciation

Accumulated Depreciation as of 1 Jan 2022	3	3
Depreciation during the period	11	11
Accumulated Depreciation as of 31 March 2022	14	14
Balance As of 1 Jan 2023	48	48
Depreciation during the period	12	12
Accumulated Depreciation as of 31 March 2023	60	60

Net book value

As of 31 March 2023	85	85
As of 31 March 2022	116	116
As of 31 December 2022	97	97

Orascom Financial Holding "S.A.E"

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

7-Investment at amortization cost

(In thousands of EGP)

Treasury bills within 3 months
Less
Un earned interest of treasury bills

31 March 2023	31 December 2022
120,000	365,000
(632)	(9,141)
119,368	355,859

8-Other assets

(In thousands of EGP)

Non-current assets
Deposit with others

Current assets

Dividends distribution-Debtors (Note No.14)
Accrued interest-Deposits
Current account -klivr for consumer finance - subsidiary
(under establishment)
Current Account with Venture Debt subsidiary Company
(under establishment)
Suppliers advanced payments
Prepaid expenses

31 March 2023	31 December 2022
365	-
365	-
83,895	-
3,601	1,663
516	516
3,155	1,608
532	-
385	192
92,084	3,979
92,440	3,979

Total other assets

9-Cash and cash equivalents

(In thousands of EGP)

Cash at banks- in local currency
Cash at Banks- in foreign currency
Deposits at banks- in local currency (within 3 month)
Deposits at banks- in foreign currency (within 3 month)
Cash on hand

31 March 2023	31 December 2022
69,066	33,193
204	319
297,000	120,000
146,481	116,098
107	9
512,858	269,619

For the purpose of the preparation of the statement of cash flows

(In thousands of EGP)

Cash and cash equivalents
Investment at amortized cost/Treasury bills Less than 3 months or less

For the three months ended 31 March 2023	For the three months ended 31 March 2022
512,858	314,244
119,368	-
632,226	314,244

Orascom Financial Holding "S.A.E"

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

10-Issued and paid-up capital

The authorized capital was set at EGP 8,130,820,461, and the issued and paid-up capital amounted to EGP 1,626,164,092, distributed over 5,245,690,620 shares with a nominal value of 31 piasters/ share, in accordance with the decision of the General Investment Authority, and the approval of the extraordinary general assembly of Orascom Investment Holding (the demerging company). As detailed in note no (1-C). The following table lists the largest shareholders of the Company, in addition to the remaining other shares as of 31 March 2023:

Shareholders	The Value (In thousands of EGP)	Ordinary shares	The percentage of ordinary shares that have voting right
Orascom Acquisition SARL	840,097	2,709,989,320	51.7%
Orascom TMT Investment SARL	10,381	33,485,965	0.6%
Other	775,687	2,502,215,335	47.7%
Total available common shares	1,626,165	5,245,690,620	100%

10-1 Treasury shares

- On August 29, 2022 Board of Director Approved to purchase Treasury Shares with a maximum 524,569,000 shares, Maximum 10 % from Total Authorized equity and outstanding
- The Company purchased 524,569,000 treasury shares as 10% from issued shares and Cost of Purchasing is 112,950 EGP.

11-On Adjustments resulted from the demerger

In accordance with the demerger plan agreement referred to in note 1-C, the separate financial statements as of 31 December 2019, of the demerging company have been taken as the basis for the demerger, and the transactions that took place during the financial year ending on 31 December 2020, on the balances transferred to the demerged company are recorded in the item adjustments resulted from the demerger in the statement of equity of the demerged company, therefore, the beginning balance of the demerged company has been adjusted with these adjustments, and the following are these adjustments.

Amounts recognized in Adjustments resulted from the demerger in the owners' equity

(In thousands of EGP)

Reversal of impairment on investments in subsidiaries (Beltone financial holding) during 2020	129,087
	129,087

Amounts recognized in Retained earnings in the owners' equity

(In thousands of EGP)

Dividends distribution from Sarwa Capital financial holding during 2020	34,686
Credit interests on loans to Beltone financial holding company during 2020	2,138
Credit interests on current accounts for Victoar investment holding company during 2020	385
	37,209
Total Adjustments resulted from the demerger	166,296

Orascom Financial Holding "S.A.E"

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

12-Other credit balances

(In thousands of EGP)

	31 March 2023	31 December 2022
Accrued expense	2,707	1,862
Vendors	398	2,685
Accrued Salaries	1,400	7,266
Accrued tax on treasury bills	287	858
Salaries tax	341	322
Withholding tax	11	34
Social insurance authority	17	25
Social contribution – Health Insurance	553	295
Others	7	10
	5,721	13,357

13-Due to related parties

(In thousands of EGP)

	31 March 2023	31 December 2022
Orascom investment Holding S.A.E.	183	94
	183	94

14-Dividends Income

(In thousands of EGP)

	For the financial period ended 31 March 2023	For the financial period ended 31 March 2022
Contact Financial Holding Company (formerly Sarwa Capital Financial Holding)	88,404	79,828
Deduct: withholding tax on dividends	(4,420)	(3,992)
Deduct: Collection expenses	(89)	(84)
	83,895	75,752

- On 21 March 2023, the Ordinary General Assembly of Contact Holding Company (formerly Sarwa Capital Holding Company) approved dividend distributions to shareholders for the fiscal year ended December 31, 2022, with a total value of EGP 300 million, at EGP 0.2525 per share.

15-Employee's costs and board of directors' salaries and remunerations

(In thousands of EGP)

	For the financial period ended 31 March 2023	For the financial period ended 31 March 2022
Employees cost and equivalents	(5,657)	(4,108)
Board of directors' salaries and remunerations	(964)	(979)
Social insurance	(43)	(40)
Others	(187)	(120)
	(6,851)	(5,247)

Orascom Financial Holding "S.A.E"

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

16-Interest income

(In thousands of EGP)

	For the financial period ended 31 March 2023	For the financial period ended 31 March 2022
Investment funds in EGP	-	2,497
Treasury Bills income in EGP	10,579	-
Current Accounts and time Deposits interests	8,717	2,975
	19,296	5,472

17- Income tax

(In thousands of EGP)

	For the financial period ended 31 March 2023	For the financial period ended 31 March 2022
Income Tax	(11,570)	-
Treasury Bills Tax	(2,116)	-
	(13,686)	-

18- Profit per share

	For the financial period ended 31 March 2023	For the financial period ended 31 March 2022
Profit for the period (in thousands of EGP)	110,471	86,075
Weighted average number of shares outstanding during the period (in thousands)	5,059,877	5,245,691
Profit per share for the period (in EGP)	0,0218	0,0164

19-Significant related parties' transactions

(In thousands of EGP)

<u>Company name</u>	<u>Nature of the relationship</u>	<u>Nature of transaction</u>	<u>Volume of transactions for the period ended 31 March 2023</u>	<u>Debit (credit) balance as of 31 March 2022</u>	<u>Volume of transactions for the period ended 31 March 2023</u>	<u>Debit (credit) balance as of 31 December 2022</u>
Orascom Investment Holding S.A.E.	Affiliate	Expenses paid on behalf of the company	(89)	(4)	(183)	(94)

Orascom Financial Holding "S.A.E"

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

20-Comparative figures

some numbers have been reclassified to go along with the reclass of financial statements of 31 March 2023.

<u>(In thousands of EGP)</u>	<u>Balance before modifying</u> <u>As issued</u>	<u>Modifying</u>	<u>Balance after modifying</u> <u>31 March 2022</u>
Other expense	1,446	221	1,667
Establishment and subscription expenses	221	(221)	-

21-Subsequent events

- On April 2, 2023, Board of director agreed to proceed with decreasing issued capital through retiring part of treasury shares purchased, accordingly extraordinary general assembly meeting which held at April 19, 2023 agreed on the decision after getting pre approval from Financial regulatory authority, the company is on going process of capital decrease and modifying article of associate articles No. 6, 7.
- The extraordinary general assembly which held on April 19, 2023, agreed to add new activity to the current company's activity which is practicing investment fund activity itself or with others after obtaining the pre approval from Financial regulatory authority and there is ongoing procedures in modifying article of associate article No. 3.

22- Translation

These financial statements are a translation from the original Arabic statements.
The Original Arabic statements are the official financial statements.