Translation of financial statement originally issued in Arabic

Orascom Financial Holding "S.A.E."
Separate Financial Statements
For The Financial Year Ended 31 December 2023
&
The Audit Report Thereon

KPMG

Hazem Hassan
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

Translation of Audit report Originally issued in Arabic

Audit Report on Separate Financial Statements

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

Introduction

We have Audited the accompanying separate financial statement of Orascom Financial Holding which comprise the separate statement of financial position as of 31 December 2023 and the separate statements of income, comprehensive income, changes in equity, cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

These financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; this responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to in the first paragraph above preset fairly, in all material respects, the separate financial position of company as of 31 December 2023 and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and comply with applicable Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, the separate financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account within the limits that such information is recorded therein.

KPMG Hazem Hassan
Public Accountants and Consultants

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants

Cairo, 21 March 2024

Orascom Financial Holding "S.A.E"

Separate Statement of Financial Position as of 31 December 2023

(In thousands of EGP)	Note no.	31 December 2023	31 December 2022
Assets			
Non-current assets			
Investments in subsidiaries	(4)	276,815	146,825
Investments in associates	(5)	1,604,423	1,604,423
Property, Plant & Equipment	(6)	1,801	97
Right of use assets	(7)	4,133	-
Other assets	(8)	356	-
Total non-current assets		**1,887,528**	**1,751,345**
Current assets			
Other assets	(8-2)	5,098	3,979
Investment at amortized cost	(9)	-	355,859
Cash and cash equivalents	(10)	603,296	269,619
Total current assets		**608,394**	**629,457**
Total assets		**2,495,922**	**2,380,802**
Equity and liabilities			
Equity			
Issued and paid-up capital	(11)	1,487,979	1,626,165
Treasury shares	(11-1)	(20,415)	(93,653)
Legal reserve		424,013	424,013
Reserve resulted from the demerger	(12)	129,087	129,087
Retained earnings		422,766	275,420
Total equity		**2,443,430**	**2,361,032**
Labilities			
Non-current liabilities			
Deferred tax liabilities	(25)	16,052	-
Lease liabilities	(13)	2,565	-
Total non-current liabilities		**18,617**	**-**
Current liabilities			
Lease liabilities	(13)	1,579	-
Provisions	(14)	10,500	-
Other liabilities	(15)	12,317	13,357
Income tax liabilities	(24)	9,390	6,319
Due to related parties	(16)	89	94
Total current liabilities		**33,875**	**19,770**
Total liabilities		**52,492**	**19,770**
Total equity and liabilities		**2,495,922**	**2,380,802**

The accompanying notes from (1) to (32) are an integral part of these separate financial statements and to be read therewith.

Audit Report "Attached"

Chief financial officer | **Managing Director**

Orascom Financial Holding Company "S.A.E"

Separate Statement of Income for the Financial Year ended 31 December 2023

(In thousands of EGP)	Note no.	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Dividends income	(17)	83,895	75,752
(Losses) from selling investment in subsidaries	(18)	-	(321,795)
Total Revenues / (Losses)		**83,895**	**(246,043)**
Employee's costs and board of director's salaries and Bounses	(19)	(34,937)	(26,615)
Depreciation of Property,Plant,Equipment	(20)	(1,526)	(45)
Provision formed	(14)	(10,500)	-
other Expenses	(21)	(11,634)	(6,348)
Gross Profit /(Loss)		**25,298**	**(279,051)**
Credit Interest income	(22)	77,840	43,856
Lease liability intreset	(13)	(469)	-
Net foreign currencies translation difference	(23)	28,695	42,182
Net Financing income		**106,066**	**86,038**
Net Profit / (Loss) Before Tax		**131,364**	**(193,013)**
Income tax	(24)	(29,669)	(8,942)
Net Profit (Loss) after tax for the year		**101,695**	**(201,955)**
Earnings per share from net Profit (Loss) (EGP/share)	(26)	**0.0215**	**(0.0394)**

The accompanying notes from (1) to (32) are an integral part of these condensed separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"

Separate Statement of Comprehensive Income for the Financial Year ended 31 December 2023

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Net Profit / (Loss) for the Year	101,695	(201,955)
Items of other comprehensive income	-	-
Total Items of other comprehensive income After Tax	**-**	**-**
Total comprehensive income for the year	**101,695**	**(201,955)**

The accompanying notes from (1) to (32) are an integral part of these condensed separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"

Separate Statement of Changes in Equity for the Financial Year ended 31 December 2023

(In thousands of EGP)	Note No.	Capital	Treasury shares	Reserves: Legal reserve	Reserves: Reserve resulted from the demerger	Retained earnings	Total Equity
Balance as of 1 January 2022		**1,626,165**	**-**	**419,522**	**129,087**	**481,866**	**2,656,640**
Total comprehensive income for the Year		-	-	-	-	(201,955)	**(201,955)**
Transferred to Legal Reserve		-	-	4,491	-	(4,491)	**-**
Purchase of treasury shares	(11-1)	-	(93,653)	-	-	-	**(93,653)**
Balance as of 31 December 2022		**1,626,165**	**(93,653)**	**424,013**	**129,087**	**275,420**	**2,361,032**
Balance as of 1 January 2023		**1,626,165**	**(93,653)**	**424,013**	**129,087**	**275,420**	**2,361,032**
Total comprehensive income for the Year	(11-1)	-	-	-	-	101,695	**101,695**
Purchase of treasury shares		-	(19,297)	-	-	-	**(19,297)**
Capital decreased by executing treasury shares		(138,186)	92,535	-	-	45,651	**-**
Balance as of 31 December 2023		**1,487,979**	**(20,415)**	**424,013**	**129,087**	**422,766**	**2,443,430**

The accompanying notes from (1) to (32) are an integral part of these condensed separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Separate Statement of Cash Flows for the Financial Year ended 31 December 2023

(In thousands of EGP)	Note no.	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Cash flows from operating activities			
Net income (loss) for the Year before tax		**131,364**	**(193,013)**
Adjusted for:			
Dividends income	(17)	(83,895)	(75,752)
(Losses) from selling investment in subsidiaries	(18)	-	321,795
Depreciation and amortization	(20)	1,526	45
Credit Interest income	(22)	(77,840)	(43,856)
Net foreign currencies translation difference		469	-
Provisions formed		-	-
Net foreign currencies translation differences	(23)	(28,695)	(42,182)
		(57,071)	**(32,963)**
Change in:			
Due from related parties		-	5,859
Other assets	(8)	578	(1,834)
Other liabilities	(15)	(356)	6,657
Due to related parties	(16)	(5)	91
Provisions formed	(14)	10,500	-
Cash flows (used in) operating activities		**(46,354)**	**(22,190)**
Proceeds from interest		75,787	42,193
Income Taxes Paid		(11,405)	(1,765)
Proceeds from dividends		83,895	75,752
Net cash from operating activities		**101,923**	**93,990**
Cash flows from investing activities			
(Payments) for purchase investments in subsidiaries	(4)	(129,990)	(105,375)
Net proceeds from selling investments after discounting Selling Expenses	(18)	-	381,961
(Payments) for purchase Property,Plant,Equipemnt	(6)	(2,049)	(15)
Total cash (used in) investing activities		**(132,039)**	**276,571**
Cash flows from financing activities			
Payments to purchase treasury shares	(11-1)	(19,297)	(93,653)
Lease liability payment	(13)	(1,639)	-
Total cash (used in) financing activities		**(20,936)**	**(93,653)**
Net change in cash and cash equivalents during the Year		**(51,052)**	**276,908**
Effect of exchange rate fluctuation on cash and cash equivalent in foreign currencies		28,870	42,182
Cash and cash equivalents at beginning of the Year		625,478	306,388
Cash and cash equivalents at end of the Year	(10)	**603,296**	**625,478**

The accompanying notes from (1) to (32) are an integral part of these condensed separate financial statements and to be read therewith.

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 Abu Al Feda Administrative Tower, Zamalek – 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.

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 Losses	(35,862)
Net equity of the Demerger company	**2,009,825**

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

- The attached independent financial statements were prepared in accordance with Egyptian accounting standards and relevant Egyptian laws and regulations. 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 separate financial statements of the Company for the year ended December 31, 2023, were approved by the board of directors on March 21, 2024.

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 separate financial statements provide more understanding of the separate financial position, results of operations and the separate 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.

A. Foreign currencies translation

The Company's functional and reporting currency is the Egyptian Pound, the currency in which most of the Company's cash flows are usually generated or retained. Transactions in currencies other than the Egyptian Pound are recorded at the exchange rates prevailing at the transactions dates. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated to the Egyptian Pound at the rates prevailing at the statement of financial position date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated to Egyptian Pound at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences are recognized in income statement in the period in which they arise in a separate item, except for exchange differences arising on non-monetary asset and liabilities carried at fair value, where translation differences are recognized as part of changes in fair value.

B. Property and equipment

Property and equipment held for use for administrative purposes are stated in the statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

Properties during construction for administrative purposes or for currently undetermined future use are carried at a cost less than any recognized impairment loss. Cost includes professional fees, labor cost and "for qualifying assets" borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified into the appropriate categories of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Depreciation of buildings and equipment as well as furniture and fixtures commence when the assets are ready for their intended use. There would be no depreciation for lands owned by the company, if existed.

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 Company and the cost of the item can be measured reliably and replaced parts in the asset are disposed. Repair and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is recognized to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The residual value, useful lives and depreciation method of assets are reviewed at the date of the financial statements, considering that the impact of any changes in those estimates is accounted for on a prospective basis.

The carrying value of an item of fixed assets is removed from the books when it is disposed of or when no future economic benefits are expected from its use. Gains or losses arising from excluding an item of fixed assets from the books are included in the statement of profit or loss, determined based on the difference between the net disposal return and the book value of the item.

C. Investments in subsidiaries

Investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements, investments in subsidiaries are recorded at the acquisition cost less impairment. Impairment is estimated for each investment separately and recognized in the profit or loss statement. Subsidiaries are companies controlled by the company when all the following is met for the investor:

- Power over the investee.
- Exposure, or rights, to variable returns from involvement with the investee.
- The ability to use power over the investee to affect the amount of return.

The Company should re-assess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above mentioned.

Regarding subsidiaries "structured entities," no cost shall be recognized in the Company's separate financial statements. Therefore, the nature and risks to those subsidiaries "structured entities" are disclosed in the separate financial statements as related party companies.

D. Investments in associates

An associate is an entity over which the Company has a significant influence to participate in the financial and operating decisions of this entity but doesn't reach to control or joint control over these policies.

Investments in Associates are carried at cost, unless classified as non-current investments held-for-sale in which case, they are measured at the lower of the carrying amount or fair value less cost of selling.

The Company does not measure the investment in associates using the equity method in these separate financial statements according to paragraph (44) in the Egyptian Accounting Standard no (18).

In case of an objective evidence that an impairment loss has been incurred on investments in associates at the date of the financial statements, the carrying amount of the investment is reduced to the recoverable amount and impairment losses are recognized immediately in the separate income statement.

E. Impairment of non-financial assets

On an annual basis, or whenever necessary, the company reviews the carrying amount of its tangible and non-financial assets (such as investments in subsidiaries and associate companies) to determine whether there are indicators for a possible impairment in their value. Estimating the recoverable amount of each asset separately to determine the impairment losses. If the recoverable value of the asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of the asset or the cash-generating unit is the fair value fewer selling costs, or the value in use, whichever is greater. Estimated future cash flows from using the asset or cash-generating unit are discounted using a pre-tax discount rate to obtain the present value of those flows, which expresses the value in use. This rate reflects current market assessments of the time value of money and the risks associated with that asset, which have not been considered when estimating the future cash flows generated by it. The impairment arises if the estimated recoverable value of an asset (or a cash-generating unit) is less than its book value, and then the book value of that asset (or a cash-generating unit) is reduced to reflect its recoverable value, and impairment losses are recognized immediately in the separate income statement. When the recoverable amount of the asset rises in a later period and this is an indication of a decrease in the impairment loss recognized in previous periods, then the book value of the asset (or the cash-generating unit) is increased in line with the new estimated recoverable value, provided that the revised book value does not increase After the increase over the original book value that the asset would have reached if the loss resulting from impairment in the value of that asset had not been recognized in previous years. The reverse adjustment of impairment losses is immediately recognized in the independent income statement.

F. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

- **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet Liability Method.

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

Deferred tax assets or liabilities are not recognized for temporary differences resulting from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- **Current and deferred tax for the year**

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized directly in equity, in which case, the current and deferred tax are recognized directly in equity.

G. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), arising from past event, the settlement of which is expected to result in an outflow of the enterprise resources embodying economic benefits, the cost to settle related obligations are probable and a reliable estimate is made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the separate balance sheet date, considering the risks and uncertainties surrounding the obligation.
Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as finance cost in separate income statement.

H. Cash and cash equivalents.

The Company considers all cash on hand, bank current accounts, Treasury bills due in less than 3 months and other short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value with original maturities of three months or less as cash and cash equivalents.

I. Revenue measurement and recognition

- Revenue is measured at the fair value of consideration received or receivable to the Company net of discounts and value added tax.
- Dividends income from its equity investments is recognized when the Company's rights to receive payment have been established.
- Revenue from technical support is recognized in the separate profit or loss over the term of the contracts with subsidiaries and associates according to the accrual basis, when the services have been rendered according to contracts, and that revenue can be estimated reliably, probable economic benefits associated with the transaction will flow to the entity, and revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction and can be measured reliably.
- Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate applied until maturity.
- Revenues from sales of financial investment are recognized according to accrual basis at fair value of the consideration received or payable to the Company after deduction of any discounts, expenses, transaction cost, or investment cost.

J. Financial instruments

Financial assets

Starting from January 1, 2021, the company has implemented the new Egyptian Accounting Standard no. 47 "Financial Instruments".

A. Classifications.

The company classifies its financial assets into the following measurement categories:

- Those to be subsequently measured at fair value (either through other comprehensive income or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the company's business model for managing those financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies its investments when and only when its business model for managing those assets changes.

B. Recognition and derecognition

The normal way of buying and selling financial assets, on the trade date, which is the date on which the Company has a commitment to buy or sell the financial asset. A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred.

C. Measurement

On initial recognition, the company measures the financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are covered in the statement of profit or loss.

Embedded financial assets are considered entirely embedded derivatives when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

The subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories by which the Company classifies debt instruments:

- **Amortized cost:** Assets held to maturity to collect contractual cash flows, where those cash flows represent only principal and interest payments, are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate line item in the statement of profit or loss.
- **Fair value through other comprehensive income:** Assets held for the purpose of collecting contractual cash flows and for the purpose of selling financial assets, where the cash flows of assets represent only principal and interest payments, are measured at FVTO. Changes in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expense). Interest income from these financial assets is included in

financing income using the effective interest rate method, and impairment expense is presented as a separate line item in the statement of profit or loss.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented net under other income / (expenses) in the period in which they arise.

Equity instruments

The Company subsequently measures all investments in equity instruments at fair value. When the company's management chooses to present the fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposal of the investment. Dividends from these investments continue to be recognized in the statement of profit or loss as other income when the company's right to receive dividends is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/(expenses) in the statement of profit or loss. Impairment losses (and reversals of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

Impairment

At the date of the financial statements, the Company assesses whether there is credit impairment, financial assets measured at amortized cost and securities carried at fair value through other comprehensive income. Credit impairment of a financial asset occurs when there are one or more adverse events to the expected cash flows of the financial asset.

Evidence of credit impairment includes the following observable data:

- Breach of contract by defaulting on loan repayment or delaying payment for more than 90 days from the due date.
- Rescheduling the loan or the advance payment from the company on terms that are not in the company's interest.

It is probable that the borrower will go into bankruptcy or other financial scheduling, or the active market for the asset may disappear due to financial difficulties.

Provisions for financial assets at amortized cost are deducted from the total value of the asset.

Financial derivatives

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

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

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

Financial liabilities and equity instruments issued by the company.

Classification of the instrument as a liability or as an equity.
Financial instruments are classified as liabilities or as equity according to the substance of the company's contracts at the date of issuance of those instruments.

Equity instrument
Equity instruments represent any contract that gives the company the right to the net assets of an entity after deducting all its obligations. Equity instruments issued by the company are recorded at the value of the amounts collected or the net value of the assets transferred, less the costs of issuance directly related to the transaction.

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

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

Derecognition of financial instruments from books.
A financial asset is disposed of when the company transfers substantially all the risks and benefits of ownership of the asset to a third party outside the company. on the financial asset. If the company continues to control the transferred financial asset, then it recognizes its interest in the asset and a corresponding liability representing amounts it may have to pay.
But if the transaction resulted in the company retaining substantially all the risks and benefits of ownership of the transferred financial asset, then the company continues to recognize the financial asset, if it also recognizes the amounts received as a borrowing against that asset.
Financial liabilities are derecognized when they are either discharged, canceled, or expired.

Effective interest rate method
The effective interest rate method is used to calculate the amortized cost of financial assets that are debt instruments and to distribute the return over the relevant periods. The effective interest rate is the rate at which future cash receipts (which includes all fees and payments or receipts between parties to the contract that are part of the effective interest rate and includes transaction costs and any other premiums) are discounted over the estimated life of the financial assets or any appropriate period. Less.
The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profits or losses, where the return on them is included in the net change in their fair value.

K. Short term employees' benefits
Salaries, wages, paid vacations, sick leaves; bonus and other non-cash benefits in favor of employees' services for the Company are recognized according to the accrual basis in the same period these services were rendered.

L. Dividends

Dividends declared to the shareholders, Board of Directors and employees are recognized as a liability in the financial statements in the period in which these dividends have been approved by the Company's shareholders.

M. Borrowings and borrowing costs.

Borrowings are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the separate reporting date.

Borrowing costs include the foreign exchange differences relating to borrowings to the extent that they are regarded as an adjustment to interest costs.

The gain and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency and borrowings costs actually 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 profit or loss in the period in which they are incurred.

N. Earnings per share

Basic and diluted earnings per share is calculated based on dividing the profit or loss, according to the separate financial statements, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

O. Estimation of fair value

Applying the accounting policies stated in note no. (3) requires management to use 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.

P. Legal reserves

In accordance with the articles of association, 5% of the annual net income is required to be transferred to a legal reserve until its balance reaches 50% of issued capital. The Company is required to resume transfer of net profit to the legal reserve once its balance falls below this percentage. This reserve can be used to cover the incurred losses and for the increase of the Company capital subject to the approval of the shareholders in the general assembly.

Q. Employees' profit share

The Company pays 10% of its cash dividends as profit sharing to its employees to the sum of their annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability in the provision which distribution has been approved by shareholders. And since dividends' distribution is the right of the Company's shareholders so the liability is not recognized for the employees,' dividends related to profits that are not declared for distribution till the separate financial statements date (retained earnings).

R. Cash flows statement.

A separate statement of cash flows is prepared using the indirect method.

S. Revenue recognition

EAS No. (48) sets out that the recognition of the revenue is based on the following five steps:

1- identify the contract with the customer.
2- identify the contractual obligation to transfer goods and/or services (known as performance obligations).
3- determine the transaction price.
4- allocate the transaction price to the performance obligations identified based on the stand-alone selling price of each good or service.
5- recognize revenue when the related performance obligation is met.

In addition, EAS No. (48) includes the disclosure of financial statements, with respect to the nature, amount, timing and uncertainty of associated revenues and cash flows.

Dividend income

Revenues from dividends resulting from the company's investments are recognized in the income statement on the date on which the company's right to collect the value of these profits is established.

T. Lease contracts.

At the inception of the contract, the company assesses whether the contract is a lease or contains a lease. The contract is a lease or includes a lease if the contract conveys the right to control the use of a specific asset for a period in exchange for consideration. To assess whether a lease conveys the right to control the use of a specific asset, the Group uses the definition of a lease in Egyptian Accounting Standard No. (49).

As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:
Fixed payments, including in-substance fixed payments.

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

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

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

Short-term leases and leases of low-value assets

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

Short-term leases and small-value asset leases

The company chose not to recognize right of use assets and lease liabilities for small-value asset leases and short-term leases, including IT equipment. The Company recognizes the rental payments associated with these rents as an expense based on a straight-line method over the lease period.

U. <u>Financial instruments</u>

<u>Business model and classification</u>

- On initial recognition, financial assets are classified as measured at:
- Amortized cost ("AC").
- Fair value through other comprehensive income ("FVOCI"); or
- Fair value through profit or loss ("FVTPL").

<u>Subsequent measurement</u>

A financial asset is classified as being subsequently measured as: amortized cost, fair value through other comprehensive income (FVOCI) or FVTPL on the basis of both the company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

- A debt instrument is measured at amortized cost if it meets the following two conditions:

• It is held within a business model whose objective is to hold financial assets to collect contractual cash flows. And

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount receivable.

- Debt instruments are otherwise measured at fair value through other comprehensive income if they meet the following two conditions:

• It is maintained within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets; And

• The contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the amount receivable.

Debt instruments are otherwise measured at FVTPL:
Financial assets are not reclassified after their initial recognition unless the company changes its business model for managing financial assets, in which case all financial assets are reclassified on the first day of the financial period following the change in the business model.
The company may irrevocably choose to measure investments in equity that are not classified as financial investments at fair value through profit and loss to be classified at fair value through other comprehensive income upon initial application. This choice will be made on the basis of each financial instrument separately.
Equity instruments are otherwise measured at FVTPL:
In addition, the Company may irrevocably elect to designate a financial asset measured at amortized cost or FVTOCI to be measured at FVTPL on initial recognition, in this case whether the reclassification would result in accounting compatibility.

Business model assessment

The Company undertakes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way in which the business is managed, and information is provided to management. The information considered includes the following: The specific policies and objectives of the portfolio and the application of those policies in practice. This includes whether management's strategy focuses on earning contractual interest income, matching the duration of financial assets with the duration of any related liabilities, or generating cash flows through the sale of assets.
- How is the portfolio's performance evaluated and reported to the company's management.
- Risks that affect the performance of the business model (financial assets held within the business model) and how to manage those risks.

The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. At the same time, the company's scope was not limited to information on sales activity separately, but considering the overall assessment of how the company's declared goal of managing financial assets is achieved and how cash flow is achieved. Financial assets that are held for trading or managed and whose performance is evaluated based on fair value are measured at fair value through profit or loss because they are not held to collect contractual cash flows and are not held to collect contractual cash flows and sell financial assets.

– Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets - subsequent measurement and gains and losses

– Financial assets - evaluated at fair value through profits and losses: Financial assets are subsequently measured at fair value. Any returns or dividends are recognized in profits or losses.

– Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, gains and losses on currency differences and impairment are recognized in profit and loss. The same applies to profits and losses resulting from exclusion, which are recorded in profits and losses.

– Debt instruments at fair value through other comprehensive income: These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, gains and losses on currency differences and impairment are recognized in profit and loss. Net other gains and losses are recognized in other comprehensive income. Upon disposal, the accumulated gains and losses included in other comprehensive income are reclassified to profit and loss.

– Equity investments at fair value through other comprehensive income: These financial assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the investment cost. Net other gains and losses are recognized in other comprehensive income and are never reclassified into profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

<u>Derecognition</u>

<u>Financial assets</u>

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

<u>Financial liabilities</u>

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

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

<u>Impairment</u>

As allowed by EAS No. (47), the Company applies two impairment models for financial assets measured at amortized cost and FVOCI:

the simplified approach model for trade receivables related to fees and commission under the scope of EAS No. (48) "Revenues from Contracts with Customers"; and

the general approach model for other financial assets, including financial assets under the scope of EAS No. (47).

Impairment losses on financial assets are recognized in the Consolidated Income Statement within the credit losses expenses.

<u>Simplified approach model</u>

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

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

General approach model

The general model impairment requirements of EAS No. (47) apply to all credit exposures that are measured at amortized cost or FVOCI, except the positions covered by simplified model as mentioned above.

For purposes of the impairment policy below, these instruments are referred to as ("Financial Assets").

The determination of impairment losses and allowance moves from an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under previous accounting standard, to an expected credit loss model under EAS No. (47), where allowances are taken upon initial recognition of the Financial Asset, based on expectations of potential credit losses at the time of initial recognition.

The Company uses three main components to measure ECL. These are Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").

The probability of tripping the corresponding parties is derived from internal company assessments. The Company allocates the probability of default for each exposure of the counterparty based on the economic environment in which the customer works, considering the relevant quantitative and qualitative information and quality available.

Loss estimates when you stumble are independent of the client's probability of default. Loss models when tripping ensure that the main drivers of losses, including the quality of the warranty, are reflected in the loss factor when the specified stumble.

Exposure when it stumbles is defined as the expected amount of credit risk to the counterparty at the time of its stumble. The exposure model is designed when you default on the life of the financial asset considering the expected payment files.

EAS No. (47) Introduces a three-stage approach to impairment for Financial Assets that are not credit-impaired at the date of origination or purchase. This approach is summarized as follows:

Stage (1): 12-month expected credit loss:

Stage (1) includes financial assets at initial recognition that have not had a significant increase in credit risk since initial recognition or that have low credit risk. For these assets, the expected credit loss is recognized on the total carrying amount of the asset based on the expected credit losses. For these assets, expected credit losses result from possible default events within 12 months after the reporting date.

Stage (2): Lifetime expected credit loss is not credit-impaired:

Stage (2) includes financial assets that have had a significant increase in credit risk since initial recognition but have no objective evidence of impairment. For these assets, lifetime ECL is recognized, but interest is still calculated on the total carrying amount of the asset. Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Stage (3): Lifetime expected credit loss is credit-impaired:

Stage (3) includes financial assets that have objective evidence of impairment at the reporting date. For these assets, expected credit loss is recognized over the expected life of the financial instrument.

4. Investments in subsidiary

(In thousands of EGP)	Country	Contribution %	31 December 2023	31 December 2022
DOT company for Electronics Development and Electronic Payments	Egypt	78.9%	276,815	146,825
			276,815	**146,825**

Investments movement as follow:

(In thousands of EGP)	Country	Contribution %	1 January 2023	Investment purchase	Investment transfer	31 December 2023
DOT company for Electronics Development and Electronic Payments *	Egypt	78.9	104,875	129,990	41,950	276,815
Paid up investment increase DOT company for Electronics Development and Electronic Payments	Egypt	78.9	41,950	-	(41,950)	-
			146,825	**129,990**	**-**	**276,815**

* The amount is represented in the value of the company's investments in Dot for Electronics Development and Electronic Payments:

- During the year 2021, the Company established Dot Company for the Development of Electronics and Electronic Payments - a subsidiary company - with a contribution percentage of 79.90%, It was paid in equal installments, and during 2022, the increase was indicated bringing the total amount paid to 104,875 EGP. In addition to a payment with 41,950 under capital increase account and it has been registered in January 2023 bringing the total amount paid to EGP146,825.
- On August 10, 2021, general assembly meeting approved unanimous to sinning A contract for selling 100,000 shares from shares Owned by Dot Company for the electronic development and Electronic Payments and deal was done on September 20, 2022, and thus the company's contribution percentage has become 78.9%.
- During the year 2023, the company increased the capital for Dot Company for Electronics and Electronic Payments by an amount of 129,990 thousand Egyptian pounds, making the total paid 276,815 thousand Egyptian pounds.

5- Investments in associates

(In thousands of EGP)	Country	Contribution %	31 December 2023	Contribution %	31 December 2022
Contact Financial Holding company *	Egypt	29.55%	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 Contact Financial Holding Company, whose ownership was transferred from Orascom Investment Holding LLC. (the divided company) to Orascom Financial Holding LLC. (The divided company) based on the division contract mentioned in detail in Explanation No. (1-C).
* During the year 2023, reward and incentive shares were allocated, which led to a decrease in the percentage of Orascom Financial Holding Company's contribution to 29.55%.

6-Property, Plant, and equipment

(In thousands of EGP)	Leasehold improvements	Computers	Furniture & Office equipment	Total
A- Cost				
Balance as of 1 January 2022	**-**	**130**	**-**	**130**
Additions during the Year	-	15	-	15
Total cost as of 31 December 2022	**-**	**145**	**-**	**145**
Balance as of 1 January 2023	-	145	-	**145**
Additions during the Year	1,051	192	806	2,049
Total cost as of 31 December 2023	**1,051**	**337**	**806**	**2,194**
B- Accumulated depreciation				
Accumulated depreciation as of 1 January 2022	-	3	-	3
Depreciation during the Year	-	45	-	45
Accumulated depreciation as of 31 December2022	**-**	**48**	**-**	**48**
Balance as of 1 January 2023	-	**48**	-	**48**
Depreciation during the Year	185	88	72	345
Accumulated depreciation as of 31 December 2023	**185**	**136**	**72**	**393**
Net book value				
As of 31 December 2023	**866**	**201**	**734**	**1,801**
As of 31 December 2022	**-**	**97**	**-**	**97**

7-Right of use assets

(In thousands of EGP)	Right of use asset*	Total
A- Cost		
Balance as of 1 January 2023	-	-
Additions during the year	5,314	5,314
Total cost as of 31 December 2023	**5,314**	**5,314**
B- Accumulated depreciation		
Balance as of 1 January 2023	-	-
Depreciation during the Year	1,181	1,181
Accumulated depreciation as of 31 December 2023	**1,181**	**1,181**
Net book value		
As of 31 December 2023	**4,133**	**4,133**
As of 31 December 2022	**-**	**-**

* Right of use asset represents as a lease contract for the company's administrative headquarters in Zamalek, and the contract period is three years and expires in March 2026, and the current value of the contract on the date of signing the contract reached EGP 5.3 million.

8- Other Assets

(In thousands of EGP)	31 December 2023	31 December 2022
8-1 Non-current Other Assets		
Deposit with others	356	-
Total Non-Current Other Assets	**356**	**-**
8-2 Current Other Assets		
Accrued interest-Deposits	3,716	1,663
Current account -klivr for consumer finance - subsidiary (under establishment)	-	516
Current Account with Venture Debt subsidiary Company (under establishment)	-	1,608
Prepaid expenses	422	192
Other Assets	960	-
Total Current Other Assets	**5,098**	**3,979**
Total other Assets	**5,454**	**3,979**

9- Financial investments at amortized cost.

Financial investments at amortized cost represent the value of purchasing Egyptian treasury bills, as detailed below:

(In thousands of EGP)	31 December 2023	31 December 2022
Treasury Bills – Less Than 3 Month	-	365,000
(Less):		
Unearned treasury bill returns (not yet due)	-	(9,141)
	-	**355,859**

10-Cash and cash equivalents

(In thousands of EGP)	31 December 2023	31 December 2022
Cash at banks- in local currency	138,123	33,193
Cash at banks- in foreign currency	1,729	319
Deposits at banks- in local currency (within 3 month)	315,000	120,000
Deposits at banks- in foreign currency (within 3 month)	148,043	116,098
Cash on hand	163	9
	603,296	**269,619**

To prepare the cash flow statement.

(In thousands of EGP)	31 December 2023	31 December 2022
Cash at Banks	603,296	269,619
Treasury Bills – (Within 3 Month)	-	355,859
	603,296	**625,478**

11-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 Extraordinary General Assembly of the company held on April 19, 2023 decided to reduce the issued capital of the company by the value of the treasury shares purchased during the period from 30 August 2022 to 27 December 2022 by the total number of shares of 445,759,341 shares, bringing the total issued and paid up capital of the company to EGP 1,487,978,696.49 distributed over 4,799,931,279 shares, and the company's commercial register was registered on 12 September 2023.

The following table lists the largest shareholders of the Company as of 31 December 2023:

Shareholders	The Value (In thousands of EGP)	Ordinary shares	The percentage of ordinary shares that have voting rights
Orascom Acquisition SARL	840,097	2,709,989,320	56.46%
Orascom TMT Investment SARL	10,381	33,485,965	0.7%
Treasury Shares	24,431	78,809,659	1.64%
Other	613,070	1,977,646,335	41.2%
	1,487,979	4,799,931,279	**100%**

(11-1) Treasury shares

- On 29 August 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 the cost of purchasing is 112,950 EGP.
- On 19 April 2023, the Extraordinary General Assembly approved the execution 445,759,341 treasury shares, which resulted in reducing the company's issued capital from 1,626,164,092 EGP to 1,487,978,696.49 EGP, so that the issued capital after the reduction will be distributed over 4,799,931,279 shares with a nominal value of 31 piasters / share, and this reduction was noted in the commercial register on 12 December 2023 and the execution of these shares was carried out in Misr Clearing on 19 December 2023.

And its explanation is as follows:

(In EGP)	Average Share Price	Number of shares	The Value
Shares purchased during the period from 30 August 2022 to 27 December 2023	0.20856	445,759,341	92,535,064
Shares purchased during the period from 29 December 2022 to 31 January 2023	0.25181	78,809,659	20,415,297
Shares were executed according to the approval of the extraordinary general assembly	0.20856	(445,759,341)	(92,535,064)
Treasury shares balance on December 31, 2023	**0.25181**	**78,809,659**	**20,415,297**

12-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.

(In thousands of EGP)	
Amounts recognized in Adjustments resulted from the demerger in the owners' equity	
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	
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
Total	**37,209**
Total Adjustments resulted from the demerger	**166,296**

13-Lease liabilities

(In thousands of EGP)	31 December 2023	31 December 2022
Beginning balance of the year	-	-
Additions during the year	5,314	-
Lease liability interest	469	-
Lease liability payment during the year	(1,639)	-
	4,144	-

	31 December 2023	31 December 2022
Current balances	1,579	-
Non-Current balances	2,565	-
Balance	**4,144**	-

14-provisions

(In thousands of EGP)	31 December 2022	Formed	31 December 2023
Expected credit loss	-	10,500	10,500
Total provisions	**-**	**10,500**	**10,500**

15-Other Liabilities

(In thousands of EGP)	31 December 2023	31 December 2022
Accrued expenses	2,632	1,862
Vendors	650	2,685
Accrued Salaries	8,099	7,266
Accrued tax on treasury bills	-	858
Salaries tax	486	322
Withholding tax	15	34
Social insurance authority	25	25
Social contribution – Health Insurance	404	295
Others	6	10
	12,317	**13,357**

16-Due to related parties

(In thousands of EGP)	31 December 2023	31 December 2022
Orascom investment Holding S.A.E.	89	94
	89	**94**

17-Dividends Income (Net)

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Contact Financial Holding Company	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 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.

18-(Losses) from the sale of investments in subsidiary companies

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial year ended 31December 2022
(Losses) of sale Belton Financial Holding Company Shares*	-	(321,788)
(Losses) of sale Dot for Electronics development and Electronic Payments Shares**	-	(7)
	-	**(321,795)**

*** (Losses) of sale of Bolton Financial Holdings Company Shares**

On 12 June 2022, Bolton received a mandatory purchase offer from Chimera Investment Company or any of its subsidiaries to acquire a stake of not less than 51% and up to 90% of Bolton Financial Holdings' shares and on 13 July 2022, the board agreed to the offer, following which the board meeting of Orascom Financial Holdings was held on 25 July 2022, and unanimously approved the offer. The sale transaction was completed on 4 August 2022.

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31December 2022
Selling Value	-	384,796
(Less):		
Expenses and Broking Commotions of Selling	-	(3,828)
Investment Cost	-	(702,756)
	-	**(321,788)**

**** (Losses) of sale Dot for Electronics development and Electronic Payments Shares**

On August 10, 2021, the general assembly unanimously agreed to conclude a contract for the sale of 100,000 shares of shares owned by Dot Company for Electronics Development and Electronic Payments. The sale transaction was executed on September 20, 2022.

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31December 2022
Selling Value	-	1,000
(Less):		
Expenses and Broking Commotions of Selling	-	(7)
Investment Cost	-	(1,000)
	-	**(7)**

19-Employee's costs and board of director's salaries and Bounces

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Employees cost and equivalents	(30,067)	(23,498)
Board of directors' salaries and Bounces	(3,850)	(2,447)
Social insurance	(205)	(208)
Medical insurance and Others	(815)	(462)
	(34,937)	**(26,615)**

20- Depreciation and amortization

(In thousands of EGP)		For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Fixed assets depreciation	Note (6)	(345)	(45)
Right of use assets Amortization	Note (7)	(1,181)	-
		(1,526)	**(45)**

21 -Other Expenses

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31December 2022
Licenses and subscriptions expenses	789	813
Systems and information expenses	338	331
Legal and Professional Services Expenses	1,931	4,014
Bank Fees	37	20
Premises Fees	58	50
Health insurance	514	593
Consulting fees	7,967	527
	11,634	**6,348**

22-Credit interest

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Current Accounts and time Deposits interests	56,705	24,667
Treasury Bills income	21,135	13,117
Investment funds	-	6,072
	77,840	**43,856**

23-Net foreign currencies translation differences

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Unrealized profits from foreign exchange rate	28,695	42,182
Realized foreign exchange rate	-	-
	28,695	**42,182**

24- Income tax

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31December 2022
Income Tax	(9,389)	(6,319)
Treasury Bills Tax Paid	(4,228)	(1,765)
Deferred Tax	(16,052)	-
The tax on income from treasury bills that have not matured yet	-	(858)
	(29,669)	**(8,942)**

Adjustments to calculate the effective tax rate.

(In thousands of EGP)		For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Net profit/(loss) for the year before taxes		**131,365**	**(193,013)**
Income tax computed at tax rate	22.5%	29,557	(43,428)
Nondeductible expenses		10,772	78,697
Non-taxable income		(31,083)	(30,403)
Refund of unrecognized temporary differences Deferred tax assets		(52)	1
Difference on Right of use assets		3	-
Taxes on dividends from associates		4,420	4,076
		13,617	**8,942**
Effective tax rate		**(10%)**	**(5%)**

25- Deferred tax liabilities

Deferred income taxes were fully calculated on deferred tax liabilities based on the liability method using a tax rate of 22.5%. The company incurred tax liabilities on the differences resulting from the variance between the accounting basis and the tax basis of assets and liabilities which are explained below:

(In thousands of EGP)	31 December 2023	31 December 2022
Depreciation and amortization	(66)	-
Differences in translation of balances in foreign currencies	(15,986)	-
Net deferred tax liabilities	**(16,052)**	**-**

26- Earnings per share from net profit/(loss)

Net profit/(loss) per share for the year has been calculated in accordance with Egyptian Accounting Standard (EAS) 22, as follows:

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Net profits/(losses) for the year	117,748	(201,955)
Weighted average number of shares outstanding during the Year	4,724,117	5,124,968
Basic earnings per share in profit (loss) for the Year	**0.0215**	**(0.0394)**

27-Significant related parties' transactions

Company name	Nature of relationship	Nature of transaction	Transaction Volume for the financial year ended on 31 December 2023	Debit (Credit) Balance 31 December 2022	Transaction Volume for the financial year ended on 31 December 2023	Debit (Credit) Balance 31 December 2022
Orascom Investment Holding S.A.E.	Affiliate	Expenses paid on behalf of the company	**237**	**(89)**	**287**	**(94)**
Klivvr for Electronics Development and Electronic Payments	Subsidiary	Expenses paid on behalf of the company	**557**	**-**	**-**	**-**

Executives' salaries and bonuses and board members' allowances

(In thousands of EGP)	For the Financial Year ended 31 December2023	For the financial Year ended 31 December 2022
Executives' salaries and bonuses and board members' allowances	17,411	12,762
	17,411	**12,762**

28-Financial instruments and management of related risks

The financial instruments of the company consist of financial assets and liabilities. Financial assets include cash balances of banks and funds, due from related parties, financial investments at fair value through profit or loss, available for sale financial investments and account receivables, settlement balances with the clearance bank and balances due to third parties or related parties, financial liabilities Credit facilities, creditors, purchase and credit balances and balances due to related parties.

Financial risk management

Financial risk factors

The company manages and evaluates the financial risks associated with the company's activity through internal control reports, which analyze the impact of those risks and the means to confront them. Financial risks include market risks (foreign currency risk, other price risks, interest rate risk), credit risk and liquidity risk.

The company analyzes and faces the financial risks it is exposed to by following appropriate monetary and credit policies and presenting them to the company's board of directors for approval.

A- Market Risk

Foreign currency risk

- The company may be exposed to foreign exchange risks that arise when its commercial transactions are in currencies other than the company's primary currency for recording and reporting (the Egyptian pound). This is done by settling those transactions in major currencies such as the US dollar, euro, and British pound.

(In thousands of EGP)	31 December 2023	31 December 2022
US dollar (*)	150,010	116,417
EURO	(769)	-
British pound	-	(23)

(*) The USD balances in Egyptian pounds on December 31, 2023, consist of:

Cash and Cash equivalent	150,010

- If there is a 10% increase or decrease in the foreign currency exchange rate against the Egyptian pound on December 31, 2023, it may lead to an increase (decrease) in profits by an amount of 1.5 million Egyptian pounds (1.1 million Egyptian pounds on December 31, 2022), given the stability of all other variables, especially interest rates.

Cash Flow Risks and Interest Rate Risks

Interest rate risk to the company arises from loans granted by banks at variable interest rates. The company may be exposed to the risks of changes in interest rates, which could impact on the company's ability to repay those obligations. As of 31 December 2023, the company does not have any loans from external parties, and therefore this risk is excluded.

B- Liquidity risk

Liquidity risk in general is the inability of the company's cash inflows and outflows to maintain sufficient liquidity for cash balances, and since the company has a large balance of cash in foreign currencies, it has the ability to pay all obligations, including interest and any other fees, and the following table shows an analysis of the financial obligations expected to be paid according to their due dates on 31 December 2023:-

(In thousands of EGP)	Book value	Expected Cash flow	Year or less than a year	From a year up to 5 years
Other liabilities	12,316	12,316	12,316	-
Lease liabilities	4,144	5,268	2,305	2,963
Balances Due to Related Parties	89	89	89	-
the balance as of 31 December 2023	**16,549**	**17,673**	**14,710**	**2,963**

(In thousands of EGP)	Book value	Expected Cash flow	Year or less than a year	From a year up to 5 years
Other liabilities	13,357	13,357	13,357	-
Balances Due to Related Parties	94	94	94	-
The balance as of 31 December 2022	**13,451**	**13,451**	**13,451**	**-**

C- Credit Risk

Credit risks arise with regards to cash and financial deposits when the counterparty is unable to meet their financial obligations towards the company and faces financial distress. As a result, the counterparty may not be able to return the deposited funds or fulfill obligations under transactions. Given that the company is a holding company, most receivables are due from related parties, hence, there is no risk of the company being exposed to credit risks related to commercial receivables.

Categories of Financial Instruments

The tables below classify groups of financial assets and liabilities by category:

A- Financial assets as per the separate financial position sheet:

(In thousands of EGP)	31 December 2023	31 December 2022
Cash and cash equivalent	603,296	269,619
Financial assets at amortized Cost		
Financial investments at amortized Cost	-	355,859
Other assets	5,454	3,979
Total financial assets	**608,750**	**629,457**

B-Financial liabilities at amortized cost as reported in the separate financial statements.

(In thousands of EGP)	31 December 2023	31 December 2022
Financial Liabilities at amortized Cost		
Due to Related Parties	89	94
Income tax liabilities	9,390	6,319
Lease liability	4,144	-
Other Liabilities	12,316	13,357
Total Financial Liabilities	**25,939**	**19,770**

The management considers that the book value of both assets and financial liabilities shown in the financial statements is the approximate value of their fair value.

29.Tax position

Corporate Tax

The Company has been filing its annual income tax return for legal persons within the legal deadline in accordance with the provisions of Law 91 of 2005 and its Executive Regulations and their amendments, and the Unified Tax Procedures Law No. 206 of 2020 and its Executive Regulations and their amendments since the beginning of the activity on December 10, 2020, until date.

The company received a notification from the Egyptian Tax Authority (ETA) to transfer the company's affiliation from the Joint Stock Companies Taxation Patrol to the new Large Taxpayers Center (2) during 2022, the company has fulfilled and completed all the required procedures for this, as well as the procedures related to the transfer of the company's affiliation to the new electronic system of the new Large Taxpayers Center (2) on the Egyptian Tax Authority website.

The company received a notification of the examination through the email of the new electronic system of the new Senior Taxpayers Center (2) for the first period of the company ending on 31/12/2021 from the Egyptian Tax Authority and preparation for the examination is underway.

Wages and Salaries Tax

The company supplies the monthly wages and salaries tax on the legal date.

The Company submits the wage and salary reconciliation and related quarterly tax forms on the legal deadline on the Egyptian Tax Authority's website and pays the due differences.

The company received a notification of examination through the email of the new electronic system of the new Senior Taxpayers Center (2) for the company's first period ending on 31/12/2021 from the Egyptian Tax Authority and preparation for the examination is underway.

Withholding tax

The Company is subject to the provisions of Law 91 of 2005, and its amendments and its executive regulations and amendments regarding withholding tax retaining and collection under the tax account, and the Company pays the withholding tax on the legal time frame.

Stamp Tax

The company received a notification of the examination through the e-mail of the new electronic system of the New Senior Financiers Center (2) for the first period of the company ending on 31/12/2021 from the Egyptian Tax Authority, and the examination and payment took place.

30.Capital commitments

There are capital commitments represented by the value of the remaining amounts to complete the capital of Dot Company for the development of electronics and electronic payments in the amount of 51,285 thousand Egyptian pounds from 83.8% to 100%.

31.Important events during the fiscal year and subsequent events.

On 18 June 2023, OTMT Acquisition S.A.R.L., the main shareholder with 51.66%, and Orascom TMT Investment S.A.R.L., a party related to the main shareholder and owning 0.06% of the company's shares, received a compulsory purchase offer from B Investment Holding LLC, by acquiring not less than 51% and up to 90% of the shares of Orascom Financial Holding LLC's capital, and on 27 February 2024, the Financial regulatory Authority approved the publication of the announcement of the purchase offer submitted by B Investment Company. Holding Company through a share exchange without the cash option. Our company is also committed to the necessity of convening a board of directors to take the decision and appointing an independent financial advisor registered in the authority's registry. Accordingly, the company's board of directors meeting was held on 4 March 2024, and an independent financial advisor was appointed for the purpose of preparing a study to evaluate the fair value of the factor. The exchange factors of the two companies.
On 6 March 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate were raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

32.Translation

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