Translation of financial statements originally issued in Arabic

Orascom Financial Holding

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

KPMG

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Translation of Audit report
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Audit Report on Consolidated Financial Statements

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

Introduction

We have Audited the accompanying consolidated financial statements of Orascom Financial Holding which comprise the consolidated statement of financial position as of 31 December 2023 and the consolidated statements of income, other 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 Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to in the first paragraph above present fairly, in all material respects, the consolidated financial position of the company as of 31 December 2023 and of its consolidated financial performance and its consolidated 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 consolidated financial statements.

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"
Consolidated Statement of Financial Position as of 31 December 2023

	Note no.	31 December 2023	31 December 2022
(In thousands of EGP)			
Assets			
Non-current assets			
Goodwill and other intangible assets	(5)	9,390	7,624
Fixed assets	(6)	14,136	3,997
Right of use	(7)	7,049	4,928
Equity accounted investees	(8)	1,909,127	1,839,122
Other assets	(9)	779	423
Total non-current assets		**1,940,481**	**1,856,094**
Current assets			
Inventory	(10)	6,148	1,534
Other assets	(9)	19,355	26,004
Financial assets measured at amortized cost	(12)	-	355,859
Cash and cash equivalents	(13)	656,381	321,804
Total current assets		**681,884**	**705,201**
Total assets		**2,622,365**	**2,561,295**
Equity and liabilities			
Equity			
Issued and paid-up capital	(14)	1,487,979	1,626,165
Treasury shares	(1-14)	(20,415)	(93,653)
Reserves		442,318	469,417
Retained earnings		585,530	486,675
Equity attributable to owners of the parent company		**2,495,412**	**2,488,604**
Non-controlling interests	(29)	(5,094)	15,376
Total equity		**2,490,318**	**2,503,980**
Labilities			
Non-current liabilities			
Lease liabilities	(15)	4,561	3,391
Deferred tax liabilities	(17)	39,817	17,994
Total non-current liabilities		**44,378**	**21,385**
Current liabilities			
Bank credit balance	(16)	50	-
Due to related parties	(11-3)	89	94
Customers - credit balances	(18)	1,181	1,527
Provisions	(19)	10,500	-
Current income tax liabilities		9,390	6,319
Lease liabilities	(15)	3,342	2,543
Other liabilities	(20)	63,117	25,447
Total current liabilities		**87,669**	**35,930**
Total liabilities		**132,047**	**57,315**
Total equity and liabilities		**2,622,365**	**2,561,295**

The accompanying notes from (1) to (34) are an integral part of the consolidated financial statements and to be read therewith.

Audit Report "Attached"

Chief financial officer **Managing member of the board**

Orascom Financial Holding Company "S.A.E"
Consolidated 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
Continued operations			
Operating revenues	(21)	17,573	40
Operating costs	(22)	(38,037)	(39)
Gross (loss) profit		**(20,464)**	**1**
Wages, salaries and equivalents	(23)	(113,382)	(73,929)
General and administrative expenses	(24)	(39,735)	(32,687)
Selling and marketing expenses		(39,839)	-
Provision formed	(19)	(10,500)	-
Depreciation and amortization	(25)	(9,334)	(3,230)
Operational (losses)		**(233,254)**	**(109,845)**
credit interest	(26)	81,970	44,928
interest lease liability expenses		(1,056)	(643)
Net differences from foreign currencies translation		27,354	40,984
Share of profit of equity accounted investees	(8)	185,303	54,014
Profit for the year before income tax		**60,317**	**29,438**
Income tax expense	(27)	(39,860)	(16,694)
Net profit for the year from continued operations		**20,457**	**12,744**
Discontinued operations			
Net results of discontinued operations (after tax)	(30)	-	(146,140)
Net (losses) for the year from discontinued operations		-	**(146,140)**
Net profit / (losses) for the year		**20,457**	**(133,396)**
Attributable to:			
Owners of the parent company		56,837	(72,114)
Non-controlling interests	(29)	(36,380)	(61,282)
Net profit / (losses) For the Year		**20,457**	**(133,396)**
Earnings / (Loss) Per Share	(28)	**0.0120**	**(0.0141)**

The accompanying notes from (1) to (34) are an integral part of the consolidated financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Consolidated 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 / (losses) For the Year	**20,457**	**(133,396)**
Items of other comprehensive income		
Items that will be reclassified subsequently to consolidated statement of income:		
Foreign currency translation differences of foreign subsidiaries	-	7,043
Share of the company in OCI of equity accounted investees	(23,349)	17,533
Items will not reclassified subsequently to consolidated statement of income:		
The company's share of comprehensive income in investments accounted for using the equity method	3,633	(11,401)
Converted to retained earnings during the year	(3,633)	-
Total other comprehensive income for the year after tax	**(23,349)**	**13,175**
Total comprehensive income for the year	**(2,892)**	**(120,221)**
Distributed as follows:		
Owners of the parent company	33,488	(57,115)
Non-controlling interests	(36,380)	(63,106)
Total comprehensive income for the year	**(2,892)**	**(120,221)**

The accompanying notes from (1) to (34) are an integral part of the consolidated financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"

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

(In thousands of EGP)	Share capital	Treasury Shares	Reserves: Legal reserve	Foreign currency translation reserve	Financial lease risk reserve	Fair value reserve	OCI reserve for equity accounted investees	Other reserves	Total reserves	Retained earnings	Equity attributable to the owners of the parent company	Non-controlling interests	Total Equity
Beginning balance as of 1 January 2022 (as per issued)	1,626,165	-	419,526	26,461	-	33,957	-	(2,500)	**477,444**	541,773	**2,645,382**	138,217	**2,783,599**
Reclassification for reserves	-	-	-	-	-	(36,621)	36,621	-	**-**	-	**-**	-	**-**
Beginning balance as of 1 January 2022 (restated)	**1,626,165**	**-**	**419,526**	**26,461**	**-**	**(2,664)**	**36,621**	**(2,500)**	**477,444**	**541,773**	**2,645,382**	**138,217**	**2,783,599**
Items of comprehensive income													
Net (losses) for the year	-	-	-	-	-	-	-	-	**-**	(72,114)	**(72,114)**	(61,282)	**(133,396)**
Foreign currency translation differences of foreign subsidiaries	-	-	-	4,095	-	-	-	-	**4,095**	-	**4,095**	2,948	**7,043**
Revaluation of equity instruments measured at fair value through OCI	-	-	-	-	-	(6,629)	-	-	**(6,629)**	-	**(6,629)**	(4,772)	**(11,401)**
Share of the company in OCI of equity accounted investees	-		-	-	-	-	17,533	-	**17,533**	-	**17,533**	-	**17,533**
Total comprehensive income for the Year	**-**	**-**	**-**	**4,095**	**-**	**(6,629)**	**17,533**	**-**	**14,999**	**(72,114)**	**(57,115)**	**(63,106)**	**(120,221)**
Transaction with shareholders													
Treasury shares	-	**(93,653)**	-	-	-	-	-	-	**-**	-	**(93,653)**		**(93,653)**
Capital Increase from minority	-	-	-	-	-	-	-	(6,250)	**(6,250)**	-	**(6,250)**	25,875	**19,625**
Change in scope without losing control	-	-	-	-	-	-	-	-	**-**	**236**	**236**	757	**993**
Change in scope - deconsolidation	-	-	(4)	(30,556)	(1,943)	9,293	-	-	**(23,210)**	**23,214**	**4**	(86,367)	**(86,363)**
Total transactions with the shareholders	**-**	**(93,653)**	**(4)**	**(30,556)**	**(1,943)**	**9,293**	**-**	**(6,250)**	**(29,460)**	**23,450**	**(99,663)**	**(59,735)**	**(159,398)**
Other transaction													
Financial lease risk reserve	-	-	-	-	1,943	-	**-**	**-**	**1,943**	(1,943)	**-**	-	**-**
Transferred to Legal Reserve	-	-	4,491	-	-	-	-	-	**4,491**	(4,491)	**-**	-	**-**
Total other transaction	**-**	**-**	**4,491**	**-**	**1,943**	**-**	**-**	**-**	**6,434**	**(6,434)**	**-**	**-**	**-**
Balance as of 31 December 2022	**1,626,165**	**(93,653)**	**424,013**	**-**	**-**	**-**	**54,154**	**(8,750)**	**469,417**	**486,675**	**2,488,604**	**15,376**	**2,503,980**
Beginning balance as of 1 January 2023	**1,626,165**	**(93,653)**	**424,013**	**-**	**-**	**-**	**54,154**	**(8,750)**	**469,417**	**486,675**	**2,488,604**	**15,376**	**2,503,980**
Items of comprehensive income													
Net income for the Year	-	-	-	-	-	-	-	-	-	56,837	**56,837**	(36,380)	**20,457**
Share of the company in OCI of equity accounted investees	-	-	-	-	-	-	(23,349)	-	**(23,349)**	-	**(23,349)**	-	**(23,349)**
Total comprehensive income for the Year	**-**	**-**	**-**	**-**	**-**	**-**	**(23,349)**	**-**	**(23,349)**	**56,837**	**33,488**	**(36,380)**	**(2,892)**
Transaction with shareholders													
Capital Increase from minority	-	-	-	-	-	-	-	(3,750)	**(3,750)**	**-**	**(3,750)**	15,910	**12,160**
Total transactions with the shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,750)**	**(3,750)**	**-**	**(3,750)**	**15,910**	**12,160**
Other transactions													
Transferred from OCI reserve Accounted for by the Equity Method	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**(3,633)**	**(3,633)**	-	**(3,633)**
Treasury shares	**-**	(19,297)	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**(19,297)**	-	**(19,297)**
Capital decrease by terminating treasury shares	(138,186)	92,535	**-**	**-**	**-**	**-**	**-**	**-**	-	**45,651**	**-**	-	**-**
Total other transaction	**(138,186)**	**73,238**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42,018**	**(22,930)**	**-**	**(22,930)**
Balance as of 31 December 2023	**1,487,979**	**(20,415)**	**424,013**	**-**	**-**	**-**	**30,805**	**(12,500)**	**442,318**	**585,530**	**2,495,412**	**(5,094)**	**2,490,318**

The accompanying notes from (1) to (34) are an integral part of the consolidated financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Consolidated 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			
Profit for the year before income tax		**60,317**	**29,438**
Depreciation and Amortization	(25)	9,334	3,230
Credit interest		(81,970)	(44,928)
interest lease liability expenses		1,056	643
Share of profit of equity accounted investees	(8)	(185,303)	(54,014)
Net differences from foreign currencies translation		(27,354)	(40,984)
		(223,920)	**(106,615)**
Net change in:			
Inventory		(138)	(1,534)
Other assets		(6,730)	(18,864)
Other liabilities		37,490	15,539
Due to related parties		(5)	91
Provision formed		10,500	-
Cash flows (used in) operating activities		**(182,803)**	**(111,383)**
Credit interest received		83,895	75,752
Dividends collected		79,649	43,265
Taxes paid		(11,405)	(1,765)
Net cash flows generated from operating activities		**(30,664)**	**5,869**
Cash flows from investing activities			
Payments for purchase of fixed assets		(3,669)	(3,262)
Payments for purchase of intangible assets		(3,529)	(3,864)
Proceeds from sale of fixed assets		-	43
Payment for purshare time deposit More than 3 Month		(1,629)	-
Net cash flows (used in) investing activities		**(8,827)**	**(7,083)**
Cash flows from financing activities			
Payments for lease liabilities		(5,203)	(2,853)
Proceeds from non-controling interests in subsidaries		12,160	19,625
Proceeds from selling shares from subsidaries (Net)		-	381,961
paymets for purchase treasury shares		(19,297)	(93,653)
Net cash flows (used in) generated from financing activities		**(12,340)**	**305,080**
Net change in cash and cash equivalents during the year from continued operations		**(51,831)**	**303,866**
Discontinued operations			
Net cash flow (used in) operation activities		-	(861,257)
Net cash flow generated from investing activities		-	(39,684)
Net cash flow generated from financing activities		-	34,638
Net change in cash and cash equivalents during the year from discontinued operations		-	**(866,303)**
Net change in cash and cash equivalents During The Year		**(51,831)**	**(562,437)**
Effect of exchange rate fluctuation on cash and cash equivalents in foreign currencies		28,867	49,221
Cash and cash equivalents at the beginning of the year		677,666	1,190,879
Cash and cash equivalents at end of the year	(13)	**654,702**	**677,663**

The accompanying notes from (1) to (34) are an integral part of the consolidated financial statements and to be read therewith.

1-General information

A- Legal status and activity

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 10 December 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 10 December 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 similar to those of the Company or those that may assist the Company to achieve its objectives in Egypt or abroad. It may also merge into those companies and enterprises or acquire them pursuant to the provisions of the law and its executive regulations.

C- Brief over 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 9 July 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 31 December 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 2 September 2020, with the net equity of the demerged company based on the financial statements as of 31 December 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.
Net owners' equity is distributed as following:

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 30 November 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 26 November 2020, where the approval of the Financial Regulatory Authority was issued with No. 13821 issued on 1 December 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. Moreover, on 10 December 2020, the company was registered in the commercial registry with No. 430755 Cairo Registry, and its articles of association were published in the Companies' listing issued by General Authority for Investments with an authorized capital of EGP 8,130,820,461.

2-Basis of preparation of the consolidation financial statements

A- Statement of compliance with the Egyptian Accounting Standards

- The Condensed Consolidated Interim financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment's decree No. 110 of 2015, and applicable Egyptian laws and regulations. The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRS" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.
- These condensed consolidated interim financial statements have been prepared in accordance with the Egyptian Accounting standard No. "30" "Interim Financial Statements" and should be read in conjunction with the group last annual consolidated financial statements as at and for the year ended 31 December 2022 , they do not include all if of the information required for a complete set of financial statements.
- The condensed consolidated interim financial statements for the Company for the six months ended 30 June 2023, were approved by the board on 21 March 2023.

B- Basis of preparation of consolidated financial statements

Also referred to in more detail in explanation No. 1-c, the split company was created as a result of the split between Orascom Holding Investment Company (the Al Qasim Investment Company), where the new legal entity represents a continuing economic entity from the date on which the divided company acquired or established the subsidiaries and the sister that transferred ownership to the divided company through the split. The company ' s management considers that the division and establishment of the company for the purpose of transferring the ownership of certain subsidiary and sister companies and the continuation of their activities under the company's umbrella are essentially within the scope of the "Transactions under Common Control" transactions, as companies transferred pursuant to the split decision fall under the same control as the same major shareholders before and after the split process and are not considered temporary. This is joint-controlled consolidation transactions outside the scope of both EAS 29 and international accounting (IFRS 3).

In the absence of an explicit provision in Egypt ' s accounting standards, EAS 5 requires management to develop and apply an accounting policy leading to the provision of appropriate and reliable financial information. The Department has used its estimates to develop and apply an appropriate accounting policy that reflects the substance of the transaction for the purpose of pooling the business of subsidiaries and sisters transferred to the company through the division process. Although the legal acquisition of subsidiaries through certificates and documents of transfer of ownership of contributions pursuant to the split decision of December 2020, the net assets of the companies transferred through the split process have been accumulated as an ongoing economic entity under the control of the company since the effective date when the divided company acquired or incorporated the subsidiaries. The list of property rights therefore includes the profits retained by the subsidiaries during the period from the beginning of the control of those companies or their establishment by the divided company.

C- Basis of measurement

These condensed consolidated interim financial statements are prepared on the historical cost basis, except for financial instruments which are stated at fair value which is presented in financial derivatives, financial instruments at fair value through profit and loss, financial assets at fair value through other comprehensive income, and in addition to financial instruments measured at amortized cost.

D- Presentation currency

The Group's functional and presentation 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 consolidated financial statements or in the notes.

3-Significant Accounting Policies Applied

3-1 consolidated financial statements

The consolidated financial statements of the Group include the financial statements of the parent company and companied controlled by the company (its Subsidiaries) as of the financial position date. Control is achieved where the Group has the following:

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

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

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

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

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

Non-controlling interests of consolidated subsidiaries are presented separately from the Group's equity therein. When the Group loses its ultimate or joint control of a subsidiary or joint venture and instead retains significant influence over it, it recognizes the remaining investment as an investment in an associate and measures it at its fair value at the date that the ultimate or joint control was lost. The fair value of the remaining investment at the date on which the joint or absolute control is lost is considered a cost on initial recognition of the investment in an associate.

3-2 Business combination

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

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

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

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

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

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

Orascom Financial Holding (the parent company) currently holds the following direct interests in its subsidiaries:

Subsidiaries companies	Segment	Country	Direct and indirect interest
Klivvr for electronics development and electronic payments (DOT for electronics development and electronic payments)- previously	Financial services	Egypt	78.90 %

3-3 Investments accounted for by the equity method.

Equity accounted investees consist of shares in associates and joint ventures. It has no rights to the assets and obligations associated with the arrangement.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

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

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

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

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

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

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

Company Name	**Segment**	**Country**	**Direct and indirect interest**
Contact Financial Holding Company	Financial services	Egypt	29.55 %

3-4 Foreign currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate at the date of preparing the consolidated financial statements.

Assets & Liabilities that are measured using the fair value are translated in foreign currency using the exchange rate at the date when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are generally recognized in profit or loss. However, exchange differences arising from the translation of the following items are recognized in OCI:

- Investments in equity instruments (except for impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss).
- The financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

The financial statements of foreign subsidiaries are translated into the presentation currency as follows:

- Assets and liabilities in the financial statements of foreign subsidiaries are translated at the rate of exchange at the reporting date.
- Income and expenses are translated at the average exchange rate during the financial year.
- Equity items are translated at the historical exchange rates at the date of the transaction.
- The resulting currency differences are recognized in the translation reserve of foreign entities in equity.
- For the purpose of preparing the consolidated statement of cash flows, cash flows of foreign subsidiaries are translated at the average exchange rate during the financial period.

3-5 Discontinued operation

Discontinued operations are part of the Group operations, their operations and cash flows can be isolated from operations of other groups.

A discontinued operation is recognized as such when it is discontinued or when it is converted into an asset held for sale, whichever happens first.

After an operation is labelled as discontinued, it is removed from the income statement and the OCI and presented as if it had been removed from the beginning of the reporting period.

3-6 Financial instruments

Financial assets

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

A- Classifications.

The group 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 group'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 group 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 group 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 group 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 group 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 group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories by which the group 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 group subsequently measures all investments in equity instruments at fair value. When the group'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 group'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 group on terms that are not in the group'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 group 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 group 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 group.

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 group's contracts at the date of issuance of those instruments.

Equity instrument

Equity instruments represent any contract that gives the group the right to the net assets of an entity after deducting all its obligations. Equity instruments issued by the group 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 group transfers substantially all the risks and benefits of ownership of the asset to a third party outside the group. on the financial asset. If the group 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 group retaining substantially all the risks and benefits of ownership of the transferred financial asset, then the group 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, cancelled 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.

3-7 Fixed assets and its depreciation

A-Initial recognition and measurement

- Fixed assets are recognized at cost less accumulated depreciation and accumulated impairment losses, if any. If the significant components of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) within those fixed assets.
- The components of an item of fixed assets that have different useful lives are accounted for as separate items within those fixed assets.
- Gains or losses resulting from the disposal of fixed assets are recognized in the income statement.

B. Subsequent costs of acquisition

Post-acquisition expenditures are capitalized to the asset only if they are expected to result in an outflow of future economic benefit to the company.

C. Depreciation

The value of depreciable assets - which is the cost of the asset less its scrappage value - is depreciated according to the straight-line method over the estimated useful life of each type of asset, and depreciation is charged to the income statement. Land is not depreciated.

The estimated useful lives for the current period are as follows:

Statement	Estimated useful live in years
Right of use asset	Contract Period
Bulding	50
Leasehold improvements	5
Computer hardware and software	3
Telecommunication equipment	5
Transportation	5
Furniture	5

The Group reviews the carrying values of depreciable fixed assets when events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is reduced to its recoverable amount if the carrying value exceeds the recoverable amount. Gains or losses resulting from the disposal of fixed assets are determined by comparing the net selling value to the carrying value, and are included in other operating income or (loss) expenses in the consolidated statement of income.

3-8 Intangible assets and goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Intangible assets with a finite useful life that are acquired individually are stated at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis based on the useful life of the intangible asset on the income statement. The method of amortization for intangible assets is reviewed at the date of the financial statements, considering that the effect of any changes in those estimates is accounted for on a prospective basis.

Intangible assets acquired separately with an indefinite useful life are stated at cost, less any cumulative accumulated impairment losses.

Both the customer and brand contractual relationship are amortized over 20 years

Ending the exploiting and disposing of assets

Recognition of an intangible asset is excluded from the financial position when disposed of or when there is no expectation of future economic benefits will accrue from its use or disposal in the future.

Profits or losses resulting from the discontinuation of exploitation of the intangible asset, or its disposal are determined on the basis of the difference between the net disposal proceeds and the book value of the asset, and such profits or losses are included in the consolidated statement of income when the asset is no longer recognized.

Goodwill

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

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

3-9 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rate basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

3-10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

Value in use is the current value of the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization) if no impairment loss had been recognized in previous years.

3-11 Cash and cash equivalents

For the purpose of preparing cash flow statement, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits and short-term, that are readily convertible to known amounts of cash with a maturity date of three months or less from the acquisition date less overdraft accounts.

3-12 Statement of cash flows

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

3-13 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; and
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 related revenues and cash flows.
The Group's revenues are as follows:

- **Interest income**

Interest income is recognized on an accrual basis based on the proportionate time distribution taking into account the principal outstanding and the effective interest rate applied over the period to maturity.

- **Dividends income**

Dividend income from investments - other than investments in associates and joint ventures - is recognized when the right to share the dividends is established.

- **Other income**

Other income is recognized for other services provided by the Group on an accrual basis.

3-14 Legal reserves

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

3-15 Dividends to shareholders

The Parent Group's dividends are recognized on its shareholders and in the non-controlling interests' share of the profits declared by the Group's subsidiaries as a liability to the financial statements in the period in which the dividends are approved by the shareholders of each group. This also applies to the remuneration of the Board of Directors and the share of the profit holders.

3-16 Employee benefit

Short-term employee benefits are recognized as an expense when the related service is provided. The amount expected to be paid as a liability is recognized when the Group has a legal or constructive obligation to pay the amount as a result of the employee providing a previous service and the obligation can be estimated to a reliable extent.

a. Insurance and pensions

The Group shall pay its contributions to the General Authority for Social Insurance on a compulsory basis in accordance with the rules stipulated in the Social Insurance Law. The Group has no other obligations as soon as it pays its obligations. Regular contributions are recognized as a periodic cost in the year of maturity and are included in the cost of labor.

b. Employee profit share

The Group shall pay a profit share of 10% of the profits after deducting the legal reserve deducted from such profits to be distributed to the shareholders not exceeding the total annual remuneration of the employees and recognizing the share of profit employees in the income statement items and liabilities when approved by the general assembly of the shareholders of the group. No liability is recognized for the share of employees in undistributed profits.

3-17 Earnings per share

The basic share of profit or loss is disclosed. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

3-18 Borrowings

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 borrowings using the effective interest rate method.

3-19 Provisions

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

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

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized in the financial profit or loss as finance costs.

3-20 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except where the tax arises from an operation or event recognized – in the same period or in a different period – outside profits or losses, whether in other comprehensive income or within direct equity or business combination.

A- Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

B- Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3-21 Share capital

1. Ordinary shares:

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with Egyptian Accounting Standards 24 "income tax".

2. Repurchase and reissue of ordinary shares (treasury shares):

When shares recognized as (issued capital) are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

3-22 Lease contracts

At incorporation of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49. This policy is applied to contract entered since company incorporation or after.

Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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 the 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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 premeasured 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 Group 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 Group 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3-23 Fair values measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of Issuance of the financial statements without deducting any estimated future selling costs. The values of financial assets are determined at the current purchase prices of those assets, while the value of financial liabilities is determined at the current prices at which those liabilities can be settled.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using different valuation methods, taking into account the prices of recent transactions, and being guided by the current fair value of other instruments that are fundamentally similar - the discounted cash flow method - or any other method. Values result in reliable values.

When using the discounted cash flows techniques as a valuation model the future cash flows are estimated, used in the managements best estimate and the discount rate used is determined in the light of prevailing market price, and the date of the financial statements which are identical to the financial instruments in nature and conditions.

3-24 Inventory

Inventory is measured at cost or net realizable value, whichever is lower. Cost is determined for operating inventory using the weighted average method. Cost also includes other expenses incurred by the company to bring the inventory to its location and condition. The net realizable value is determined on the basis of the expected selling price under normal circumstances, less any estimated selling expenses.

3-25 Operating Segments

- **Non-banking financial activities**

The group leads non-banking financial activities represented in electronic payments activities.

- **Other**

The holding company may participate in establishing companies that issue securities or increase their capital and provide technical support and the administration of the subsidiary companies, for the activity of the sector that receives profits mainly through management fee.

3-26 Financial instruments and their risk management

The group's financial instruments represent financial assets and liabilities. Financial assets include cash balances with banks, treasury bills, due from related parties, and financial investments at fair value through profits or losses, customers, and financial obligations and creditors.

The Group may be exposed to a number of risks resulting from the exercise of its activities, which may affect the values of these financial assets and liabilities, as well as the revenues and expenses related to them. The following are the most important of those risks and the bases and policies that the group follows in managing these risks:

3-26-1 Capital Management

The group manages its capital in order to maintain the group companies' ability to continue and to achieve the highest return for shareholders by maintaining balanced ratios of debt and equity balances.

The capital is not subject to any requirements imposed by parties outside the group. In accordance with the Group's internal policies and procedures, the executive management reviews the capital structure on a regular basis. As part of this review management considers the cost of capital and the associated risks.

3.25.2 Financial Instrument Classifications

(In thousands of EGP)	31 December 2023	31 December 2022
Financial assets		
Cash and cash equivalents	656,381	321,804
Other assets	20,134	2,547
Total	**676,515**	**680,210**
Financial liabilities		
Banks Accounts payable	50	-
Balances due to customers	1,181	1,527
Lease obligations	7,903	5,934
Balances due to related parties	89	94
Total	**9,223**	**7,555**

3.25.3 Financial Risk Management Objectives

The Group manages and assesses the financial risks associated with the Group's activity through internal control reports that analyze the impact of these risks and the means of addressing them. Financial risks include market risks (foreign currency risk, other price risks and interest rate risks), credit risk and liquidity risk.

The Group analyzes and confronts the financial risks to which it is exposed by following appropriate monetary and credit policies and presenting them to the Group's Board of Directors for approval.

1- Market Risk

A. Foreign currency risk

Foreign currency risk is characterized by changes in foreign currency rates that affect payments and receipts in foreign currencies and the valuation of assets and liabilities in foreign currencies. Management periodically monitors foreign currency balances and rates at banks and reduces the exposed foreign currency balances as most of these assets are cash with banks and investment fund documents are relatively cash in nature, which helps to minimize the risk.

B. Other price risk

It is the risk of changing the value of financial instruments as a result of market price fluctuations (excluding those caused by interest rate risk or currency risk) whether these changes are related to a specific security or its issuer or factors affecting the trading of securities in the market in general, the company limits other price risks by maintaining a diversified investment portfolio and actively following the main factors that affect the movement of the stock and bond market.

C. Interest Rate Risk

The Company's interest rate risk arises from loans granted by banks with variable interest rates and may expose the Company to the risk of changes in interest rates which may affect the Company's ability to repay these obligations. As of December 31, 2023, the Company does not have any loans from external parties and therefore this risk is excluded.

2- Liquidity Risk

Liquidity risk is the inability of the Group to meet its financial obligations as they fall due, which are payable by the delivery of cash or other financial assets. The Group's management manages liquidity to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due in normal and exceptional circumstances and without incurring unacceptable losses or impacting the Group's reputation.
Prudent management of liquidity risk requires maintaining an adequate level of cash and the availability of appropriate funding.

As of 31 December 2023	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
(In thousands of EGP)					
Lease liabilities	7,903	9,625	4,406	5,219	-
Due to related party	89	89	89	-	-
Other liabilities	63,117	63,117	63,117	-	-
Total	**71,109**	**72,831**	**67,612**	**5,219**	**-**

As of 31 December 2022	Carrying amount	Expected cash flows (*)	Less than 1 year	Between 1 and 5 years	More than 5 years
(In thousands of EGP)					
Due to customers	1,527	1,527	1,527	-	-
Lease liabilities	5,934	7,025	3,074	3,951	-
Due to related party	94	94	94	-	-
Other liabilities	25,447	25,447	25,447	-	-
Total	**33,002**	**34,093**	**30,142**	**3,951**	**-**

* Expected cash flows are the total undiscounted contractual cash flows including interest, fees and other charges.

3-27 Credit risk

Credit risk is the inability of customers, related parties, or other parties to whom credit is granted to repay their dues. The company studies the credit situation before granting or obtaining credit, and the company reviews the balances owed to it and loans granted to related parties on a periodic basis.

3-28 Fair Value Measurement

The fair value of financial assets and liabilities is measured according to the following levels:

Level 1	Quoted prices of financial instruments at fair value in active markets
Level 2	Prices quoted on an active market for financial instruments, prices quoted by the managers of the funds invested in, or other valuation methods in which all significant inputs are based on comparable market information, either directly or indirectly.
Level 3	Valuation methods in which no significant input factors are based on comparable market information

4 - Segmant reports

A **Segment Income Report**

(In thousands of EGP)	For the financial year ended 31 December 2023				For the financial year ended 31 December 2022			
	Technology sector of banking and payment	Holding operations	Discontinued operations	Total	Technology sector of banking and payment	Holding operations	Discontinued operations	Total
Operating revenues	17,573	-	17,573	40	-	-	40	40
Operating costs	(38,037)	-	(38,037)	(39)	-	-	(39)	(39)
Gross (loss)	**(20,464)**	-	**(20,464)**	**1**	-	-	**1**	**1**
Wages, salaries and equivalents	(78,444)	(34,938)	(113,382)	(47,314)	(26,615)	-	(73,929)	(100,544)
General and administrative expenses	(28,410)	(11,325)	(39,735)	(26,378)	(6,309)	-	(32,687)	(38,996)
Selling and marketing expenses	(39,529)	(310)	(39,839)	-	-	-	-	-
Provisions formed	-	(10,500)	(10,500)	-	-	-	-	-
Depreciation and amortization	(7,807)	(1,527)	(9,334)	(3,185)	(45)	-	(3,230)	(3,275)
Operational (losses)	**(174,654)**	**(58,600)**	**(233,254)**	**(76,876)**	**(32,969)**	-	**(109,845)**	**(142,814)**
Credit interest	4,129	77,841	81,970	1,072	43,856	-	44,928	88,784
Interest lease liability expenses	(587)	(469)	(1,056)	(643)	-	-	(643)	(643)
Net differences from foreign currencies translation	(1,341)	28,695	27,354	(1,198)	42,182	-	40,984	83,166
Share of profit of equity accounted investees	-	185,303	185,303	-	54,014	-	54,014	108,028
Profit (loss) for the period before income tax	**(172,453)**	**232,770**	**60,317**	**(77,645)**	**107,083**	-	**29,438**	**136,521**
Income tax expense	35	(39,895)	(39,860)	(199)	(16,495)	-	(16,694)	(33,189)
Net profit (loss) for the period after taxfrom continued operations	**(172,418)**	**192,875**	**20,457**	**(77,844)**	**90,588**	-	**12,744**	**103,332**
Discontinued operations								
Net results of dicontinued operations (after tax)	-	-	-	-	-	-	(146,140)	(146,140)
Net profit for the period from discontinued operations	-	-	-	-	-	-	**(146,140)**	**(146,140)**
Net income for the period	**(172,418)**	**192,875**	**20,457**	**(77,844)**	**90,588**	-	**(133,396)**	**(42,808)**

B **Segment Assets and Liabilities**

(In thousands of EGP)	Technology sector of banking and payment 31 December 2023	Holding operations 31 December 2023	Total 31 December 2023	Technology sector of banking and payment 31 December 2022	Holding operations 31 December 2022	Total 31 December 2022
Total assets	98,552	2,523,813	**2,622,365**	92,619	2,468,676	**2,561,295**
Total liabilities	(55,950)	(76,097)	**(132,047)**	(19,749)	(37,566)	**(57,315)**
Total shareholders' equity	(42,602)	(2,447,716)	**(2,490,318)**	(72,870)	(2,431,110)	**(2,503,980)**

5-Goodwill & intangible assets

(In thousands of EGP)	Trademarks	Clients contractual relationships	Goodwill	Licenses and software programs	Others	Total
A-Cost						
Balance as of 1 January 2022	24,900	78,299	299,910	3,870	-	406,979
Additions during the year	-	-	-	3,195	670	3,865
Change in the scope of consolidation - derecognition	(24,900)	(78,299)	(299,910)	-	-	(403,109)
As of 31 December 2022	**-**	**-**	**-**	**7,065**	**670**	**7,735**
Balance as of 1 January 2023	-	-	-	**7,065**	**670**	**7,735**
Additions during the period	-	-	-	3,528	-	3,528
As of 31 December 2023	**-**	**-**		**10,593**	**670**	**11,263**
B-Accumulated amortization						
Balance as of 1 January 2022	(7,492)	(23,537)	-	-	-	(31,029)
Accumulated impairment as of 1 January 2022	-	-	(1,039)	-	-	(1,039)
Accumulated amortization and impairment as of 1 Jan 2022	**(7,492)**	**(23,537)**	**(1,039)**	**-**	**-**	**(32,068)**
Amortization for the year (continuing operations)	-	-	-	(58)	(53)	(111)
Amortization for the year (Discontinuing operations)	(623)	(1,955)	-	-	-	(2,578)
Change in the scope of consolidation - derecognition	8,115	25,492	1,039	-	-	34,646
Accumulated amortization as of 31 December 2023	**-**	**-**	**-**	**(58)**	**(53)**	**(111)**
Accumulated amortization as of 1 January 2023	**-**	**-**	**-**	**(58)**	**(53)**	**(111)**
Amortization for the year	**-**	**-**	**-**	**(1,538)**	**(223)**	**(1,873)**
Accumulated amortization as of 31 December 2023	**-**	**-**	**-**	**(1,596)**	**(277)**	**(1,873)**
Net Book Value						
As of 31 December 2023	**-**	**-**	**-**	**8,997**	**393**	**9,390**
As of 31 December 2022	**-**	**-**	**-**	**7,007**	**617**	**7,624**

6 - Fixed Assets

(in thousands of EGP)	Lands and Buildings	Leasehold improvements	Furniture	Computers and Software	Communication equipment	Vehicles	Project under construction	Total
A- Cost								
Balance as of 1 January 2022	**125,995**	**10,605**	**9,989**	**14,106**	**8,263**	**3,450**	**13,283**	**185,691**
Additions during the year	-	-	1,428	1,928	535	-	16,592	20,483
Disposals during the year	-	-	-	(72)	-	(700)	-	(772)
Change in scope - deconsolidation	(125,995)	(10,605)	(9,287)	(12,904)	(8,798)	(2,750)	(29,875)	(200,214)
As of 31 December 2022	**-**	**-**	**2,130**	**3,058**	**-**	**-**	**-**	**5,188**
Balance as of 1 January 2023	**-**	**-**	**2,130**	**3,058**	**-**	**-**	**-**	**5,188**
Additions during the year	-	2,951	8,677	2,890	-	-	-	14,518
As of 31 December 2023	**-**	**2,951**	**10,807**	**5,948**	**-**	**-**	**-**	**19,706**
B- Accumulated depreciation								
Balance as of 1 January 2022	**9,773**	**9,202**	**7,292**	**10,838**	**5,719**	**2,448**	**-**	45,272
Depreciation for the year (continued operations)	-	-	351	654	-	-	-	1,005
Depreciation during the year (discontinued operations)*	1,134	841	737	609	619	275	-	4,215
Disposals during the year	-	-	-	(16)	-	(700)	-	(716)
Change in scope - deconsolidation	(10,907)	(10,043)	(7,957)	(11,317)	(6,338)	(2,023)	-	(48,585)
As of 31 December 2022	**-**	**-**	**423**	**768**	**-**	**-**	**-**	**1,191**
Balance as of 1 January 2023	**-**	**-**	**423**	**768**	**-**	**-**	**-**	1,191
Depreciation for the year	-	526	2,227	1,626	-	-	-	4,379
As of 31 December 2023	**-**	**526**	**2,650**	**2,394**	**-**	**-**	**-**	**5,570**
Net book value								
As of 31 December 2023	**-**	**2,425**	**8,157**	**3,554**	**-**	**-**	**-**	**14,136**
As of 31 December 2022	**-**	**-**	**1,707**	**2,290**	**-**	**-**	**-**	**3,997**

* Note (32)

7-Right of use assets

(In thousands of EGP)	Right of use asset	Total
A-Cost		
Balance as of 1 January 2022	28,474	28,474
Additions during the year	7,042	7,042
Change in scope - deconsolidation	(28,474)	(28,474)
As of 31 December 2022	**7,042**	**7,042**
Balance as of 1 January 2023	**7,042**	**7,042**
Additions during the year	5,314	5,314
Total cost as of 31 December 2023	**12,356**	**12,356**
B-Accumulated amortization		
Accumulated amortization as of 1 January 2022		
Amortization during the year (continued operations)	(6,269)	**(6,269)**
Amortization during the year (discontinued operations)	(2,114)	(2,114)
Change in scope - deconsolidation	(3,099)	(3,099)
Accumulated amortization as of 31 December 2022	9,368	9,368
As of 1 January 2023	**(2,114)**	**(2,114)**
Amortization during the year	(2,114)	**(2,114)**
Accumulated amortization as of 31 December 2023	(3,193)	(3,193)
Net Book Value	**(5,307)**	**(5,307)**
As of 31 December 2022	**4,928**	**4,928**
As of 31 December 2023	**7,049**	**7,049**

Right of use asset balance represent as follows:

- Three lease contracts for the company's headquarters with a current value of EGP 4,530,184 at the date of signing the contract and the contract term is three years.
- The contract for the operations headquarters with a current value of EGP 2,512,048 on the date of signing the contract and the contract duration is five years.
- Orascom Financial Holding's administrative headquarters lease contract for 3 years ending in March 2026 with a current value of EGP 5.3 million at the date of signing

8-Equity accounted investees

(In thousands of EGP)	Contribution %	31 December 2023	Contribution %	31 December 2022
Contact Financial Holding *	29.55%	1,909,127	29,58%	1,839,122
		1,909,127		**1,839,122**

* **Contact Financial Holding (Sarwa Capital Financial Holding as known before)**

- The amount represents the value of the company's investment in Contact Financial Holding (formerly Sarwa Capital Financial Holding), as the Extraordinary General Assembly of Orascom Investment Holding held on October 19, 2020, and approved by majority the decision to divide the company according to the horizontal division method at book value per share into a dividing company, which is Orascom Investment Holding and a splitting company, which is Orascom Financial Holding, which was established in December 2020, with Orascom Investment Holding retaining all assets and liabilities except the investment in Belton Financial Holding (subsidiary) or the company's share of the profits of Orascom Investment Holding.

The company's share of Contact Financial Holding's profits amounted to the following during the year from:

(In thousands of EGP)	31 December 2023	31 December 2022
Total revenue from financing and operations	1,740,653	1,452,172
Total revenue from insurance operations	348,651	195,272
Net revenues (expenses) from operating revenue	(5,470)	(4,673)
Total expenses	(1,066,392)	(895,653)
Income tax	(289,374)	(218,334)
Net profit after tax	**728,068**	**528,784**
Owners of the parent company	**692,208**	**510,713**
Group share of profit of the associate company	**204,532**	**151,077**
Dilution in investment resulting from the decrease in ownership percentage	(8,966)	(86,800)
Client list amortization	(13,242)	(13,242)
Deferred Tax	2,979	2,979
Group's net share of the year's profits	**185,303**	**54,014**

The following table shows the net investments values during the year

(In thousands of EGP)	31 December 2023	31 December 2022
Total assets after month's payback recognized at the date of acquisition	12,480,570	9,284,696
Total liabilities	(9,393,259)	(6,506,953)
Net minority interest	(106,156)	(75,296)
Net assets resulting from the Purchase Price Allocation study	559,832	594,488
Net assets after PPA study	**3,540,987**	**3,296,935**
Group's share of the company's net asset value	1,046,284	975,289
Goodwill arising on acquisition	862,843	863,833
The Group's share from the subsidiary net assets value	**1,909,127**	**1,839,122**

The following table shows the investments during the year

(In thousands of EGP)	31 December 2023	31 December 2022
Balance at beginning of the year	**1,839,122**	**1,847,401**
Dividends during the year	(88,316)	(79,826)
The Group's share in the profits of the associate company (income statement)	185,303	54,014
The Group's share in the profits of the associate company (comprehensive income statement)	(26,982)	(17,533)
Balance at ending of the year	**1,909,127**	**1,839,122**

9-Other assets

(In thousands of EGP)	31 December 2023	31 December 2022
Other assets – noncurrent		
Deposits with others	779	423
Total other assets – noncurrent	**779**	**423**
Other assets – current		
Accrued interest	3,983	1,663
Other tax	7,276	458
Prepaid expenses	6,630	5,578
Advances to suppliers	1,437	16,146
Other debit balances	29	2,159
Total other assets - current	**19,355**	**26,004**
Total other assets	**20,134**	**26,427**

10-Inventory

(In thousands of EGP)	31 December 2023	31 December 2022
Electronic cards	6,148	1,534
	6,148	**1,534**

11-Related parties, allowances and remuneration for Board of Directors members and key executives

(11-1) Allowances and remuneration for Board of Directors members and key executives

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Allowances and remuneration for Board of Directors members and key executives	30,572	27,786
	30,572	**27,786**

(11-2) Balances due to related parties

(In thousands of EGP)	Nature of relationship	Nature of account	31 December 2023	31 December 2022
Orascom Investment Holdings	Associate	Current Account	89	94
			89	**94**

(11.3) The most important related party transactions

(In thousands of EGP)	Nature of Transaction	Nature of relationship	Nature of account	31 December 2023	31 December 2022
Orascom Investment Holdings	Expenses incurred on behalf of the group	Associate	Current Account	(237)	(237)

12-Financial assets at Amortized Cost

Financial investments are represented by the depreciated value of the purchase value of Egyptian treasury bills, which are as follows:

(In thousands of EGP)	**31 December 2023**	**31 December 2022**
Treasury Bills – less than three months	-	365,000
Deduct:		
Unearned treasury Bills interest	-	(9,141)
	-	**355,859**

13-Cash and cash equivalents

(In thousands of EGP)	**31 December 2023**	**31 December 2022**
Cash on hand	432	8
Cash at banks-local currency	153,798	85,079
Cash at banks-foreign currencies	2,041	319
Deposits at banks- in local currency (less than three months)	326,840	120,300
Deposits at banks- in foreign currency (less than three months)	171,373	116,098
Deposits at banks- in local currency (More than three months)	1,629	-
Wallet Balances	268	-
Cash and cash equivilents	**656,381**	**321,804**

<u>For the purposes of the statement of cash flows :</u>

(In thousands of EGP)	**31 December 2023**	**31 December 2022**
Cash on cash equivalent	656,381	321,804
Financial assets at amortized cost	-	355,859
Deducted:		
Deposits at banks EGP (more than 3 months)	(1,629)	-
Banks Accounts payable	(50)	-
	654,702	**677,663**

14-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 shows the largest shareholders of the company on December 31, 2023:

Shareholders	Value (in thousands of EGP)	Ordinary shares	Percentage of ordinary shares with voting right
Orascom Acquisition SAARL	840,097	2,709,989,320	%56.46
Orascom TMT Investment S.A.R.L.	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
Total Available Ordinary Shares	**1,487,979**	**4,799,931,279**	**%100**

(14-1) 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 September 2023 and the execution of these shares was carried out in Misr Clearing on 19 December 2023.

The details are 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 31 December 2023	**0.25181**	**78,809,659**	**20,415,297**

15-Lease liabilities

(In thousands of EGP)	31 December 2023	31 December 2022
Beginning balance	5,934	20,880
Additions during the year	5,314	7,042
Payments during the year	(5,203)	(5,919)
Interests during the year (continued operations)	1,056	643
Interests during the year (discontinued operations)	-	1,049
Change in the scope of subsidiaries grouping- Disposal	-	(18,864)
Foreign currency differences	802	1,103
Balance	**7,903**	**5,934**

The lease liability are as follows:

(In thousands of EGP)	31 December 2023	31 December 2022
Current balances	3,342	2,543
Non-Current balances	4,561	3,391
balance	**7,903**	**5,934**

16-Bank accounts- Credit

(In thousands of EGP)	31 December 2023	31 December 2022
Credit Bank accounts-Credit Cards (in local currency)	50	-
Total credit facilities	**50**	**-**

17-Deferred tax liability

Deferred income taxes have been fully accounted for on deferred tax differences under the liability method using a tax rate of 22.5%. The Group has tax liabilities on differences arising from differences between the accounting basis and tax basis of assets and liabilities and are described below

(In thousands of EGP)	31 December 2023	31 December 2022
Depreciation and Amortization	(230)	(199)
Dividends	(23,600)	(17,795)
Foreign currency translation differences	(15,987)	-
Net deferred tax liabilities	**(39,817)**	**(17,994)**

Deferred tax assets and liabilities are presented net when the Group has a legal right to set off current tax assets and liabilities, when the deferred tax assets and liabilities are settled by the same tax authority in the same country and when the Group intends to settle these balances net or to recover the value of the assets and settle the value of the tax liabilities at the same time.

The following table illustrates the nature of deferred tax liabilities by the items from which they arose:

(In thousands of EGP)	Depreciation and amortization	Undistributed Dividends	Currency differences	Total as of 31 December 2023
Beginning balance	**(199)**	**(17,795)**	**-**	**(17,994)**
Loaded on statement of income during the Year (Note 27)	(31)	(5,805)	(15,987)	(21,823)
	(199)	**(17,795)**	(15,987)	**(39,817)**

(In thousands of EGP)	Depreciation and amortization	Undistributed Dividends	Currency differences	Total as of 31 December 2022
The balance resulting from the Demerger	**(19,730)**	**(14,317)**	**4,655**	**(29,392)**
Taxes distributions	19,730	-	(4,655)	15,075
Loaded on statement of income during the Year (Note 27)	(199)	(3,478)	-	(3,677)
	(199)	**(17,795)**	**-**	**(17,994)**

18-Due to customers

(In thousands of EGP)	31 December 2023	31 December 2022
E-payment customers*	1,181	1,527
	1,181	**1,527**

* The balance of prepaid customers represents the value of amounts deposited by customers on prepaid cards that are in the process of being settled.

19-Provisions

(In thousands of EGP)	31 December 2023	31 December 2022
Beginning balance/resulting from the split Composed during the year	-	33,744
Formed during the year/(within continued operations)	(10,500)	-
Formed during the year/(within discontinued operations)	-	973
Utilized during the year/period	-	(1,560)
Change in scope of consolidation of subsidiaries - disposal	-	(33,157)
Provision balance at ending of the year	**(10,500)**	**-**

Provisions are formed according to the best estimate of the value of expected obligations at the date of the consolidated financial statements arising from the Group's exercise of its activities and contractual relationships with others. The administration annually reviews and settles these allocations in accordance with the latest developments, discussions and agreements with the concerned parties. The information normally published about allocations was not disclosed in accordance with Egyptian accounting standards, because the group's management believes that doing so may severely affect the results of negotiations with those parties.

20-Other liabilities

(In thousands of EGP)	31 December 2023	31 December 2022
Accrued Expenses	5,163	4,041
Suppliers	4,797	5,695
Accrued expenses -Employees	17,611	12,748
Accrued Expenses – Viza *	23,124	-
Accrued Transactions Cost	8,381	-
National Authority for Social Insurance	738	346
Tax Authority	2,804	2,305
Social contribution	462	299
Other credit balances	36	13
Total other liabilities	**63,117**	**25,447**

* Visa's receivables are represented in the value of USD 750 k collected as a conditional incentive, according to the partnership contract signed with Dot for Electronics Development and Electronic Payments.

21-Operating Revenue

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Card sales revenue	1,986	40
Subscription fee revenue	3,903	-
Interest income	1,375	-
Transaction revenue	10,309	-
	17,573	**40**

22-Operating Cost

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Cost to sell cards	(4,668)	(39)
Cost of subscriptions	(8,161)	-
Transaction Cost	(25,208)	-
	(38,037)	**(39)**

23-Salaries and Wages

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Employees' cost	(104,891)	(69,574)
Board members' remuneration and allowances	(3,850)	(2,447)
Medical insurance	(3,112)	(1,446)
Social insurance	(1,529)	(462)
	(113,382)	**(73,929)**

24-Other Expenses

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
License and subscription fees	(12,182)	(10,197)
Hosting Services	(6,388)	(6,178)
Customer Service Expenses	(3,475)	(1,648)
Systems and Information Expenses	(2,253)	(969)
Professional Services and Legal Consultancy	(3,020)	(7,833)
PCI license fees	(1,740)	(2,829)
Technical Support Expenses	(443)	-
Banking expenses	(170)	(97)
Telephone and internet	(701)	(739)
Headquarters expenses	(508)	(393)

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Emergency Aid Fund	(26)	(10)
Health insurance	(568)	(597)
Other expenses	(8,261)	(1,200)
Total Other Expenses	**(39,735)**	**(32,690)**

25-Amortization and Depreciation

(In thousands of EGP)		For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Depreciation of fixed assets	Note 6	(4,379)	(1,005)
Amortization of Right of Use Assets	Note 7	(1,762)	(2,114)
Amortization of intangible assets	Note 5	(3,193)	(111)
		(9,334)	**(3,230)**

The year's net (loss) from discontinued operations includes the following:

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Depreciation of fixed assets	-	4,215
Amortization of Right of Use Assets	-	3,099
Amortization of intangible assets	-	2,578
	-	**9,892**

26-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 interest	60,834	25,739
Treasury Bills Intreset	21,136	13,117
Investment Funds interest	-	6,072
	81,970	**44,928**

27-Income tax expense

(In thousands of EGP)	For the financial Year ended 31 December 2023	For the financial Year ended 31 December 2022
Current income tax	(9,389)	(6,319)
Income taxe Dividens	(4,420)	(4,075)
Treasury Bills tax	(4,228)	(2,623)
Deferred tax	(21,823)	(3,677)
Total Income tax expense	**(39,860)**	**(16,694)**

28-Profit (loss) per share

(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 (In thsousands of (EGP)	56,837	(72,114)
Weighted average shares during the Year (in thousands)	4,724,117	5,124,968
Earnings (losses) per share	**0.0120**	**(0.0141)**

Basic earnings per share: Basic earnings per share is calculated by dividing the net (loss) available to shareholders of the parent company by the weighted average number of shares outstanding during the period.

29-Related Party with significant non-controlling interests

Name of Related Party	Activity Country	Shareholding percentage Non-controlling interest	31 December 2023	Shareholding percentage Non-controlling interest	31 December 2022
(In thousands of EGP)					
Klivver for Electronics Development and Electronic Payments	Egypt	21.10%	5,094	21.10%	15,376

All subsidiary undertakings are included in the consolidated financial statements, the proportion of voting rights in subsidiaries directly held by the Company does not differ from the proportion of ordinary shares held, and the Company has no interest in preference shares in subsidiaries included in the Group.
The financial information of the most significant non-wholly owned subsidiaries with material non-controlling interests is summarized as follows: -

Summary statement of financial position:

	Klivver for Electronics Development and Electronic Payments DOT previously	
(In thousands of EGP)	**31 December 2023**	**31 December 2022**
Current assets	73,507	75,914
Current liabilities	(53,809)	(16,330)
Net current assets	**19,698**	**59,584**
Non-current assets	25,064	16,875
Non-current liabilities	(2,160)	(3,590)
Non-current net assets	**22,904**	**13,285**
Net assets	**42,602**	**72,869**
Non-controlling interests' equity before consolidation adjustments	8.989	**15,376**
Effect of consolidation adjustments	(14,083)	-
Non-controlling interest balance	**(5,094)**	**15,376**

Income statement summary and comprehensive income statement:

(In thousands of EGP)	31 December 2023	31 December 2022
Total Revenues	21,702	1,112
Total Expenses	(194,155)	(78,750)
Net (Loss) for the Year Before Income Tax	**(172,453)**	**(77,638)**
Income Tax	35	(199)
Net (Loss) for the Year After Tax	**(172,418)**	**(77,837)**
Total OCI	**-**	**-**
Total Comprehensive (Loss) for The Year	**(172,418)**	**(77,837)**
Non-controlling interests' equity before consolidation adjustments	(36,380)	(16,422)
Effect of consolidation adjustments	-	-
Share of non-controlling interest	**(36,380)**	**(16,422)**

Summary Statement of Cash Flows

(In thousands of EGP)	31 December 2023	31 December 2022
Net cash flows from operating activities	(132,589)	(88,120)
Net cash flows (used in) investing activities	(6,778)	(7,069)
Net cash flows from financing activities	138,585	122,147
Net change in cash and cash equivalents during the year	**(782)**	**26,958**
Foreign currency translation differences	-	-
Cash and cash equivalents at beginning of the year	52,187	25,229
Cash and cash equivalents at end of the year	**51,405**	**52,187**

30-Net results of discontinued operations

On 12 June 2022, Beltone Company received a compulsory purchase offer from Chimera Investments Company or any of its subsidiaries to acquire Beltone Financial Holding Company for a percentage of no less than 51% and up to 90% of the company's shares. On 13 July 2022, the Commission approved the submitted offer, and accordingly, the Board of Directors of Orascom Financial Holding held a meeting on 25 July 2022, and unanimously agreed to accept the submitted offer, and the sale process took place on 4 August 2022.

The following is a statement of the losses of the Disposal process:

(In thousands of EGP)	31 December 2023	31 December 2022
Cash consideration	-	384,796
Add / (deduct)		
Selling expenses	-	(3,826)
Net book value of assets sold	-	(206,375)
Disposal of the book value for non-controlling interests	-	86,367
Disposal of goodwill	-	(299,910)
(Losses) of the group generated from disposal operation	**-**	**(38,948)**
Loss for the period for Beltone Financial Holding Company	-	(107,192)
Net results of discontinued operations	**-**	**(146,140)**

The following is a statement of the net losses of Beltone Financial Holding Company at the disposal date:

(In thousands of EGP)	4 August 2022
Fee and commission income	91,513
Interest income	90,495
Total operating income	**182,008**
The company's share in investment profits are accounted for using the equity method	7
Dividends - bonds	17,502
Other revenue	12,101
Recovery Expected credit loss expense	(103,213)
Profits on disposal of assets	580
Provisions no longer required	-
Total Revenue	**108,985**
Wages, salaries and equivalents	(99,661)
Other operating expenses	(45,974)
Amortization of intangible assets	(2,578)
Depreciation of Fixed asset and Right of use	(7,315)
Evaluating financial assets at fair value through profit or loss	1,412
Provision formed	(973)
Foreign currencies translation differences	4,322
Interest expense	(62,423)
Net (losses) for the period before taxes	**(104,205)**
Income tax expense	(2,987)
Net (losses) for the period	**(107,192)**
Distributed as follows:	
The rights of the company's shareholders	**(62,332)**
Non-controlling interest holders	**(44,859)**

31-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 start of the activity on 10 December 2020 to 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.

Payroll 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 examination through the email of the new electronic system of the new Senior Funders Center (2) for the first period of the company ending on 31/12/2021 from the Egyptian Tax Authority, and the examination and payment was made.

32-Comparative Numbers

Comparative figures have been reclassified to conform to the current year and are as follows:

(In thousands of EGP)	Balance before adjustment 31 December 2022 As Issued	Adjustment	Balance after adjustment 31 December 2023
Operating Revenue	-	40	40
Operating Cost	-	(39)	(39)
Other Revenue	40	(40)	-
Other Expenses	(32,726)	39	(32,687)

33-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.

34-Translation

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

The original Arabic statements are the official financial statements.