



Translation of separate
Financial statements originally issued in Arabic

**Orascom Financial Holding "S.A.E."
Separate Financial Statements
For The Year Ended December 31st, 2022
Together with the Audit report**



Hazem Hassan
Public Accountants & Consultants

*Translation of interim separate
Financial statements originally issued in Arabic*

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Audit Report on Separate Financial Statements

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

Introduction

We have Audited the separate statement of financial position of Orascom Financial Holding (S.A.E) as at December 31st, 2022 which comprise the separate statement of financial position as at December 31st, 2022 and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate financial statements

These separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; 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 separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

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

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



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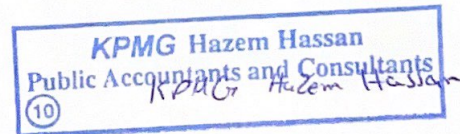
Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Orascom financial holding as at December 31st, 2022 and of its unconsolidated financial performance and its unconsolidated cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Other Legal and Regulatory Requirements

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

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



KPMG Hazem Hassan

Public Accountants and Consultants

Cairo, March 23, 2023

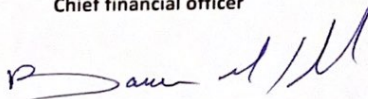
Orascom Financial Holding "S.A.E"
Separate Statement of Financial Position 31 December 2022

	Note no.	31 December 2022	31 December 2021
(In thousands of EGP)			
Assets			
Non-current assets			
Investments in subsidiaries	(4)	146,825	745,206
Investments in associates	(5)	1,604,423	1,604,423
Property, Plant & Equipment	(6)	97	127
Total non-current assets		1,751,345	2,349,756
Current assets			
Due from related parties	(7)	-	5,859
Other assets	(8)	3,979	482
Investments at amortized cost	(9)	355,859	-
Cash and cash equivalents	(10)	269,619	306,388
Total current assets		629,457	312,729
Total assets		2,380,802	2,662,485
Shareholders' Equity and liabilities			
Shareholders' Equity			
Issued and paid-up capital	(11)	1,626,165	1,626,165
Treasury shares	(11-1)	(93,653)	-
Legal reserve		424,013	419,522
Reserve resulted from the demerger	(12)	129,087	129,087
Retained earnings		275,420	481,866
Total equity		2,361,032	2,656,640
Liabilities			
Current liabilities			
Other liabilities	(13)	13,357	5,842
Income tax liabilities		6,319	-
Due to related parties	(14)	94	3
Total current liabilities		19,770	5,845
Total liabilities		19,770	5,845
Total equity and liabilities		2,380,802	2,662,485

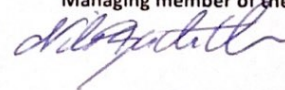
The accompanying notes from (1) to (27) are an integral part of these separate financial statements and to be read therewith.

Audit report "Attached"

Chief financial officer



Managing member of the board



Orascom Financial Holding Company "S.A.E"
Separate Statement of Income for the financial year ended 31 December 2022

(In thousands of EGP)	Note no.	For the financial year ended 31 December 2022	For the period from the Demerger date till 31 December 2021
Dividends income (Net)	(15)	75,752	35,623
(Loss)/ Gain from selling investments	(16)	(321,795)	16,639
Total (Loss) / Gain		(246,043)	52,262
Employee's costs and board of director's salaries and remunerations	(17)	(26,615)	(17,430)
Incorporation expenses and subscriptions		-	(7,881)
Reverse Impairment of investment in subsidiaries		-	53,512
Depreciation of property, plant and equipment	(6)	(45)	(3)
General and Administrative expense		(6,348)	(2,268)
Gross (loss) / profit		(279,051)	78,192
Interest income	(18)	43,856	11,726
Net foreign currencies translation differences		42,182	(97)
Net financing income		86,038	11,629
Net (loss) / profit for the period before tax for the year/period		(193,013)	89,821
Income tax	(19)	(8,942)	-
Net (loss) / profit for the period after tax for the year/period		(201,955)	89,821
(Loss) /earning per share from net (loss)/profit for the year/period (EGP/share)	(20)	(0.0394)	0.0171

The accompanying notes from (1) to (27) are an integral part of these separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Separate Statement of Comprehensive Income for the financial year ended 31 December 2022

(In thousands of EGP)

Net (loss) / profit for the period after tax for the year/period
Items of other comprehensive income
Total other comprehensive income for the period
Total comprehensive (loss) income for the period

For the financial year ended 31 December 2022	For the period from the Demerger date till 31 December 2021
(201,955)	89,821
-	-
-	-
(201,955)	89,821

The accompanying notes from (1) to (27) are an integral part of these separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Separate Statement of Changes in Equity for the financial year ended 31 December 2022

(In thousands of EGP)	Note No.	Issued and paid up capital	Treasury shares	Legal reserve	Reserve resulted from the demerger	Retained earnings	Total Equity
Balance as of 31 December 2019 According to the report of the General Authority for Investment	(1-c)	1,626,165	-	419,522	-	(35,862)	2,009,825
Adjustments on the report of the General Authority for Investment	(1-c)	-	-	-	-	390,698	390,698
Adjusted balance as of 31 December 2019		1,626,165	-	419,522	-	354,836	2,400,523
Adjustments resulted from the demerger *	(12)	-	-	-	129,087	37,209	166,296
Adjusted opening balance		1,626,165	-	419,522	129,087	392,045	2,566,819
Total comprehensive income for the period		-	-	-	-	89,821	89,821
Balance as of 31 December 2021		1,626,165	-	419,522	129,087	481,866	2,656,640
Balance as of 1 January 2022		1,626,165	-	419,522	129,087	481,866	2,656,640
Total comprehensive income for the year		-	-	-	-	(201,955)	(201,955)
Transferred to Legal reserve		-	-	4,491	-	(4,491)	-
Treasury shares purchased		-	(93,653)	-	-	-	(93,653)
Balance as of 31 December 2022		1,626,165	(93,653)	424,013	129,087	275,420	2,361,032

* Adjustments on the reserve resulted from the demerger and retained earnings represent in the transactions incurred after the demerger (see note no. 12)
The accompanying notes from (1) to (27) are an integral part of these separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"
Separate Statement of Cash Flows for the financial year ended 31 December 2022

(In thousands of EGP)	Note no.	For the financial year ended 31 December 2022	For the period from the Demerger date till 31 December 2021
Net (loss)/Profit for the year/period before tax		(193,013)	89,821
Adjusted for:			
Dividends income	(15)	(75,752)	(35,623)
Loss/(Gains) from sale of investments in subsidiaries	(16)	321,795	(16,639)
Impairment reverse in investments in subsidiaries		-	(53,512)
Depreciation of Property, Plant and equipment	(6)	45	3
Interest income	(18)	(43,856)	(11,726)
Net foreign currencies translation differences		(42,182)	97
		(32,963)	(27,579)
Change in:			
Due from related parties		5,859	109,026
Other assets		(1,834)	(482)
Other liabilities		6,657	5,842
Due to related parties		91	-
Cash flows (used in) generated from operating activities		(22,190)	86,807
Interest received		42,193	11,726
Taxes paid (Treasury shares)		(1,765)	-
Dividends received		75,752	35,623
Net cash flows generated from operating activities		93,990	134,156
Cash flows from investing activities			
Payments for purchase of investments in subsidiaries		(105,375)	(42,450)
proceeds from selling investments after deducting cost of selling	(16)	381,961	214,911
Payments for purchase property, plant and equipment	(6)	(15)	(130)
Net cash flows generated from investing activities		276,571	172,331
Cash flows from financing activities			
Payments for purchase Treasury shares	(1-11)	(93,653)	-
Net cash flows (used in) financing activities		(93,653)	-
Net change in cash and cash equivalents during the year/period		276,908	306,487
Effect of exchange rate fluctuation on cash and cash equivalent in foreign currencies		42,182	(99)
Cash and cash equivalents at beginning of the period		306,388	-
Cash and cash equivalents at end of the year/period	(10)	625,478	306,388

The accompanying notes from (1) to (27) are an integral part of these separate financial statements and to be read therewith.

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

1- Background

a- Legal form and operation

Orascom Financial Holding S.A.E. Which will be mentioned later as the demerged company or "the Company" is an Egyptian Joint Stock company pursuant to provisions of the capital market law No. 95 of 1992 and its executive regulations. The Company was registered at Cairo Commercial Register No 430755 on December 10, 2020. The Company's head office is located at Nile City Towers, Ramlet Boulak – Cairo, Egypt. The Company's duration is 25 years starting from December 10, 2020.

b- Purpose of the Company

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

c- Brief over the incorporation of the Company

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

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

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

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

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

Amounts in thousands EGP:

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

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

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

2- Basis of preparation of the separate financial statements

a- Statement of compliance with the Egyptian Accounting Standards

- The separate financial statements have been prepared in accordance with the Egyptian Accounting Standards. And the applicable Egyptian laws and regulations. The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRSs" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.
- The separate financial statements of the Company for the year ended December 31, 2021, were approved by the board of directors on March 23, 2023.

b- Basis of measurement

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

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

- Financial derivatives.
- Financial instruments at fair value through profit and loss.
- Financial assets at fair value through other comprehensive income.

Investments in subsidiaries and associates are accounted for at cost basis, in the separate financial statements, which represents the Company's direct ownership interest in equity and not on the results of operations and net assets of the invested companies. The consolidated financial statements provide more understanding of the consolidated financial position, results of operations and the consolidated cash flows of the Company and its subsidiaries (The Group).

c- Presentation currency

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

d- Use of estimates and judgments

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

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

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

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

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

3- Significant accounting policies applied

A. Foreign currencies translation

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

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

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

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

B. Property and equipment

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

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

Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and replaced parts in the asset are disposed. Repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

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

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

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

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

C. Investments in subsidiaries

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

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

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

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

D. Investments in associates

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

Investments in Associates are carried at cost, unless classified as non-current investments held-for-sale in

which case, they are measured at the lower of the carrying amount or fair value less cost of selling.

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

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

E. Impairment of non-financial assets

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

F. Taxation

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

- Current tax

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

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

- Deferred tax

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

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

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

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

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- Current and deferred tax for the year

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

G. Provisions

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

H. Cash and cash equivalents

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

I. Revenue measurement and recognition

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

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

J. Financial instruments

Financial assets

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

a- Classifications.

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

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

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

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

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

b- Recognition and derecognition

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

c- Measurement

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

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

Debt instruments

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

• Amortized cost:

Assets held to maturity to collect contractual cash flows, where those cash flows represent only principal and interest payments, are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly in the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate line item in the statement of profit or loss.

• Fair value through other comprehensive income:

Assets held for the purpose of collecting contractual cash flows and for the purpose of selling financial

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Notes to separate financial statements for the Financial Year Ended December 31, 2022

assets, where the cash flows of assets represent only principal and interest payments, are measured at FVTO. Changes in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expense). Interest income from these financial assets is included in financing income using the effective interest rate method, and impairment expense is presented as a separate line item in the statement of profit or loss.

• Fair value through profit or loss:

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

Equity instruments

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

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

d- Impairment:

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

Evidence of credit impairment includes the following observable data:

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

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

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

e- Financial derivatives

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

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

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

Financial liabilities and equity instruments issued by the company

Classification of the instrument as a liability or as an equity.

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

Equity instrument

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

Financial liabilities

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

Other financial liabilities

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

The effective interest rate method is a method of calculating the amortized cost of financial obligations and charging interest expense over the relevant periods.

Derecognition of financial instruments from books.

A financial asset is disposed of when the company transfers substantially all the risks and benefits of ownership of the asset to a third party outside the company. on the financial asset. If the company continues to control the transferred financial asset, then it recognizes it's interest in the asset and a corresponding liability representing amounts it may have to pay.

But if the transaction resulted in the company retaining substantially all the risks and benefits of ownership of the transferred financial asset, then the company continues to recognize the financial asset, provided that it also recognizes the amounts received as a borrowing against that asset.

Financial liabilities are derecognized when they are either discharged, canceled or expired.

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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 also includes transaction costs and any other premiums) are discounted over the estimated life of the financial assets or any appropriate period. Less.

The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profits or losses, where the return on them is included in the net change in their fair value.

K. Short term employees' benefits

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

L. Dividends

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

M. Borrowings and borrowing costs

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

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

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

The gain and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency and borrowings costs actually incurred on foreign currency borrowings.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

N. Earnings per share

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

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Notes to separate financial statements for the Financial Year Ended December 31, 2022

O. Estimation of fair value

Applying the accounting policies stated in note no. (3) requires from management to use estimates and assumptions for determining the carrying amount for assets and liabilities that cannot be measured reliably from other sources.

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

P. Legal reserves

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

Q. Employees' profit share

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

R. Cash flows statement

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

S. Revenue recognition

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

- 1) identify the contract with the customer.
- 2) identify the contractual obligation to transfer goods and/or services (known as performance obligations);
- 3) determine the transaction price.
- 4) allocate the transaction price to the performance obligations identified on the basis of the stand-alone selling price of each good or service; and
- 5) recognize revenue when the related performance obligation is met.
 - The Company applies the EAS No. (48) five-step revenue recognition model to the recognition of fees and commissions income, under which income must be recognized when services are transferred, hence the contractual performance obligations to the customer has been satisfied.
 - The Company adopted EAS No. (48) with reference to the three business units in which the Company operates at the date of adoption: Brokerage, Asset Management and Investment Banking.
 - Accordingly, after a contract with a customer has been identified in the first step, the second step is to identify the performance obligation - or a series of distinct performance obligations - provided to the customer. The Company examines whether the service is capable of being distinct and is distinct within the context of the contract. A promised service is distinct if the customer can benefit from the service either on its own or together with other resources that

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are readily available to the customer, and the promise to transfer the service to the customer is separately identifiable from other promises in the contract.

- The amount of income is measured on the basis of the contractually agreed transaction price for the performance obligation defined in the contract. If a contract includes variable consideration, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer. Income is recognized in profit and loss when the identified performance obligation has been satisfied.
- Following the adoption of EAS No. (48), fee and commission income is presented in the income statement separately from fee and commission expense.
- The company acts as the main source and Egyptian Accounting Standard No. 48 requires that the costs of implementing contracts be presented separately in the income statement within fees and commissions expenditures.
- The Company provides Asset Management services that give rise to asset management and performance fees and constitute a single performance obligation. The asset management and performance fee components are variable considerations such that at each reporting date the Company estimates the fee amount to which it will be entitled in exchange for transferring the promised services to the customer. The benefits arising from the asset management services are simultaneously received and consumed by the customer over time. The Company recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation, subject to the removal of any uncertainty as to whether it is highly probable that a significant reversal in the cumulative amount of revenue recognized would occur or not. For the management fee component this is the end of the service period. For performance fees this date is when any uncertainty related to the performance component has been fully removed.
- Management has assessed the impact of application of the new standard on the Company's financial statements, analyzing each of its revenue streams by applying the five-step model, and concluded there was no impact given the nature of and the accounting policy adopted for the Company's revenues.

Dividend income

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

T. Lease contracts

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

As a lessee

- At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company recognises 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.

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- The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.
- The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of 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; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.
- The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
- When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.
- Short-term leases and leases of low-value assets
- The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

- At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.
- When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.
- When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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- If an arrangement contains lease and non-lease components, then the Company applies EAS (11) to allocate the consideration in the contract.
- The Company applies the derecognition and impairment requirements in EAS (47) to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
- The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

U. Financial instruments

Business model, classification and measurement

Business model

- The company determines the nature of the business model by considering the way in which the financial assets are managed to achieve the business objective as determined by management.
- On initial recognition, financial assets are classified as measured at:
 - amortized cost ("AC");
 - fair value through other comprehensive income ("FVOCI"); or
 - fair value through profit or loss ("FVTPL").
- Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.
- A debt instrument is measured at amortized cost if it meets the following conditions:
 - it is held within a business model that has an objective to hold financial assets to collect contractual cash flows; and
 - the contractual terms of the financial asset result in cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").
- A debt instrument is measured at FVOCI if it meets both of the following conditions:
 - it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - the contractual terms of the financial asset result in cash flows that are SPPI.
- On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.
- All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

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

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

Financial liabilities

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

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

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Impairment

The Company applies both general and simplified methods to measure expected credit loss on financial assets that are carried at amortized cost and debt instruments that are recognized at fair value through other comprehensive income. Financial assets can move between three stages according to changes in credit quality since initial recognition.

Impairment losses of financial assets are recognized in the income statement under credit losses expense.

Simplified approach model

With regard to customer balances related to fees and commissions, the simplified approach model is implemented to determine impairment in two steps:

- Any outstanding customer balances are individually assessed for impairment. and
- A general reserve is recognized for all other customer balances (including those that are not past due) based on specific historical loss rates and credit loss expectations.

General approach model

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

For the purposes of the impairment policy below, these instruments are referred to as (financial assets).

The method of determining impairment losses and provisions has been changed from the incurred credit loss model, where credit losses are recognized upon the occurrence of a specific loss event under the previous accounting standard, to the expected credit loss model under Egyptian Accounting Standard No. (47), where provisions are taken at the beginning of the asset recognition financial, based on projections of potential credit losses at the time of initial recognition.

Egyptian Accounting Standard No. (47) provides a three-stage approach to impairment for financial assets that are not credit-impaired on the date of initial recognition or purchase. This approach is summarized as follows:

Stage (1): Expected credit loss for a period of 12 months:

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

Stage (2): Lifetime ECL is not credit-impaired:

Stage (2) includes financial assets that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, a lifetime ECL is recognised, but interest is still calculated on the gross carrying amount of the asset. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Stage (3) Lifetime ECL is credit-impaired:

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

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4. Investments in subsidiary

(In thousands of EGP)

	Country	Contribution	December 31,2022	December 31,2021
Beltone Financial Holding	Egypt	-	-	702,756
DOT company for Electronics Development and Electronic Payments	Egypt	78.9%	146,825	42,450
			146,825	745,206

Investments movement as follow :

(In thousands of
EGP)

	Contribution %	Country	1 January 2022	Investment purchase	Investment selling	Investment transfer	31 December 2022
Beltone Financial Holding*		Egypt	702,756	-	(702,756)	-	-
DOT company for Electronics Development and Electronic Payments**	78.90	Egypt	21,225	63,425	(1,000)	21,225	104,875
Paid up investment increase DOT company for Electronics Development and Electronic Payments	78.90		21,225	41,950	-	(21,225)	(41,950)
Impairment loss for investments company			-	-	-	-	-
			745,206	105,375	(703,756)	-	146,825

* The amount represents the value of the Company's investments in Beltone Financial Holding company, whose ownership was transferred from the demerging company to the demerged company, based on the demerger contract detailed in note no. (1-C).

During the year 2021, the company sold 73,108,375 shares of Beltone Financial Holding Company, at an average selling price of 2.96 EGP per share, so the shareholding percentage on June 30,2022 reached 55.91%, with a net number of shares of 259,121,670 .

During 2022, Beltone increased the capital through retained earnings in return for issuing 17,826,105 bonus shares and motivating employees (ESOP), which led to a decrease in the company's ownership percentage from 58.51% to 55.91%

On June 12,2022 Beltone received a compulsory purchase offer from Chimera Investment Company or any of its subsidiaries to acquire Beltone Financial Holding Company for no less than 51% and up to 90% of the company's shares. On July 13, 2022 the authority approved the submitted offer and accordingly, the board of directors of Orascom Financial Holding held a meeting on July 25, 2022 and unanimously agreed to accept the submitted offer so the total amount paid EGP146,825

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**During the period from the date of incorporation till 31 December 2021, the Company established Dot Company for the Development of Electronics and Electronic Payments - a subsidiary company - with a contribution percentage of 79.90%, It was paid in equal installments, and during 2022, the increase was indicated bringing the total amount paid to 104,875 EGP. In addition to a payment with 41,950 under capital increase account and it has been registered in January 2023 bringing the total amount paid to EGP146,825.

On August 10, 2021 general assembly meeting approved unanimous to sinning A contract for selling 100,000 shares from shares Owned by Dot Company for the electronic development and Electronic Payments and deal was done on September 20, 2022 (Note 16)

5- Investments in associates

(In thousands of EGP)	Country	Contribution %	31 December 2022	Contribution %	31 December 2021
Contact financial Holding company *	Egypt	29.58%	1,604,423	29.25%	1,604,423
			1,604,423		1,604,423

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

*During 2022 Employment stock ownership Plan (ESOP) was allocated that results in decrease in contribution percentage of contact financial holding company to become 29.58%

6-Property, Plant and equipment

(In thousands of EGP)

A- Cost

Additions During the Period

Total cost as of 31 December 2021

Balance as of 1 January 2022

Additions During the year

Total cost as of 31 December 2022

B-Accumulated depreciation

Depreciation During the period

Accumulated Depreciation as of 31 December 2021

Balance as of 1 January 2022

Depreciation during the year

Accumulated Depreciation as of 31 December 2022

Net book value

As of 31 December 2022

As of 31 December 2021

Computers	Total
130	130
130	130
130	130
15	15
145	145
3	3
3	3
3	3
45	45
48	48
97	97
127	127

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

7-Due from related parties

(In thousands of EGP)

DOT company for Electronics Development and Electronic Payments

31 December 2022	31 December 2021
-	5,859
-	5,859

8-Other assets

(In thousands of EGP)

Accrued Interest – Time Deposits
Prepaid expenses
Current account -klivr for consumer finance - subsidiary (under establishment)
Current Account with Venture Debt subsidiary Company (under establishment)

31 December 2022	31 December 2021
1,663	-
192	261
516	221
1,608	-
3,979	482

9 -Investment at amortization cost

Investments at amortized cost represents a purchase of Egyptian treasury bills as follows:

(In thousands of EGP)

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

31 December 2022	31 December 2021
365,0000	
(9,141)	
355,859	-

10-Cash and cash equivalents

(In thousands of EGP)

Cash at banks- in local currency
Cash at Banks- in foreign currencies
Deposits at banks- in local currency (within 3 month)
Deposits at banks- in foreign currency (within 3 month)
Investment funds in EGP *
Cash on hand

31 December 2022	31 December 2021
33,193	38,777
319	159
120,000	86,145
116,098	72,294
-	108,996
9	17
269,619	306,388

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

(In thousands of EGP)

Cash and cash equivalents

Treasury bills within 3 months or less

31 December 2022	31 December 2021
269,619	306,388
355,859	-
625,478	306,388

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

11-Issued and paid-up capital

The authorized capital was set at EGP 8,130,820,461, and the issued and paid-up capital amounted to EGP 1,626,164,092, distributed over 5,245,690,620 shares with a nominal value of 31 piasters/ share, in accordance with the decision of the General Investment Authority, and the approval of the extraordinary general assembly of Orascom Investment Holding (the demerging company). As detailed in note no (1-C). The following table lists the largest shareholders of the Company, in addition to the remaining other shares as of 31 December 2022:

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

11-1 Treasury shares

- On August 29, 2022 Board of Director Approved to purchase Treasury Shares with a maximum 524,569,000 shares, Maximum 10 % from Total Authorized equity and outstanding
- During the period the Company purchased 450,159,341 treasury shares as 8,58% from issued shares and Cost of Purchasing is 93,653 EGP

12-On Adjustments resulted from the demerger

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

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

(In thousands of EGP)

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

Amounts recognized in Retained earnings in the owners' equity

(In thousands of EGP)

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

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

13-Other credit balances

(In thousands of EGP)

Accrued expense
Vendors
Accrued Salaries
Accrued tax on treasury bills
Salaries tax
Withholding tax
Social insurance authority
Social contribution – Health Insurance
Others

31 December 2022	31 December 2021
1,862	1,107
2,685	-
7,266	4,354
858	-
322	309
34	45
25	16
295	-
10	11
13,357	5,842

14-Due to related parties

(In thousands of EGP)

Orascom investment Holding S.A.E.

31 December 2022	31 December 2021
94	3
94	3

15-Dividends Income

(In thousands of EGP)

Contact Financial Holding Company (formerly Sarwa Capital Financial Holding)
Deduct: withholding tax on dividends

For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
79,828	37,537
(4,076)	(1,914)
75,752	35,623

- On 30 March 2022, the Ordinary General Assembly of Contact Holding Company (formerly Sarwa Capital Holding Company) approved dividend distributions to shareholders for the fiscal year ended December 31, 2021, with a total value of EGP 270 million, at EGP 0.228 per share. The Company's share of the announced dividends is about EGP 79.8 million before tax deductions which amounts to EGP 4 million.

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

(In thousands of EGP)

(Loss) / Gain from sale Beltone Financial Holding Company Shares *
(Loss) From Sale Dot Company for Electronics Development and Electronic Payments Shares **

For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
(321,788)	16,639
(7)	-
(321,795)	16,639

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

*** (Loss) / Gain from sale Beltone Financial Holding Company Shares - Discontinued Operations**

On June 12, 2022 Beltone received a compulsory purchase offer from Chimera Investment Company or any of its subsidiaries to acquire Beltone Financial Holding Company for no less than 51% and up to 90% of the company's shares. On July 13, 2022 the authority approved the submitted offer and accordingly, the board of directors of Orascom Financial Holding held a meeting on July 25, 2022 and unanimously agreed to accept the submitted offer and the deal was trade on August 4, 2022 .

During the period from the date of incorporation to 30 September 2021, the company sold 73,108,375 shares of the owned shares in Beltone financial holding company and collected all of the selling value that was EGP 216,271,983.

<u>(In thousands of EGP)</u>	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Selling Value	384,796	216,272
(Less):		
Expenses and Broking Commotions of Selling	(3,828)	(1,361)
Investment Cost	(702,756)	(198,272)
	(321,788)	16,639

**** (Loss) From Sale Dot Company for Electronics Development and Electronic Payments Shares**

On August 10, 2021 general assembly meeting approved unanimous to sinning a contract for selling 100,000 shares from shares Owned by Dot Company for the electronic development and Electronic Payments and deal was done on September 20, 2022.

<u>In thousands of EGP)</u>	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Selling Value	1000	-
(Less):		
Expenses and Broking Commotions of Selling	(7)	-
Investment Cost	(1000)	-
	(7)	-

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

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

(In thousands of EGP)

	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Employees cost and equivalents	(23,498)	(15,730)
Board of directors' salaries and remunerations	(2,447)	(1,466)
Social insurance	(208)	(105)
Others	(462)	(129)
	(26,615)	(17,430)

18-Interest income

(In thousands of EGP)

	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Current Accounts and time Deposits interests	24,667	7,085
Treasury Bills income in EGP	13,117	-
Investment funds in EGP	6,072	4,641
	43,856	11,726

19- Income tax

(In thousands of EGP)

	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Income Tax	(6,319)	-
Treasury Bills settled Tax	(1,765)	-
Tax Of Un Settled Treasury Bills	(858)	-
	(8,942)	-

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

Adjustments to calculate the actual tax rate

<u>(In thousands of EGP)</u>	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Net (Loss)/ profit before tax	(193,013)	89,821
Income tax calculated based on the income tax rate 22.5%	(43,428)	20,210
Undeductible expenses	78,697	1,675
Untaxable income	(30,403)	(12,197)
Reversal of unrecognized temporarily differences (previously deferred tax assets)	1	(11,946)
Period tax losses	-	344
Tax on dividends distribution from associate companies	4,076	1,914
	8,942	-
Actual tax rate	(5%)	-%

20- (Losses) / earnings per share

(Losses) / earnings per share was calculated according to Egyptian accounting standard No. (22), as follows:

	For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
Net (loss) / profit for the year / period (in thousands of EGP)	(201,955)	89,821
Weighted average number of shares outstanding during the year / period (in thousands)	5,124,968	5,245,691
(Losses)/ earnings per share for the year/ period (in EGP)	(0.0394)	0.0171

21-Significant related parties' transactions

(In thousands of EGP)						
<u>Company name</u>	<u>Nature of the relationship</u>	<u>Nature of transaction</u>	<u>Volume of transactions for the period ended 31 December 2022</u>	<u>Debit (credit) balance as of 31 December 2022</u>	<u>Volume of transactions for the period ended 31 December 2021</u>	<u>Debit (credit) balance as of 31 December 2021</u>
Beltone Financial Holding	Subsidiary	Financial Services has been Done through Related party			1,361	
		Interest income on the loans			276	

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

Dot company for electronics development and electronic payments	Subsidiary	Expenses paid on behalf of the subsidiary company			4,471	
		Purchase of fixed assets behalf of the subsidiary company			2,945	5,859
Orascom Investment Holding S.A.E.	Affiliate	Expenses paid on behalf of the company	287	(94)	7,951	(3)

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

(In thousands of EGP)

Board of directors' salaries and remunerations

For the financial year ended 31 December 2022	For the period from the demerger date till 31 December 2021
(17,411)	(12,762)
(17,411)	(12,762)

22-Financial instruments and management of related risks

The Company's financial instruments are financial assets and liabilities, financial assets include cash balances with banks and due from related parties as well as other credit balances. The financial liabilities also include balances due to related parties, suppliers, and some other credit balances.

Capital Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, cash flows and interest rate risk), credit risk and liquidity risk, especially that the company is exposed to risks from movements in exchange rates, interest rates and market prices. The financial risk management generally consider inability to anticipate the financial market and decreasing the probability of negative effect on the financial performance.

a. Market Risk

Foreign currency risk

The company may be exposed to foreign exchange risks that arise when its commercial transactions are in currencies different from the main currency of the company's entry and presentation (the Egyptian pound) by paying those transactions in currencies such as the US dollar and the euro

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

<u>(In thousands of EGP)</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
US Dollar (*)	116,417	72,453
GBP	(23)	-

(*) The balances of the US dollar in Egyptian pounds as at December 31, 2021 consist of

Cash	116,417
------	---------

An increase or decrease of 10% of the foreign exchange rate against the Egyptian pound on December 31, 2022, may lead to an increase (decrease) in profits by an amount of EGP 1.1 million, compared to an amount of 725 thousand on 31 December 2021, considering the stability of all other variables, especially interest rates.

Cash flow risk and interest rate risk

The interest rate risk on the company arises through loans granted by banks at variable interest rates, and the company may be exposed to the risks of change in interest rates, which may affect the company's ability to repay those obligations. As of December 31, 2022, the Company does not have any loans from external parties. Therefore, this risk is excluded.

b. Liquidity risk

Liquidity risk, in general, is the inability of the Company's cash inflows and outflows to maintain sufficient liquidity for cash balances, and given that the Company has a large cash balance in foreign currencies, it has the ability to pay all obligations, including interest and any other fees. The following table shows an analysis of financial obligations Expected to be repaid according to their due dates as of December 31, 2022:

<u>(In thousands of EGP)</u>	<u>Book Value</u>	<u>Expected cash flows</u>	<u>Year or less than a year</u>	<u>From 1 to 5 years</u>
Other credit balances	13,357	13,357	13,357	--
Income tax liability	6,319	6,319	6,319	--
Due to related parties	94	94	94	--
Balance at December 31, 2021	19,770	19,770	19,770	--

<u>(In thousands of EGP)</u>	<u>Book Value</u>	<u>Expected cash flows</u>	<u>Year or less than a year</u>	<u>From 1 to 5 years</u>
Other credit balances	5,841	5,841	5,841	--
Due to related parties	3	3	3	--
Balance at December 31, 2021	5,845	5,845	5,845	--

c. Credit Risk

Credit risks related to cash and financial deposits arise in the counterparty's inability to pay his financial dues towards the Company and his financial insolvency, and accordingly the counterparty is unable to return the deposited funds or fulfill the obligations under the transactions. Since the Company is a holding company, most of the balances are due from related parties, and therefore there is no possibility of the Company being exposed to credit risk in relation to commercial receivables.

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

Financial instruments categories

The tables below present the classification of groups of financial assets and financial liabilities by category:

A- Financial assets as presented in the separate statement of financial position as of:

<u>(In thousands of EGP)</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
Cash and cash equivalents	269,619	306,388
<u>Financial assets at amortized cost</u>		
Investments at amortized cost	355,859	-
Due to related party	-	5,859
Other assets	3,979	482
Total financial assets	629,457	312,729

B- Financial liabilities at amortized cost as presented in the separate statement of financial position

<u>(In thousands of EGP)</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
Due to related parties	94	3
Deferred tax liabilities	6,319	-
Other credit balances	13,357	5,842
Total financial liabilities	19,770	5,845

Management considers the carrying amount of each of the financial assets and financial liabilities recorded in the separate financial statements is an approximate value to their fair value.

23-Tax status

Corporate tax

The company submits the annual income tax declaration of legal persons within the legal deadline in accordance with the provisions of Law No. 91 of 2005 and its executive regulations and their amendments, and the Unified Tax Procedures Law No. 206 of 2020 and its executive regulations and their amendments since the beginning of the activity on December 10, 2020 to date.

The company received a notification from the Egyptian Tax Authority to transfer the company's affiliation from the joint-stock companies' tax office to the new Key Taxpayer Center (2) during the year 2022. The company has fulfilled and completed all the procedures required for that, as well as the procedures related to transferring the company's affiliation to the new electronic system affiliated with the Senior Center. New financiers (2) on the Egyptian Tax Authority website.

The company received a notification of the examination through the e-mail of the new electronic system affiliated with the new Key Taxpayer Center (2) for the company's first period ending on 12/31/2021 from the Egyptian Tax Authority, and preparation for the examination is underway.

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

Payroll Tax

The company pays the monthly wages and salaries tax within the legal date.

The company submits the wages and salaries settlement and the relevant quarterly tax forms within the legal deadline on the website of the Egyptian Tax Authority and pays the due differences.

The company received a notification of the examination through the e-mail of the new electronic system affiliated with the new Key Taxpayer Center (2) for the company's first period ending on 12/31/2021 from the Egyptian Tax Authority, and preparation for the examination is underway.

Withholding Tax

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

Stamp Tax

The company received a notification of the examination through the e-mail of the new electronic system affiliated with the new Key Taxpayer Center (2) for the company's first period ending on 12/31/2021 from the Egyptian Tax Authority, and preparation for the examination is underway.

24-Capital Commitment

There are capital commitments represented in the value of the remaining amounts to complete the capital of the Dot Company for Electronics and Development Payments, amounting to EGP 20,975 thousand, from 87.5% to 100%.

25-Comparative figures

The comparative figures have been reclassified to be compatible with the current classification of the financial statements on June 30, 2022:

(In thousands of EGP)	The balance before	Adjustment	The balance after
Net dividends revenue	37,537	(1,914)	35,623
Income tax	(1,914)	1,914	-

26- New Editions and Amendments to Egyptian Accounting Standards:

- On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets" And Egyptian	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows:	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation	The amendments of adding the option to use the revaluation model are effective for financial periods starting on or after January 1, 2023, retrospectively.

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Notes to separate financial statements for the Financial Year Ended December 31, 2022

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Accounting Standard No. (23) amended 2023 "Intangible Assets".	<ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (35) "Agriculture" - Egyptian Accounting Standard No. (49) "Leasing Contracts" 	model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.	cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (34) amended 2023 "Investment property".	<ol style="list-style-type: none"> 1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts" 	There's no potential impact on the company's financial statements	The amendments of adding the option to use the fair value model are effective for financial periods starting <u>on or after January 1, 2023,</u> retrospectively, cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of	<ol style="list-style-type: none"> 1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. 2- The company applies either the cost model or the revaluation model for exploration and 	There's no potential impact on the company's financial statements.	The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023,</u>

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Mineral Resources"	valuation assets, the evaluation should be carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets" or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should be consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.		retrospectively , cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	<p>1- This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets" was amended accordingly).</p> <p>2- The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</p>	There's no potential impact on the company's financial statements	These amendments are effective for annual financial periods starting on or after January 1, 2023, retrospectively , cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.
Egyptian Accounting Standard No. (50) "Insurance Contracts".	1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows.	There's no potential impact on the company's financial statements	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024 , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose

Orascom Financial Holding "S.A.E"

Notes to separate financial statements for the Financial Year Ended December 31, 2022

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property". 		that fact.

27- Translation

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