

**Board of Directors' Annual Report Form Attached
to the Financial Statements of e-finance for Digital
and Financial Operations
for the period from 01-01-2023 to 31-12-2023**

Company Name	e-finance For Digital and Financial Investments
---------------------	---

General Information:

Company Purpose	Leading the digital transformation process for financial transactions through its subsidiaries		
Duration of the company	25 Years	Listing date	04/10/2021
The law under which the company is incorporated	No: 72 Year: 2017	Stock nominal value	EGP 0.5
Authorized capital (updated)	EGP four billion	Issued Capital (updated)	EGP 924,444,444.5
Paid-in Capital (updated)	EGP 924,444,444.5	Commercial registry number & registration date	15026 dated 08 June 2005

Financial Auditor:

Name	Mohamed Tarek Mostafa Nagy		
Date of appointment	15/09/2021		
Listing No.	392	Listing Date	01/08/2021

Shareholder's Structure and BOD's ownership on the date of financial:

Shareholders of 5% or more of company's' shares	No. owned shares	Percentage of ownership
Saudi Egyptian Investment Company (owned by the Kingdom of Saudi Arabia's Public Investment Fund)	476,013,682	25.75%
National Investment Bank	403,232,816	21.81%
Banque Misr (and associated group)	129,885,982	7.03%
National Bank of Egypt	123,636,240	6.7%
Egyptian Banks Company	123,636,240	6.7%
Egyptian Company for Investment Projects (ECIP)	123,636,241	6.7%
Total	1,380,041,201	74.64%

Treasury stocks as of date of purchase	Outstanding balance as of the last disclosure statement	Percentage%
14/03/2023	5,000	0.0003%
7/5/2023	69,000	0.004%
8/5/2023	20,000	0.001%
9/5/2023	50,000	0.003%
5/6/2023	103,078	0.006%
6/6/2023	6,469	0.000%
7/6/2023	79,345	0.004%
8/6/2023	200,341	0.011%
16/11/2023	400,000	0.02%
19/11/2023	1,100,000	0.06%
20/11/2023	263,113	0.01%
21/11/2023	210,886	0.01%
22/11/2023	300,000	0.02%
23/11/2023	500,000	0.03%
27/11/2023	1,249,700	0.07%
29/11/2023	202,029	0.01%
4/12/2023	835,158	0.05%
5/12/2023	1,093,889	0.06%
6/12/2023	1,046,334	0.06%
7/12/2023	212,997	0.01%
10/12/2023	968,791	0.05%
11/12/2023	710,000	0.04%
12/12/2023	635,000	0.03%
14/12/2023	282,989	0.02%
Total	10,542,886	0.57%

Board of Directors:

e-finance for Digital and Financial Investment's Board of Directors is made up of a select number of experts with extensive experience across a variety of fields. This diversity in experience and expertise provides the Group with a strategic ability to direct the operations of e-finance and its subsidiaries towards achieving the highest possible level of efficiency, and plays an important role in consolidating e-finance's leading position in the domestic market, as well as its ability to expand regionally.

Current structure:

Name	Position	Entity represented	Description A) (Executive/ Non-executive – Independent)
Ibrahim Aly Bahaa-El-Din Mahgoub Sarhan	Chairman of the Board of Directors and Managing Director	Himself	Executive
Hisham Ibrahim Mohamed Shaarawy	Board of Directors Member	Egyptian Company for Investment Projects (ECIP)	Non-executive
Dalia Mostafa Kamel Abdelfattah Anwar	Board of Directors Member	National Investment Bank	Non-executive
Khaled Zakaria Mohamed Amin Abueldahab	Board of Directors Member	National Investment Bank	Non-executive
Ehab Elsayed Dorra*	Board of Directors Member	Banque Misr	Non-executive
Mohamed Gameel Mahmoud Kandeel	Board of Directors Member	National Bank of Egypt	Non-executive
Ayman Esmat Mahmoud Hussein	Board of Directors Member	Egyptian Banks Company	Non-executive
Khaled Bin Abdullah Bin Nasser AlHussan	Board of Directors Member	Saudi Egyptian Investment Company	Non-executive
Ahmed Bin Mohamed Bin Samran AlAnzy	Board of Directors Member	Saudi Egyptian Investment Company	Non-executive

Ibrahim Abdelsalam Ibrahim Aly	Board of Directors Member	Himself	Experienced Member
Tarek Mahmoud Ahmed Elmahmoudy	Board of Directors Member	Himself	Independent
Nada Mohamed Wasfy Hussein Masood	Board of Directors Member	Herself	Independent

* Mr. Ehab Elsayed Dorra replaced Mr. Moataz Galal Motawea as a representative of the Bank of Egypt.

The company's general condition, results, and future:

e-finance for Digital and Financial Investments continued to consolidate its position as the largest investment company in the financial technology sector. This was clearly evidenced by the size of returns on investment garnered across companies and sectors in which it has invested recently. Notably, e-Tax achieved net profits in its first year and is on track to double it in 2024, in addition to the returns it achieves for e-finance subsidiaries through the use of its infrastructure. e-Health is following suit, mirroring similar profitability trends as it begins to implement its business model, with expectations set for substantial profitability in the coming period.

On the other hand, in order to clarify the fair evaluation of the investments that the company owns in associate companies, a re-evaluation procedure was conducted for a number of companies in which the Group is invested. The results of the evaluation of only three companies in which the Group invests resulted in an increase in the value of the e-finance Group's shareholdings in them by about EGP 54 million to more than EGP 1 billion.

In terms of investments across various business sectors within the company, the Group has continued to invest in its infrastructure to maintain its leadership in the electronic payments market. Most notably are the substantial investments directed towards cloud services that were undergone in 2023. Additional investment injections are expected in the coming period to maintain the Group's position as one of the largest players in the cloud services sector and to accommodate its expansion plans. The Group intends to focus on providing cloud services to both banking and non-banking sectors, as well as the medical sector amongst others. Additionally, they involve the delivery of value-added services to customers through collaborations with various partners. Internationally, this remarkable development in the cloud services sector reflects the Group's forward-thinking vision and substantial investments made over the years. These investments have yielded record returns for the Group, with the cloud services sector now constituting approximately 33% of the Group's total revenues.

In 2023, significant developments unfolded, showcasing the Group's forward-thinking approach and long-term investment strategies. These investments, cultivated over preceding years are yielding results and exemplifying the Group's vision for the future. Notably, the agricultural network investment yielded substantial benefits, facilitating the establishment of a governance system for fertilizer distribution across a vast market. Within a few months, this network efficiently penetrated the Egyptian market, swiftly generating revenues for the Group within the same year. Furthermore, leveraging the existing infrastructure with no new investments, the Group is preparing to venture into seed distribution and anticipates achieving strong returns. Additionally, through collaboration with the Agricultural Bank, the Group is set to manage the agricultural loans program. This partnership will enable e-Aswaaq to activate its specialized e-commerce platform, offering agricultural products to farmers. A portion of these loans will be allocated to enable farmers to procure their requirements directly from the platform.

Despite the challenges posed by the COVID-19 pandemic and prior to the full recovery of the tourism sector, the Group's investment therein was forward-thinking, foreseeing its potential contributions. Remarkably, within a span of less than two years, the tourism sector has burgeoned to encompass over 10% of the Group's total revenues, offering promising prospects for exceptional returns. Looking ahead, as the tourism industry gradually rebounds, further opportunities for growth and profitability are anticipated in the coming period.

On the other hand, the group continues to invest in information security solutions in order to maintain the security and integrity of the important systems it manages in light of the increasing global and regional threats related to information security. Furthermore, these investments not only bolster security measures but also enhance the quality of services offered to customers. Consequently, the group is empowered to extract greater returns from its existing projects.

Additionally, the Group places significant emphasis on investments in artificial intelligence, data analytics, blockchain, and other sectors poised to capitalize on the extensive growth and penetration achieved by the Group across numerous strategic sectors within the Egyptian economy.

Meanwhile, the Group is in the final stages of completing procedures to acquire shares in a group of digital payments companies that aim to redefine the Egyptian non-governmental payments landscape, enabling the Group to secure a market share aligned with its capabilities. This move also positions the Group to exert influence in the government payments market, while establishing a robust presence in the non-governmental payments sector.

The Group has also started implementing its strategy of focusing on generating revenues from transactions rather than from fixed contracts, significantly enhancing the Group's cash cycle and mitigating the negative effects of the challenging economic environment, as the Group is guaranteed to receive its due fees once the transaction is executed.

The Group also prioritizes the management of its liquidity to optimize returns for shareholders until the implementation of its announced investment strategy. This approach yielded notable results, with financing revenues and short-term investments reaching EGP 569 million in 2023. Furthermore, during the last quarter of the year, the Group bolstered its stock by acquiring over 10 million shares as treasury shares, underscoring the significant value the Group anticipates in its future endeavors.

The primary operations of the company and its subsidiaries

The Group's flagship subsidiary, e-finance for Digital Operations accounted for the majority of the Group's revenues in FY2023 with a contribution of 90%. The subsidiary delivered a revenue increase of 46% y-o-y to EGP 3.5 billion in FY2023.

Cloud hosting revenue was up 65% y-o-y to around EGP 1.3 billion in FY2023, while transaction revenue rose 59% y-o-y to EGP 1.4 billion. Growth in transaction revenue was driven by an 70% y-o-y increase in variable-fee revenues to EGP 840 million in FY2023, as well as a 44% y-o-y increase in fixed-fee revenue to EGP 510 million during the period.

Meanwhile, the subsidiary's build & operate segment witnessed a 14% y-o-y increase in revenue to EGP 829 million in FY2023.

eCards maintained its strong performance during FY2023 as revenue stood at around EGP 227 million, largely driven by a near twofold increase in card management revenue to EGP 158 million. Meanwhile, eKhales saw its revenue grow by 62% y-o-y to EGP 93 million in FY2023 on the back of higher transaction volumes.

enable's revenue grew by 40% y-o-y to EGP 120 million in FY2023, mainly supported by higher IT outsourcing revenue growth.

At eAswaaq, revenue reached EGP 301 million in FY2023, a 40% y-o-y increase driven by the rise in revenue from tourist sites.

Board of Directors Meetings:

The Board of Directors convened 10 times during 2023. The Board discussed a number of important topics which included;

- Approving the establishment of a branch for e-finance in the City of Riyadh in the Kingdom of Saudi Arabia.
- Notifying the Board of e-finance's investment strategy for 2023.
- Approving the Group's quarterly and full-year financial statements and auditor reports.
- Discussing the Audit, Governance, Investment, Risk, Information Security, and Nomination and Remuneration Committees' reports and recommendations, and taking the necessary actions.
- Approving the profit distribution for 2022 and the first half of 2023.

- Notifying the Board of the contract between one e-finance's subsidiaries and the Ministry of Agriculture to implement the electronic system related to governing and trading fertilizers.
- Notifying the Board of the recent contract signed by one of e-finance's subsidiaries with the Tax Authority, aimed at standardizing the calculation of wages and salaries tax.
- Granted approval to invest in acquiring treasury shares, up to a maximum of 1%, in alignment with the updated regulations governing treasury shares.
- Granted approval to proceed with the acquisition of shares in two digital payments companies.

Audit and Governance Committee:

Current structure:

Member Name	Entity Represented
Mohamed Tarek Youssef	Committee Chair (Experienced Member)
Khaled Zakariya	Committee Member (National Investment Bank)
Ramzy Ali	Committee Member (External Experienced Member representing the Saudi Egyptian Investment Company)

Audit committee's responsibilities, and the assigned tasks:

- Supporting the Board of Directors in overseeing the company's financial controls and preparing regular reports and recommendations for presentation to the Board. The committee is also responsible for reviewing the company's financial statements and ensuring that they have been prepared in accordance with Egyptian accounting standards, as well as studying any unusual issues and making recommendations regarding them.
- Obtaining an opinion from the external auditor regarding the quality of the company's financial statements and whether they reflect the accounting principles and standards followed, as well as assessing the main risks that the company faces, the company's degree of exposure to these risks, and the plans required to reduce exposure to these risks.

- The committee also reviews the financial data included in the Board of Directors Report, as well as any legal matters that may affect the preparation of the company's financial statements.

Audit committee achievements during the year:

No. of meetings during the year	6 meetings
If the committee reports had been presented to the BOD?	Yes
If the committee reports mention any substantive observations that should be addressed?	No
If the BOD took any actions to remedy the substantive observation?	There were no substantive observations

Investment Committee:

Current structure:

Member Name	Entity Represented
Ibrahim Abdlesalam Ibrahim Aly	Experienced Member (Committee Chair)
Dalia Mostafa Kamel Abdelfattah Anwar	Committee Member (National Investment Bank)
Khaled Alhussan	Committee Member (Saudi Egyptian Investment Company)
Ahmed Elsaeed	External Committee Member (National Bank of Egypt)
Ahmed Sobhi	External Committee Member (Banque Misr)

Investment committee's responsibilities, and the assigned tasks:

- Supporting the Board of Directors in managing investments and setting the company's investment principles, as well as overseeing investment activities in accordance with the Board's approval.
- Setting the company's investment strategy, policies, and procedures (to be approved by the Board).

- Assesses investment opportunities and provides an opinion regarding the feasibility of the investment to the Board.
- Submits periodical reports to the Board on the overall performance of the company's investments.

Investment committee achievements during the year:

No. of meetings during the year	3 meetings
If the committee reports had been presented to the BOD?	Yes

Company Employees:

Average no of employees during the year	2,425
Average income of employees during year	18,153

Employee Stock Ownership Plan (ESOP):

Total no. of shares available according to ESOP	71,111,111 shares
Total no. of shares granted during the year	16,730,877 shares
No. of beneficiaries from ESOP	172
Total no. of shares granted since the implementation of ESOP	30,261,951 shares
Owner of 5% or more of shares according to ESOP shares, or 1% of company's shares	N/A

Violations and Actions Taken related to Capital market law and Listing rules:

e-finance for Digital and Financial Investments is committed to complying with all the laws and regulations governing the financial market. The company also fully complies with the principles of integrity and transparency, protecting the rights of the company's shareholders, as well as the company's track record and reputation. Accordingly, no actions have been taken by the Financial

Regulatory Authority or by the Egyptian Stock Exchange against the company, its Board of Directors, or its management during 2023.

Transactions with relevant parties:

Contract Type	Date	Value	Subject	General Assembly Approval
Loan Agreement	September 2023	EGP 100 million	Loan agreement for EGP 100 million with eCards	To be presented to the upcoming General Assembly
Lease Agreement	03 January 2021 and renewed annually	EGP 862,750 per month	Lease agreement for the ground, first, second underground, and third underground floors for Financial Institution Operating Technology Company S.A.E. (e-finance Digital Operations)	Approval obtained on 02 October 2022

Proposed dividends to be distributed to shareholders:

Based on the record results achieved by the Group during 2023, it was proposed that a total of EGP 338,208,686 will be distributed to shareholders (cash dividends) for the second half of the year, representing around EGP 0.19 per share, after distributing the shares of the company's employees and Board Members. The proposal will be presented to the General Assembly to deliberate on. This is in addition to the dividends that were distributed for the first half of 2023 which stood at EGP 318,436,639, representing EGP 0.17746 per share.

The proposed legal reserve:

No legal reserve has been set aside as the balance of the cumulative legal reserves from the previous period exceeded 50% of the company's capital.

The company's external and international expansions:

The company is moving forward with its strategy of expanding outside of Egypt. The company has already started implementing its expansion strategy in the Kingdom of Saudi Arabia as it has began the process of establishing its inaugural branch within the Kingdom in the city of Riyadh. The branch is expected to start operating during the second quarter of the current year.

The company's contributions in the field of community development and environmental preservation:

The company's commitment:

To have a meaningful impact on the communities we serve by fully aligning with Egypt's Vision 2030 agenda and the United Nations Sustainable Development Goals (SDGs), as well as complying with ESG principles.

Focus areas:

The Egypt Vision 2030 sustainable development strategy adopts the principle of sustainable development as a general framework that aims to enhance quality of life. Accordingly, the development approach adopted by e-finance is based on five principal pillars:

1. Educational programs:

The ultimate goal is to advance society and enable its members to develop into the best possible versions of themselves. To that end, e-finance has signed a cooperation protocol with the Ministry of Higher Education and Sonaa ElKheir Foundation with the aim of supporting the Takafoa initiative, which was proposed by Sonaa ElKheir with the purpose of providing university scholarships covering the fees for 200 university students over four years, as well as supporting defaulting students, enabling them to continue their education. The Group has also refurbished and equipped a computer lab in a village in Fayoum, which coimes as part of supporting technological advancement in rural areas.

2. Essential Infrastructure:

In collaboration with Sonaa ElKheir Development Foundation, e-finance for Digital and Financial Investments works towards continuing its efforts in supporting infrastructure projects through the development and rehabilitation of Al-Safih Village in Fayoum. As part of its Sakan Kareem initiative, the Group has enhanced, rehabilitated, roofed, and furnished a total of 48 houses belonging to the village's poorest families.

3. Economic and Female Empowerment:

The Group has invested in the construction of a sustainability center in Fayoum, and four crafts have been chosen to be trained and implemented in the center, enabling women in the village and the surrounding areas to garner experience and obtain job opportunities and sources of income by learning new crafts.

The crafts were chosen based on the following criteria, all of which were given a weighted rating when choosing the crafts:

- The market demand for the final product that will be produced once the training period is complete
- The ability of the individuals being trained to learn the craft

- The availability of the required raw materials
- The availability of professional trainers, and our ability to transport them to the center or provide them with suitable accommodation

4. Health Infrastructure:

The Group financed two medical convoys to examine the health of school children, with 1,200 children benefiting from the initiative.

5. Sustainability and Sports:

Sport has now become an important pillar of sustainable development and a primary contributor to achieving peace and prosperity owing to its role in encouraging tolerance and respect, as well as its contribution to empowering women, youth, individuals, and societies, enabling them to achieve the desired goals in the fields of health, education, and social integration.

On that front, e-finance aims to support Egypt's national handball teams and create a link between youth and sports programs, which form an integral part of the Group's development priorities. The Group's strategy is focused on two pillars, the first is the role that sport plays in overcoming social development challenges, and the second is its contribution to sustainable development. These fall in line with the SDGs focused on healthcare (SDG3), education (SDG4), gender equality (SDG 5), social integration/reduced inequality (SDG 10), peace and prosperity (SDG 16).

For the second year running, e-finance fully sponsors Egypt's national handball teams, including the Men's, Women's, and Youth, and Wheelchair Teams, through which the Group has supported those teams in all their domestic and international participations.

Donations report:

e-finance for Digital and Financial Investments firmly believes in its leading role in supporting the development of the community. The company always seeks to support economic and social development initiatives for underprivileged communities. e-finance's total donations during 2023 stood at around EGP 7,785,000, which came in the form of donations to charities, the refurbishment of a number of houses in Fayoum, training and employing a number of individuals in Menoufia, and financially supporting the "Takafoa" initiative which supports students in technological universities.

The shares and bonds issued by the company during the year:

N/A

Company legal representative

Company stamp

Name:

Signature: