

E-Finance For Digital and Financial Investments Company
(S.A.E)
Interim Condensed Standalone Financial Statements
For The Financial Period Ended March 31, 2022
And Review Report



Hazem Hassan

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Review Report on Interim Condensed Standalone Financial Statements

To: Board of Directors of E-Finance for digital and financial investment Company (S.A.E)

Introduction

We have performed a review for the accompanying interim condensed standalone statement of financial position of E-Finance for digital and Financial investments Company (S.A.E) as of March 31, 2022, the related interim condensed standalone statements of profit or loss, comprehensive income, changes in equity, cash flows for the period ended March 31, 2022, a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed standalone financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed standalone financial statements.

Base for Conclusion

The Group continued to record some investments under equity investment at fair value through other comprehensive income amounting to EGP 51,599,000 on March 31, 2022, at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments" which was applied to the company's annual financial statements on December 31, 2021.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed standalone financial statements do not fairly and clearly present in all material aspects the financial position of the Company as of March 31, 2022, nor its financial performance and its cash flows for the period ended March 31, 2022, according to Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

KPMG Hazem Hassan
Public accountants and consultants

Cairo May 30, 2022



Translation from Arabic

E-Finance for Digital and Financial Investments Company
Interim Condensed Standalone Statement of Financial position as of March 31 , 2022

	<u>Note No.</u>	<u>March 31, 2022</u> <u>L.E.</u>	<u>December 31, 2021</u> <u>L.E.</u>
<u>Assets</u>			
<u>Non current assets</u>			
Fixed assets	5	70 907 155	71 417 745
Prepaid employee benefits		2 480 668	2 765 168
Investments in subsidiaries and associates	7	925 902 487	904 902 502
Equity-investment at FVTOCI	6	136 851 000	136 851 000
Deferred tax assets	8-2	15 564 438	11 410 622
Total non current assets		1 151 705 748	1 127 347 037
<u>Current assets</u>			
Other debit balances	10	221 672 445	76 450 899
Due from related parties	22-1	97 386 573	38 516 931
Financial investments at amortized cost	9	1 005 264 464	501 687 737
Cash and cash equivalents	11	1 473 636 065	1 988 917 762
Total current assets		2 797 959 547	2 605 573 329
Total assets		3 949 665 295	3 732 920 366
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital	12	924 444 445	888 888 889
Share Premium	13	1 956 462 107	2 345 616 021
Reserves		538 346 837	148 291 894
Retained earnings		219 465 698	251 607 438
Equity attributable to owners of the company		3 638 719 087	3 634 404 242
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Employee benefits		80 073 770	59 661 417
Total non current liabilities		80 073 770	59 661 417
<u>Current liabilities</u>			
Payables and other credit Balances	15	21 903 136	38 854 707
Dividend payable		208 969 302	-
Total current liabilities		230 872 438	38 854 707
Total Liabilities		310 946 208	98 516 124
Total equity and liabilities		3 949 665 295	3 732 920 366

The attached notes from (1) to (27) are an integral part of these interim condensed standalone financial statements and to be read with them.

The limited review is attached

Chairman & Managing Director
Ibrahim Sarhan



Chief executive Financial Officer
Essam Bahgat



Translation from Arabic

E-Finance for Digital and Financial Investments Company

Interim Condensed Standalone Statement of Profit or Loss for the financial period ended March 31 , 2022

	<u>Note No.</u>	<u>For the financial period ended</u>	
		<u>31 March 2022</u>	<u>31 December 2021</u>
		<u>L.E.</u>	<u>L.E.</u>
Revenues	16	217 631 049	2 956 010
Cost of Sales	17	(33 065 203)	(10 528 282)
Gross profit/ (Loss)		184 565 846	(7 572 272)
Other revenue		10 942 897	4 109 264
General and administrative expenses	18	(6 317 833)	(7 869 552)
Marketing and selling expenses	19	(9 975 855)	(550)
Other expenses		(714 000)	(755 500)
Operating Profit/ (Loss)		178 501 055	(12 088 610)
Finance cost	20	(115 034)	(109 192)
Finance Income	21	65 863 158	8 820 475
Net Profit/ (Loss) for the period before tax		244 249 179	(3 377 327)
Income tax expense	8-1	(31 248 908)	642 903
Net Profit/ (Loss) for the period		213 000 271	(2 734 424)
Basic Earning Per Share	27	0.10	(0.0017)

The attached notes from (1) to (27) are an integral part of these interim condensed standalone financial statements and to be read with them.

E-Finance for Digital and Financial Investments Company

Interim Condensed Standalone Statement of Comprehensive income for the period ended March 31, 2022

	The financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E.</u>	<u>L.E.</u>
Net Profit/ (Loss) for the period	213 000 271	(2 734 424)
<u>Other comprehensive income items:-</u>		
Actuarial gain from employee benefit plan	366 292	-
Income Tax related to other comprehensive income	(82 416)	-
Total other comprehensive income	283 876	-
Total comprehensive Income for the period	213 284 147	(2 734 424)

The attached notes from (1) to (27) are an integral part of these interim condensed standalone financial statements and to be read

E-Finance for Digital and Financial Investments Company

Translation from Arabic

Interim Condensed Standalone Statement of change in shareholders equity for the period ended March 31, 2022

	Paid in Capital	Legal Reserve	General Reserve	Reserve for spin-off	Other Reserves	Share Premium	Retained earnings	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as at 1/1/ 2022	888 888 889	55 290 530	20 000 000	69 713 888	3 904 629	2 345 616 021	250 990 285	3 634 404 242
<u>Comprehensive income</u>								
Net profit/ (Loss)	-	-	-	-	-	-	213 000 271	213 000 271
Other comprehensive income items	-	-	-	-	283 876	-	-	283 876
<u>Total comprehensive income</u>	-	-	-	-	283 876	-	213 000 271	213 284 147
Transaction with the owners's of the company								
transferred Legal Reserve	-	389 153 914	-	-	-	(389 153 914)	-	-
Capital Increase on March 17, 2022	35 555 556	-	-	-	-	-	(35 555 556)	-
Dividends according to the ordinary general assembly meeting held on March 31, 2022	-	-	-	-	-	-	(208 969 302)	(208 969 302)
<u>Total transaction with the owner's of the company</u>	35 555 556	389 153 914	-	-	-	(389 153 914)	(244 524 858)	(208 969 302)
<u>Balance as of March 31 , 2022</u>	<u>924 444 445</u>	<u>444 444 444</u>	<u>20 000 000</u>	<u>69 713 888</u>	<u>4 188 505</u>	<u>1 956 462 107</u>	<u>219 465 698</u>	<u>3 638 719 087</u>

E-Finance for Digital and Financial Investments Company

Interim Condensed Standalone Statement of change in shareholders equity for the Period ended March 31, 2022

	<u>Paid in Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Reserve for spin-off</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	
Balance as at 1/1/ 2021	800 000 000	44 727 152	20 000 000	69 713 888	3 287 476	257 806 512	1 195 535 028
<u>Comprehensive Income</u>							
Net profit	-	-	-	-	-	(2 734 424)	(2 734 424)
Other comprehensive income items	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	(2 734 424)	(2 734 424)
Transaction with the company's shareholders							
Dividends according to the ordinary general assembly meeting held in March 17, 2021	-	-	-	-	-	(207 520 401)	(207 520 401)
Total transaction with shareholders	-	-	-	-	-	(207 520 401)	(207 520 401)
Balance as of March 31, 2021	800 000 000	44 727 152	20 000 000	69 713 888	3 287 476	47 551 687	985 280 203

The attached notes from (1) to (27) are an integral part of these interim condensed standalone financial statements and to be read with them.

Translation from Arabic

E-Finance for Digital and Financial Investments Company

Interim Condensed Standalone Statement of Cash flows for the period ended March 31, 2022.

	The financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Net profit/ (loss) for the period before tax	244 249 179	(3 377 327)
<u>Adjusted as the follows:</u>		
Fixed assets depreciation expenses	694 070	493 143
Amortization of prepaid employee benefits	284 500	464 909
Dividend income from equity investment at FVOCI	(31 625 598)	(2 956 010)
Debit interest Employees Benefits	2 162 726	-
Credit interest	(48 548 408)	(8 820 476)
End of service benefit formed	18 748 967	1 162 581
	185 965 436	(13 033 180)
Change in trade and other receivables	(144 242 621)	(17 216 746)
Change in due from related parties	(59 002 690)	129 252 424
Change in trade and other payables	(16 951 571)	(43 940 712)
Cashflow provided from operating activities	(34 231 446)	55 061 786
Dividends for employees and the board of directors	-	(68 192 720)
Net cash flow provided from operating activities	(34 231 446)	(13 130 934)
<u>Cash flow from investing activities</u>		
Proceeds of investments at amortized cost	16 081 064	-
Payments for the acquisition of investments at amortized cost	(482 318 263)	-
Payment of purchasing equity investments at associates companys	(20 999 985)	(34 999 975)
Proceeds from dividends from equity investments at FVTOCI	4 496 415	2 660 409
Payment of purchasing fixed assets	(183 480)	(1 376 957)
credit interest	1 873 998	8 820 475
Net cash flow (used in) investing activities	(481 050 251)	(24 896 048)
<u>Cash flow from financing activities</u>		
Net cash flow (used in) result from financing activities	-	-
Net change in cash & cash equivalent during the period	(515 281 697)	(38 026 982)
Cash & cash equivalent at beginning of the period	1 983 380 741	430 527 096
Cash & cash equivalent at end of the period	1 468 099 044	392 500 114

The attached notes from (1) to (27) are an integral part of these interim condensed standalone financial statements and to be read

1- Company's background

1-1 Legal entity

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to E-finance for Digital and Financial investment Company– S.A.E- an Egyptian joint stock company - Giza Commercial Registry No. 15026 on 08/06/2005 in accordance with the provisions of Law No. 8 of 1997 Law of Guarantees And investment incentives, as amended by Law No. 72 of 2017 and Law No. 159 of 1981 and its executive regulations.
- The demerged company at 31 December 2020 will replace the demerger legally in terms of its rights and obligations, in what it has in rights and what it owes in obligations with what was included in the decision issued by the economic performance sector in the division (from the committee formed pursuant to decision No. 380 of 2020), and the demerged company shall replace the demerger company in all contracts and agreements concluded before the demerge, as well as in all lease contracts concluded by the demerger company before the demerge. And replace it legally in what it has in rights and what it owes in obligations as well as all licensed agreements.
- The duration of the company is twenty-five years, starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3B 82 - Smart Village - Kilo 28 Cairo-Alexandria Desert Road - Giza.

1-2 Company's Purpose:

Providing specialized operating services for information and communication technology systems, whether inside or outside the Arab Republic of Egypt (except for the Sinai region, prior approval of the authority is required) and these services include the following:

- Managing, operating and maintaining all devices, equipment and computer networks.
- Production, issuance, printing, packaging, management and operation of a smart card system.
- Managing and operating the applications for providing banking services over the phone and through the Internet, electronic payment services, and electronic circulation of secured documents.
- Establishing, managing and operating the systems and management of customer service centres through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
- Establishing and managing training centres for preparing researchers and information technology transfer centres.
- Training for operating, managing and maintaining the computer, card system and applications for providing banking services, customer service centres and applications for electronic payment services.
- Technology business incubators and entrepreneurship support.
- Information and communication technology industry, including its industrial activities, design and development of electronics, data centres and outsourcing activities, software development and technology education.
- Description, design and development of computer systems of various kinds.
- Production, development and operations of embedded systems, and training on them.
- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission and circulation networks.

2- Financial statement approval

The interim standalone condensed financial statements were approved for issuance by the Company' Board of Directors on May 30, 2022

3- Basis of preparation of standalone financial statement

The interim standalone condensed financial statements are prepared according to the going concern assumption and the historical cost basis, except for financial assets and liabilities that are recorded at fair value which is represented in financial derivatives, and financial assets and liabilities classified at fair value through profit or losses, or financial assets and liabilities classified at fair value through OCI, and also financial assets and liabilities measured at amortized cost. The historical cost in general depends on the fair value of the consideration that is delivered to obtain the assets.

3-1 Compliance by the Accounting Standards and Laws:

The interim stand-alone condensed financial statements were prepared according to the Egyptian Accounting Standards released by the minister of investment number 243 for 2006 and in the light of Egyptian laws and regulations. the Egyptian accounting standards require referring back to IFRS regarding the events and transactions which do not have an applicable Egyptian accounting standard or legal requirements that clarify a way for treatment.

3-2 Presentation Currency:

The financial statements were prepared and presented in Egyptian pound and it is the functional currency, and all the financial data that was presented in the Egyptian pound are rounded to the nearest Egyptian pound except for earnings per share, otherwise is stated in the financial statement or its disclosure.

3-3 Consolidated financial statements

The company has subsidiaries and parent companies, and the company is required to prepare consolidated financial statements in accordance with Egyptian Accounting Standard No.42 "Consolidated Financial Statements" and Article 188 of the executive regulations of the Companies Law No. 159 of 1981.

The company prepares consolidated financial statements for its subsidiaries and can be consulted to obtain a picture of the financial position, business results and cash flows of the group as a whole.

3-4 Use of professional judgment and estimates

Preparing these condensed standalone financial statements requires management to make judgments and estimates that affect the values of revenues, expenditures, assets and liabilities included in the interim standalone condensed financial statements and the accompanying disclosures, as well as disclosure of contingent liabilities at the date of the financial statements. The uncertainty surrounding these assumptions and estimates may result in results that require significant adjustments to the carrying value of the affected assets and liabilities in future periods.

Estimates and associated assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized in the period in which the estimates are revised.

The following are the main judgments and estimates that materially affect the company's interim standalone condensed financial statements:

Judgment

During the process of applying the company's accounting policies, management has taken the following provisions that have a significant impact on the amounts recognized in the interim standalone condensed financial statements:

The existence of significant influence of investments in equity instruments

The company's management decided that it has no significant influence on its investments in equity shares in some of its Investees because the company does not have the ability to participate in the financial and operational policy decisions of the investee companies. In its judgment, management has taken into consideration the timely availability of financial information, and ownership structure and management of the other shareholders holding the majority of the shares.

Equity accounted investees (associate)

The associate company is a firm for which the company has significant influence through sharing in the financial and operational decision for this firm but not to the extent of control or Joint control

Investments in associates are carried in the company's financial statements at cost.

Estimates and assumptions

The following are the main assumptions regarding the future and other major sources of estimation in case of uncertainty in the history of the financial position, which involves significant risk that causes a material adjustment to the carrying values of assets and liabilities during the next financial year. The company made its assumptions and estimates based on the available criteria when preparing the condensed standalone financial statements. However, the current circumstances and assumptions related to future developments may change due to market changes or the existence of conditions beyond the company's control, and these changes are reflected in the assumptions when they occur.

The useful life of fixed assets

The company's management determines the estimated useful life of fixed assets for the purpose of calculating depreciation. This estimate will be determined after considering the expected useful life of the asset or the depreciation of the assets. Management periodically reviews the estimated useful life and depreciation method in order to ensure that the method and duration of depreciation is consistent with the expected pattern of economic benefits arising from these assets.

Estimate of expected credit losses

It's an estimated measurement for credit losses, the present value is calculated for all decline in cash (i.e., the difference between the cash flow of the company according to contract and the cash flow the company expects to collect).

Expected credit losses are discounted at the financial asset's effective interest rate.

Impairment of non-financial assets

The Company assesses whether there are indicators of impairment in the value of non-financial assets in each reporting period. Non-financial assets are tested for impairment of value when

there are indications that the carrying amount may not be recoverable. When calculating the value in use, management estimates the expected future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate in order to calculate the present value of those cash flows.

Defined Benefit Plan

The defined benefit plan cost and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. This includes determining the discount rate, future salary increases, mortality rates, and employee turnover. Due to the complexities involved in valuation and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions, and all assumptions are reviewed at each financial position date.

The factor most subject to change is the discount rate. When determining the appropriate discount rate, the management takes into consideration the market return on high quality (company / government) bonds. The death rate is based on the death tables available in the country. These mortality tables change only at intervals in response to demographic changes. Future salary increases depend on the country's expected future inflation rates.

Fair value measurement

Fair value is the price that would be obtained to sell an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability either occurs

- In the primary market for the asset, liability, or
- In the absence of the primary market, in the most beneficial market for the asset or liability

The fair value of the asset or liability is measured using the assumptions that market participants will use when pricing the asset or liability on the assumption that market participants will act in their economic interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits through using the asset in its highest and best use or selling it to another participant who will use the asset in its highest and best use.

The company uses valuation methods that are considered appropriate according to the circumstances and for which sufficient information is available to measure fair value, while maximizing the use of relevant observable inputs and limiting the use of unobservable inputs.

All assets and liabilities that are measured or disclosed in the financial statements are classified at fair value into categories of the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the entire measurement on the fair value measurement as a whole:

- The first level: it is the quoted prices (unadjusted) in an active market for identical assets or liabilities.
- Second level: evaluation techniques in which the lowest level inputs that are important for the entire measurement are directly or indirectly observable.
- Third level: evaluation techniques in which the lowest level inputs that are important for the entire measurement are unnoticed.

4 The most significant applied accounting policies

The accounting policies applied when preparing the interim condensed standalone financial statements on March 31, 2022 are the same as the accounting policies applied when preparing the annual standalone financial statements on December 31, 2021, and these policies have been consistently applied to all the periods presented in those condensed interim standalone financial statements.

E-Finance for Digital and Financial Investments Company

Notes To The Interim Condensed Standalone Financial Statements for the period ended March 31, 2022

5- Fixed Assets

Cost	Lands & buildings		Computers		Leasehold Improvements		Furniture, Equipments and electrical appliances		Networks and electrical appliances		Total	
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost as of 1/1/2022	86 402 331		619 699		1 276 847		1 228 160		64 718		89 591 755	
Additions during the period	-		52 940		-		130 540		-		183 480	
Cost as of 31/3/2022	86 402 331		672 639		1 276 847		1 358 700		64 718		89 775 235	
Accumulated depreciation												
Accumulated depreciation as of 1/1/2022	17 873 154		149 497		65 926		83 730		1 703		18 174 010	
Depreciation of the period	498 007		79 671		35 458		76 880		4 044		694 070	
Accumulated depreciation as of 31/3/2022	18 371 161		229 168		101 394		160 610		5 747		18 868 080	
Net book value as of 31/3/2022	68 031 170		443 471		1 175 453		1 198 090		58 971		70 907 155	

Depreciation charged under the following items:

General & Administrative expenses (Note 18)	The financial period ended	
	March 31, 2022	March 31, 2021
	L.E.	L.E.
	694 070	493 143
	694 070	493 143

E-Finance for Digital and Financial Investments Company

Notes To the Interim Condensed Standalone Financial Statements for the period ended March 31, 2021

	<u>Lands & Buildings</u>	<u>Computers</u>	<u>lease hold Improvements</u>	<u>Furniture, Equipments and electrical appliances</u>	<u>Networks and electrical appliances</u>	<u>Total</u>
<u>Cost</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost as of 1/1/2021	85 108 581	-	-	-	-	85 108 581
Additions during the year	1 293 750	619 699	1 276 847	1 228 160	64 718	4 483 174
Cost as of 31/12/2021	86 402 331	619 699	1 276 847	1 228 160	64 718	89 591 755
<u>Accumulated depreciation</u>						
Accumulated depreciation as of 1/1/2021	15 886 914	-	-	-	-	15 886 914
Depreciation of the year	1 986 240	149 497	65 926	83 730	1 703	2 287 096
Accumulated depreciation as of 31/12/2021	17 873 154	149 497	65 926	83 730	1 703	18 174 010
Net book value as of 31/12/2021	68 529 177	470 202	1 210 921	1 144 430	63 015	71 417 745

6 Investment in fair value through other comprehensive income

	Percentage of Investment	March 31, 2022	December 31, 2021
	%	<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.) *	%10.20	18 000 000	18 000 000
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E) **	%9.99	33 599 000	33 599 000
Delta Misr Company for payments (S.A.E) ***	%10	1 500 000	1 500 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	83 752 000	83 752 000
		136 851 000	136 851 000

- The market risk for the available for sale investment is limited because these investments are equity instruments not dealt in active markets and with Egyptian pounds

* Investments are the value of the contribution of 10.20% in the Egyptian State Technology Services Company ESERVE (SAE), which was Registered in the Commercial Registry under No. 105277 on May 7, 2017.

** The investments are the value of the contribution of 9.99% in the Egyptian Company for Electronic Commerce Technology (MTS), which was Registered in the Commercial Registry under No. 45813 on May 17, 2010.

*** Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), which was Registered in the Commercial Registry under No. 8573 on February 21, 2019.

**** Investments are the value of the cost of acquiring 1000 shares of the International Company for Consulting and Information Systems (ACIS). The company's contribution is 10% in the company's issued capital. The company has continued to measure the investment at cost, as the cost is an appropriate estimate of the fair value. Whereas the latest available information is insufficient to measure fair value, and since there is a wide range of possible fair value measurements, and the cost represents the best estimate of fair value within that range.

7 Financial investments in subsidiaries and Associate Companies

The financial investments in subsidiaries are represented in the following: -

	Percentage of investment	March 31, 2022	December 31, 2021
	%	L.E	L.E
Khales for Digital Payment Services Company (S.A.E.) *	%70	70 000 000	70000 000
Smart Card Operation Technology Company E-Cards (S.A.E) **	%89	133 500 000	133 500 000
The Technology Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) ***	%61	27 450 000	27 450 000
E-nable for Outsourcing Services (eNable) (S.A.E) ****	%99.98	24 995 000	24 995 000
Technological Operation for Financial Institution E-finance Company (S.A.E) *****	%99.99	599 957 537	599 957 537
Technological Operation for Tax solutions e tax (S.A.E) *****	%35	34 999 975	34 999 975
Insurance Services Operation Technology Company (S.A.E) *****	%35	34 999 975	13 999 990
		925 902 487	904 902 502

* The value of the company's contribution of 70% in the issued capital of Khales for Digital Payment Services Company (S.A.E), and the payment represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 144515 on December 30, 2019.

** The value of the company's contribution of 89% in the issued capital of the Smart Card Operation Technology Company E-Cards (S.A.E), and the payment represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 146132 on January 29, 2020.

*** The value of the company's contribution of 61% in the issued capital of The Technology Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) and the payment represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 150444 on 1 July, 2020.

**** The value of the company's contribution of 99.98% in the issued capital of the E-nable for Outsourcing Services (eNable) (S.A.E) and the payment represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159506 on 29 -December-2020.

***** The value of the company's contribution of 99.99% in the issued capital of the Technological Operation for Financial Institution E-finance Company (S.A.E), and the payment represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159585 dated on December 30, 2020.

***** The value of the company's contribution of 35% in the issued capital of the Technological Operation for Tax solutions e-tax (S.A.E), and the payment represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 161093 dated on February 1, 2021.

***** The value of the company's contribution of 35% in the issued capital of the Insurance Services Operation Technology Company E-Health (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 172265 dated on September 13, 2021.

8 Tax

8-1 Income tax

	For the financial period ended	
	March 31, 2022 <u>L.E</u>	March 31, 2021 <u>L.E</u>
Current Income Tax Expenses	4 432 118	-
Dividends Income Tax from equity investments through FVOCI	3 117 595	295 601
Dividends Income Tax from equity investments in subsidiaries	18 600 545	-
Treasury bills tax	9 334 882	-
Deferred tax (income)	(4 236 232)	(938 504)
Current and deferred tax income/expense	<u>31 248 908</u>	<u>(642 903)</u>
Deferred income tax on other comprehensive income	82 416	-

8-2 Deferred income tax

A) Deferred tax assets (liabilities) recognized

	March 31, 2022		December 31, 2021	
	Assets <u>L.E</u>	Liabilities <u>L.E</u>	Assets <u>L.E</u>	Liabilities <u>L.E</u>
Depreciation of fixed assets	-	2 452 160	-	2 386 560
Employee benefit liability	18 016 598	-	13 423 819	-
Unrealized foreign exchange translation	-	-	373 363	-
	<u>18 016 598</u>	<u>2 452 160</u>	<u>13 797 182</u>	<u>2 386 560</u>
Net deferred tax assets	<u>15 564 438</u>		<u>11 410 622</u>	<u>-</u>
Deducts the previously charged deferred tax assets	(11 410 622)	-	(8 380 757)	-
Add the deferred tax assets charged to the statement of other comprehensive income	82 416	-	179 173	-
Deferred taxes for the period as income	<u>4 236 232</u>	<u>-</u>	<u>3 209 038</u>	<u>-</u>

B) Adjustment of the effective tax rate

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Net Profit of the period before Tax	244 249 179	(3 377 327)
Income Tax Based on Tax rate	54 956 065	22.5% -
Expenses that are not deductible and others	10 012 039	8 782 947
Revenues exempted	(234 562 916)	(10 480 338)
The tax Base	19 698 302	(5 074 718)
Current and deferred income tax	31 248 908	-
12.8%^s		

8-3 Income Tax payable

	For the financial period ended	
	March 31, 2021	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Income Tax at beginning of the period (debit balance)	(9 466 207)	78 605 765
Formed during the period	4 432 118	306 851
Income tax paid during the period	-	(78 912 616)
Tax Adjustments	-	(9 466 207)
	<u>(5 034 089)</u>	<u>(9 466 207)</u>

8-4 Tax position**A) corporate tax**

- The company had tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.
- The company submits the tax return on the corporate profits tax on the legal dates, and the company pays the tax due based on these returns.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 and dispute for the years 2008/2015 was ended.
- The company has not been tax examined for the years from 2016 until now.

B) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- The company's tax inspection and assessment were carried out from the beginning of the activity until 2016, and all dues were paid.
- The company has been examined for the years 2017 and 2018 and the differences have been paid.
- The company has not been tax examined for the years from 2019 until now.

C) General sales tax and value added tax

- The company submits monthly tax returns regularly on legal dates.
- The company was tax examined until 2015, and the company was informed of the tax differences of 258 thousand Egyptian pounds, which were fully paid.
- The company's tax examination was carried out for the years from January 1, 2016 until December 31, 2018 the differences have been paid.

D) Stamp Tax

- The tax was examined for the company from the beginning of the activity until 2014, and the company paid all tax dues.
- The company has not been tax inspected for the years from 2015 until now.

E) Withholding taxes

- The withholding taxes are paid on the legal dates in accordance with the provisions of the law.
- The company has not received any tax claims to date.

9 Financial investments at amortized cost

Treasury bills in the financial position represent as the following:

Purchasing value L.E	Purchasing date	Due date	Return %	Duration	Net return after tax L.E	Present Value L.E	Face Value L.E
618 954 000	4/1/2022	3/1/2023	13.13	364	15 318 584	634 272 584	700 000 000
365 052 000	1/2/2022	1/11/2022	12.80%	273	5 939 880	370 991 880	400 000 000
						<u>1 005 264 464</u>	

10 Other receivables

	March 31, 2022 L.E	December 31, 2021 L.E
Prepaid expenses	888 630	349 003
Deposits with others	100 000	100 000
Value added tax (VAT)	13 578 241	15 757 209
Income Tax	5 034 089	9 466 207
Notes Receivable		32 051 421
Prepaid employee benefits	1 138 000	1 138 000
Withholding Tax	3 839 179	3 757 447
Supplier Advance Payment	3 188 220	5 685 125
Accrued Revenue-dividends	168 269 703	6 201 122
Investment Revenue from equity investments at FVOCI	24 011 587	-
Others	1 624 796	1 945 365
	<u>221 672 445</u>	<u>76 450 899</u>

11 Cash and cash Equivalents

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Banks – Saving Accounts	1 376 771 306	1 913 928 065
Banks - time deposits	2 606 120	2 606 060
Investment funds*	94 258 639	72 383 637
Balance of cash and cash equivalents	1 473 636 065	1 988 917 762

*Investment Funds

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	24 719 136	24 161 101
Sioula Fund	49 243 014	48 117 917
Fund 30/15	20 190 120	
Youm by youm Account - Bank Misr	106 369	104 619
	94 258 639	72 383 637

For the purposes of preparing the statement of cash flows, cash and cash equivalents is represented in the following:

	For the financial period ended	
	March 31, 2022	March 31, 2022
	<u>L.E</u>	<u>L.E</u>
Cash and Its equivalents	1 473 636 065	398 037 135
Deduct:		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	1 468 099 044	392 500 114

12 Capital

12-1 The authorized capital

The company's authorized capital has been set at 4 billion Egyptian pounds (four billion Egyptian pounds) after increasing it from 3.5 billion Egyptian pounds to 4 billion Egyptian pounds, an increase of 500 million Egyptian pounds based on the decisions of the extraordinary general assembly meeting of the company held on 20 December 2020

12-2 Issued and paid-in capital

- The issued capital on the date of the company's incorporation amounted to 60 million Egyptian pounds distributed over 600 thousand shares with a par value of 100 Egyptian pounds in the commercial register on 16 August 2005.
- The issued capital was increased by 60 million Egyptian pounds based on the decision of the extraordinary general assembly meeting of the company held on December 20, 2006, so that the issued and paid-up capital of the company became 120 million Egyptian pounds.

- The extraordinary general assembly held on December 11, 2013 decided to transfer an amount of 55 million Egyptian pounds (fifty-five million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become after the increase 175 million Egyptian pounds (one hundred seventy-five million Egyptian pounds) distributed with the same proportions of ownership of the shareholders and this was recorded in the Commercial Registry on May 20, 2014.
- The extraordinary general assembly held on March 24, 2016 decided to transfer an amount of 50 million Egyptian pounds (fifty million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become after the increase 225 million Egyptian pounds (two hundred twenty-five million Egyptian pounds) Distributed with the same proportions of shareholder ownership and this was recorded in the Commercial Registry on August 1, 2016.
- The extraordinary general assembly held on November 20, 2016 decided to increase the issued capital of the company by an amount of 22.5 million Egyptian pounds (twenty-two million five hundred thousand Egyptian pounds) to make the issued capital after the increase 247.5 million Egyptian pounds (two hundred forty-seven million five hundred thousand Egyptian pounds) And the payment of it is 236.25 million Egyptian pounds (two hundred thirty-six million and two hundred fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Company for Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.
- The extraordinary general assembly held on March 21, 2018 decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) paid in full, distributed with the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full distributed with the same Shareholders ownership percentages and this was recorded in the Commercial Registry on December 19, 2018.
- The Extraordinary General Assembly held on December 23, 2019 decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly held on December 23, 2019 decided to amend the par value of the share to be 0.5 Egyptian pounds (fifty piasters) instead of 100 Egyptian pounds (one hundred Egyptian pounds) so that the issued capital becomes 800 million Egyptian pounds (eight hundred million Egyptian pounds) distributed on 1.6 billion shares.
- The Extraordinary General Assembly held on October 13, 2021 decided to increase the capital by an amount of 88 888 889 Egyptian pounds (eighty-eight million eight hundred and eighty-eight thousand eight hundred and eighty-nine Egyptian pounds) so that the issued capital amounted to 88 888 889 Egyptian pounds (eighty-eight million, eight hundred and eighty-eight

thousand eight hundred and eighty-nine Egyptian pounds) distributed over the number of 1 777 777 778 shares.

- The Ordinary General Assembly, held on September 15, 2021, decided to approve the authorization of the company's board of directors to take the necessary measures to increase the issued capital by 4%, by issuing 71 111 111 shares of value fifty piasters per share, with a total value of 35 556 556 pounds, to be limited to the reward and incentive system. On January 31, 2022, the company's board of directors held to establish and entered the commercial register on March 17, 2022.

These shares are distributed in the capital as follows:

<u>Shareholder</u>	<u>Equity Ratio</u> <u>%</u>	<u>Number of shares</u>	<u>Nominal value in EGP</u>
The National Investment Bank	46.8	865 455 038	432 727 519
National Bank of Egypt	6.69	123 636 240	61 818 120
Banque Misr	6.69	123 636 240	61 818 120
Egypt Banks Company for Technological Progress	6.69	123 636 240	61 818 120
Egyptian Company for Investment Projects	6.69	123 636 240	61 818 120
Public shares	22.6	417 777 780	208 888 889
ESOP System	3.84	71 111 111	35 555 556
	%100	1 848 888 889	924 444 445

13 Share Premium

Capital of E-Finance for Financial and Digital Investments S.A.E has been increased. With a number of 177 777 778 shares at a price of 13.98 pounds per share, the value of those shares has been collected with a total amount of 2 485 333 336 Egyptian pounds and this value has been reduced by direct expenses related to the issuance of capital increase shares amounting to 50 828 426 Egyptian pounds, as well as by the nominal value of the shares amounting to 88 888 889 Egyptian pounds, so the share premium balance on December 31, 2021 amounted to 2 345 616 021 Egyptian pounds. The amount of EGP 389 153 914 has been transferred to the legal reserve, so the share premium balance on March 31, 2022 amounted to EGP 1,956,462,107.

14 Credit facilities

<u>Bank</u>	Authorized facility limit on March 31, 2022 L.E or Its equivalents of Foreign Currency	Used until March 31, 2022 <u>L.E</u>	<u>Nature of facility</u>
Banque Misr	100 000 000	-	Limit to issuing local letters of guarantee
Banque Misr	50 000 000	-	Import letters of credits
Banque Misr	80 000 000	-	Current debt limit
QNB	50 000 000	-	Current debt limit
National Bank of Egypt	75 000 000	-	Current debt limit
National Bank of Egypt	75 000 000	-	Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000	-	Current debt limit
The United National Bank	150 000 000	-	Current debt
Arab African International Bank	75 000 000	-	Limit on issuing letter of credits
Arab African International Bank	75 000 000	-	Limit to issue letters of guarantee
Arab African International Bank	500 000	-	Issuance limit for issuing credit cards with a guarantee of deposits
Commercial International Bank	150 000 000	-	Current debt limit

15 Trade and other payables

	March 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accounts payable	3 022 286	10 288 318
	3 022 286	10 288 318
<u>Other credit balance</u>		
Accrued expenses	13 391 091	6 408 738
Payroll tax	686 362	576 691
Withholding tax	3 631 518	4 972 551
Other Credit balances	1 171 879	16 608 409
	21 903 136	38 854 707

16 Revenue:

	For the financial period ended	
	March 31, 2022	March 31, 2022
	<u>L.E</u>	<u>L.E</u>
Dividend income from equity investments FVTOCI	31 625 598	2 956 010
Dividend income from financial investments in subsidiaries	186 005 451	-
	217 631 049	2 956 010

17 Cost of sales

	For the financial period ended	
	March 31, 2022	March 31, 2022
	<u>L.E</u>	<u>L.E</u>
Salaries and Wages	11 803 829	8 896 778
Cost of the employee benefit system	20 911 693	1 162 581
Maintenance cost	10 567	4 014
Employee benefits (cars)	339 114	464 909
	33 065 203	10 528 282

18 General and Administrative Expenses

	For the financial period ended	
	March 31, 2022	March 31, 2022
	<u>L.E</u>	<u>L.E</u>
Wages and Salaries	291 868	22 374
Depreciation of fixed assets (Note 5)	694 070	493 143
Consulting	1 948 760	2 853 528
Facility Expenses	285 327	1 248 995
Maintenance Expenses	191 079	269 352
Rent	616 450	-
Donations	250 000	-
Hospitality expenses	457 186	-
Other expenses	1 583 093	702 410
	6 317 833	7 869 552

19 Selling and Marketing Expenses

For the financial period ended

	March 31, 2022 <u>L.E</u>	March 31, 2022 <u>L.E</u>
Exhibitions	1 767 602	-
Public Relations	93 000	-
Advertisements	7 964 351	-
Other Marketing Expenses	150 902	550
	<u>9 975 855</u>	<u>550</u>

20 Finance Expenses

For the financial period ended

	March 31, 2022 <u>L.E</u>	March 31, 2022 <u>L.E</u>
Bank interest expense (debit) and bank charges	115 034	109 192
	<u>115 034</u>	<u>109 192</u>

21 Finance income

For the financial period ended

	March 31, 2022 <u>L.E</u>	March 31, 2022 <u>L.E</u>
Foreign currencies exchange gain / loss	(6 500)	242
Income from Investment in cash funds	1 873 998	7 524 328
Revenue from Investments at amortized cost	46 674 410	
Bank interest on current accounts	17 321 250	1 293 706
Bank interest on deposits	-	2 199
	<u>65 863 158</u>	<u>8 820 475</u>

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Standalone Financial Statements for the financial period ended March 31, 2022

22 Related parties

Related parties are represented in investee companies, major shareholders, companies controlled by or jointly affected by these parties, pricing policies and the duration of these transactions are approved by the company's management and shareholders. The following is a summary of the related party balances and the transactions that were executed during the period between the company and related parties

22-1 Due from Related Parties:

	<u>Relations Nature</u>	<u>Transaction Nature</u>	<u>Transaction Volume during the period</u>	<u>Balance</u>	
				<u>,March 31 2022 L.E</u>	<u>,December 31 2021 L.E</u>
Smart Card Operation Technology Company E-Cards	Subsidiary	Payment on behalf Service	(6 929 045) 25 058 883	18 129 838	10 235 572
E-enable for Outsourcing Services (eNable)	Subsidiary	Payment on behalf Services Payment on behalf	5 768 607 (182 493) 5 381 693	5 586 114	2 495 173
E-finance Technological Operation For Financial Institutions	Subsidiary	Services	(104 623)	5 277 070	1 234 919
Technological Operation for Tax solutions e-tax	Associate	Payment on behalf	8 660 456	8 660 456	8 613 818
E-Aswaaq The Technology Company for Ecommerce Operations		Payment on behalf	44 339 301	44 339 301	13 025 420
Khales for Digital Payment Services Company	Subsidiary	Payment on behalf	11 404 283	11 404 283	2 386 567
E-Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	3 989 511	3 989 511	525 462
				97 386 573	38 516 931

23 Objectives and policies of financial instruments risk management

The Company is exposed to the following risks arising from the use of financial instruments:

- A) Credit risk
- B) Market risk
- C) Liquidity risk

This note provides information about the Company's exposure to each of the risks mentioned above, and the Company's objectives, policies and processes in relation to measuring and managing these risks.

The company's board of directors is responsible for developing and supervising a framework for managing the risks that the company is exposed to. The top management of the company is responsible for setting and monitoring risk management policies and submitting reports to the Board of Directors about dealing with its activities on a regular basis.

The current framework for managing financial risks in the Company is a combination of formally documented risk management policies in specific areas and undocumented risk management policies used in other areas.

A) Credit risk

They are financial losses that the company incurs in the event that the client or the counterparty fails to fulfill its obligations that are regulated by the financial instrument contract, and then the company is exposed to credit risk mainly from clients, notes and other receipts, and due from related parties as well as from its financial activities, including balances with Banks.

Other financial assets and cash deposits

With respect to credit risk arising from the company's other financial assets at amortized cost, the entity is exposed to credit risk as a result of default by the counterparty in payment to a maximum equivalent to the carrying value of these assets.

The financial sector manages credit risk arising from bank balances, and the company limits its exposure to credit risk by depositing balances with international banks only or with reputable local banks, and local banks are subject to the supervision of the Central Bank of Egypt, and thus the risk of exposure to credit risk is weak.

The maximum exposure to risk is limited to the balances shown in (Note 11)

Due from related parties

Balances due from related parties are considered to have a minimum credit risk where the maximum exposure is equivalent to the book value of these balances.

Investments

The company limits its exposure to credit risk by preparing detailed investment studies and is reviewed by the board of directors. The company's management does not expect any failure of any of the dealing parties to fulfill its obligations.

B) Market risk

Market risk arises from the fluctuation of the fair value of future cash flows of a financial instrument as a result of changes in market prices. Examples are foreign exchange rate risk and interest rate risk, which are risks that affect the company's income. Financial instruments that are affected by market risks include interest-bearing loans and deposits, the objective of market risk management is to manage and control risk within acceptable limits while at the same time

achieving remunerative returns. The company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk arises from fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in market interest rates. The Company's exposure to risk of changes in market interest rates or not is mainly related to the company's obligations with a variable interest rate and interest-bearing deposits.

The general form of the interest rate of the company's financial instruments appears at the date of the financial statements as follows:

	March 31, 2022 L.E	December 31, 2021 L.E
<u>Floating interest rate financial instruments</u>		
Cash and cash equivalents	1 473 636 065	1 988 917 762
	<u>1 473 636 065</u>	<u>1 988 917 762</u>
<u>Fixed interest rate financial Instruments</u>	March 31, 2022 L.E	December 31, 2021 L.E
Treasury bills	1 005 264 464	501 687 737
	<u>1 005 264 464</u>	<u>501 687 737</u>

Exposure to foreign exchange rate risk

The following table shows the impact of a possible acceptable change in the exchange rates of the US dollar and the euro. In light of maintaining of all other variable's constant, and the impact that occurred on the company's profits before taxation is due to changes in the value of assets and cash liabilities. Changes in the exchange rates of all other foreign currencies are not material.

<u>Foreign Currencies</u>	<u>Currency amount</u>	<u>Exchange rate</u>	<u>Net Liabilities</u>
US Dollar	6 885	18.27	125 789

C) Liquidity risk

The company's management monitors the company's cash flows, financing and liquidity requirements of the company. The company's goal is to achieve a balance between continuity of financing and flexibility by obtaining loans from banks. The company manages liquidity risk by maintaining adequate reserves and by obtaining borrowing facilities, whereby the company maintains credit limits of 980.5 million Egyptian pounds by continuously monitoring expected and actual cash flows and matching the maturity of assets and financial liabilities.

The company has sufficient cash to pay the expected operating expenses, including the financial liabilities expenses.

The table below summarizes the maturity dates of the Company's financial obligations based on contractual undiscounted payments.

On March 31, 2022	Net Book Value	Less than year	From 2 to 5 years	More than 5 years
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Suppliers and other credit balances	21 903 136	21 903 136	-	-
Other liability	80 073 770	-	-	80 073 770
Total	101 979 906	21 903 136	-	80 073 770

On December 31, 2021	Net Book Value	Less than year	From 2 to 5 years	More than 5 years
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Suppliers and other credit balances	38 854 707	38 854 707	-	-
Other liability	59 661 417	-	-	59 661 417
Total	98 516 124	38 854 707	-	59 661 417

24 Capital Management

For the purpose of managing the company's capital, it includes the capital, the issued capital and all other equity reserves of the company's shareholders.

The company manages its capital structure and makes adjustments to it in light of changes in business conditions as well as to meet future developments of the activity. No changes were made in the objectives, policies or processes during the period, and the Company is not subject to any external requirements imposed on its capital.

	March 31, 2022	December 31, 2021
Total liability	310 946 208	98 516 124
<u>Less</u>		
Cash & Equivalent	(1 473 636 065)	(1 988 917 762)
Net Liability	(1 162 689 857)	(1 890 401 638)
Total Equity	3 638 719 087	3 634 404 242
Percentage of net liabilities to total equity	(%32)	(52%)

25 Contingent liabilities

Contingent liabilities are represented in the values of letters of guarantee that were not covered by the accounts of the Company's banks on behalf of others, except for what is covered by investment fund documents, as follows:

	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Letter of Guarantee	210 707 740	210 707 740

26 Employee share option plan

- The extraordinary general assembly of the company, held on December 23, 2019, agreed to add a new chapter to the company's articles of association, which is concerned with rewarding and motivating employees and managers.
- On December 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing the capital from the retained earnings at the nominal value of the share, distributed as follows: -
 - 1) 1% of the shares allocated to the scheme under the system of promise to sell at reduced price (40% of the average share price through a period of three months).
 - 2) 3% of the shares allocated to the system are granted free of charge to the beneficiaries.
- The beneficiary of the plan must meet the plan requirements of the services period to be not less than one year before transferring the ownership of the shares to him/her, and his/her evaluation rate is not less than 90% on the annual performance evaluation reports prepared by the competent department of the company. One of these conditions could be by passed or other extra conditions could be added to them, after obtaining the approval of the Financial Supervisory Authority, and provided that no one of the beneficiaries has voted on a decision relevant to his/her benefit. The period of this plan is five years starting from the adoption of the plan by the Financial Supervisory Authority, and the company is committed to include it in its annual disclosure.
- On January 16, 2022, the employee reward and incentive system was approved by the Financial Supervisory Authority, and on January 25, the General Authority for Investment and Free Zones approved the employee reward and incentive system. On January 21, 2022, the company's board of directors convened to approve the company's capital increase by 4%, related to the system of motivating and rewarding employees.

27 Basic Earnings per share

Basic earnings per share is calculated by dividing the net profit distributable to common shareholders by the weighted average number of outstanding shares during the period.

	March 31, 2022 <u>L.E</u>	March 31, 2021 <u>L.E</u>
Net profit for the year attributable to the shareholders of the parent company (EGP)	213 000 271	(2 734 424)
Share of employees and board members proposed/actual (EGP)	(34 372 475)	-
Net profit distributable to common shareholders (EGP)	178 627 796	(2 734 424)
Average number of shares outstanding during the year for basic earnings (shares)	1 777 777 778	1 600 000 000
Basic earnings per share for the year (EGP/share)	0.10	(0.0017)