

E-Finance for technology Solutions Company
(operating technology for financial institution (E-Finance))
(formerly)

Special Purpose Consolidated Financial Statements
For the Financial Year Ended 31 December 2020
And Auditor's Report



Hazem Hassan
Public Accountants & Consultants

*Translation of Auditor's report
Originally issued in Arabic*

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

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

AUDITOR'S REPORT

To the Shareholders of

E-Finance for technology Solutions company (S.A.E)

(operating technology for financial institution (E-finance) formerly)

Report on the Financial Statements

We have audited the accompanying special purpose consolidated financial statements of E-Finance for technology Solutions Company (operating technology for financial institution (E-Finance) formerly) which comprise the special purpose consolidated statements of financial position as of 31 December 2020 and the special purpose consolidated statements of profit or loss, comprehensive income, changes in shareholders equity and cash flows for the financial year ended on 31 December 2020 and the financial year ended on 31 December 2019, and 2018 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the special purpose consolidated Financial Statements

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

Auditor's Responsibility

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

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



Hazem Hassan

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 special purpose consolidated financial statements.

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

Opinion

In our opinion, the special purpose consolidated financial statements referred to above present fairly, in all material respects, the financial position of E-Finance for technology Solutions company (operating technology for financial institutions (E-finance) formerly) as of 31 December 2020 and of its financial performance and its cash flows for the year then ended in 31 December 2020 and the financial years ended in 31 December 2019 and 2018 in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these special purpose consolidated financial statements.

Purpose

As stated in disclosure number (3-2) to the notes of the financial statements, the consolidated financial statements for special purpose were prepared for inclusion in the prospectus, and as a result the special purpose consolidated financial statement may be not suitable for any other purpose.

KPMG

KPMG Hazem Hassan
Public Accountants & Consultants



Cairo, 1 April 2021

**E-Finance for technology solutions Company (Opearting Technology of Financial Inistitutions
(E Finance Company (formerly)) (S.A.E)**

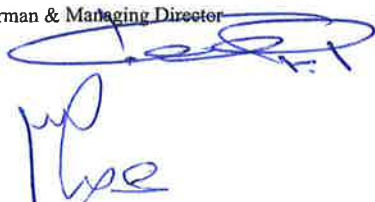
Special Purposes consolidated statement of Financial position for the year ended as of December 31, 2020

	<u>Note No.</u>	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
<u>Assets</u>		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<u>Non current assets</u>				
Fixed assets	5-2/6	199 009 056	168 578 973	164 015 435
Projects under construction	5-3/8	22 556 125	33 302 315	24 953 500
Intangible assets	5-5/7	17 521	67 380	151 954
Other financial assets	5-4/9-2	136 302 008	103 251 000	14 499 000
Deferred tax assets	10-2	25 751 098	24 289 203	22 960 255
Prepaid employee benefits -Long term	14	9 876 991	-	-
Right of use asset	22-1	92 552 288	-	-
Total non current assets		486 065 087	329 488 871	226 580 144
<u>Current assets</u>				
Inventory	5-9/11	46 186 142	17 175 265	13 376 623
Work in progress	5-10/12	12 632 744	36 683 094	29 191 799
Accounts receivable & other debit balances	13	779 897 470	664 638 988	576 711 319
Due from related parties	33-1	-	1 904 761	-
Other financial assets	5-4/9-1	-	-	67 944 000
Cash and cash equivelants	5-12/15	633 433 880	612 350 066	172 195 989
Total current assets		1 472 150 236	1 332 752 174	859 419 730
Total assets		1 958 215 323	1 662 241 045	1 085 999 874
<u>Shareholders equity & Liabilities</u>				
<u>Shareholders equity</u>				
Paid-in capital	5-13/16	800 000 000	800 000 000	500 000 000
Reserves	5-14/17	64 826 132	47 489 236	13 633 548
Retained earnings		338 450 294	261 872 664	175 100 491
Shareholder's Equity for parent Company		1 203 276 426	1 109 361 900	688 734 039
Non controlling interest	23	60 874 368	29 406 255	-
Total Shareholder's Equity		1 264 150 794	1 138 768 155	688 734 039
<u>Liabilities</u>				
<u>Non- Current Liabilities</u>				
Lease liability-long term	22-2	73 200 586	-	-
Employee benefits obligations	5-8/21	147 741 572	126 541 852	98 491 528
Total non current liabilities		220 942 158	126 541 852	98 491 528
<u>Current liabilities</u>				
Lease liability-short term	22-2	22 685 934	-	-
Provisions	5-7/19	10 000 000	10 000 000	10 000 000
Accounts payable & other credit balances	20	355 482 534	333 522 323	255 435 940
Income tax payable	5-6/10-4	84 953 903	53 408 715	33 338 367
Total current liabilities		473 122 371	396 931 038	298 774 307
Total Liabilities		694 064 529	523 472 890	397 265 835
Total liabilities and shareholders equity		1 958 215 323	1 662 241 045	1 085 999 874

The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

The Auditor's report is attached

Chairman & Managing Director



Chief Of Financial Sector



**E-Finance for technology solutions Company (Opearting Technology of Financial Inistitutions
(E Finance Company (formerly)) (S.A.E)**

Special purpose consolidated statement of Profit or Loss for the year ended December 31, 2020

	<u>Note No.</u>	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Revenue	5-17/24	1 232 338 775	983 978 558	733 123 802
Cost of revenues	25	<u>(650 118 760)</u>	<u>(543 910 088)</u>	<u>(421 728 201)</u>
Gross profit		582 220 015	440 068 470	311 395 601
Other revenue	26	2 916 046	3 149 141	7 249 775
General & administrative expenses	28	(151 444 765)	(109 402 900)	(81 472 419)
Marketing and selling expenses	29	(17 881 204)	(23 809 125)	(14 078 375)
Other expenses	30	<u>(2 171 300)</u>	<u>(979 000)</u>	<u>(778 000)</u>
Operating Profit		413 638 792	309 026 586	222 316 582
Dividends income from the investement Available for sale	27	10 164 212	10 078 404	-
Finance cost	31	(13 031 013)	(7 791 755)	(30 020 632)
Finance Income	32	<u>46 147 328</u>	<u>36 247 838</u>	<u>26 717 255</u>
Net profit for the year before tax		456 919 319	347 561 073	219 013 205
Income tax expense	10-1	<u>(104 609 558)</u>	<u>(76 981 243)</u>	<u>(42 656 443)</u>
Net profit for the year after tax		352 309 761	270 579 830	176 356 762
Distributed as follows				
Profit attributable to the parent company		353 885 119	271 173 575	176 356 762
Profit attributable to the non controlling interest		<u>(1 575 358)</u>	<u>(593 745)</u>	<u>-</u>
Profit of the year		352 309 761	270 579 830	176 356 762
Basic Earning Per Share	5-16/40	<u>0.17</u>	<u>0.19</u>	<u>0.20</u>

The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

**E-Finance for technology solutions Company (Opearting Technology of Financial
Institutions
(E Finance Company (formerly)) (S.A.E)**

Special purpose consolidated statement of Comperhensive income for Year Ended December 31, 2020

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Net profit for the year	352 309 761	270 579 830	176,356,762
<u>Other comprehensive income items:-</u>			
Actuarial gain (losses) from employee benefit plan	4 241 902	(9 205 611)	-
Income Tax related to other comprehensive income	(954 427)	2 071 262	-
Total Comphrehensive Income/ (losses) after tax	<u>3 287 475</u>	<u>(7 134 349)</u>	<u>-</u>
Total comprehensive Income for the year	<u>355 597 236</u>	<u>263 445 481</u>	<u>176 356 762</u>
Distributed as follows:			
Parent company	357 172 594	264 039 226	176,356,762
Non controlling interest	(1 575 358)	(593 745)	-
Total comprehensive Income for the year	<u>355 597 236</u>	<u>263 445 481</u>	<u>176 356 762</u>

The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

E-Finance for technology solutions Company (Operating Technology of Financial Institutions
(E Finance Company (formerly)) (S.A.E)

Translation from Arabic

Special purpose consolidated statement of change in shareholders equity for the year ended December 31, 2020

	Capital	Legal Reserve	General Reserve	Retained earnings	Equity related to parent Company	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance as at 1/1/ 2018	236 250 000	29 059 764	34 973 186	100 162 692	400 445 642	-	400 445 642
Comprehensive income							
Net profit for the year ended 31 December 2019	-	-	-	176 356 762	176 356 762	-	176 356 762
Other comprehensive income items	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	176 356 762	176 356 762	-	176 356 762
Transaction with the group's shareholders							
Dividends according to the ordinary general assembly meeting held in March 21, 2018	-	-	-	(48 818 365)	(48 818 365)	-	(48 818 365)
Increase in paid up capital	160 750 000	-	-	-	160 750 000	-	160 750 000
Transferred to legal reserve from 2018 profits	-	8 600 598	-	(8 600 598)	-	-	-
Transferred from profit to up capital based on ordinary general assembly meeting 21 March 2018	44 000 000	-	-	(44 000 000)	-	-	-
Transferred from general reserve to up capital based on ordinary general assembly meeting 21 March 2018	34 973 186	-	(34 973 186)	-	-	-	-
Transferred from legal reserve to up capital based on ordinary general assembly meeting 21 March 2018	24 026 814	(24 026 814)	-	-	-	-	-
Total transaction with group's shareholders	263 750 000	(15 426 216)	(34 973 186)	(101 418 963)	111 931 635	-	111 931 635
Balance as of December 31 , 2018	500 000 000	13 633 548	-	175 100 491	688 734 039	-	688 734 039

The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

E-Finance for technology solutions Company (Operating Technology of Financial Institutions
(E Finance Company (formerly)) (S.A.E)

Translation from Arabic

Special purpose consolidated statement of change in shareholders equity for the year ended December 31, 2020

	Capital	Legal Reserve	General Reserve	Retained earnings	Equity related to parent Company	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance as at 1/1/ 2019	500 000 000	13 633 548		175 100 491	688 734 039		688 734 039
Comprehensive income							
Net profit for the year ended 31 December 2019				271 173 575	271 173 575		270 579 830
Other comprehensive income items				(7 134 349)	(7 134 349)	(593 745)	(7 134 349)
Total comprehensive income				264 039 226	264 039 226	(593 745)	263 445 481
Transaction with the group's shareholders							
Dividends according to the ordinary general assembly meeting held in March 19 , 2019				(143 411 365)	(143 411 365)	*	(143 411 365)
Transferred to legal reserve from 2018 profits	300,000,000		20,000,000	(20 000 000)	*	*	
Increase in paid up capital		13 855 688	*	(13 855 688)	300,000,000.00	*	300 000 000
Transferred to legal reserve from 2019 profits			*		*	*	
Non controlling interest						30 000 000	30 000 000
Total transaction with group's shareholders	300 000 000	13 855 688	20 000 000	(177 267 053)	156 588 635	30 000 000	186 588 635
Balance as of December 31 , 2019	800 000 000	27 489 236	20 000 000	261 872 664	1 109 361 900	29 406 255	1 138 768 155

The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

Translation from Arabic

**E-Finance for technology solutions Company (Opearting Technology of Financial Inistitutions
(E Finance Company (formerly)) (S.A.E)**

Special purpose consolidated statement of change in shareholders equity for the year ended December 31, 2020

	<u>Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Retained earnings</u>	<u>Equity related to parent Company</u>	<u>Non controlling interest</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/ 2020	800 000 000	27 489 236	20 000 000	261 872 664	1 109 361 900	29 406 255	1 138 768 155
<u>Comprehensive Income</u>							
Net profit for the year ended 31 December 2020	-	-	-	353 885 119	353 885 119	(1 575 358)	352 309 761
Other comprehensive income items	-	-	-	3 287 475	3 287 475	-	3 287 475
Total comprehensive income	-	-	-	357 172 594	357 172 594	(1 575 358)	355 597 236
Transaction with the group's shareholders							
Dividends according to the ordinary general assembly meeting held in March 19 ,2020	-	-	-	(263 258 068)	(263 258 068)	-	(263 258 068)
Transferred to legal reserve from 2020 profits	-	17 336 896	-	(17 336 896)	-	-	-
Non controlling interest	-	-	-	-	-	33 043 471	33,043,471
Total transaction with group's shareholders	-	17 336 896	-	(280 594 964)	(263 258 068)	33 043 471	(230 214 597)
Balance as of December 31 , 2020	800 000 000	44 826 132	20 000 000	338 450 294	1 203 276 426	60 874 368	1 264 150 794

The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

**E-Finance for technology solutions Company (Opearting Technology of Financial Institutions
(E Finance Company (formerly)) (S.A.E)**

Special purpose Consolidated statement of Cash flows for year Ended December 31, 2020

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>			
Net profit for the year before income tax	456 919 319	347 561 073	219 013 205
Adjustments to reconcile net profit to			
Fixed assets depreciation	33 501 439	33 579 190	40 946 573
Amortization of intangible assets	49 859	84 574	78 563
Amortization of right of use asset	18 609 723	-	-
Amortization of advance payment- employee benefits	1 902 354	-	-
Dividend income from investments available for sale	(10 164 212)	(10 078 404)	-
Reverse impermeant of currant financial investment available for sale	-	-	(5,000,000.00)
Debit interest	1 727 045	7 791 755	29 566 630
Credit interest	(43 727 663)	(28 377 346)	(26 717 255)
End of service benefit formed	30 823 846	26 161 086	27 869 665
Provision formed for Impairment of account receivable	4 345 445	-	-
Finance expeneses-right of use asset	9 056 419	-	-
Foriegn currency translation	(2 419 665)	(7 870 492)	454 002
Cost transferred to association projects	5 456 137	-	-
Capital gain	(505 466)	(48 780)	(107 526)
	505 574 580	368 802 656	286 103 857
Change in inventory	(29 010 877)	(3 798 642)	2 412 858
Change in work in process	24 050 350	(7 491 295)	39 122 680
Change in employee benefit - advance payment	(14 763 905)	-	-
Change in accounts receivable & other debit balances	(112 587 192)	(85 323 316)	(22 963 298)
Change in due from related parties	1 904 761	(1 904 761)	-
Change in customer advance payments	-	74 075 984	(89 966 245)
Change in Accounts payable & other credit balances	24 379 876	11 880 889	(55 048 445)
cashflow result from operating activities	399 547 593	356 241 515	159 661 407
Debit interest paid	(1 727 045)	(7 791 755)	(29 566 630)
Payment to employee end of service benefits obligations	(5 382 224)	(7 316 373)	(10 565 184)
Dividends to employees and board members	(71 174 187)	(36 942 723)	(24 807 893)
Income taxes paid	(72 587 597)	(54 923 773)	(8 255 043)
Net cash flow result from operating activities	248 676 540	249 266 891	86 466 657
Cash flow from investing activities			
Proceeds from disposal of fixed assets	163 530	13 680	108 018
proceeds from sale of investments held to maturity	-	67 944 000	-
proceeds from sale of investments	-	-	1,000.00
Proceeds from dividends of financial investments avaiable for sale	9 264 212	9 178 404	-
Payment of purchasing investments available for sale	(33 051 008)	(88 752 000)	(5 000 000)
Payment of purchasing fixed assets and projects under construction	(59 198 270)	(46 449 481)	(75 392 422)
Payment of intangible assets	-	-	(35,043.00)
Credit interest collected	41 734 568	28 032 538	25 494 311
Net cash flow (used in) investing activities	(41 086 968)	(30 032 859)	(54 824 136)
Cash flow from financing activities			
Interest paid-lease contracts	(9 056 419)	-	-
Credit facility paid	-	-	(97,608,238)
Lease liability paid	(14 376 754)	-	-
Proceeds from issuance of share capital	-	300 000 000	160 750 000
Proceeds from non controlling interest share	33 043 471	30 000 000	-
Dividends to shareholders	(192 083 881)	(106 468 642)	(24 010 472)
Net cash flow (used in) result from financing activities	(182 473 583)	223 531 358	39 131 290
Net change in cash & cash equivalent during the year	25 115 989	442 765 390	70 773 811
Cash & cash equivalent at beginning of the year	602 780 870	160 015 480	89 241 669
Cash & cash equivalent at end of the year	627 896 859	602 780 870	160 015 480

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The attached notes from (1) to (41) are an integral part of these special purpose consolidated financial statements and to read with them.

1- Group's background

1-1 Legal entity

E finance for Technology Solutions

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to the Operating Technology of Financial Institutions E-Finance 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.
- Then the name was changed to E-Finance for Technology Solutions - an Egyptian joint stock company on 24/12/2020.
- 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.

Khales for digital payments services

- The company was established in the name of Khales Company for Digital Payment Services - an Egyptian joint stock company - Cairo Commercial Registry No. 144515 on 30/12/2019 in accordance with the provisions of Law No. 159 of 1981 and its executive regulations.
- The duration of the company is twenty-five years, starting from the date of registration in the commercial register.
- The company's headquarters: the third floor, Building No. B 104 - Smart Village - Kilo 28, Cairo-Alexandria Desert Road - Giza.

E Cards Integrated Smart Solutions :-

- The company was established in the name of E cards integrated smart solutions, Commercial Registry, Investment Cairo No. 146132, joint stock companies on 29/01/2020 in accordance with the provisions of Law No. 159 of 1981, the Joint Stock Companies Law and its executive regulations.
 - The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3 B 82 - Smart Village - Km 28 Cairo-Alexandria Desert Road – Giza.

E Aswaq - Electronic market operation technology company

- The company was established in the name of the Electronic Market Operation Technology Company E Aswaq, Commercial Registry of Cairo Investment No. 150444 Joint Stock Companies on 01/07/2020 in accordance with the provisions of Law 159 of 1981, the Joint Stock Companies Law and its executive regulations.
 - The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters: Building No. B 2111 - Smart Village - Km 28 Cairo-Alexandria Desert Road.

E nable Outsourcing Services Company

- The company was established in the name of E Nable, Commercial Registry, Cairo Investment No. 159506, joint stock companies on 29/12/2020, in accordance with the provisions of Law 72 of 2017.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters, Building No. B115, Smart Village, Km 28, Cairo-Alexandria Desert Road.

Operating Technology of Financial Institutions E-Finance Company (S.A.E)

- The company was established in the name of the Operating Technology of Financial Institutions E-Finance Company -S.A.E-, Commercial Registry, Cairo Investment No. 159585, joint stock companies on 30/12/2020, in accordance with the provisions of Law 72 of 2017
- The duration of the company is 25 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.
- The company was established as a result of the spin-off process, so that the demerged company would succeed the demerger company on the date of September 30, 2020, and replace it legally regarding its rights and obligations, and this according to what was assigned to it by decision of Economic Performance Sector for the spin-off (From the committee formed under Resolution No. 380 of 2020), Likewise, the demerged company replaces the demerger company in all contracts and agreements that were concluded before the spin-off, Also the demerged company replaces the demerger company legally in all asset ownership included in what is related to it ass ownership and obligation and also in all licences granted to the demerger company before the spin -off.

2-1- Group's Purpose:

**E-Finance for technology solutions company (Operating Technology of Financial
Institutions E Finance Company (Previously)) (S.A.E)**

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 centers through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
- Establishing and managing training centers for preparing researchers and information technology transfer centres.
- Train of operating, managing and maintaining the computer, the card system and applications for providing banking services, customer service centers and applications for electronic payment services.
- Technology business incubators and entrepreneurship support.
- The information and communication technology industry, including its industrial activities, design and development of electronics, data centers and outsourcing activities, software development and technology education.
- Description, design and development of computer systems of various kinds.
- Production and development of embedded systems, their operation and training on them.
- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission and circulation networks.

Khales for digital payments services

- Providing specialized operating services for information and communication technology systems and digital payments.
- Managing, operating and maintaining banks' internal computer equipment and networks, networks and mainframe computers.
- Establishing operating systems for banking services through the Internet and by telephone, providing electronic payment and collection services, and handling secured documents electronically.
- Description, analysis and design work for software, databases and applications of various kinds.
- Designing and producing programs and applications, establishing databases and electronic information systems, operating and training them.
- The production of electronic content in various forms such as sound, image and data.
- Entering data to computers and by electronic means.
- Description and design work for data transmission and circulation networks.

- Establishing and managing training centers for preparing researchers and centers for transferring and training information technology.
- Establishing, managing and developing consulting and study centers specialized in the fields of information and communication.
- Design, operation and maintenance of payment systems and electronic receipts systems.
- Trade in telecommunications equipment of all kinds, its spare parts and accessories, computers, its spare parts and accessories, and the supply of integrated systems for networks.
- Wired and wireless communication networks contracting business of all kinds, and the supply of their spare parts and requirements.
- Establishing, managing and operating outlets for the company to provide its services.
- Providing all consultations for the operation, management and maintenance of the computer, the card system and applications (except for legal advice, consultations and studies related to evaluation on the occasion of capital increase and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of the Capital Market Law and its executive regulations.).
- Establishing and operating a centre for preparing, training and developing human resources.

E Cards for integrated smart solutions:-

- Preparing, designing, operating, issuing, operating, maintaining and supplying cards, smart chips and electronic programs to identify individuals and programs for issuing electronic documents.
- Description, design and management of data transmission and circulation networks for smart cards by various electronic means.
- Supply of electronic supplies, devices and programs for smart entities facilities.
- Preparing, designing, operating and maintaining electronic identification systems for individuals and integrating them into secure smart cards.
- Providing consultations in the field of smart cards and technological solutions (except for what is related to stock markets as well as markets, legal advice, consultations and studies related to evaluation on the occasion of increasing capital and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of Capital Market Law and its executive regulations).
- Preparing training courses in the field of operating, managing and maintaining smart card systems and banking services applications.
- Preparing and designing short, medium and long-range radar stickers with smart chips, taking into account the Minister of Defense and Military Production Decision No. 64 of 2003.
- Import, export and commercial procurement.
- The company is bound by the provisions of Law No. 120 of 1982 and Law No. 121 of 1982 in the matter of the importers' registry regulating the business of the commercial agency, and the establishment of the company does not create any right to practice its purpose except after obtaining the necessary licenses to practice its purpose from the competent authorities without prejudice to the provisions of the laws regulating arranging for that purpose

**E finance for Technology Solutions (Operating Technology of Financial Institutions
(E Finance Company (formerly)) (S.A.E)
Notes to The Special Purpose Consolidated Financial Statements for The Year ended
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- Establishing and operating a factory for manufacturing, printing and packaging smart cards, smart chips and fingerprint identification devices.

- Manufacturing, printing and packaging of smart cards, smart chips and fingerprint identification devices for individuals in third parties, without prejudice to the provisions of applicable laws, regulations and decisions, and on the condition of obtaining the necessary licenses to practice these activities.

- The company may participate in any way with companies and others that carry out activities similar to its work or that may assist it in achieving its purpose in Egypt or abroad, and it may also merge with it, acquire it or join it in accordance with the provisions of the law.

E Aswaq - Electronic market operation technology company

- Establishing, developing and operating electronic markets.

- Create, design, develop, operate, manage, maintain and market e-commerce platforms and applications.

- Online marketing.

- E-commerce.

- The work of designing and producing programs and applications, establishing databases and electronic information systems, operating and training them for agricultural, industrial, technological and export fields.

- Establishing voice, video and data transmission networks and providing value-added services after obtaining a license from the concerned authorities.

- Communications and Internet services.

- Providing electronic payment services.

- Publicity and Advertising.

- Holding and organizing exhibitions (except for tourist exhibitions), conferences, public parties and symposiums, on the condition that the necessary licenses are issued for each exhibition separately.

- Carrying out graphic design work.

- Providing technical and technological consultations and technical support services to the sectors operating in the field of microfinance.

- Mediation in ending the administrative procedures for electronic services at the non-governmental agencies.

- Providing logistical services from sea and air freight of goods, unloading and sea transport.

- Managing and operating call centres.

- Collecting bills electronically.

- Establishing, operating and managing warehouses.

- Import, export and commercial agencies.

- Establish operating systems for banking services through the Internet and mobile phones.

- Trade secured documents electronically.

- Managing, maintaining and operating computer equipment, equipment and networks, and the internal systems of banks, networks, and mainframes.

- Providing specialized operating services for information and communication technology systems.

E nable Outsourcing Services Company

Activities within the Investment Law No. 72 of 2017

- The information and communication technology industry, including its industrial activities, the core of electronics development, data centres, outsourcing activities, software development and technology education.
- Description, analysis and design work for software, databases and applications of various kinds.
- The work of designing and producing programs and applications, creating databases and electronic information systems, operating and training them.
- The production of electronic content in various forms such as sound, image and data.
- Entering data on computers and by electronic means.
- Description and design of computer systems of various kinds.
- Production and development of embedded systems, operation and training on them.
- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission networks.
- Communications and Internet services
- Projects that invest in developing intellectual property rights, including patents, designs and industrial designs.
- Establishing voice, video and data transmission networks and providing value-added services after obtaining a license from the concerned authorities.
- Establishing, managing, operating and maintaining stations and networks of wired and wireless communication and satellites after obtaining a license from the concerned authorities, and this does not include radio and television.
- Scientific research and development projects for development, projects that support space science, remote investment, and modern technology projects. (Taking into account the decision of the Minister of Defence and Military Production No. 64 of 2003).
- Establishing and managing training centres for preparing researchers and information technology transfer centres.
- Establishing, managing, and developing consulting and study centres specialized in the fields of information and communication.
- Technology business incubators and entrepreneurship support.
- Activities related to converting traditional content from sound, image and data to digital content, including the digitization of scientific, cultural and artistic content.

Activities outside the Investment Law No. 72 of 2017

Establishing, operating, and managing call centres.

The company is obligated to set aside financial accounts and an independent financial position for the activities mentioned in the investment law.

Subject to the provisions of the laws, regulations and decisions in force, and the company must obtain sufficient licenses necessary to start the activity.

Operating Technology of Financial Institutions E-Finance Company (S.A.E)

Activities outside the Investment Law No. 72 of 2017

- Information and communication technology, including industrial activities, design and development of electronics and data centers, outsourcing activities, software development, and technological education.
- Software design and production.
- Design and production of computer equipment.
- Communications and Internet services.
- Establishing networks for transmitting audio, video and written information, and providing value-added services.
- Establishing and managing training centers for preparing researchers and information technology transfer centers.
- Establishing, managing, and developing consulting and study centers specialized in the fields of information and communication.
- Wholesale and retail trade of telecommunications equipment and systems, integrated systems for networks, computers, automated teller machines, points of sale, devices and equipment and importing them of all kinds, spare parts and requirements.

2- Financial statement approval

The special purpose consolidated financial statements were approved for issuance by the Company' Board of Directors on April 01, 2021

3- Basis of preparing consolidated financial statements

The special purpose consolidated financial statements are prepared(Later referred to as "Consolidated financial statement") according to the going concern assumption and the historical cost basis, except for financial assets and liabilities that are recorded at fair value and 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 special purpose consolidated financial statements were prepared according to the Egyptian Accounting Standards and the applicable Egyptian laws and regulations.

3-2 Purpose

The consolidated financial statements for special purpose were prepared for inclusion in the prospectus, and as a result the consolidated financial statement for special purpose may be not suitable for any other purpose.

3-3 Presentation Currency:

The consolidated financial statements for special purpose were prepared and presented in the Egyptian pound, and all the financial data was presented in the Egyptian pound.

3-4 Consolidation basis

The consolidated financial statements consist of the separate financial statements of the parent company and its subsidiaries for the fiscal year ending on December 31, 2020. Control is achieved when the group is exposed to, or is entitled to, variable returns through its contribution to the investee and has the ability to influence those returns through its power over the invested establishment.

Specifically, the group controls the investee if the group has:

- Power over the investee (i.e. the existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure to variable returns resulting from the partnership in the investee, or its possession of rights to these returns.
- The ability to use its power over the investee to influence the amount of returns from it.

In general, there is an assumption that owning the majority of voting rights leads to control. To support this assumption and when the group has less than the majority of voting rights or similar rights of the investee, the group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- Contractual arrangements with other vote holders of the investee company
- Right arising from other contractual arrangements
- The group's voting rights and potential voting rights

The Group reassesses whether or not the company controls the investee, if facts and circumstances indicate that there are changes in one or more of the three elements of control. Grouping of a subsidiary begins when the group obtains control of the subsidiary and stops when the group loses control of the subsidiary. The assets, liabilities, revenues and expenses of the subsidiary that were acquired or disposed of during the year are included in the consolidated financial statements from the date of the group's control until the date the group ceases to control the subsidiary.

The following steps are taken when preparing the special purpose consolidated financial statements:

- A - The book value of the parent company's investment in each subsidiary is eliminated, along with the parent company's share of equity in each subsidiary.
- B - The rights of non-controlling interest holders in the net profit or loss of the subsidiaries are determined during the year for which the consolidated financial statements are prepared.

C - The rights of the owners of the non-controlling interests in the net assets of the subsidiaries are determined and presented in the consolidated financial statements from the equity of the parent company's shareholders. As follows:

(1) The amount of equity of the non-controlling interest at the original consolidation date.

(2) The share of equity of non-controlling interest holders in the change in equity from the date of consolidation.

D - The balances, transactions, revenues and expenses exchanged between the group companies are completely eliminated.

E- The financial statements of the parent company as well as the financial statements of the subsidiaries companies that are used in preparing the consolidated financial statements are prepared on the same date and for the same financial period.

F- The consolidated financial statements are prepared using unified accounting policies for like transactions and for events that occur in the same circumstances.

G- The rights of non-controlling interest holders in the consolidated financial position are presented under equity in a separate clause from the equity holders of the parent company. The interest of non-controlling interest holders in the profit or loss of the group is also presented separately.

E-Finance for Technology Solutions (the parent company) owns, directly and indirectly, the following rights in its subsidiaries:

Subsidiaries	Activity	Country of incorporation	Direct and indirect ownership percentage
Khales	Digital payments services	Egypt	70%
Ecards	Smart card operation	Egypt	89.7%
E aswaq	Operation of electronic markets	Egypt	61%
Enable	Establishing and operations and communications centres	Egypt	99.98%
E Finance	Operating technology of financial institution	Egypt	99.99%

3-5 Use of estimates and professional judgment

Preparing these consolidated financial statements requires management to make judgments and estimates that affect the values of revenues, expenditures, assets and liabilities included in the consolidated financial statements and the accompanying disclosures, as well as disclosure of potential 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. Revisions 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 consolidated financial statements:

Judgement

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

The existence of significant influence of investments in equity instruments

The company's management decided that it has no significant influence over its equity investments even if the company owns 20% of the shares of the invested company because the company does not have the ability to participate in the financial and operational policy decisions of the invested companies. During its ruling, the management took Mindful of the timely availability of financial information, the formation of the ownership structure and the management of other shareholders who own the majority of shares.

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 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 group'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 physical 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.

Impairment of Receivable balances, notes receivable and other debit balances

An estimate of the collectible amount of receivable balances, receivables and other Debit is made when collection of the full amount is no longer expected. For individually significant amounts, this estimation is performed on an individual basis. As for amounts that are not individually significant, but which have exceeded their maturity date, they are assessed in aggregate an impairment applied according to the time period that has elapsed since their maturity date, based on historical recovery rates.

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.

3-6 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 best and best use or selling it to another participant who will use the asset in its best 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 New publications and amendments made to the Egyptian Accounting Standards

On March 18, 2019, the Minister of Investment and International Cooperation issued Resolution No. 69 of 2019 amending some standards of the Egyptian accounting standards issued by Minister of Investment's Decree No. 110 of 2015 and including some new accounting standards and amendments to some of the existing standards. It was published in the Egyptian facts on April 7, 2019.

4-1 New standards issued but not yet implemented

The following are the standards that have been issued, but are not yet in effect, up to the date the group's consolidated financial statements were issued. The Company intends to implement these standards when they become valid.

Egyptian Accounting Standard No. (47) "Financial Instruments"

Egyptian Accounting Standard No. (47) "Financial Instruments" which replaced the Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement." Egyptian Accounting Standard No. (47) was issued in April 2019 and the implementation of the standard begins on or after January 1, 2020 in Egypt (that was allowed to be postponed to 1 January 2021), with the possibility of early adoption the exception of hedge accounting, retrospective application is required but modification of comparative information is not mandatory. For hedge accounting, the requirements apply prospectively, with some limited exceptions. The company has chosen not to implement the Egyptian Accounting Standard No. (47) early.

The group's financial assets meet the conditions for classification as either amortized cost, FVTPI, or FVTPL.

The new impairment model requires recognition of impairment in value based on expected credit losses rather than credit losses incurred, as is the case in Egyptian Accounting Standard No. (26). It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under Egyptian Accounting Standard No. 48 "Revenue from Contracts with Clients", lease receivables, loan commitments and some financial guarantee contracts.

The new standard also requires more clarifications and changes in view. This is expected to change the nature and extent of the group's disclosures about its financial instruments.

The new standard requires the company to review accounting procedures and internal controls related to financial instruments for which reports are issued. These changes have not yet been finalized. Nevertheless, the company made a preliminary assessment of the potential impacts of applying Egyptian Accounting Standard No. (47) based on its financial position on December 31, 2020.

On its initial assessment, the company does not believe that the new classification requirements, if applied on December 31, 2020, will have a material impact on the

account of receivables , other receivables, suppliers, other credit balances, loans and investments in debt and equity instruments that are managed on a fair value basis.

The company believes that impairment losses are likely to increase, but not significantly, for assets that fall within the scope of impairment in Egyptian Accounting Standard No. (47).

The expected impact as a result of applying the standard as follows:

Classification and measurement

The group does not expect a material impact from the application of the classification and measurement requirements in accordance with the Egyptian Accounting Standard No. (47).

A- The group intends to keep investments in equity instruments (shares) that are currently classified as available for sale for the foreseeable future, and accordingly the group will apply the option to classify these investments as at fair value through other comprehensive income. Therefore, the effect of converting cost-proven investments to fair value may be important.

B- With regard to receivable and other receipts, the group keeps those items for collecting contractual cash flows which give the group only the principal amount and interest.

The group analysed the contractual cash flows and the group decided that the criteria for classifying these items at amortized cost are satisfied and therefore it will not reclassify those items.

Impairment

Egyptian Accounting Standard No. (47) requires the group to recognize expected credit losses on financial instruments at amortized cost and debt instruments classified at fair value through other comprehensive income on the basis of the probability of default within 12 months or over the life of the instrument.

The group will apply the simplified approach and thus recognize the impairment losses over the life of the instrument with respect to the clients and other proceeds item and it is expected on the adoption that there is no impact on Accounts receivable and other debit balances.

4-2 New standards that was issued and applied since 1 January 2020

The group applied the new Egyptian accounting standard 48 “Revenue from client contracts” and Egyptian accounting standard 49 since 1 January 2020 and it is expected that this change affects the consolidated financial statements in 31 December 2020.

Egyptian Accounting Standard No. (48) "Revenue from contracts with customers"

Egyptian Standard No. (48) was issued in April 2019 and comes into effect from January 1, 2020 (That was allowed to be postponed to 1 January 2021), and the standard establishes a five-step model for accounting for revenue from contracts with clients. Egyptian Standard No. 48 establishes a comprehensive framework for determining whether, in what amount and when revenue should be recognized. The standard replaces the current revenue recognition guidelines, including Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts". Under Egyptian Accounting Standard No. 48, revenue is recognized at an amount that represents the consideration to which the entity expects to be entitled in exchange for transferring goods or performing services promised to a customer.

The standard should be applied retrospectively for annual periods beginning on or after 1 January 2020, and early application is permitted (that was allowed to be postponed to 1 January 2021). The group has chosen to implement the standard early, and applied using the modified retrospective effect. During the year 2020, the group carried out an initial evaluation of the impact of applying the Egyptian Accounting Standard No. 48.

Through its initial evaluation, the group does not believe that there are any impact for the application of Egyptian Accounting Standard No. 48 on the basis of its financial position on 31 December 2020.

Egyptian Accounting Standard No. (49) "Lease Contracts"

Egyptian Accounting Standard No. (49) was issued in April 2019 and its effective date begins January 1, 2020. That was allowed to be postponed to January 1, 2021 the group chooses to adopt the standard early This standard will replace the Egyptian Accounting Standard 20 "Accounting rules and standards related to financial leasing operations."

Egyptian Accounting Standard No. 49 now requires lessees to recognize rental obligations that reflect future lease payments and a "usufruct" for nearly all lease contracts. There is an optional exemption for some short-term leases and leases for low-value assets.

The group adopted the standard on 1 January 2020 (As specified in note 5 -21) The group calculated the present value of the lease obligations on the first application date January 1, 2020 at the current value of the remaining lease payments, and the group chose to measure the value of the "usufruct" in an amount equal to the lease contract obligations, and thus no differences were created on the retained earnings at the date of the first application. next

A- Use a single discount rate on the lease contract portfolio.

B- The standard will not be applied for accounting for lease contracts whose lease term expires within 12 months from the date of the first application.

C- Not to separate the non-rental component, if any.

4-3 Amendments to New standards that was implemented

Amended Egyptian Accounting Standard No. (38) "employee benefits"

Some paragraphs have been added and amended to amend the accounting rules for amending, reducing and settling the employee benefits system.

Standard No. (38) amended shall be applied to financial periods beginning on or after January 1, 2020, and early adoption is permitted.

Management is currently applying the standard.

Amended Egyptian Accounting Standard No. (22) "Earnings per share"

The scope of application of the standard has been modified to make it binding on consolidated financial statements issued for all entities.

Management is currently applying the standard.

Amended Egyptian Accounting Standard No. (4) "Statement of Cash Flows"

An entity is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities that arise from financing activities, including both changes arising from cash flows or non-cash changes.

Management is currently applying the standard.

Amended Egyptian Accounting Standard No. (42) "Consolidated Financial Statements"

Some paragraphs have been added for excluding investment establishments from consolidation. This amendment has resulted in amending some standards related to the subject of investment establishments. The following are the standards that have been amended:

- Egyptian Accounting Standard No. (15) "Related Parties Disclosure"
- Egyptian Accounting Standard No. (17) "Separate Financial Statements"
- Egyptian Accounting Standard No. (18) "Investments in Associate companies "
- Egyptian Accounting Standard No. (24) "income taxes"
- Egyptian Accounting Standard No. (29) "Business Combination"
- Egyptian Accounting Standard No. (30) "Interim Financial Statements"
- Egyptian Accounting Standard No. (44) "Disclosure of shares in other entities."

The amended Standard No. (42) applies to financial periods beginning on or after January 1, 2020, and early application is permitted. New or amended paragraphs are also applied for standards that have been amended regarding investment facilities on the effective date of Egyptian Accounting Standard No. (42). "Revised consolidated financials 2019."

There is no material impact related to applying these amendments on the consolidated financial statements of the group.

5 The significant accounting policies applied

Except for the changes mentioned above in note no.4 the accounting policies set out below are applied consistently during the financial periods presented in these consolidated financial statements;

5-1 Translating transactions in foreign currencies

The group hold its accounts in Egyptian pounds, and are recognized transactions denominated in foreign currencies books on the basis of the prevailing price of foreign currency as proof of treatment, at the end of each financial period are translated with items on monetary foreign currencies using the closing rate, and are translated nature Non-monetary items that are measured at The fair value is denominated in a foreign currency using the exchange rates prevailing on the date on which the fair value is determined, and items of a non-monetary nature that are measured at the historical cost are translated into the price.

Gains or losses from translation of non-monetary items that are measured at fair value are recognized in a manner consistent with the recognition of gains or losses from the change in the fair value of the item. That is, translation differences related to items for which gains or losses from change in fair value are recognized in other comprehensive income items or in the statement of profit or loss within other comprehensive income items or in the statement of profit or loss, respectively.

5-2 Fixed assets

Recognition and measurement of Fixed assets are recognized at cost minus the accumulated depreciation and impairment losses. If the significant components of an item of fixed assets have different useful lives, then they are accounted for as separate items (major components) within those fixed assets. Profits or losses arising from disposal of fixed assets are recognized in the statement of profit or loss.

Subsequent expenditure on the acquisition of the asset is only capitalized if it is expected that they will give rise to an outflow of future economic benefit to the group.

Depreciation is charged to the consolidated income statement according to the straight-line method based on the estimated useful life of each type of fixed assets, so that it reflects the benefit from the economic benefits of the assets, and the group's management reviews the remaining useful lives of fixed assets periodically to determine whether they are compatible with ages. Previously estimated useful life, and if there is a significant difference, the assets are depreciated over the estimated remaining period.

	Assets useful life
Buildings and facilities	50 years
Network and light stream	4 years
Air conditioners and elevators	10 years
Computer	From 1 to 7 years
Furniture, tools and electrical appliances	From 2 to 4 years
Leasehold improvements	Lower of useful life or contract period
Networks	From 3 to 7 years
POS	From 2 to 3 years
ATM	5 years
Vehicles	5 years

Fixed assets are disposed when they are disposed of or when no future economic benefits are expected from their use or sale in the future. Any profits or losses that arise when the asset is disposed are recognized in the consolidated statement of profit or loss in the period in which the asset is disposed.

Land is recognized at its historical cost and is not depreciated.

The group determines, at each financial position date, whether there is an indication that a fixed asset has impaired. When the book value of the asset exceeds its recoverable amount, it is considered that there is impairment of the asset and thus it is reduced to its recoverable value. Impairment loss is recognized in the consolidated statement of profit or loss.

The loss resulting from impairment is only refunded if there has been a change in the assumptions used to determine the asset's recoverable value since the last loss resulting from impairment was proven, and the refund of the loss resulting from the impairment is limited so that the book value of the asset does not exceed its recoverable amount or the book value that was It will be determined (net of depreciation) unless the impairment loss is recognized with respect to the asset in previous years. And the response to the loss resulting from impairment is recorded in the statement of profit or loss.

5-3 Projects under Construction

Projects under construction represent amounts that have been disbursed for the purpose of creating or purchasing fixed assets or intangible assets until they are ready for use in operation, then they are transferred to fixed assets or intangible

assets, and projects under construction are evaluated at cost after deducting impairment.

5-4 Financial instruments

A) Financial assets

Initial recognition and measurement

Financial assets are classified, upon initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All financial assets are initially recognized at fair value plus, in the case of financial assets other than those measured at fair value from profit or loss, transaction costs that are directly related to the acquisition of a financial asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Financial assets available for sale

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading purposes and financial assets identified upon initial recognition as financial assets at fair value through profit or loss. Financial assets are classified as held for trading if the intention is to hold them for the purpose of selling or repurchasing in the near future. The Group has not designated any financial assets at fair value through profit or loss. Financial assets are recorded at fair value through profit or loss in the statement of financial position at fair value, with the net changes in fair value recognized as financing costs (net negative fair value changes) or finance income (net positive fair value changes) in the statement of profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. After the initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method - less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in financing income in the profit statement. The losses arising from impairment of value are included in the statement of profit or loss in the financing costs of the loans and in the costs of sales or other operating expenses of the customers' item. This category generally applies to receivables and other debits.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity investments when the group has the positive intention and ability to hold them to maturity. After the initial measurement, the investments held to maturity are measured at amortized cost using the effective interest rate - less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are included in the statement of profit or loss as a finance cost.

Financial assets available for sale

Available-for-sale financial assets include investments in stocks and debt securities. Investments in equities classified as available for sale are those investments that are not designated as held for trading or are not designated at fair value through profit or loss. Debt securities in this category are those assets that are held for an indefinite period of time and can be sold in response to liquidity needs or in response to changes in market conditions.

After the initial measurement, financial assets available for sale are measured at fair value, with unrealized gains or losses recognized in other comprehensive income and recorded as a reserve of available-for-sale assets until the investment is excluded, at which time the accumulated gains or losses are recognized in other income or when the investment is determined. It is exposed to impairment when the accumulated losses from the available-for-sale financial assets reserve are reclassified to the statement of profit or loss under financing costs. Interest earned while holding available-for-sale financial assets is recognized as interest income using the effective interest rate method.

Dividends from financial assets available for sale in equity instruments are recognized in the statement of profit or loss in investment income.

Derecognition of financial assets

A financial asset is mainly excluded (or where necessary, part of the financial asset or part of a group of similar financial assets) (i.e. excluded from the balance sheet) when:

- The right to receive cash flows from the asset has expired, or
- The group has transferred its rights to receive cash flows out of an asset or incurred an obligation to pay fully received cash flows without material delay to a third party under a “passage” agreement, or (a) the group transfers nearly all of the risks and benefits of the asset or (b) the group fails to transfers or retains all risks and rewards of the asset but transfers control of the asset.

When the group transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it evaluates whether, and to what extent, it has retained the risks and benefits associated with ownership and has not transferred

or retained significantly all of the risks and benefits associated with the asset and has not transferred its control over the asset. Then, the asset is recognized to the extent that the group's relationship with it continues. In that case, the group continues to recognize the liabilities related to the asset. The associated liability and the transferred asset are measured on a basis that reflects the rights and obligations that the group has retained.

The continuation of the relationship in the form of a security over the transferred asset is measured by the original carrying amount of the asset and the maximum amount that the group can be required to repay - whichever is lower.

b) The Financial liabilities:
Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss or - as loans or creditors, as appropriate. All financial liabilities are recognized initially at fair value, with costs directly attributable to transactions deducted in the case of loans and creditors. Includes group financial liabilities, suppliers, creditors, other liabilities and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as shown below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities specified upon initial recognition of fair value through profit or loss. Financial liabilities are classified as held for trading liabilities when obtained with the purpose of repurchasing them in the near future. Profits or losses from liabilities held for trading are recognized in the statement of profit or loss. Specific financial liabilities are determined upon initial recognition of fair value through profit or loss on the initial recognition date and only if the controls in Egyptian Accounting Standard No. (26) are met. The group has not identified any financial liability at fair value through profit or loss.

Loans

This category is considered the most suitable for the group. After initial recognition, the loans are subsequently measured at amortized cost using the effective interest rate method. Profits and losses are recognized in the statement of profit or loss upon exclusion of liabilities, as well as through the depreciation process using the effective interest rate method.

Amortized cost is calculated by taking any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. Effective interest rate amortization is included in financing costs in the statement of profit or loss. This category applies to all loans generally.

Derecognition of financial liabilities

A financial liability is derecognised when it is discharged, cancelled or expired. When an existing financial obligation is substituted for another from the same lender under significantly different terms or the terms of the current obligation are modified significantly, such replacement or amendment is treated as an exclusion of the original financial obligation with the recognition of the new obligation. The difference between the book values is recorded in the profit or loss statement.

Offsetting financial instruments

Financial assets and financial liabilities are offset and recorded net in the statement of financial position only when there is a current enforceable right to settle the amounts stated in the net and the group has the intention to settle the assets with liabilities on a net basis or collect the assets and pay the liabilities simultaneously.

5-5 Intangible assets

Intangible assets acquired separately are recognized initially at cost.

After initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

The intangible assets generated internally are not capitalized as an asset and the expenses are recognized in the consolidated statement of profit or loss in the year in which the expenses were spent.

The useful lives of intangible assets are determined either as finite or indefinite.

Intangible assets with a finite useful life are amortized and are assessed for purposes of impairment when there is an indication that the intangible asset may be impaired. The amortization expense is charged to the consolidated statement of profit or loss.

The management reviews the estimated useful lives and amortization method periodically to ensure the consistency of the method and the amortization period with the expected pattern of economic benefits from these assets at the end of the date of each financial position. The amortization of intangible assets is calculated on a straight-line basis over the useful life of the asset as follows:

The useful life of the asset

Computer Programs

4 years

5-6 Income tax

Tax income counted according to the Egyptian Tax Law.

1- Current tax

Current taxes for the current period and previous periods that have not been paid yet are recognized as a liability, but if the taxes that were actually paid in the current period and previous periods exceed the value due for these periods, then this increase is recognized as an asset. Current tax liabilities (assets) for the current and prior periods are measured at the value expected to be paid to (recovered from) the tax authority, using tax rates (and tax laws) in effect at the end of the financial period.

Current income tax related to recognized items is recognized directly in equity in owner's statement and not in the statement of profit or loss.

Management periodically assesses the positions taken in the tax returns in relation to cases in which the applicable tax regulations are subject to interpretation and makes provisions where appropriate.

2- Deferred tax

Deferred income tax is recognized by following the liabilities method on temporary differences between the recognized value of the asset or liability for tax purposes (tax basis) and its value included in the statement of financial position (accounting basis) at the end of the financial period.

The deferred tax liability is recognized for all temporary differences that are subject to tax, except for the following:

- When the deferred tax liability arises from the first recognition of goodwill and the first recognition of the asset or liability in a process that does not represent a business combination which, at the date of the operation's origination, had no effect on both the accounting profit and the tax profit (tax loss).
- With regard to taxable temporary differences related to investments in subsidiaries and sister companies and stakes in joint ventures, when the parent group, investor, or stake holder is able to control the timing of the reversal of the temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future.

A deferred tax asset is recognized for all deductible temporary tax differences to the extent that the tax profit is expected to be sufficient to offset the deductible temporary difference, tax deductions and carry forward tax losses, except for the following:

- When the deferred tax asset relates to deductible temporary tax differences that arose from the initial recognition of an asset or liability in a process that does not represent a business combination and at the date of the operation's

establishment, it had no effect on both the accounting profit and the tax profit (tax loss).

- For deductible temporary differences related to investments in subsidiaries and sister companies and stakes in joint ventures, they are recognized only to the extent that it is likely that the temporary differences will reflect (i.e. become taxable as deductions) in the foreseeable future and that there will be a future tax profit. Which can be used for these temporary difference opposites.

At the end of each financial period, the entity reassesses the carrying amount of the deferred tax asset and is reduced to the extent that sufficient expected tax profits are no longer available to benefit from all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the end of each financial period, and deferred tax assets that have not been previously recognized are recognized to the extent that it becomes probable that a future tax profit will allow the value of the deferred tax asset to be absorbed.

Deferred tax is included as income or expense in the statement of profit or loss for the period, except for the tax that results from a transaction or event in the same period or other period directly within equity.

The entity makes a set-off between the deferred tax asset and the deferred tax liability only if the establishment has a legal right to set off a set-off between the current tax asset and the current tax liability, and the deferred tax assets and deferred tax liabilities relate to income taxes imposed by the same tax administration on the same taxable entity.

5-7 Provisions

Provisions are recognized when there is a current or constructive legal obligation as a result of a past event and it is expected that an outflow of economic benefits will be required to be used to settle the advance. If the effect of the time value of money is material, then the value of provisions is determined by discounting the expected future cash flows by discounting the pre-tax deduction rate if the current assessment of the assessment reflects the current estimate. The balance of provisions is reviewed at the date of the financial position and amended as necessary to reflect the current best estimate.

5-8 End of Service Benefits

The group manages a defined benefit plan for its employees. This plan is not funded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The re-measurements that include actuarial profits or losses are recognized immediately in the statement of financial position and the counterparty, whether indebted or creditor of the retained earnings, is through other comprehensive income in the period in which they occur. Reclassification of measurements is not made to the statement of profit or loss in subsequent periods.

The cost of past service is recognized as an expense on one of the following dates - whichever comes first:

- When an amendment or reduction to the system occurs. or
- When the entity recognizes the costs of the related restructuring.

The group calculates the net interest expense by applying a discount rate to the defined benefit obligation. The group recognizes changes in the following defined benefit obligation under “cost of revenue” and “general and administrative expenses” in the profit or loss statement (as per the functional classification):

- Service costs which include current service cost, past service costs, curtailment gains and losses, non-routine adjustments and adjustments
- Net interest expense

5-9 Inventory

Inventory is initially measured at cost which includes purchase costs, transfer costs and other costs incurred in bringing the inventory to its present location and condition. After initial recognition, inventory is measured at cost or net realizable value, whichever is lower.

The group uses a costing method (first in first out) to measure cost.

Net realizable value is the estimated selling price in the normal course of business, minus the variable selling expenses.

5-10 work in progress

All costs associated with work-in-progress are collected in a work-in-progress account until the completion of these works and the value of these works is confirmed in the financial statements at cost or net recoverable value, whichever is less, and the cost includes all costs directly related to contracts concluded with clients until the completion of the contract and delivery to the customer .

5-11 Social Insurance

The group makes contributions to the national organization for social insurance and is calculated as a percentage of employees' salaries. The group's obligations are limited to these contributions, which are expensed when due.

5-12 Cash and cash equivalents

Cash and cash equivalents include cash balances in the fund, current accounts with banks, time deposits, treasury bills and investment fund deposits, which do not exceed three months - if any - and the bank balance is considered an overdraft, which will be paid upon request as part of the group's management of funds for the purposes of preparing the cash flow statement.

5-13 share capital

Issuance of shares

The additional costs directly related to the issuance of new shares are calculated by deducting these net costs from equity after deducting income tax, if any.

Share capital repurchase

The value paid to purchase equity capital shares recorded in equity must be recognized as a change in the equity value including the purchase expenses. Shares purchased are classified as treasury shares and deducted from total equity.

5-14 Legal reserve

In accordance with the requirements of the Companies Law and the Group's Articles of Association, 5% of the annual net profit is deducted to form a legal reserve. The legal reserve is used to increase the share capital or reduce the group's losses. The deduction of this percentage stops when the reserve balance reaches 50% of the issued capital of the group, and in the event that this reserve falls below the mentioned percentage, the formation of this amount must be set aside.

5-15 Employees' share of profit

In accordance with the articles of association, the group pays a cash share to the employees in the profits in accordance with the rules proposed by the group's board of directors and approved by the general assembly. The employees' share of profits is recognized as a dividend in the statement of changes in equity and as a liability during the financial year in which the group's shareholders approve this distribution.

5-16 Earnings per share

The group displays the basic share of the share of its ordinary shares. The basic share is calculated by dividing the profit or loss related to the shareholders on their contribution to the ordinary shares of the group by the weighted average number of ordinary shares outstanding during the year.

5-17 Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for such transfer.

The group recognizes revenue from contracts with customers based on a five-step model as set out in EAS (48) and is given below:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met;

Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer;

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for

transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties;

Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation;

Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) The performance of the group does not create an asset with an alternative use for the group, and that the group has an enforceable right to payment for performance completed to date.

b) Group performance creates or improves a customer-controlled asset at the same time as the asset is being constructed or improved.

c) The customer simultaneously receives and consumes the benefits provided by the entity's performance once the Group has performed.

For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Group fulfills the performance obligation by providing the services that have been promised, this creates an asset based on a contract in exchange for consideration gained from performance. In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, a contract obligation may arise.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees. The Group reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and that revenue and costs, where applicable, can be measured reliably.

5-18 Expenses

All expenses are recognized, including the cost of revenues, general, administrative, marketing and financing expenses, and are included in the consolidated statement of profit or loss in accordance with the principle of accrual in the fiscal year in which those expenses were realized.

5-19 Borrowing costs

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset that requires an extended period of time to prepare it for use in its intended purposes or for its sale are capitalized as part of the cost of the asset. Other borrowing costs are charged as an expense in the period in which they are

recognized in the consolidated statement of profit or loss using the effective interest rate method. Borrowing costs are the interest and other costs that the group spends on borrowing the money.

5-20 Impairment in the value of financial and non-financial assets

Financial assets

The group assesses, at each financial position date, whether there is objective evidence of impairment in the value of a financial asset or a group of financial assets. A financial asset or a group of financial assets is considered to have been exposed or exposed to impairment only if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset and the loss event had an effect on the estimated future cash flows of the financial asset or the group of financial assets that can be estimated Reliably. Evidence of impairment may include indications that the debtors or a group of debtors are facing significant financial difficulties, delay or default in the payment of interest or principal payments, and the possibility that they will enter bankruptcy or another financial restructuring situation where the observed data indicate that there is a measurable decline In the estimated future cash flows.

Financial assets at amortized cost

With regard to financial assets at amortized cost, the group initially assesses the extent of impairment in value at the individual level of the financial assets that are considered significant in themselves or at the collective level for financial assets that are not considered significant in themselves. If the group decides that there is no objective evidence of impairment in value for any financial asset that has been separately assessed - whether material or not - then the group places the financial asset within a group of financial assets with similar credit risk characteristics and collectively evaluates them to determine impairment - if any. For assets that are individually assessed for determining impairment and that have experienced an impairment loss that was included or continue to suffer an impairment loss, they are not included in the collective assessment of impairment.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding expected future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

In the event that the amount of the impairment loss is increased or decreased in the estimated value - in a subsequent year - due to the occurrence of an event after the recognition of the impairment, then the previously recorded impairment loss is increased or decreased by adjusting the impairment account. If impairment is subsequently recovered, the recovery is included in financing costs in the consolidated statement of profit or loss and other comprehensive income.

Investments available for sale

For available-for-sale financial investments, the group assesses, at each financial position date, whether there is objective evidence that an investment or group of investments has impaired.

In the case of investments in equity instruments classified as available for sale investments, any significant or permanent decline in the fair value of the investments in equity instruments below their cost is considered objective evidence of impairment. What is "significant" is evaluated against the original cost of the investment and "perpetual" is evaluated against the period in which the fair value has been less than the original cost. When there is evidence of impairment in value, accumulated losses - which were measured as the difference between the acquisition cost and the current fair value minus any impairment loss in the value from the investment previously included in other comprehensive income - are excluded from comprehensive income and included in the statement of profit or loss. And other comprehensive income. Impairment losses are not reflected in the value of investments in equity instruments through the statement of profit or loss. The increase in the fair value after the impairment loss is recognized in other comprehensive income.

In the case of debt instruments classified as investments available for sale, the impairment loss is assessed based on the same criteria as the financial assets carried at amortized cost. However, the amount recorded as an impairment loss is a cumulative loss that is measured as a difference between the amortized cost and the current fair value, less any impairment loss in the value of that investment that was previously included in the list of profits or losses and other comprehensive income.

Future interest income continues at the reduced carrying amount of the asset based on the use of the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of the finance income. In the event that the fair value of a financial instrument increases in a subsequent year, then the fair value of the financial instrument increases and this increase can be attributed to an event that occurred after the impairment loss was recognized in the consolidated statement of profit or loss and other comprehensive income, then the recording of the loss resulting from it is reversed Impairment in value through the statement of profit or loss and other comprehensive income.

Non-financial assets

The carrying values of the group's non-financial assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the group estimates the asset's recoverable amount. Impairment occurs when the carrying value of the asset or cash-generating unit exceeds the recoverable amount, which is the fair value less costs to sell or value in use - whichever is higher. The fair value less costs to sell is based on available data from binding sale transactions that are made on a non-compulsory basis for similar assets. The value in use calculation is based on the

DCF model using the pre-tax discount rate to reflect current market assessments of the time value of money and the risks specific to the asset.

The losses arising from impairment in value are included in the statement of profit or loss. With regard to the losses arising from the impairment of the value of the cash-generating unit, they are distributed in principle to reduce the carrying value of any goodwill allocated to the units. Then the carrying values of other assets in the unit (group of units) are reduced on a proportional basis.

5-21 Lease contracts

The Group, as a lessee, recognizes the “right of use” asset and the lease liability at the commencement date of the lease.

On initial recognition, the right-of-use asset is measured as the amount equal to the initially measured lease liability, adjusted for pre-contract lease payments, initial direct cost and lease incentives, and the discounted value of the estimated costs of decommissioning and removing the asset. In the subsequent measurement, the right-of-use asset is measured at cost less accumulated amortization and accumulated impairment losses. amortization is calculated on a straight-line basis over the estimated useful life of the right-of-use assets or the lease term - whichever is less.

Lease liabilities are first measured at the present value of the lease payments unpaid on that date and related services fixed over the lease term, and the lease payments must be discounted using the incremental borrowing rate. Generally, the group uses the incremental borrowing rate as the discount rate. The lease liability is then measured at amortized cost using the effective interest rate method.

The right-of-use assets and lease liability will be subsequently re-measured if one of the following events occurs:

- The change in the rental price due to the linkage to the rates or rate that became effective during the period.
- Amendments to the lease agreement.
- Reassess the lease term.

Leases of non-core assets not related to the Group's principal operating activities, which are by nature short-term (less than 12 months including renewal options) and leases of low-value commodities are recognized in the consolidated statement of profit or loss as incurred.

The group applied the Egyptian Accounting Standard No. (49) to lease contracts from the date of January 1, 2020, and the comparative figures for the year were not modified before the first application of the standard. Right-of-use assets arising from operating leases are measured by the amount of the lease liability at the date of initial application (adjusted for any lease expense advance or accrued).

The average incremental interest rate applicable to recognized lease commitments was 13.25%.

Significant Judgements

Egyptian Accounting Standard No. 49 requires a group to assess the lease term as the non-cancellable lease period in line with the lease with the period for which the group has extension options that it is certain to exercise, the periods specified by the group, and the periods for which the group has termination options that It is uncertain that the group will implement it.

**E-Finance for technology solutions Company (Opearting Technology of Financial Instituitiions
(E Finance Company (formerly)) (S.A.E)**

Notes To The Special purpose Consolidated Financial Statements For the financial year ended December 31, 2020

(6) Fixed Assets

	<u>Lands & buildings</u>	<u>Equipments, Computer & software</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</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>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<u>Cost</u>									
Cost as of 1/1/2020	84 965 789	227 232 081	10 981 081	21 278 316	28 123 688	89 643 426	26 912 863	1 278 800	490 416 044
Additions	142 797	16 801 046	10 918 033	11 849 199	822 592	2 744 920	3 682 771	-	46 961 358
Disposals	-	(989 226)	(527 221)	(2 259 824)	(953 912)	(1 679 564)	(3 366 091)	-	(9 775 838)
Transferred to projects cost	-	(1 897 358)	-	-	-	(3 578 422)	-	-	(5 475 780)
Transferred from projects under construction	-	11 769	-	22 390 853	-	-	580 480	-	22 983 102
Cost as of 31/12/2020	85 108 586	241 158 312	21 371 893	53 258 544	27 992 368	87 130 360	27 810 023	1 278 800	545 108 886
<u>Accumulated depreciation</u>									
Accumulated depreciation as of 1/1/2020	13 918 933	155 209 202	4 013 765	15 233 236	23 249 377	84 341 582	24 710 426	1 160 550	321 837 071
Depreciation of the year	1 967 982	17 031 297	2 034 915	8 920 361	1 078 671	1 489 858	860 106	118 249	33 501 439
Accumulated depreciation transferred to projects' costs	-	-	-	-	-	(19 643)	-	-	(19 643)
Disposals	-	(944 563)	(514 490)	(1 903 791)	(848 658)	(1 641 444)	(3 366 091)	-	(9 219 037)
Accumulated depreciation as of 31/12/2020	15 886 915	171 295 936	5 534 190	22 249 806	23 479 390	84 170 353	22 204 441	1 278 799	346 099 830
Net book value as of 31/12/2020	69 221 671	69 862 376	15 837 703	31 008 738	4 512 978	2 960 007	5 605 582	1	199 009 056

**E-Finance for technology solutions Company (Opearting Technology of Financial Institutions
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Notes To The special purpose Financial Statements For the financial year ended December 31, 2020**

(6) Fixed Assets

	<u>Lands & buildings</u>	<u>Equipments, Computer & software</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</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>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost									
Cost as of 1/1/2019	84 965 789	200 107 256	8 937 740	17 434 415	27 508 769	86 078 875	25 969 583	1 278 800	452 281 227
Additions	-	27 124 825	2 043 341	3 843 901	614 919	3 679 759	943 280	-	38 250 025
Disposals	-	-	-	-	-	(115 208)	-	-	(115 208)
Cost as of 31/12/2019	84 965 789	227 232 081	10 981 081	21 278 316	28 123 688	89 643 426	26 912 863	1 278 800	490 416 044
Accumulated depreciation									
Accumulated depreciation as of 1/1/2019	10 439 200	134 262 608	2 843 564	11 934 307	22 007 337	81 551 063	24 209 883	1 017 830	288 265 792
Depreciation of the year	3 479 733	20 946 594	1 170 201	3 298 929	1 242 040	2 798 430	500 543	142 720	33 579 190
Disposals	-	-	-	-	-	(7 911)	-	-	(7 911)
Accumulated depreciation as of 31/12/2019	13 918 933	155 209 202	4 013 765	15 233 236	23 249 377	84 341 582	24 710 426	1 160 550	321 837 071
Net book value as of 31/12/2019	71 046 856	72 022 879	6 967 316	6 045 080	4 874 311	5 301 844	2 202 437	118 250	168 578 973

**E-Finance for technology solutions Company (Opearting Technology of Financial Institutions
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Notes To The special purpose Financial Statements For the financial year ended December 31, 2020

(6) Fixed Assets

<u>Cost</u>	<u>Lands & buildings</u>	<u>Equipments, Computer & software</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</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>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost as of 1/1/2018	84 965 789	140 267 230	8 501 105	16 424 512	25 900 567	82 856 550	24 591 452	1 278 800	384 786 005
Additions	-	59 616 965	436 635	1 008 885	341 710	3 073 816	0	-	64 478 011
Disposals	-	-	-	-	-	(39,724,00)	(73,069,00)	-	(112 793)
Transferred from projects under construction	-	223,061.00	-	1,018.00	1,266,492.00	188,233.00	1,451,200.00	-	3 130 004
Cost as of 31/12/2018	84 965 789	200 107 256	8 937 740	17 434 415	27 508 769	86 078 875	25 969 583	1 278 800	452 281 227

Accumulated depreciation

Accumulated depreciation as of 1/1/2018	6 959 467	110 250 852	1 830 775	8 361 848	18 377 935	76 878 074	23 900 208	872 361	247 431 520
Depreciation of the year	3 479 733	24 011 756	1 012 789	3 572 459	3 629 402	4 712 221	382 744	145 469	40 946 573
Disposals	-	-	-	-	-	(39 232)	(73 069)	-	(112 301)
Accumulated depreciation as of 31/12/2018	10 439 200	134 262 608	2 843 564	11 934 307	22 007 337	81 551 063	24 209 883	1 017 830	288 265 792
Net book value as of 31/12/2018	74 526 589	65 844 648	6 094 176	5 500 108	5 501 432	4 527 812	1 759 700	260 970	164 015 435

Depreciation charged to the following items

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Cost of revenue (note25)	23 006 316	23 389 624	31 253 194
General and administrative expenses (Note 28)	10 495 123	10 189 566	9 693 379
Total depreciation	33 501 439	33 579 190	40 946 573

7 Intangible assets

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Cost			
Beginning cost of the year	368 036	368 036	332 993
Addition			35 043
Cost end of the year balance	368 036	368 036	368 036
Deduct:			
opening accumulated amortization	300 656	216 082	137 519
Amortization for the year	49 859	84 574	78 563
Accumulated amortization at end of the year	350 515	300 656	216 082
Net Book Value at end of the year	17 521	67 380	151 954

Amortisation is charged within the following items:

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
General and Administrative Expenses (Note 28)	49 859	84 574	78 563
	49 859	84 574	78 563

8 Projects under Construction

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Printers and smart card devices under installation	4 036 151	28 719 427	0
Computers for Operating activities	1 109 126	2 459 871	2 618 322
ATM	3 651 619	737 935	1 885 580
Computers and software	3 559 863	722 796	1 177 000
Point of sale machines	9 529 682	513 735	18 773 370
Networks	669 684	148 551	499 228
	22 556 125	33 302 315	24 953 500

9 Other financial assets

9-1 Investments held to maturity

<u>Issue date</u>	<u>Maturity date</u>	<u>Certificate no#</u>	<u>Certificate Value</u>	<u>Total value of certificates</u>		
				<u>31/12/2021</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
09/09/2014	<u>09/09/2019</u>	40 000	1000	-	-	40 000 000
10/09/2014	<u>10/09/2019</u>	7 944	1000	-	-	7 944 000
09/09/2014	<u>09/09/2019</u>	20 000	1000	-	-	20 000 000
		67 944	1000	-	-	67 944 000

9-2 Investment available for sale

	<u>%</u>	<u>Value of investment</u>		
		<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
		<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.)*	10.20 %	18 000 000	9 000 000	4 500 000
The Egyptian Company for Electronic Commerce Technology MTS (SAE) **	%9.99	33 599 000	9 999 000	9 999 000
Delta Egypt Payments Company (SAE) ***	%10	500 000	500 000	
The International Company for Consulting and Information Systems (ACIS) ****	%10	83 752 000	83 752 000	
Other investments*****		451 008	-	
		136 302 008	103 251 000	14 499 000
Financial assets-long-term		136 302 008	103 251 000	14 499 000
Financial assets-short-term		-	-	67 944 000
Total		136 302 008	103 251 000	82 443 000

- Available-for-sale financial investments are measured at cost when the fair value is not measurable
- 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 Company for the Governmental Technological Services ESERVE (S.A.E.) and the payment represents 100% of the group's share in the issued capital, 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), and the payment represents

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100% of the issued capital, which was Registered in the Commercial Registry under No. 45813 on May 17, 2010.

An impairment of the full value of these investments occurred on December 31, 2012 due to the group's failure to start its activity on its date, and the impairment was reversed on December 31, 2018 with an amount of 5 000 000.

The company sold one share of the Egyptian Company for Electronic Commerce Technology (MTS) for the amount of L.E 1,000 during 2018.

*** Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), and the payment represents 25% of the issued capital of the company, which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 (the company did not start Activity yet).

**** Investments are the value of the cost of acquiring 1000 shares of the International Company for Consulting and Information Systems (ACIS) according to the company's fair value report. The group's contribution is 10% in the company's issued capital.

***** The investment presents the share of non-controlling interest share in the companies of the group

10 Tax:

10-1 Income tax

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Current Income Tax Expenses	104 132 785	74 994 121	40 703 226
Tax dividends income from investments available for sale	900 000	900 000	-
Treasury bills tax	1 993 095	344 808	1 222 944
Deferred tax (income) \ expense	(2 416 322)	742 314	730 273
	104 609 558	76 981 243	42 656 443
Deferred income tax on other comprehensive income / (expense)	954 427	(2 071 262)	-

10-2 Deferred tax

A) Deferred tax assets recognized

	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Depreciation of fixed assets	-	7 117 393	--	3 617 317
Obligations of the employee service benefits	33 241 854	-	28 471 916	--
Unrealized foreign exchange translation	-	373 363	-	565 396
	33 241 854	7 490 756	28 471 916	4 182 713
Net deferred tax assets	25 751 098	-	24 289 203	-
Deducts the previously charged deferred tax assets	(24 289 203)	-	(22 960 255)	--
Deduct the deferred tax assets charged to the statement of other comprehensive income	954 427	-	(2 071 262)	--
Deferred taxes for the Year as income (expenses)	2 416 322	-	(742 314)	--

	31/12/2018	
	Assets	Liabilities
	<u>L.E</u>	<u>L.E</u>
Depreciation of fixed assets	860 708	-
Obligations of the employee service benefits	22 160 594	-
Unrealized foreign exchange translation	-	61 047
	23 021 302	61 047
Net deferred tax assets	22 960 255	-
Deducts the previously charged deferred tax assets	(23 690 528)	-
Deduct the deferred tax assets charged to the statement of other comprehensive income	-	-
Deferred taxes for the Year as income (expenses)	(730 273)	-

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B) Unrecognized deferred tax assets

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Provisions	2 250 000	2 250 000	2 250 000
Impairment in Account receivables	1 373 046	393 296	393 296
	3 623 046	2 643 296	2 643 296

- The deferred tax assets for temporary differences were not recognized above due to the lack of an appropriate degree to ascertain the extent to which the group will benefit from these assets in the foreseeable future.

10-3 Adjustment of the effective tax rate

	31/12/2020		31/12/2019		31/12/2018
	<u>L.E</u>		<u>L.E</u>		<u>L.E</u>
Net Profit Before Tax	456 919 319		347 561 073		219 013 205
Tax Income Based on Tax rate	22.5% <u>102 806 847</u>	22.5%	<u>78 201 241</u>		<u>49 277 971</u> 22.5%
Expenses that are not deductible and others	24 131 412		17 986 267		3 653 048
Revenues exempted	<u>(16 119 362)</u>		<u>(30 707 656)</u>		<u>(36 327 724)</u>
The tax base	<u>464 931 369</u>		<u>334 839 684</u>		<u>186 338 529</u>
Current and deferred income tax	22.9% <u>104 609 558</u>	22.1%	<u>76 981 243</u>		<u>42 656 443</u> 19.5%

10-4 Income Tax payable

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Accrued Income Tax at beginning of the year	53 408 715	33 338 367	890 184
Formed during the year	104 132 785	74 994 121	40 703 226
Income tax paid	(51 253 313)	(33 338 367)	(890 184)
Withholding tax-debit	(21 334 284)	(21 585 406)	(7 364 859)
	84 953 903	53 408 715	33 338 367

10-5 Tax position

E finance for Technology Solutions (Operating Technology of Financial Institutions E Finance Company (Previously))

A) corporate tax

- The company is subjected to a 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 was re-examined and the examination and dispute for the years 2008/2015 was ended, and the settlement was ended with a tax of 3 052 209 Egyptian pounds, and the settlement and payment were made.
- The company has not been tax examined for the years from 2016 until the date of financial statements.

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 2017, and all dues were paid.
- The company has not been tax examined for the years from 2018 until now.

C) General sales tax and value added tax

- The company submits monthly tax returns regularly on legal dates.
- The tax was examined for the company 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, and forms are being extracted.

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.

F) withholding taxes

- withholding taxes is paid on legal dates.
- The company has not received any tax claims to date.

Khales Digital Payment Services Company

a) Corporate tax

- Khales Digital Payments Services Company was established on December 30, 2019 and has not yet submitted tax returns in accordance with the law, and there are no tax claims on the company.

b) Value added tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records has not been inspected yet.

c) Stamp tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records has not been inspected yet.

E-Cards integrated technology

a) Corporate tax

- E-Cards company was established on January 29, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

b) Value added tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records has not been inspected yet.

c) Stamp tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records has not been inspected yet.

E-Aswaq Electronic Market Operation Technology Company

a) Corporate tax

- E-Aswaq Company was established on July 1, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

b) Value added tax

- The company has not been registered yet.

c) Stamp tax

- The company's records has not been inspected yet.

E-nable Outsourcing Services Company

a) Corporate tax

- E-nable outsourcing services company was established on December 29, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

b) Value added tax

- The company has not been registered yet.

c) Stamp tax

- The company's records has not been inspected yet.

Operating technology of financial institution E-finance Company (S.A.E)

a) Corporate tax

- Operating technology of financial institution E-finance Company was established on December 30, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

b) Value added tax

- The company has not been registered yet.

c) Stamp tax

- The company's records has not been inspected yet.

11 Inventory

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Cards, Cards supplies	29 347 165	17 175 565	13 376 623
Computer devices	314 724	-	0
Spare parts	488 219	-	0
Point of sale	15 159 818	-	0
Stationary	876 216	-	0
	<u>46 186 142</u>	<u>17 175 565</u>	<u>13 376 623</u>

12 Work in progress

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Work in progress for the Government sector	12 632 744	30 155 384	28 242 060
Work in progress for private sector	-	6 527 710	949 739
	<u>12 632 744</u>	<u>36 683 094</u>	<u>29 191 799</u>

13 Accounts receivable and Other Debited Balances

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Accounts receivable	375 419 419	421 072 869	386 283 975
Notes Receivables	-	-	148 205
Impairment in Accounts receivable	(6 102 427)	(1 747 982)	(1 747 982)
Accounts receivables (net)	<u>369 316 992</u>	<u>419 324 887</u>	<u>384 432 198</u>
<u>Other Debited Balances</u>			
Prepaid expenses	9 580 873	22 815 736	24 666 168
Advance to suppliers	19 233 441	2 985 524	3 786 964
Accrued revenue and accrued interest	312 708 257	194 161 529	135 646 959
Deposits with others	7 702 952	1 840 976	1 228 201
Deposits with others - Retention	40 808 071	21 600 050	23 305 037
Value added tax	5 839 259	-	0
Letter of guarantee	8 139 024	-	0
Withholding tax	138 350	-	0
Prepaid employees' benefits (note 14)	2 984 560	-	0
Other debit balances	3 391 691	1 910 286	3 393 792
Total other debit balances	<u>410 580 478</u>	<u>245 314 101</u>	<u>192 027 121</u>
Total account receivable and debit balances	<u>779 897 470</u>	<u>664 638 988</u>	<u>576 711 319</u>

14 Prepaid employees' benefits

According to the decision of the Board of Directors held on February 25, 2020, the proposal submitted by the Personnel Affairs Department regarding adding a car benefit for the senior management and the managing director was approved instead of the monthly transportation allowance, after submitting the proposal to the Financial Benefits Committee, compensation and rewards.

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Beginning balance	-	-	-
Additions of the year	14 763 905	-	-
Amortization of the year	(1 902 354)	-	-
Net balance	12 861 551	-	-

Distributes as follows: -

Short term prepayments (Note 13)	2 984 560	-	-
Prepaid employee benefits – Long term	9 876 991	-	-
Total balance	12 861 551	-	-

The amounts charged to the consolidated statement of profit and loss are: -

Cost of revenues (Note 25)	1 029 031	-
General and administrative expenses (Note 28)	873 323	-
Total	1 902 354	-

15 Cash and cash Equivalents

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Banks – Saving Accounts	432 958 069	344 107 546	12 172 971
Banks - time deposits	3 010 329	140 292 544	2 465 841
* Investment funds	197 464 532	127 949 976	157 557 177
Cash	950	-	-
Balance of cash and cash equivalents	633 433 880	612 350 066	172 195 989

***Investment Funds**

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	197 367 136	127 264 334	156 904 247
The Fourth Fund –National Bank of Egypt	-	500 045	489 645
Day to Day Account - Bank Misr	97 396	185 597	163 285
	<u>197 464 532</u>	<u>127 949 976</u>	<u>157 557 177</u>

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

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Cash and Its equivalents	633 433 880	612 350 066	172 195 989
<u>Deduct:</u>			
Mortgaged cash investment fund documents against letters of guarantee in favor of others	(5 537 021)	(9 569 196)	(12 180 509)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>627 896 859</u>	<u>602 780 870</u>	<u>160 015 480</u>

16-Capital

16-1 The authorized capital

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

16-2 issued and paid-up capital

- The issued capital on the date of the group'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 group held on December 20, 2006, so that the issued and paid up capital of the group 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 group to become the issued and paid-up capital after the increase of 175 million Egyptian pounds (one hundred seventy five million Egyptian pounds) distributed in the same proportions of ownership of the shareholders and this was entered 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 group to become the issued and paid-up capital after the increase is 225 million Egyptian pounds (two hundred twenty five million Egyptian pounds) Distributed in the same proportions of shareholder ownership and this was entered in the Commercial Registry on August 1, 2016.
- The extraordinary general assembly convened on November 20, 2016 decided to increase the issued capital of the group 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 thousand and two fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Group 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 group 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) Egyptian) paid in full distributed in 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 group 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 in the same Shareholders ownership percentages and this was entered in the Commercial Registry on December 19, 2018.
- The Extraordinary General Assembly held on September 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 group's commercial register on December 15, 2019.

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- The extraordinary general assembly convened on September 23, 2019 decided to amend the par value of the share to 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, and these shares are distributed in the capital as follows:

<u>Shareholder</u>	<u>Equity Ratio</u>	<u>Number of shares</u>	<u>Nominal value in EGP</u>
	<u>%</u>		
The National Investment Bank	63.64	1 018 182 400	509 091 200
National Bank of Egypt	9.09	145 454 400	72 727 200
Banque Misr	9.09	145 454 400	72 727 200
Egypt Banks Company for Technological Progress	9.09	145 454 400	72 727 200
Egyptian Company for Investment Projects	9.09	145 454 400	72 727 200
	%100	1 600 000 000	800 000 000

17- Reserves

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Legal Reserve *	44 826 132	27 489 236	13 633 548
General Reserve **	20 000 000	20 000 000	0
	64 826 132	47 489 236	13 633 548

* In accordance with the requirements of the Companies Law and the Group's Articles of Association, 5% of the annual net profit is deducted to form a legal reserve. The legal reserve is used to increase the share capital or reduce the group's losses. The deduction of this percentage stops when the reserve balance reaches 50% of the issued capital of the group, and in the case that this reserve falls below the mentioned percentage, the formation of this amount must be set aside.

** According to Article (54) of the group's articles of association, an extraordinary reserve is formed based on the proposal of the group's board of directors, provided that it is approved by the general assembly.

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According to general assembly meeting held on 19 March 2019 an amount of general reserve of 20 million was formed

18- Credit liabilities

<u>Bank</u>	Authorized facility limit L.E or Its equivalents of Foreign Currency	<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	Existing debt limit
QNB	50 000 000	Existing debt limit
National Bank of Egypt	75 000 000	Existing debt limit
National Bank of Egypt	75 000 000	Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000	Existing debt limit
The United National Bank	150 000 000	Existing debt
Arabian African Bank	75 000 000	Limit on issuing letter of credits
Arabian African Bank	75 000 000	Limit to issue letters of guarantee
Arabian African Bank	500 000	Issuance limit for issuing credit cards with a guarantee of deposits
Commercial International Bank	150 000 000	Existing debt limit

The group has not used any of these credit facilities for the financial year ended as of 31-12-2020.

19- Provisions

	Balance on 1 January 2020 L.E	Formed during the year L.E	No longer required L.E	Used during the year L.E	Balance on 31 December 2020 L.E
Provision for expected claims	10 000 000	--	--	--	10 000 000
	10 000 000	--	--	--	10 000 000
	Balance on 1 January 2019 L.E	Formed during the year L.E	No longer required L.E	Used during the year L.E	Balance on 31 December 2019 L.E
Provision for expected claims	10 000 000	--	--	--	10 000 000
	10 000 000	--	--	--	10 000 000
	Balance on 1 January 2018 L.E	Formed during the year L.E	No longer required L.E	Used during the year L.E	Balance on 31 December 2018 L.E
Provision for expected claims	10 000 000	--	--	--	10 000 000
	10 000 000	--	--	--	10 000 000

- Provisions are formed according to the best estimate of the value of the expected liabilities at the date of the financial statements arising from the group's practice of its activities and its contractual relations with others. The provisions formed during the year are included in the item of other expenses in the consolidated statement of profit or loss. The group's management annually reviews and settles these allocations according to the latest developments. And discussions and agreements with interested parties.

- The usual information about these provisions was not disclosed in accordance with the Egyptian Accounting Standards, as the group's management believes that doing so strongly affects the final settlement of these contingent claims.

20- Accounts payable and other credit balances

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Accounts payable	175 208 275	132 994 675	140 272 835
	175 208 275	132 994 675	140 272 835
Other credit balance			
Accrued expenses	15 440 065	16 266 077	27 102 812
Payroll tax	9 319 497	24 709 430	11 692 520
Value Added Tax (VAT)	24 357 006	22 016 677	12 940 786
Advance from customers	124 721 040	131 876 158	57 800 174
Withholding tax	4 332 944	3 975 151	4 161 880
Retention payable	494 581	595 730	229 551
Other Credit balances	1 609 126	1 088 425	1 235 382
Total credit balances	180 274 259	200 527 648	115 163 105
Total payable and other credit balances	355 482 534	333 522 323	255 435 940

21- Obligations of the employees end of service benefits

Based on the decision of the parent group's board of directors on March 9, 2010, it has been decided to approve the leave service reward system for the employees and the managing director, whereby the group's employees benefit from it upon the end of their service period in the group in accordance with the conditions specified in the regulations approved by the group's board of directors, provided that the group's management invests the system's funds The best possible investment.

21-1 Movement in the present value of the employee benefits end of service benefits

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Liability at beginning of the year	126 541 852	98 491 528	81 187 047
Interest Cost	17 715 859	15 758 644	12 989 928
Current service cost	13 107 987	10 402 442	14 879 737
Actuarial loss (gain) on the liability recognized in other comprehensive income	(4 241 902)	9 205 611	0
Paid from end of service benefits	(5 382 224)	(7 316 373)	(10 565 184)
Liabilities on end of the year	147 741 572	126 541 852	98 491 528

21-2 The amounts recognized in the consolidated statement of profit or loss

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Current Service Cost	13 107 987	10 402 442	14 879 737
The interest cost on the obligation	17 715 859	15 758 644	12 989 928
End of the year	30 823 846	26 161 086	27 869 665

21-3 The most significant actuarial assumptions used in calculating the obligation according to the actuarial expert's study

	31/12/2020	31/12/2019	31/12/2018
Deduct Rate	%14.00	%18.00	%16.00
Average Salary Rate	%12.00	%14.00	%12.00
Death Rate	%2.45	%2.45	%2.58

21-4 Quantitative sensitivity analysis of the discount rate assumption for the benefit obligation is as follows:

<u>Assumptions</u>	<u>Level of Sensitivity</u>			
	31/12/2020		31/12/2019	
	Increase	Decrease	Increase	Decrease
	%0.50	%0.50	%0.50	%0.50
Discount rate	138 350 879	157 132 265	118 792 726	134 290 978
Current Salary rate	157 132 265	138 350 879	134 290 978	118 792 726
Death rate	151 214 720	144 268 424	127 348 357	125 735 347

The above sensitivity analysis has been determined based on a method that captures the effect on the benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a fundamental assumption, while keeping all other assumptions constant. The sensitivity analysis may not be expressive of any actual change in the defined benefit obligation because it is unlikely that changes in the assumptions will occur in isolation from one another.

21-5 Demographic data	2020	2019	2018
Number of joint employees (employees)	584	462	391
Average age (year)	35.05	34.91	34.81
Average monthly salary (Egyptian pounds)	30 634	20 896	17 873
Average service life (y ear)	4.44	4.71	4.83

22- Lease contracts

The group makes lease contract for the branches and administrative buildings, this lasts from 2 to 8 years with the option to renew after that date, after the lapse of the lease there is a renegotiation for renewal and the renewal cost that reflect market lease cost, for some of lease contracts, the group is prohibited to make any arrangements with subcontractor, those was classified previously as operating leases and their cost was rental cost charged to statement of profits and losses

22-1 Right of use asset

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Balance at 1 January 2020	-	-	-
Additions	119 820 996	-	-
Disposals	(12 439 234)	-	-
Balance at 31 December 2020	107 381 762	-	-
Amortization of the year	18 609 723	-	-
Disposals	(3 780 249)	-	-
	14 829 474	-	-
Net Right of use	92 552 288	-	-

22-2 Lease Liability

The following is the minimum future lease liability within the lease contract in addition to the current value of minimum lease payments.

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Balance at 1 January 2020	-	-	-
Additions	119 820 996	-	-
Disposals	(9 557 722)	-	-
Finance Cost	9 056 419	-	-
Lease payment	(23 433 173)	-	-
Balance at the end of the year	95 886 520	-	-
They are divided as follows: -			
Contract lease liability – non-current liability	73 200 586	-	-
Contract lease liability- current liability	22 685 934	-	-
Balance at the end of the year	95 886 520	-	-

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23 Non-Controlling interest

	E- Finance	E-Cards	Khales	E-Aswaq	E-nable	Total
Balance on January 1, 2019	-	-	-	-	-	-
Share of non-controlling interests in capital	-	-	30 000 000	-	-	30 000 000
The share of non-controlling interests in losses for the year	-	-	(593 745)	-	-	(593 745)
Total non-controlling interest as at December 31, 2019	-	-	29 406 255	-	-	29 406 255
The change in the share of non-controlling interests in the capital	42 463	15 450 000	-	17 550 000	1 008	33 043 471
The change in the share of non-controlling interests in the capital	-	1 622 917	1 187 625	(4 385 896)	(4)	(1 575 358)
Total non-controlling interests as at December 31, 2020	42 463	17 072 917	30 593 880	13 164 104	1 004	60 874 368

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24 Revenues:

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Installation services and card operation revenue	555 724 149	350 600 881	226 249 440
Integrated solutions revenue	188 448 228	201 543 321	175 209 615
Hosting services revenue	173 410 643	77 835 816	21 795 018
Installations and technical support revenue	94 413 013	65 596 186	64 272 915
Retail services revenue	25 344 328	11 933 290	1 201 490
Maintenance contracts and networks revenue	96 335 259	153 932 695	124 287 354
Call center revenue	31 823 488	20 612 419	12 970 026
Cards Center Revenue	40 689 039	77 788 991	90 611 680
Other revenue	26 150 628	24 134 959	16 526 264
	<u>1 232 338 775</u>	<u>983 978 558</u>	<u>733 123 802</u>

25 Cost of revenues

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Salaries and Wages	218 454 713	170 973 511	127 822 456
Cost of employee benefit system	25 106 753	21 492 161	22 614 003
Infrastructure cost	187 381 536	155 842 612	118 446 400
Cost of goods sold	134 325 983	113 525 134	79 078 391
Depreciation of fixed assets (Note 6)	23 006 316	23 389 624	31 253 194
Amortization of ROU asset (Note 22-1)	7 443 459	-	0
Employee benefits (cars) (note 14)	1 029 031	-	0
Write off	9 006 027	-	0
Bad debts	4 354 445	-	0
Card Centre	9 596 943	25 247 890	17 369 715
Technical advice and support	22 750 404	25 744 748	19 084 820
Rent	2 302 906	6 231 777	5 059 799
Other Costs	5 360 244	1 462 631	999 423
	<u>650 118 760</u>	<u>543 910 088</u>	<u>421 728 201</u>

26 Other Revenues:

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Revers of investment impairment			5 000 000
Capital gain / (loss)	(393 273)	48 780	107 526
Other revenue	3 309 319	3 100 361	2 142 249
	<u>2 916 046</u>	<u>3 149 141</u>	<u>7 249 775</u>

27 Dividend income from available-for-sale financial investments

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.)	10 164 212	10 078 404	0
	<u>10 164 212</u>	<u>10 078 404</u>	<u>0</u>

28 General and Administrative Expenses

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Wages and Salaries	59 784 729	42 234 578	32 548 879
Cost of employee end of service benefits	5 717 093	4 668 925	5 255 663
Amortization of ROU asset (Note 22-1)	11 166 264	-	0
Depreciation of fixed assets (Note 6)	10 495 123	10 189 566	9 693 379
Amortization of intangible assets (Note 7)	49 859	84 574	78 563
Consulting	13 212 999	10 352 850	3 073 419
Facility Expenses	2 735 747	3 131 193	2 619 107
Maintenance Expenses	4 514 239	2 291 510	1 626 428
Renting	5 112 830	4 525 047	3 900 490
Donations	3 500 000	1 500 000	1 000 000
Employee benefits (cars) (note 14)	873 323	-	0
Stamps and deductions	13 371 014	13 101 735	9 323 079
Other expenses	20 911 545	17 322 922	12 353 412
	<u>151 444 765</u>	<u>109 402 900</u>	<u>81 472 419</u>

29 Selling and Marketing Expenses

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Exhibitions	10 909 708	15 787 475	9 325 672
Public Relations	3 534 307	3 799 092	3 374 847
Advertisements	2 264 653	3 222 356	708 071
Other Marketing Expenses	1 172 536	1 000 202	669 785
	<u>17 881 204</u>	<u>23 809 125</u>	<u>14 078 375</u>

30 Other Expenses

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Attendance, remuneration and allowances for members of the Board of Directors	2 171 300	979 000	778 000
	<u>2 171 300</u>	<u>979 000</u>	<u>778 000</u>

31 Finance Expenses

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Debit interest expense and bank charges	1 727 045	7 791 755	29 566 630
Foreign exchange realized	2 247 549	--	454 002
Finance cost-lease contracts (note 22-2)	9 056 419	--	0
	<u>13 031 013</u>	<u>7 791 755</u>	<u>30 020 632</u>

32 Finance income

	31/12/2020	31/12/2019	31/12/2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Foreign exchange gain	2 419 665	7 870 492	0
Income from investment in cash funds	22 031 569	16 450 897	14 172 729
Revenues of Suez Canal Certificates	-	7 431 212	10 531 319
Bank interest on current accounts	19 954 918	4 270 042	1 619 658
Bank interest on deposits	1 741 176	225 195	393 549
	<u>46 147 328</u>	<u>36 247 838</u>	<u>26 717 255</u>

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33 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 group's management and shareholders.

The following is a summary of the related party balances and the transactions that were executed during the year between the group and related parties

	<u>Relations Nature</u>	<u>Transaction Nature</u>	<u>Transaction Volume during the year</u>	<u>31 Dec 2019</u>		<u>31 Dec 2018</u>	
				<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
33-1 Due from Related Parties:							
E Cards *	Subsidiary	Finance	-	-	1 904 761	-	-
				-	1 904 761	-	-
33-2 Transactions from Related Parties:							
(debit balances)							
The National Investment Bank	shareholder	Service	858 886	609 606	1 079 991	996 037	
Global company for consulting and information technology (ACIS)	Investee	Service	236 438 780	85 003 032	84 814 764	73 878 124	
Egyptian banks for technological advancements	Shareholder	Service	32 533 389	5 488 810	12 767 173	14 293 110	
National bank of Egypt	shareholder	Financial deals	8 320 098	8 528 637	208 539	2 571 877	
Banque Misr	Shareholder	Service	5 701 698	5 048 433	8 737 451	1 596 036	
				104 678 518	107 607 918	93 335 184	
33-3 Transactions to Related Parties:							
(credit balances)							
Egyptian banks for technological advancements	Shareholder	Service		-	4 479 369	-	
				-	4 479 369	-	

*This amount is represented in due from E cards as it was a subsidiary under incorporation at 31-12-2019

34 Segment reporting

The group has (10) sectors that can be disclosed as shown below, which are the strategic business units of the group. Strategic business units offer different products and services, and they are managed separately because they require different strategies. For each of the strategic business units, the Group's senior management reviews internal management reports on at least a quarterly basis.

The following summary explains the operations in each of the reporting sectors of the group:

- Sector (A) - tariff for services and operation of cards
- Sector (B) - integrated solutions
- Sector (C) - installations and technical support services
- Sector (D) - retail services
- Sector (E) – Communication center services
- Sector (F) - Card Center services
- Sector (G) - hosting services
- Sector (H) - maintenance and network contracts
- Sector (K) – other
- Sector (I) – Investment available for sale

Segment results that are disclosed to senior management (group chairman, (CEO), chief operating officer (COO), and chief financial officer (CFO) include items that are directly proportional to the sector in addition to those that can be allocated on an acceptable basis. .

Information on the results of each of the sectors that are disclosed is listed below. Performance is measured based on segment revenue, as included in the internal management reports that are reviewed by the top management.

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Segment Reporting

The financial year ended on 31 December 2020	Installation services and		Installations and		Dividends from	
	operation of		Technological		investments	
	cards		Support		available for	
	L.E	L.E	L.E	L.E	sale	Total L.E
Revenues	555 724 149	188 448 228	173 410 643	94 413 013	25 344 328	31 823 488
Depreciation	(11 252 260)	(1 000 893)	(10 983 485)	(2 717 284)	(904 348)	(2 412 044)
Direct cost	(93 076 850)	(14 987 318)	(5 936 234)	(39 700 833)	(2 438 274)	(26 167 685)
Salaries and wages and employees' benefits	(114 832 647)	(27 217 518)	(16 808 998)	(16 875 426)	(13 729 442)	(8 363 065)
Total Cost	(219 161 757)	(43 205 729)	(33 728 717)	(59 293 543)	(17 072 064)	(36 942 794)
Gross profit / (loss)	336 562 392	145 242 499	139 681 926	35 119 470	8 272 264	(5 119 306)
Gross Profit/loss percentage	%61	%77	%80	%37	%33	(%16)
Other expense and other revenue	(61 237 754)	(24 407 688)	(17 638 393)	(4 894 313)	(483 476)	(2 728 908)
Dividends income	--	--	--	--	--	--
Net Profit before tax	275 324 638	120 834 811	122 043 533	30 225 157	7 788 788	(7 848 214)
Net profit %	%50	%64	%70	%32	%31	(%25)
					10 164 212	10 164 212
					--	--
					(9 573 746)	(135 464 908)
					(21 084 743)	456 919 319
					(%81)	%37

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Segment Reporting

The financial year ended on 31 December 2019	Installation services and operation of cards			Installation and Technological Support Services			Cards centre Services			Communication Center Services			Dividends from investments available for sale		
	Integral Solutions			Revenues of Networks and Maintenance Contracts			Hosting Services			L.E			L.E		
	L.E			L.E			L.E			L.E			L.E		
Revenues	350 600 881	201 543 321		153 932 695	65 596 186		77 835 816			20 612 419			-		983 978 558
Depreciation	(10 123 864)	(3 605 123)		-	-		(3 857 389)			(781 243)			-		(23 389 624)
Direct cost	(81 614 218)	(17 711 820)		(121 933 564)	(36 085 933)		(5 065 375)			(19 477 378)			-		(328 054 792)
Salaries and wages and employees' benefits	(64 347 216)	(36 071 445)		(14 338 549)	(10 209 127)		(8 061 665)			(5 874 263)			-		(192 465 672)
Total Cost	(156 085 298)	(57 388 388)		(136 272 113)	(46 295 060)		(16 984 429)			(26 132 884)			-		(543 910 088)
Gross profit / (loss)	194 515 583	144 154 933		17 660 582	19 301 126		60 851 387			(5 520 465)			-		440 068 470
Gross Profit/loss percentage	55.48%	71.53%		11.47%	29.42%		78.18%			(26.78%)			-		44.72%
Other expense and other revenue	(36 494 607)	(25 173 196)		(13 474 199)	(3 487 030)		(8 911 236)			(2 279 416)			-		(102 585 801)
Dividends income	-	-		-	-		-			-			10 078 404		10 078 404
Net Profit before tax	158 120 976	118 981 737		4 186 383	15 814 096		51 940 151			(7 799 881)			10 078 404		347 561 073
Net profit %	45.10%	59.04%		2.72%	24.11%		66.73%			(37.84%)			-		35.32%

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Segment Reporting

The financial year ended on 31 December 2018	Installation services and operation of cards		Integral Solutions		Hosting Services		Revenues of Networks and Maintenance Contracts		Technological Support Services		Cards centre Services		Retail services		Communication Center Services		Other		Total L.E	
	L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E	
Revenues	226 249 440	175 209 615			21 795 018		124 287 354		64 272 915		90 611 680		1 201 490		12 970 026		16 526 264		733 123 802	
Depreciation	(11 585 033)	(7 242 752)			(5 554 580)		-		-		(3 786 295)		(1 687 468)		(1 124 979)		(273 087)		(31 253 194)	
Direct cost	(43 500 848)	(19 665 301)			(2 459 650)		(88 396 373)		(34 602 736)		(27 687 838)		(516 239)		(15 220 726)		(7 988 837)		(240 038 548)	
Salaries and wages and employees' benefits	(47 199 080)	(34 543 778)			(2 339 800)		(13 220 405)		(9 973 440)		(9 514 716)		(9 630 436)		(6 135 136)		(17 879 668)		(150 436 459)	
Total Cost	(102 284 961)	(61 450 831)			(10 354 030)		(101 616 778)		(44 576 176)		(40 988 849)		(11 834 143)		(22 480 841)		(26 141 592)		(421 728 201)	
Gross profit / (loss)	123 964 479	113 758 784			11 440 988		22 670 576		19 696 739		49 622 831		(10 632 653)		(9 510 815)		(9 615 327)		311 395 601	
Gross Profit/loss percentage	54.79%	64.93%			52.49%		18.24%		30.65%		54.76%		-884.96%		-73.33%		- 58.18%		42.48%	
Other expense and other revenue	(30 587 258)	(30 973 273)			(2 388 860)		(14 139 373)		(4 033 045)		(5 427 673)		(1 814 210)		(1 173 958)		(1 844 747)		(92 382 396)	
Dividends income	-	-			-		-		-		-		-		-		-		219 013 205	
Net Profit before tax	93 377 221	82 785 511			9 052 128		8 531 203		15 663 694		44 195 158		(12 446 863)		(10 684 773)		(11 460 074)		219 013 205	
Net profit %	41.27%	47.25%			41.53%		6.86%		24.37%		48.77%		-1035.95%		-82.38%		-69.34%		29.87%	

35 Objectives and policies of financial instruments risk management

The Group 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 Group's exposure to each of the risks mentioned above, and the Group's objectives, policies and processes in relation to measuring and managing these risks.

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

The current framework for managing financial risks in the Group 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 group 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 group 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.

Accounts receivable balances and notes receivable

Credit risk arises based on the group's control policy, procedures and systems related to risk management. The credit strength of the customer is measured based on a credit score card for each individual customer and the credit limit is determined based on this evaluation. The group's revenues are due to a large group of clients with financial solvency in addition to Until a large part of the group's revenues are collected in cash immediately upon implementation of the service, the outstanding balances of customers are constantly monitored, and the group conducts a study of impairment in every financial year.

The maximum exposure to risk is limited to the balances shown in (Note 13) after excluding the balance of prepaid expenses and advance payment suppliers.

Other financial assets and cash deposits

With respect to credit risk arising from the group'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 group 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 15)

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

Investment

The group limits its credit risk through preparation of detailed investment studies and its revised with the acknowledgement of the board of directors and the group doesn't expect any party it deals with to be default.

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 group'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 group 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 Group's exposure to risk of changes in market interest rates or not is mainly related to the group's obligations with a variable interest rate and interest-bearing deposits.

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

	2020	2019	2018
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
<u>Floating interest rate financial instruments</u>			
Financial Assets	633 433 880	612 350 066	172 195 989
	<u>633 433 880</u>	<u>612 350 066</u>	<u>172 195 989</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 the survival of all other variable constant, and the impact that occurred on the group'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.

The value of monetary assets and liabilities in foreign currency at the date of the statement of financial position amounted to 2 653 993 Egyptian pounds and 31 531 398 Egyptian pounds, (2019: 25 699 632 Egyptian pounds and 52 101 754

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Egyptian pounds), respectively, as shown in the detail of the foreign currency balances, net of Date of financial position:

Foreign Currencies	Exchange rate	31/12/2020 Net Liabilities	31/12/2019 Net Liabilities	31/12/2018 Net Liabilities
US Dollar	15.71	(3 324 699)	(1 620 168)	(4 413 013)
Euro	18.8	(65 555)	(16 650)	(5 932)

C) Liquidity risk

The group's management monitors the group's cash flows, financing and liquidity requirements of the group. The group's goal is to achieve a balance between continuity of financing and flexibility by obtaining loans from banks. The group manages liquidity risk by maintaining adequate reserves and by obtaining borrowing facilities, whereby the parent group 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 parent group has sufficient cash to pay the expected operating expenses, including the financial liabilities expenses.

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

On 31 December 2020

	Net Book Value L.E	Less than year L.E	From 1 to 2 years L.E	From 2 to 5 years or more L.E
Suppliers and Other Credit Balances	230 761 493	230 761 493	-	-
Other Obligations	147 741 572	-	-	147 741 572
Lease liability	95 886 520	22 685 934	73 200 586	-
Total	474 389 585	253 447 427	73 200 586	147 741 572

**On 31 December
2019**

	Net Book Value L.E	Less than year L.E	From 1 to 2 years L.E	From 2 to 5 years or more L.E
Suppliers and Other Credit Balances	201 646 165	201 646 165	--	--
Other Obligations	126 541 852	--	--	126 541 852
Total	328 188 017	201 646 165	--	126 541 852

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On 31 December 2018	Net Book Value <u>L.E</u>	Less than year <u>L.E</u>	From 1 to 2 years <u>L.E</u>	From 2 to 5 years or more <u>L.E</u>
Suppliers and Other Credit Balances	197 635 766	197 635 766	--	--
Other Obligations	98 491 528	--	--	98 491 528
Total	296 127 294	197 635 766	--	98 491 528

36 Capital Management

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

The parent group 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 year, and the Group is not subject to any external requirements imposed on its capital.

	On 31 December 2020	On 31 December 2019	On 31 December 2018
Total liability	694 064 529	523 472 890	397 265 835
Less cash & Equivalent	(633 433 880)	(612 350 066)	(172 195 989)
Net Liability	60 630 649	(88 877 176)	225 069 846
Total Equity	1 264 150 794	1 138 768 155	688 734 039
Total financing value	1 324 781 443	1 049 890 979	913 803 885
Net liability to financing	4.57%	8.4%	24.6%

37 Contingent liabilities

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

	31/12/2020 <u>L.E</u>	31/12/2019 <u>L.E</u>	31/12/2018 <u>L.E</u>
Letter of Guarantee	210 707 740	255 915 789	155 654 493

38 A system of reward and incentives for employees and managers

- The extraordinary general assembly of the parent group, held on September 23, 2019, agreed to add a new chapter to the parent group's articles of association, which is concerned with rewarding and motivating employees and managers, which has not been done to date.

**E finance for Technology Solutions (Operating Technology of Financial Institutions
(E Finance Company (formerly)) (S.A.E)
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39 Capital commitments

It represents the value of the unpaid portion of the group's contribution to the capital of the investee companies on December 31, as follows:

	Contribution Ratio	Capital commitments		
		31/12/2020	31/12/2019	31/12/2018
	%	L.E	L.E	L.E
Egypt State Technology Services Company ESERVE (SAE)	%10.20	-	9 000 000	13 500 000
Delta Egypt Payments Company (SAE)	%10	1 500 000	1 500 000	-
		<u>1 500 000</u>	<u>10 500 000</u>	<u>13 500 000</u>

40 Earnings per share

Basic earnings per share is calculated by dividing the net distributable profit for common stock owners by the weighted average number of shares outstanding during the year. The group does not have discounted shares.

	31/12/2020	31/12/2019	31/12/2018
Net profit for the year of the shareholders of the parent company (Egyptian pounds)	353 885 119	271 173 575	176 356 762
Share of employees and members of the Board of Directors (estimated / actual) (Egyptian pounds)	<u>(76 810 243)</u>	<u>(71 174 187)</u>	<u>(36 942 723)</u>
Net profit distributable to ordinary shareholders (L.E)	277 074 876	199 999 388	139 414 039
Average number of shares outstanding during the year of basic earnings (share)	<u>1 600 000 000</u>	<u>1 026 301 370</u>	<u>689 069 836</u>
Basic earnings per share for the year (L.E / share)	<u>0.17</u>	<u>0.19</u>	<u>0.2</u>

41 Demerge

On December 20, 2020, the extraordinary general assembly agreed to spin-off the group according to the method of vertical division at the book value of the share and acknowledge the financial position for the financial period ending on September 30, 2020 as the basis for the date of the spin-off so that it becomes E-Finance for Modern Technology Solutions (Joint stock group) according to The provisions of the Investment Law (the demerger group, and that spin-off results in E Finance for operating financial institutions (Joint stock group) in accordance with the provisions of the Investment Law (The demerger Group) after assigning the name from the demerger group to the demerged group. Provided that the net equity of the sharing group in the book value is an amount and its amount 1,048,789,639 Egyptian pounds, as the Economic Performance Committee excluded the value of the land and the buildings on it 69,713,889 Egyptian pounds, and the report included that the group reserves the right to increase the property rights with the value of the land and the buildings on it, immediately upon the completion of the real estate registration procedures, the net stockholders equity for the demerged group spitted from demerger group with and amount of 599 453 290 Egyptian pounds, and the demerged group becomes a subsidiary and totally owned to the demerger group so that the group purpose remains like what it was without change