

E-Finance for Digital and Financial Investments Company
(E-finance for Technology Solutions Company (Formerly)) (S.A.E)

Interim Consolidated Financial Statements
For the Period Ended as of 30 September 2021
And Review Report



Hazem Hassan
Public Accountants & Consultants

Translation of review report
originally issued in Arabic

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Review Report on Interim Financial Statements

To: Shareholders of E-Finance for Digital and Financial Investment Group (E-Finance for technology solutions (Formerly)) (S.A.E)

Introduction

We have performed a review for the accompanying interim consolidated statement of financial position of E-Finance for Digital and Financial Investment Group (E-Finance for technology solutions (Formerly)) (S.A.E) as at September 30, 2021 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the period ended September 30, 2021, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

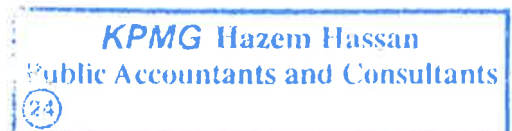
We conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not fairly and clearly present in all material aspects the financial position of the Group as at 30 September 2021, and its financial performance and its cash flows for the period ended September 30, 2021, According to Egyptian Accounting Standard No. (30) "Interim Financial reporting".

KPMG Hazem Hassan
Public accountants and consultants

KPMG



Cairo November 11, 2021

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Interim Consolidated statement of Financial position as of September 30 , 2021

	<u>Note No.</u>	<u>30 September 2021</u>	<u>31 December 2020</u>
<u>Assets</u>		<u>L.E.</u>	<u>L.E.</u>
<u>Non current assets</u>			
Fixed assets	6/5-2	280 976 280	199 009 056
Intangible assets	7/5-5	6 102 933	17 521
Projects under construction	8/5-3	124 888 128	22 556 125
Financial Investment available for sale	9-1\5-4	136 802 008	136 302 008
Investments in Associates	10	50 055 598	-
Deferred tax assets	11-2	26 358 348	25 751 098
Prepaid employee benefits in advance	15	9 357 142	9 876 991
Right of use asset	23-1	103 731 114	92 552 288
Total non current assets		738 271 551	486 065 087
<u>Current assets</u>			
Inventory	12/5-9	70 923 228	46 186 142
Work in progress	13/5-10	28 183 525	12 632 744
Accounts receivable & other debit balances	14	1 000 151 495	779 897 470
Due from related parties	34-1	8 279 322	-
Investments held to maturity	9-2	159 933 598	-
Cash and cash equivalents	16/5-12	307 156 315	633 433 880
Total current assets		1 574 627 483	1 472 150 236
Total assets		2 312 899 034	1 958 215 323
<u>Shareholders equity & Liabilities</u>			
<u>Shareholders equity</u>			
Paid-in capital	17/5-13	800 000 000	800 000 000
Reserves	18/5-14	64 727 152	64 727 152
Retained earnings		516 923 927	338 549 274
Shareholder's Equity for parent Company		1 381 651 079	1 203 276 426
Non controlling interest	24	55 347 828	60 874 368
Total Shareholder's Equity		1 436 998 907	1 264 150 794
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Contract Lease liability	23-2	74 221 716	73 200 586
Employee benefits obligations	22/8-5	160 753 965	147 741 572
Total non current liabilities		234 975 681	220 942 158
<u>Current liabilities</u>			
Contract Lease liability	23-2	35 827 469	22 685 934
Provisions	20/5-7	10 000 000	10 000 000
Accounts payable & other credit balances	21	451 077 535	355 482 534
Bank Credit facilities	19	22 684 432	-
Income tax payable	11-4/5-6	121 335 010	84 953 903
Total current liabilities		640 924 446	473 122 371
Total Liabilities		875 900 127	694 064 529
Total shareholders equity and liabilities		2 312 899 034	1 958 215 323

The attached notes from (1) to (42) are an integral part of these interim consolidated financial statements and to read with them.
Review report is attached

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Interim Consolidated statement of Profit or Loss for the period ended September 30, 2021

	<u>Note No.</u>	<u>Financial period from 1st of July 2021 to 30th of September 2021</u>	<u>Financial period from 1st of July 2020 to 30th of September 2020</u>	<u>Financial period ended 30 September 2021</u>	<u>Financial period ended 30 September 2020</u>
		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Revenue	25/5-17	395 235 098	316 013 376	1 299 604 863	816 595 232
Cost of revenues	26	(220 210 761)	(126 256 912)	(687 448 804)	(398 126 851)
Gross profit		175 024 337	189 756 464	612 156 059	418 468 381
Other revenue	27	1 134 926	411 584	4 631 702	1 596 167
General & administrative expenses	29	(40 183 763)	(35 979 056)	(127 438 153)	(93 919 558)
Marketing and selling expenses	30	(5 334 607)	(323 836)	(12 763 770)	(3 620 038)
Other expenses	31	(1 515 000)	(667 000)	(4 172 820)	(1 163 000)
Operating Profit		129 125 893	153 198 156	472 413 018	321 361 952
Dividends income from the investement Available for sale	28	-	-	2 956 010	10 164 212
Finance cost	32	(3 451 403)	(2 792 145)	(9 634 208)	(6 712 325)
Income from investments in Associate		1 055 633	-	1 055 633	-
Finance Income	33	11 188 680	11 337 647	36 028 143	34 474 195
Net profit for the period before tax		137 918 803	161 743 658	502 818 596	359 288 034
Income tax expense	1-11	(38 659 368)	(36 932 022)	(127 989 364)	(82 024 296)
Net profit for the period after tax		99 259 435	124 811 636	374 829 232	277 263 738
Distributed as follows					
Profit attributable to the parent company		101 554 380	125 476 857	380 389 746	278 057 736
Profit attributable to the non controlling interest	24	(2 294 945)	(665 221)	(5 560 514)	(793 998)
Profits for the period		99 259 435	124 811 636	374 829 232	277 263 738
Basic Earning per share		-	-	0.24	0.17

The attached notes from (1) to (42) are an integral part of these interim consolidated financial statements and to read with them.

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)

Interim Consolidated statement of Comprehensive income for Period Ended September 30, 2021

	Financial period from 1st of July 2021 to 30th of September 2021 <u>L.E.</u>	Financial period from 1st of July 2020 to 30th of September 2020 <u>L.E.</u>	Financial period ended 30 September 2021 <u>L.E.</u>	Financial period ended 30 September 2020 <u>L.E.</u>
Net profit for the period	99 259 435	124 811 636	374 829 232	277 263 738
Other comprehensive income :-				
Actuarial gain (losses) from employee benefit plan	7 147 461	(910 303)	7 147 461	(910 303)
Income Tax related to other comprehensive income	(1 608 179)	-	(1 608 179)	-
Total comprehensive Income for the period	104 798 717	123 901 333	380 368 514	276 353 435
Distributed as follows:				
Parent company	107 059 688	124 566 554	385 895 054	277 147 433
Non controlling interest	(2 260 971)	(665 221)	(5 526 540)	(793 998)
Total comprehensive Income for the period	104 798 717	123 901 333	380 368 514	276 353 435

The attached notes from (1) to (42) are an integral part of these interim consolidated financial statements and to read with them.

Translation from Arabic

**E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)**

Interim Consolidated statement of change in shareholders equity for the Period ended September 30, 2021

	<u>Paid up 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>	<u>L.E.</u>
Balance at the Beginning of Jan. 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 period ended 30 September 2020	-	-	-	278 057 736	278 057 736	(793 998)	277 263 738
Other comprehensive income items	-	-	-	(910 303)	(910 303)	-	(910 303)
Total comprehensive income	-	-	-	277 147 433	277 147 433	(793 998)	276 353 435
<u>Transaction with the company's shareholders</u>							
Dividends according to the ordinary general assembly meeting held in March 19 ,2020	-	-	-	(263 258 068)	(263 258 068)	-	(263 258 068)
Non controlling interest in the capital of subsidiaries companies	-	-	-	-	-	33 000 000	33 000 000
<u>Total transaction with shareholders</u>	-	-	-	(263 258 068)	(263 258 068)	33 000 000	(230 258 068)
<u>Balance as of September 30 , 2020</u>	<u>800 000 000</u>	<u>27 489 236</u>	<u>20 000 000</u>	<u>275 762 029</u>	<u>1 123 251 265</u>	<u>61 612 257</u>	<u>1 184 863 522</u>

The attached notes from (1) to (42) are an integral part of these interim consolidated financial statements and to read with them.

Finance for Digital and Financial Investments Company
E-Finance for technology solutions Company (Formerly)) (S.A.E)

Interim Consolidated statement of change in shareholders equity for the Period ended September 30, 2021

	<u>Paid up 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>	<u>L.E.</u>
Balance at the Beginning of Jan. 2021	800 000 000	44 727 152	20 000 000	338 549 274	1 203 276 426	60 874 368	1 264 150 794
Comprehensive income	-	-	-	380 389 746	380 389 746	(5 560 514)	374 829 232
Net profit for the period ended 30 September 2021	-	-	-	5 505 308	5 505 308	33 974	5 539 282
Other comprehensive income items	-	-	-	385 895 054	385 895 054	(5 526 540)	380 368 514
Total comprehensive income	-	-	-	-	-	-	-
Transaction with the company's shareholders	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Dividends according to the ordinary general assembly meeting held in March 17 2021	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Total transaction with group shareholders	800 000 000	44 727 152	20 000 000	516 923 927	1 381 651 079	55 347 828	1 436 998 907
Balance as of September 30 , 2021							

The attached notes from (1) to (42) are an integral part of these interim consolidated financial statements and to read with them.

Interim Consolidated statement of Cash flows for period Ended September 30, 2021

	30 September 2021	30 September 2020
	L.E.	L.E.
Cash flow from operating activities		
Profit for the period before income tax	502 818 596	359 288 034
Adjustments as follows		
Fixed assets depreciation expenses	30 855 463	25 224 073
Amortization of intangible assets expenses	1 560 074	47 669
Amortization of right of use asset expenses	21 288 672	12 280 175
Amortization of employee benefits paid in advance	2 066 947	735 438
Income from investments available for sale	(2 956 010)	(10 164 212)
Debit interest	1 597 702	1 356 402
Credit interest	(15 402 516)	(32 506 121)
End of service benefit formed	31 459 935	20 676 014
Provision formed for Impairment of account receivable	2 250 452	-
Finance expenses-right of use asset	8 011 951	5 188 077
Foreign currency translation	(858 605)	-
Capital (gain)/ Losses	(2 576 461)	6 491 084
	580 116 200	388 616 633
Change in inventory	(24 737 086)	(26 169 401)
Change in work in process	(15 550 781)	(19 293 300)
Change in employee benefit - paid in advance	(886 802)	(11 821 057)
Change in accounts receivable & other debit balances	(237 862 991)	1 246 436
Change in due from related parties	(8 279 322)	1 904 761
Change in customer advance payments	-	(69 881 448)
Change in Accounts payable & other credit balances	89 700 224	(59 638 139)
Cashflow provided from operating activities	382 499 442	204 964 485
Debit interest paid	(1 597 702)	(1 356 402)
Credit interest collected	15 402 516	32 430 153
Payment to employee benefits obligations	(4 546 699)	(2 632 943)
Dividends to employees and board members	(68 192 720)	(52 656 614)
Income taxes paid	(79 449 267)	(65 893 625)
Net cash flow provided from operating activities	244 115 570	114 855 054
Cash flow from investing activities		
Proceeds from fixed assets disposal	211 174	115 000
Proceeds from dividends of financial investments available for sale	2 956 010	10 164 212
Payment for purchasing investments available for sale	(500 000)	(33 050 000)
Payment for fixed assets and projects under construction	(216 455 357)	(44 868 907)
Payment for purchasing investments in associate companies	(50 055 598)	-
Payment for purchasing intangible assets	(6 540 122)	-
Payment for purchasing investments held to maturity	(159 228 800)	(61 543 565)
Net cash flow (used in) investing activities	(429 612 693)	(129 183 260)
Cash flow from financing activities		
Interest paid-lease contracts	(8 011 951)	(12 754 006)
Lease liability paid	(15 744 243)	-
Proceeds from bank credit facilities	22 684 432	-
Proceeds from non controlling interest share	-	33 000 000
Dividends paid to shareholders	(139 327 681)	(210 601 454)
Net cash flow (used in) financing activities	(140 399 443)	(190 355 460)
Net change in cash & cash equivalent during the year	(325 896 566)	(204 683 666)
Cash & cash equivalent at beginning of the year	627 515 860	602 780 870
Cash & cash equivalent at end of the year	301 619 294	398 097 204

1- Group's background

1-1 Legal entity

E finance for Digital and Financial Investments

- 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.
- Then the name was changed to E-Finance for digital and financial investments-an Egyptian joint stock company on 29/03/2021.
- 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.

Smart Card Operation Technology Company ECARDS

- The company was established in the name of Samrt Card Operation Technology Company, 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 finance for Digital and Financial Investments Company

(E finance for Technology Solutions (Formerly)) (S.A.E)

Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021

The Technology company for Ecommerce Operations E-ASWAAQ MISR

- The company was established in the name of the the technology company for Ecommerce operations E-ASWAAQ MISR, 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.

ENable for Outsourcing Services Company (eNable)

- The company was established in the name of Enable for outsourcing services (eNable), 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.

Technological Operation for Financial Institutions Company (E-Finance) (S.A.E)

- The company was established in the name of the Technological Operation for Financial Institutions Company (E-Finance) -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.

Technological Operation for Tax solutions (e tax)

- The company was established in the name of Technological Operation for Tax Solutions (e tax) , Commercial Registry, Cairo Investment No. 161093, joint stock companies on 01/02/2021, in accordance with the provisions of Law 159 of 1981.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters, Building No. B104, Smart Village, Km 28, Cairo-Alexandria Desert Road.

E Health (Technological Operation for Health Insurance Services)

- The company was established in the name of the E Health (Technological Operation for Health Insurance Services), Commercial Registry, Cairo Investment No. 172265 joint stock companies on 13/09/2021, in accordance with the provisions of Law 159 of 1981.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters, Building No. 24th Roushdy Basha St, Safer square, Heliopolis, Cairo.

1-2- Group's Purpose:

E-Finance for Digital and Financial Investments Company (E finance for Technology Solutions (Formerly)) (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 centres through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
- Establishing and managing training centres for preparing researchers and information technology transfer centres.
- Training operating, managing and maintaining the computer, the card system and applications for providing banking services, customer service centres 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 centres and outsourcing activities, software development and technology education.
- Description, design and development of computer systems of various kinds.

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021

- 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.
- Providing technical, financial and administrative support to the companies to which the company contributes and working in the field of digital transformation and supporting them in developing their business volume.

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 centres for preparing researchers and centres for transferring and training information technology.
- Establishing, managing and developing consulting and study centres 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 center for preparing, training and developing human resources.

E finance for Digital and Financial Investments Company

(E finance for Technology Solutions (Formerly)) (S.A.E)

Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021

Smart Card Operation Technology Company ECARDS :-

- 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 Defence 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 defined authorities without prejudice to the provisions of the laws regulating arranging for that purpose
- 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.

The Technology company for Ecommerce Operations E-ASWAAQ MISR

- Establishing, developing and operating electronic markets.
- Create, design, develop, operate, manage, maintain and market e-commerce platforms and applications.
- Online marketing.
- E-commerce.

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021

- 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.

ENable for Outsourcing Services (eNable)

- The information and communication technology industry, including its industrial activities, the core of electronics development, data centres, outsourcing activities, software development and technology education.
- Entering data on computers and by electronic means.
- Description and design of computer systems of various kinds.
- Description and design work for data transmission and circulation networks and Implementation and management of data transmission networks.
- Communications and Internet services
- Establishing voice, video and data transmission networks and providing value-added services after obtaining a license from the concerned authorities.

**E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021**

- 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.
- Activities related to the transformation of traditional content from sound, image and data to digital content, including the digitization of scientific, cultural and artistic content.
- Establishing, operating and managing call centres.
- The company may participate in any way with companies and others that carry out similar business or that help it achieve its purpose in Egypt or abroad.

Technological Operation for Financial Institutions Company (E-Finance) (S.A.E)

- Information and communication technology, including industrial activities, design and development of electronics and data centres, 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 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.
- 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.

Technological Operation for Tax solutions (e tax)

Assisting the Ministry of Finance in the following purposes after following the legally established methods of contracting:

- Provide the managerial and operating services and developing the electronic tax system including: -
 - 1- E-invoice service provider and e-receipt service provider.
 - 2- E-tax portal
 - 3- Providing field technical support services for the above-mentioned projects, providing consulting services and technological solutions to the Egyptian Tax Authority, and providing services and technological solutions to the Real Estate Tax Authority.

That does not conflict with the objectives of the aforementioned ministry, without prejudice to the provisions of the applicable laws, regulations and decisions, and on condition that the necessary licenses are issued to practice these activities.

The company may participate at any time it wants to cooperate with it in achieving its purpose in Egypt or abroad, It may also merge with it, buy it or attach it to it, in accordance with the provisions of the law.

E Health (Technological Operation for Health Insurance Services)

- Management and operation of technological services of the Universal health insurance system.
- Specialized digital services for the health insurance sector and for health sector all over the Arab Republic of Egypt.
This is without prejudice to the provisions of applicable laws, regulations and decisions, provided that the necessity of extracting the required licenses of these activities.
The company may share in any way with companies and others that do similar business to its business or may cooperate in achieving its purpose in Egypt or abroad, and may merge, buy or join them in accordance with the provisions of the law.

2- Financial statement approval

The interim consolidated financial statements were approved for issuance by the Company' Board of Directors on November 11, 2021

3- Basis of preparing interim consolidated financial statements

The interim consolidated financial statements are prepared according to the going concern assumption and the historical cost basis, except for financial assets and liabilities that are recorded at fair value and amortized cost. The historical cost in general depends on the fair value of the consideration received to obtain the assets.

3-1 Compliance by the Accounting Standards and Laws:

- The interim consolidated financial statements were prepared according to the Egyptian Accounting Standards and the applicable Egyptian laws and regulations.

3-2 Presentation Currency:

The interim financial statements were prepared and presented in the Egyptian pound, and all the financial data was presented in the Egyptian pound.

3-3 Consolidation basis

The interim consolidated financial statements consist of the separate financial statements of the parent company and its subsidiaries for the financial period ending on September 30, 2021. 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 control over the invested establishment.

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

- Control 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 control over the investee to influence the amount of returns from it.

Generally, 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 control 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. Consolidating 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 interim 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 interim 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 interim 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 interim 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 interim financial statements of the parent company as well as the interim financial statements of the subsidiaries companies that are used in preparing the interim consolidated financial statements are prepared on the same date and for the same financial period.
- F- The interim 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 interim 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 Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021**

E-Finance for Digital and Financial Investments Company (the parent company) owns, directly and indirectly, the following rights in its subsidiaries:

Subsidiaries	Activity	Country of incorporation	Direct and indirect ownership percentage
Khales for digital payment services	Digital payments services	Egypt	70%
Smart card operation technology company	Smart card operation	Egypt	89.7%
Ecards			
The technology company for Ecommerce operations E aswaq Misr	Operation of electronic markets	Egypt	61%
Enable for outsourcing services	Establishing and operations and communications centres	Egypt	99.98%
Technological operation for financial institutions (E Finance)	Operating technology of financial institution	Egypt	99.99%

3-4 Use of professional judgment and estimates

Preparing these interim consolidated financial statements requires management to make judgments and estimates that affect the values of revenues, expenses, assets and liabilities included in the interim consolidated financial statements and the accompanying disclosures, as well as disclosure of contingent liabilities at the date of the interim 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 interim consolidated financial statements:

Judgement

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

The existence of significant influence of investments in equity instruments

The group's management decided that it has no significant influence over its equity investments even if the company owns 20% or more 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 group 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.

3-5 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 principal market for the asset, liability, or
- In the absence of the principal market, in the most advantage 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 highest use or selling it to another participant who will use the asset in its highest and best use.

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

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

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

4 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.

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 31 December 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 adopt the Egyptian Accounting Standard No. (47) early.

The company's financial assets meet the conditions for classification as either amortized cost, FVTOCT, 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, debt 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 company'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 company does not expect a material impact from the application of the recognition and measurement requirements in accordance with the Egyptian Accounting Standard No. (47).

- A- The company intends to keep investments in equity instruments (shares) that are currently classified as available for sale in the foreseeable future, and accordingly the company will apply the option to classify these investments as at fair value through other comprehensive income. Therefore, the effect of converting held to maturity investments to fair value may be important.
- B- With regard to receivable and other receipts, the company keeps those items for collecting contractual cash flows which give the company only the principal amount and interest.

The company analysed the contractual cash flows and the company 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 company 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 company 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.

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

Egyptian Standard No. (48) was issued in April 2019 and comes into effect from January 1, 2020 (That was allowed to be postponed to 31 December 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 company has chosen to implement the standard early, and the company applied the new standard using the modified retrospective effect. During the year 2020, the company carried out an initial evaluation of the impact of applying the Egyptian Accounting Standard No. 48.

Through its initial evaluation, the company 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.

4-1 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) "Disclosure of Related Parties"
- 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 company.

5 The most 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 company 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 company.

Depreciation is charged to the interim 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 company'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 company 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 Company 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 company 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.

Investments in Associate companies

An associate company is an entity over which the group has significant influence through participation in the financial and operating decisions of that entity, but it does not rise to the degree of control or joint control.

The results of the operations, assets and liabilities of the associate companies are included in the financial statements and equity group. Investment in accounting, selling value, selling value and value "are measured at book value or book value (minus costs to sell), whichever is lower.

Using the equity method, investments in associates are shown in the consolidated statement of financial position at cost adjusted by the group's share of the post-acquisition changes in the net assets of the acquired associates, after deducting any impairment that may occur in the value of each investment separately. Any increase in the group's share of losses in an associate company over the book value of the group's investment in the associate company is not recognized unless that increase is within the limits of the group's legal or judgmental obligation towards the associate company or the amounts that the group may have paid on behalf of that company.

In case of dealing the group with associate company, Reciprocal profits and losses are excluded to the extent of the group's share of this associate company. The losses may be evidence of a decrease in the value of the transferred asset, and in this case, the appropriate provision is formed to face this impairment.

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 company 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 company 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 over its useful life 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 equity 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 company, 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 differences' opposite.

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 credited to the retained earnings, through other comprehensive income of 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 acquisition costs, conversion 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 on hand, 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 to be 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 Company'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 company's losses. The deduction of this percentage stops when the reserve balance reaches 50% of the issued capital of the company, 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 company'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 company by the weighted average number of ordinary shares outstanding during the year.

5-17 Revenue from contracts with customers

Revenue from contracts with clients 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 company, and that the company 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 fulfils 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 Company 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 company of financial assets. A financial asset or a company 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 company of financial assets that can be estimated Reliably. Evidence of impairment may include indications that the debtors or a company 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 (company of units) are reduced on a proportional basis.

5-21 Lease contracts

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

At the 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.

On initial recognition, Lease liabilities are 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 company 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).

Significant Judgements

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

**E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)**

Notes To the Interim Consolidated Financial Statements For the financial period ended September 30, 2021

-6 Fixed Assets

	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipment</u>	<u>Networks</u>	<u>Point of sales</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
Cost										
Cost as of 1/1/2021	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	
Additions during the period	71 293 750	22 371 867	7 299 117	9 409 917	1 729 539	67 562	1 624 298	327 304	114 123 354	
Transferred to intangible assets	-	(4 331 864)	-	-	-	-	-	-	(4 331 864)	
Disposals during the period	-	(227 814)	-	-	-	(4 827)	-	-	(232 641)	
Cost as of 30/09/2021	156 402 336	258 970 501	28 671 010	62 668 461	29 721 907	87 193 095	29 434 321	1 606 104	654 667 735	
Accumulated depreciation										
Accumulated depreciation as of 1 Jan 2021	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	
Depreciation of the period	1 488 232	13 958 909	3 262 458	8 725 452	751 868	1 456 276	1 184 994	27 274	30 855 463	
Accumulated depreciation transferred to intangible assets	-	(3 226 500)	-	-	-	-	-	-	(3 226 500)	
Disposals	-	(32 511)	-	-	-	(4 827)	-	-	(37 338)	
Accumulated depreciation as of 30/09/2021	17 375 147	181 995 834	8 796 648	30 975 258	24 231 258	85 621 802	23 389 435	1 306 073	373 691 455	
Net book value as of 30/09/2021	139 027 189	76 974 667	19 874 362	31 693 203	5 490 649	1 571 293	6 044 886	300 031	280 976 280	

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)

Notes To The interim Financial Statements For the financial period ended September 30, 2021

6- Fixed Assets

	<u>Lands & buildings</u>	<u>Computers</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 during the year	142 797	16 801 046	10 918 033	11 849 199	822 592	2 744 920	3 682 771	-	46 961 358
Disposals during the year	-	(989 226)	(527 221)	(2 259 824)	(953 912)	(1 679 564)	(3 366 091)	-	(9 775 838)
Transferred to cost projects	-	(1 897 358)	-	-	-	(3 578 422)	-	-	(5 475 780)
Transferred from projects under constructions	-	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 of transferred of cost projects	-	-	-	-	-	(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

Depreciation charged to the following items

	<u>30/09/2021</u>	<u>30/09/2020</u>
	<u>EGP</u>	<u>EGP</u>
Cost of revenue (Note 26)	21 647 186	17 510 180
General and administrative expenses (Note 29)	9 208 277	7 713 434
Total depreciation of assets	30 855 463	25 223 614

7 **Intangible assets**

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cost		
Beginning cost of the period / year	368 036	368 036
Transferred from fixed assets (Note 6)	4 331 864	-
Additions during the period	6 540 122	-
End of the period /year	11 240 022	368 036
Deduct:		
Beginning accumulated amortization at period/year	350 515	300 656
Transferred from fixed assets	3 226 500	-
Amortization for the year/period	1 560 074	49 859
Accumulated amortization at end of the period /year	5 137 089	350 515
Net Book Value at end of the period /year	6 102 933	17 521

Amortisation is charged within the following items:

	For The period ended 30 September 2021 <u>L.E</u>	30 September 2020 <u>L.E</u>
Cost of sale (Note 26)	1 543 313	-
General and Administrative Expenses (Note 29)	16 761	47 669
	1 560 074	47 669

8 **Projects under Construction**

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Smart card devices and printers under installation	-	4 036 151
Computers for Operating activities	-	1 109 126
ATMs	-	3 651 619
Computers and software	9 763 128	3 559 863
Points of sale devices	-	9 529 682
Networks	-	669 684
Building	115 125 000	-
Total projects under constructions	124 888 128	22 556 125

9 **Other financial assets**

9-1 **Investments available for sale**

	Investment	
	Percentage %	Investment Cost
		30 September 2021 L.E
		31 December 2020 L.E
Misr for Government Technological Services - ESERVE (S.A.E.) *	%10.2	18 000 000
Misr Technology Services -MTS (S.A.E) **	%9.99	33 599 000
Delta Misr Company (S.A.E) ***	%10	1 000 000
El Alameya for Consultations & Information System (ACIS) ****	%10	83 752 000
Other Investments*****		451 008
		136 802 008
		136 302 008

- 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 shareholding interests not dealt in active markets and with Egyptian pounds

* Investments are the value of the contribution of 10.2% in the Misr for Government Technological Services- ESERVE (S.A.E) and the payment represents 100% of the company'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 Misr Technology Services -MTS (S.A.E), and the payment represents 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 company'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 Misr Technology Services -MTS for the amount of L.E 1,000 during 2018.

*** Investments are the value of the contribution of 10% in Delta Misr 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 El Alameya for Consultations & Information System (ACIS) according to the company's fair value report. The company'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.

9-2 Investment held to maturity

Treasury bills in the financial position represent as the following:

Purchasing value L.E	Purchasing date	Due date	Return Percentage %	Duration	Return L.E	Face Value L.E
90 004 876	21/04/2021	2021/12/28	10.89	251 days	8 170 124	98 175 000
64 904 500	23/08/2021	2021/12/28	12.6	127 days	1 134 438	67 750 000
154 909 376					9 304 562	165 925 000

10 Investments in associate

	Percentage	Investment Value	
		30 September 2021 L.E	31 December 2020 L.E
Technological Operation for Tax Solutions (e Tax)*	35%	34 999 975	-
Company's share of profit in E-Tax		1 055 633	-
E Health (Technological Operation for Health Insurance Services)**	35%	13 999 990	-
		50 055 598	-

* The investment in associate companies amounted to 1 399 999 shares Technological Operation for Tax Solutions (e Tax) representing 35% of the issued capital, which was established on February 1, 2021 with an issued capital 400 million pounds and paid up capital of 100 million Egyptian pounds with par value 100 Pounds paid at 25%.

** The investment in associate companies amounted to 1 399 999 shares in E Health (Technological Operation for Health Insurance Services) representing 35% of the issued capital, which was established on September 13, 2021 with an issued capital 400 million pounds and paid up capital of 40 million Egyptian pounds with par value 100 Pounds paid at 10%.

The company's share in equity at the date of the financial position amounted to 36 055 608 Pounds (Thirty Six Million and fifty five thousands and six hundred and eight)

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021

11 Tax:

11-1 Income tax

	30 September 2021 <u>L.E</u>	30 September 2020 <u>L.E</u>
Through Current Income Tax Expenses	129 909 192	85 402 960
Tax dividends income from investments available for sale	295 601	900 000
Deferred tax (income) \ expense	(2 215 429)	(4 278 664)
Deferred Tax on Profit and Loss	127 989 364	82 024 296
Deferred income tax through other comprehensive income / (expense)	1 608 179	-

11-2 Deferred tax

A) Deferred tax assets recognized

	30 September 2021		31 December 2020	
	Assets <u>L.E</u>	Liabilities <u>L.E</u>	Assets <u>L.E</u>	Liabilities <u>L.E</u>
Depreciation of fixed assets	-	11 712 512	-	7 117 393
Obligations of the employee service benefits	37 698 387	-	33 241 854	-
Unrealized foreign exchange	372 473	-	-	373 363
	38 070 860	11 712 512	33 241 854	7 490 756
Net deferred tax assets	26 358 348	-	25 751 098	-
Deduct: the previously charged deferred tax assets	(25 751 098)	-	(24 289 203)	-
Deduct: the deferred tax assets charged to the statement of other comprehensive income	1 608 179	-	954 427	-
Deferred taxes for the period/year as income	2 215 429	-	2 416 322	-

B) Unrecognized deferred tax assets

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Provisions	2 250 000	2 250 000
Allowance for Doubtful Debts	1 879 398	1 373 046
	4 129 398	3 623 046

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

11-3 Adjustment of the effective tax rate

		30		30
		September		September
		2021		2020
		<u>L.E</u>		<u>L.E</u>
Net Profit Before Tax		502 818 596		359 288 034
Tax Income Based on Tax rate	22.5%	130 589 648	22.5%	80 839 808
Expenses that are not deductible and others		31 168 206		5 264 393
The tax base		533 986 812		364 552 427
Current and deferred income tax	25.45%	127 989 364	22.9%	82 024 296

11-4 Income Tax payable

	30 September	31 December
	2021	2020
	<u>L.E</u>	<u>L.E</u>
Accrued Income Tax at beginning of the period/ year	84 953 903	53 408 715
Formed during the year	130 204 793	104 132 785
Income tax paid	(79 449 267)	(51 253 313)
Withholding tax-debit	(14 374 419)	(21 334 284)
	121 335 010	84 953 903

11-5 Tax position

E-finance for Digital and Financial investments

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 2019 until now.

C) 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 for Digital Payment Services Company

a) Corporate tax

- Khales for 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.

Smart Card Operation Technology Company ECARDS

a) Corporate tax

- Smart Card Operation Technology Company ECARDS 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.

The Technology Company for Ecommerce Operations E-ASWAAQ MISR

a) Corporate tax

- The Technology Company for Ecommerce Operations E-ASWAAQ MISR 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 submits tax returns on its legal dates and pays the tax due (if any).
- The company has not been registered 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-nable for Outsourcing Services Company

a) Corporate tax

- E-nable for outsourcing services company, 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.

Technological Operation for Financial Institution E-finance Company (S.A.E)

a) Corporate tax

- Technological Operation for 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.

Technological Operation for Tax solutions (e tax)

a) Corporate tax

- Technological Operation for Tax solutions (e tax) Company was established on February 1, 2021, 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's records has not been inspected yet.

c) **Stamp tax**

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

12 **Inventory**

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cards, Cards supplies and others	51 081 017	29 347 165
Computer devices	2 696 696	314 724
Spare parts	3 439 394	488 219
Point of sale	10 821 736	15 159 818
Stationary	211 050	876 216
ATM	2 673 335	-
	<u>70 923 228</u>	<u>46 186 142</u>

13 **Work in progress**

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Work in progress for the Governmental sector	28 183 525	12 632 744
	<u>28 183 525</u>	<u>12 632 744</u>

14 Accounts receivable and Other Debit Balances

	30 September 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Accounts receivable	525 567 396	375 419 419
	525 567 396	375 419 419
Impairment in Accounts receivable	(6 102 427)	(6 102 427)
Accounts receivables (net)	519 464 969	369 316 992
<u>Other Debited Balances</u>		
Prepaid expenses	17 101 560	9 580 873
Suppliers -Advance payment	16 293 271	19 233 441
Accrued revenue and accrued interest	356 878 540	312 708 257
Deposits with others	9 552 037	7 702 952
Deposits with others - Work Retention	42 133 202	40 808 071
Value added tax	26 935 952	5 839 259
Letter of guarantee coverage	2 929 844	8 193 024
Withholding tax	3 524 517	138 350
Prepaid employees' benefits	2 324 264	2 984 560
Notes Receivable	84 240	-
Other debit balances	5 179 551	3 391 691
Impairment in other debit balances	(2 250 452)	-
Total other debit balances	480 686 526	410 580 478
Total account receivable and debit balances	1 000 151 495	779 897 470

15 Employees' Benefits paid in advance

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.

	30 September 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Beginning balance	12 861 551	-
Additions of the period/ year	886 802	14 763 905
Amortization of the period/ year	(2 066 947)	(1 902 354)
Net balance	11 681 406	12 861 551
<u>Distributes as follows: -</u>		
Short term prepayments (Note 14)	2 324 264	2 984 560
Prepaid employee benefits – Long term	9 357 142	9 876 991
Total balance	11 681 406	12 861 551

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

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	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cost of revenues (Note 26)	1 714 694	372 222
General and administrative expenses (Note 29)	352 253	597 640
Total	2 066 947	969 862

16 Cash and cash Equivalents

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Banks – Saving Accounts	193 172 474	432 958 069
Banks - time deposits	49 848 868	3 010 329
Investment funds*	61 919 823	197 464 532
Cash	40 700	950
Letters of credit	2 174 450	-
Balance of cash and cash equivalents	307 156 315	633 433 880

*** Investment Funds**

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Themar Fund, QNB	61 818 083	197 367 136
SEYOLA fund	-	-
Day to Day Account - Bank Misr	101 740	97 396
	61 919 823	197 464 532

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

	30 September 2021 <u>L.E</u>	30 September 2020 <u>L.E</u>
Cash and Its equivalents	307 156 315	404 015 224
<u>Deduct:</u>		
Mortgaged cash investment fund documents against letters of guarantee in favor of others	(5 537 021)	(5 918 020)
Cash and cash equivalents for the purpose of preparing the cash flow statement	301 619 294	398 097 204

17- Capital

17-1 The authorized capital

The company's authorized capital has been set at 4 billion Egyptian pounds (three billion five hundred thousand 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 company held on 20 December 2020.

17-2 Issued and paid-up capital

- The issued capital on the date of the company's incorporation amounted to 60 million Egyptian pounds distributed over 600 thousand shares with a par value of 100 Egyptian pounds in the commercial register on 16 August 2005.
- The issued capital was increased by 60 million Egyptian pounds based on the decision of the extraordinary general assembly meeting of the company held on December 20, 2006, so that the issued and paid up capital of the company became 120 million Egyptian pounds.
- The extraordinary general assembly held on December 11, 2013 decided to transfer an amount of 55 million Egyptian pounds (fifty-five million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become 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 company 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 company by an amount of 22.5 million Egyptian pounds (twenty-two million five hundred thousand Egyptian pounds) to make the issued capital after the increase 247.5 million Egyptian pounds (two hundred forty-seven million five hundred thousand Egyptian pounds) And the payment of it is 236.25 million Egyptian pounds (two hundred thirty-six thousand and two fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Company for Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.
- The extraordinary general assembly held on March 21, 2018 decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) 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 company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase

E finance for Digital and Financial Investments Company**(E finance for Technology Solutions (Formerly)) (S.A.E)****Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021**

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 company's commercial register on December 15, 2019.
- 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>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
Egyptian National Bank	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

During October 2021 the Group Issued 417 Million shares to be traded in the Egyptian Exchange as disclosed at Note 42.

18- Reserves

	30 September 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Legal Reserve *	44 727 152	44 727 152
General Reserve **	20 000 000	20 000 000
	64 727 152	64 727 152

* In accordance with the requirements of the Companies Law and the Company's Articles of Association, 5% of the annual net profit is deducted to form a legal reserve. The statutory reserve is used to increase the share capital or reduce the company's losses. The deduction of this percentage stops when the reserve balance reaches 50% of the issued capital of the company, 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 company's articles of association, an extraordinary reserve is formed based on the proposal of the company's board of directors, provided that it is approved by the general assembly.
According to general assembly meeting held on 19 March 2019 an amount of general reserve of 20 million was formed.

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19- Credit Facilities

<u>Bank</u>	<u>Authorized facility limit</u> <u>L.E or Its equivalents of</u> <u>Foreign Currency</u>	<u>User</u> <u>L.E or Its</u> <u>equivalents of</u> <u>Foreign Currency</u>	<u>Nature of facility</u>
QNB	50 000 000	9 076 432	Existing debt limit
QNB	81 500 000	13 608 000	Limit to issuing letters of credit
QNB	50 000 000	-	Limit to issuing letters of guarantee
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
Egyptian National Bank	75 000 000	-	Existing debt limit
Egyptian National Bank	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
	1 162 000 000	22 684 432	

20- Provisions

	<u>Balance on 1</u> <u>January 2021</u> <u>L.E</u>	<u>Formed</u> <u>during the</u> <u>year</u> <u>L.E</u>	<u>No longer</u> <u>required</u> <u>L.E</u>	<u>Used during</u> <u>the year</u> <u>L.E</u>	<u>Balance on 30</u> <u>September</u> <u>2021</u> <u>L.E</u>
Provision for expected claims	10 000 000	--	--	--	10 000 000
	10 000 000	--	--	--	10 000 000
	<u>Balance on 1</u> <u>January 2020</u> <u>L.E</u>	<u>Formed</u> <u>during the</u> <u>year</u> <u>L.E</u>	<u>No longer</u> <u>required</u> <u>L.E</u>	<u>Used during</u> <u>the year</u> <u>L.E</u>	<u>Balance on 31</u> <u>December</u> <u>2020</u> <u>L.E</u>
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 period are included in the item of other expenses in the consolidated statement of profit or loss. The company's management annually reviews and settles these allocations according to the latest developments. And discussions and agreements with interested parties.

21- Accounts payable and other credit balances

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Accounts payable	179 042 785	175 208 275
	179 042 785	175 208 275
Other credit balance		
Accrued expenses	36 835 406	15 440 065
Payroll tax	4 088 991	9 319 497
Value Added Tax (VAT)	19 081 328	24 357 006
Advance payment from Customer	196 205 382	124 721 040
Withholding tax	4 585 319	4 332 944
Retention payable	656 776	494 581
Employee Benefits – E-Tax	6 753 382	-
Other Credit balances	3 828 166	1 609 126
Total credit balances	272 034 750	180 274 259
Total payable and other credit balances	451 077 535	355 482 534

22- Obligations of the employee benefits system - (end of service benefits)

Based on the decision of the parent company'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 company in accordance with the conditions specified in the regulations approved by the company's board of directors, provided that the company's management invests in available funds The best possible investment.

22-1 Movement in the present value of the employee benefits obligations - (end of service benefits)

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Liability at beginning of January	147 741 572	126 541 852
Interest Cost	14 447 014	17 715 859
Current service cost	17 012 921	13 107 987
Actuarial (gain) on the liability recognized in other comprehensive income	(7 147 461)	(4 241 902)
Transferred to Associate	(6 753 382)	-
Paid during the year	(4 546 699)	(5 382 224)
Liabilities at end of the period/ year	160 753 965	147 741 572

22-2 The amounts recognized in the consolidated statement of profit or loss

	30 September 2021 <u>L.E</u>	30 September 2020 <u>L.E</u>
Current Service Cost	17 012 921	7 673 072
The interest cost	14 447 014	13 002 942
End of the period/ year	31 459 935	20 676 014

23- Lease contracts

The group make 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 company is prohibited to make any arrangements with subcontractor, the following is lease contract data where company is lessee.

23-1 Right of use asset

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Balance beginning of the Period / year	107 381 762	-
Additions during period/year	67 409 730	119 820 996
Disposals during period/year	(39 476 000)	(12 439 234)
Balance end of Period /year	135 315 492	107 381 762
Balance beginning of the period / year	14 829 474	
Accumulated amortization at the beginning of the period/ year	21 288 672	18 609 723
Disposals – Accumulated amortization	(4 533 768)	(3 780 249)
Balance end of Period/ year	31 584 378	14 829 474
Net Right of use	103 731 114	92 552 288

The amounts recognized in the consolidated statement of profit or loss

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cost of Revenue (Note 26)	5 599 910	5 480 773
General and Administrative expenses (Note 29)	15 688 762	6 799 402
Total	21 288 672	12 280 175

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23-2 Lease Liability

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

	30 September	31 December
	2021	2020
	<u>L.E</u>	<u>L.E</u>
Balance beginning of the period/ year	95 886 520	-
Additions during the period/year	67 409 730	119 820 996
Disposals during the period/year	(37 502 822)	(9 557 722)
Finance Cost	8 011 951	9 056 419
Lease payment	(23 756 194)	(23 433 173)
Balance at the end of the period/ year	<u>110 049 185</u>	<u>95 886 520</u>
They are divided as follows: -		
Non-current liability	74 221 716	73 200 586
Current liability	35 827 469	22 685 934
Balance at the end of the period/year	<u>110 049 185</u>	<u>95 886 520</u>

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24 Non-Controlling interest

	Technological Operation for Financial Institutions (E- Finance)	Smart Card Operation Technology Company ECARDS	Khales for Digital Payment Services	The Technology Company for Ecommerce Operations E-ASWAAQ MISR	Enable for Outsourcing Services (eNable)	Total
Balance on January 1, 2020	-	-	29 406 255	-	-	29 406 255
The change in share of non-controlling interests in capital	42 463	15 450 000	-	17 550 000	1 008	33 043 471
The share of non-controlling interests in profits for the year	-	1 622 917	1 187 625	(4 385 896)	(4)	(1 575 358)
Total non-controlling interest as at December 31, 2020	42 463	17 072 917	30 593 880	13 164 104	1 004	60 874 368
The share of non-controlling interests in other comprehensive income	30 722	1 395 885	1 735 100	(8 688 257)	10	(5 526 540)
Total non-controlling interests as at September 30, 2021	73 185	18 468 802	32 328 980	4 475 847	1 014	55 347 828

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)

Notes to The Interim Consolidated Financial Statements for The Period ended September 30, 2021

25 Revenues:

	The period from July 1, to		The period from Jan 1, to	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Installation services and card operation revenue	92 385 765	115 755 406	438 842 274	383 838 185
Integrated solutions revenue	61 227 622	41 192 620	140 433 258	123 366 348
Hosting services revenue	72 531 114	48 614 070	204 985 348	90 034 268
Installations and technical support revenue	18 698 268	12 579 371	62 297 891	45 421 016
Retail services revenue	25 413 413	2 559 567	53 893 940	18 751 082
Maintenance and network contracts revenue	36 378 713	73 070 454	166 508 503	82 482 583
Call center revenue	13 184 776	7 946 691	40 130 022	19 113 922
Cards Center Revenue	69 844 470	8 056 792	151 193 757	34 384 514
Other revenue	5 570 957	6 238 405	41 319 870	19 203 314
	395 235 098	316 013 376	1 299 604 863	816 595 232

26 Cost of revenues

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	88 226 157	60 991 400	248 319 825	172 629 804
Infrastructure cost	72 084 960	28 034 777	240 358 745	125 490 659
Cost of goods sold	29 782 640	7 282 123	97 516 051	25 788 325
Depreciation of fixed assets (Note 6)	7 670 950	3 951 463	21 647 186	17 510 180
Amortization of ROU asset (Note 23-1)	2 385 673	1 331 873	5 599 910	5 480 773
Card Centre	9 130 259	6 045 127	43 411 100	17 188 137
Technical advice and support	6 460 714	8 393 515	19 695 100	18 684 144
Rent	489 082	351 239	1 100 316	1 388 540
Employee benefits (cars) (note 15)	250 299	372 222	1 714 694	372 222
Amortization of intangible assets (Note 7)	514 438	-	1 543 313	-
Provisions	2 250 452	-	2 250 452	-
Other Costs	965 138	9 503 173	4 292 112	13 594 067
	220 210 762	126 256 912	687 448 804	398 126 851

E finance for Digital and Financial Investments Company
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27 Other Revenues:

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Capital (loss)	(1 799)	(20 058)	15 871	(433 033)
Revenue of leased contract	-	-	2 545 820	-
Other revenue	1 136 725	431 642	2 070 011	2 029 200
	1 134 926	411 584	4 631 702	1 596 167

28 Dividend income from financial investments available-for-sale

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Misr for Government	-	-	2 956 010	10 164 212
Technological Services-ESERVE	-	-	2 956 010	10 164 212
	-	-	2 956 010	10 164 212

29 General and Administrative Expenses

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Wages and Salaries and employee benefit	18 067 055	14 341 222	49 094 714	42 914 654
Amortization of ROU asset (Note 23-1)	5 559 178	2 701 091	15 688 762	6 799 402
Stamps and deductions	2 597 825	2 577 070	9 956 474	8 789 197
Fixed Assets Depreciation (Note 6)	3 208 124	2 461 660	9 208 277	7 713 434
Consulting and legal fees	2 580 320	2 180 724	8 250 932	4 535 138
Consulting and audit fees	1 640 820	59 219	5 931 288	987 573
Comprehensive social insurance	1 106 300	775 935	3 636 722	2 285 299
Donations	-	1 000 000	2 020 075	3 500 000
Rent	1 932 883	2 262 596	2 783 790	4 066 097
Maintenance Expenses	589 283	1 760 437	2 349 360	2 718 777
Employee benefits (cars) (Note 15)	117 340	597 640	352 253	597 640
Amortization of intangible assets (Note 7)	12 380	6 945	16 761	47 669
Other G&A expenses	2 772 255	5 254 517	18 148 745	8 964 678
	40 183 763	35 979 056	127 438 153	93 919 558

E finance for Digital and Financial Investments Company
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30 Selling and Marketing Expenses

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Exhibitions	2 006 882	210 980	3 885 752	1 002 928
Public Relations	245 779	18 639	1 958 906	1 448 690
Advertisements	699 862	3 900	2 453 128	594 820
Other Marketing Expenses	2 382 084	90 317	4 465 984	573 600
	5 334 607	323 836	12 763 770	3 620 038

31 Other Expenses

	The period from April 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Attendance, remuneration and allowances for members of the Board of Directors	1 515 00	667 000	4 172 820	1 163 000
	1 515 000	667 000	4 172 820	1 163 000

32 Finance Expenses

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Realized Foreign exchange	(106 695)	134 190	24 555	167 845
Debit interest expense and bank charges	799 208	369 466	1 597 702	1 356 402
Finance cost-lease contracts (note 23-2)	2 758 890	2 288 489	8 011 951	5 188 078
	3 451 403	2 792 145	9 634 208	6 712 325

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33 Finance income

	The period from July 1, to		The period ended	
	30 September	30 September	30 September	30
	2021	2020	2021	September
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Foreign exchange Translation gain	272 316	3 715	858 605	1 968 074
Revenues from Investment in financial investment funds	5 594 942	4 886 966	19 767 022	13 307 372
Bank interest on current accounts	5 307 680	6 409 625	15 328 976	17 496 214
Bank interest on time deposits	13 742	37 341	73 540	1 702 535
	11 188 680	11 337 647	36 028 143	34 474 195

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34 Related parties

Related parties are represented in investee companies, major shareholders, companies controlled by or jointly affected by these parties, pricing policies and the duration of these transactions are approved by the company's management and shareholders.

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

	<u>Relations Nature</u>	<u>Transaction Nature</u>	Volume of Transactions during the year	<u>Balance</u>	
				<u>2021 L.E</u>	<u>2020 L.E</u>
34-1 Due from Related Parties:					
Technological Operation for Tax Solutions (E Tax)	Associate	Payment on behalf	8 126 987	Due from: 8 126 987	-
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	152 335	Due from: 152 335	
				8 279 322	-

35 Segment reporting

The company has (10) sectors that can be disclosed as shown below, which are the strategic business units of the company. 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 Company'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 company:

- 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 (company chairman, CEO (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

<u>The financial year ended on 30 September 2021</u>	Installation services and operation of cards		Integrated Solutions		Hosting Services		Revenues of Networks and Maintenance Contracts		Technological Support Services		Card centre services		Retail services		Communication Center Services		Dividends from investments available for sale		Other		Total L.E	
	L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E	
	438 842 274		140 433 258		204 985 348		166 508 503		62 297 891		151 193 757		53 893 940		40 130 022		-		41 319 870		1 299 604 863	
	(7 012 757)		(913 490)		(4 162 018)		(2 048 837)		(3 405 724)		(7 077 657)		(460 389)		(594 288)		-		(3 115 249)		(28 790 409)	
Revenues	(80 206 919)		(21 600 145)		(18 168 061)		(12 399 369)		(14 071 001)		(17 354 863)		(13 220 326)		(1 880 224)		-		(69 418 917)		(248 319 825)	
Depreciation	(90 461 817)		(7 504 061)		(38 640 532)		(89 355 128)		(26 756 904)		(100 521 807)		(24 837 687)		(23 080 558)		-		(9 180 076)		(410 338 570)	
Salaries and wages and employees' benefits	261 160 781		110 415 562		144 014 737		62 705 169		18 064 262		26 239 430		15 375 538		14 574 952		-		(40 394 372)		612 156 059	
Other Cost																						
Gross profit / (loss)																						
Gross Profit/loss percentage	%60		%79		%70		%38		%29		%17		%29		%36		-		(%98)		%47	
Other expense and other revenue	(10 612 832)		(10 931 344)		(6 040 913)		(6 759 590)		(1 035 079)		(7 918 546)		(7 940 977)		(13 590 436)		-		(47 463 756)		(112 293 473)	
Distribution of investment available for sale																	2 956 010		-		2 956 010	
Net Profit before tax	250 547 949		99 484 218		137 973 824		55 945 579		17 029 183		18 320 884		7 434 561		984 516		2 956 010		(87 858 128)		502 818 596	
Net profit %	%57		%71		%67		%34		%27		%12		%14		%2		-		(%213)		%39	

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Segment Reporting

<u>The financial period ended as of 30 September 2020</u>	Installations and Technological Support Services									
	Installation services and operation of cards		Integral Solutions		Hosting Services		Revenues of Networks and Maintenance Contracts		Cards centre Services	
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Revenues	383 838 185	123 366 348	90 034 268	82 482 583	45 421 016	34 384 514	18 751 082	19 113 922	-	816 595 232
Depreciation	(8 468 135)	(814 257)	(8 592 554))	-	(1 822 199)	(257 134)	(631 170)	(1 908 540)	-	(22 990 953)
Salaries and wages and employees' benefits	(75 865 866)	(19 226 147)	(8 664 727)	(10 816 899)	(11 897 520)	(3 884 598)	(14)	(6 126 439)	-	(172 629 804)
Other Cost	(19 758 175)	(47 016 591)	(3 603 778)	(75 537 580)	(4 555 047)	(34 506 350)	(1 685 747)	(8 545 709)	-	(202 506 094)
Gross profit / (loss)	279 746 009	56 309 353	69 173 209	(3 871 896)	27 146 250	(4 263 568)	1 660 759	2 533 234	-	418 468 381
Gross Profit/loss percentage	%73	%46	%77	(%5)	%60	(%12)	%9	%13	-	%51
Other expense and other revenue	(32 909 785)	(13 803 375)	(5 368 217)	(6 297 022)	(3 256 961)	(3 003 636)	(335 096)	(1 430 065)	-	(69 344 559)
Distribution of investment available for sale	-	-	-	-	-	-	-	-	10 164 212	10 164 212
Net Profit before tax	246 836 224	42 505 978	63 804 992	(10 168 918)	23 889 289	(7 267 204)	1 325 663	1 103 169	10 164 212	359 288 034
Net profit %	%64	%34	%71	(%12)	%53	(%21)	%7	%6	(%67)	%44

36 Objectives and policies of financial instruments risk management

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

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

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

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

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

A) Credit risk

They are financial losses that the 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 company is exposed to credit risk mainly from clients, notes and other receipts, and due from related parties as well as from its financial activities, including balances with Banks.

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 company's revenues are due to a large company of clients with financial solvency in addition to Until a large part of the company's revenues are collected in cash immediately upon implementation of the service, the outstanding balances of customers are constantly monitored, and the company conducts a study of impairment in every financial year.

The maximum exposure to risk is limited to the balances shown in (Note 14) 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 company's other financial assets at amortized cost, the entity is exposed to credit risk as a result of default by the counterparty in payment to a maximum equivalent to the carrying value of these assets.

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

The maximum exposure to risk is limited to the balances shown in (Note 16)

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.

Investment

The company limits its credit risk through preparation of detailed investment studies and its revised with the acknowledgement of the board of directors and the company 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 company's income. Financial instruments that are affected by market risks include interest-bearing loans and deposits, the objective of market risk management is to manage and control risk within acceptable limits while at the same time achieving remunerative returns. The company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

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

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

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Financial Assets	307 156 315	633 433 880
	<u>307 156 315</u>	<u>633 433 880</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's constant, and the impact that occurred on the company's profits before taxation is due to changes in the value of assets and cash liabilities. Changes in the exchange rates of all other foreign currencies are not material.

	Exchange rate	30/09/2021	31/12/2020
<u>Foreign Currencies</u>		<u>Net Liabilities</u>	<u>Net Liabilities</u>
US Dollar	15.75	(3 144 424)	(3 324 699)
Euro	18.62	(56 554)	(65 555)
Pound Sterling	21.66	16	-

C) Liquidity risk

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

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

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

On 30 September 2021

	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	years	years or more
			<u>L.E</u>	<u>L.E</u>
Suppliers and Other Credit Balances	451 077 535	451 077 535	-	-
Other Obligations	160 753 965	-	-	160 753 965
Lease liability	110 049 185	35 827 469	68 512 189	5 709 527
Total	721 880 685	486 905 004	68 512 189	166 463 492

On 31 December 2020

	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	years	years or more
			<u>L.E</u>	<u>L.E</u>
Suppliers and Other Credit Balances	355 482 534	355 482 534	-	-
Other Obligations	147 741 572	-	-	147 741 572
Leased Liability	95 886 520	22 685 934	28 510 178	44 690 408
Total	599 110 626	378 168 468	28 510 178	192 431 980

37 Capital Management

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

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

	30 September 2021	31 December 2020
Total liability	875 900 127	694 064 529
Less cash & Equivalent	(307 156 315)	(633 433 880)
Net Liability	568 743 812	60 630 649
Total Equity	1 436 998 907	1 264 150 794
Net liability to total financing percentage	%39.58	%4.79

38 Contingent liabilities

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

	30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Letters of Guarantee	210 707 740	210 707 740

39 Employee Stock Ownership Plan

- The extraordinary general assembly of the company, held on September 23, 2019, agreed to add a new chapter to the company's articles of association, which is concerned with rewarding and motivating employees and managers.
- On September 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing The capital from the retained earnings at the par value of the share is distributed as follows:-

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- 1) 1% of the shares allocated to the scheme under the system of promise to sell at reduced price (40% of the average share price through a period of three months).
 - 2) 3% of the shares allocated to the system are granted free of charge to the beneficiaries.
- The beneficiary of the plan must meet the plan requirements of the services period to be not less than one year before transferring the ownership of the shares to him/her, and his/her evaluation rate is not less than 90% on the annual performance evaluation reports prepared by the competent department of the company. One of these two conditions could be by passed or other extra conditions could be added to them, after obtaining the approval of the Financial Supervisory Authority, and provided that no one of the beneficiaries has voted on a decision relevant to his/her benefit, and the company is committed to include it in its annual disclosure. The period of this plan is five years starting from the adoption of the plan by the Financial Supervisory Authority

40 Basic Earnings per share

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

	30 September 2021	30 September 2020
	<u>L.E</u>	<u>L.E</u>
Net profit for the period attributable to parent	380 389 746	278 057 736
Average number of shares outstanding during the period for basic earnings (share)	1 600 000 000	1 600 000 000
Basic share in earnings for the period (EGP/share)	0.24	0.17

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41 Capital commitments

It represents the value of the unpaid portion of the company's contribution in the investee companies' capital on September 30, as follows:

	Contribution Ratio	Capital commitments	
		30 September 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
	<u>%</u>		
Delta Misr Company (SAE)	%10	1 000 000	1 500 000
Technological Operation for Tax Solutions (e tax) (SAE)	%35	104 999 925	-
Technological Operation for Health Insurance Services (E Health)	%35	125 999 910	-
		<u>231 999 835</u>	<u>1 500 000</u>

42 Subsequent Event

On October 6, 2021, a portion of the capital shares of E-Finance for Digital and Financial Investments (S.A.E) were offered. The total number of shares with a capital of 1 600,000,000 shares (one billion and six hundred million shares) at a price not exceeding the fair value prepared by the independent financial advisor at EGP 13.98 (only thirteen Egyptian pounds and ninety-eight piasters) per share according to the study issued by the financial advisor These shares are offered in two tranches at a maximum price of 13.98 Egyptian pounds (only thirteen Egyptian pounds and ninety-eight piasters) per share as follows:

- **The first category:** a private offer for qualified investors, natural or legal persons, to sell a maximum number of shares of 232,000,000 shares representing 90% of the offered shares, which represents 14.5% of the total shares of the company's capital.
- **The second category:** A public offering to the public to sell a maximum number of shares of 25 777 778 shares representing 10% of the shares offered for sale, which represents 1.61% of the total shares of the company's capital.

The number of shares offered for sale in the public and private offering has been increased to reach the total number of shares offered for sale 417 777 777, which represents 26.1% of the total existing shares of the company, in light of the decision of the company's extraordinary general assembly held on September 15, 2021.

