

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

Consolidated Financial Statements
For the Year Ended as of 31 December 2021
And Audit Report



Hazem Hassan

Public Accountants & Consultants

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Translation from Arabic

Auditor's Report
To the Shareholders of
E-finance for Digital and Financial investments

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of E-finance for Digital and Financial investments (E-finance for technology solutions formerly) "the Group" which comprise the consolidated balance Sheet as at December 31, 2021, the consolidated Statement of Profit or Loss, consolidated statement of comprehensive income, consolidated statement of change in equity, consolidated statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the group's management. The management is responsible for preparing and presenting the consolidated financial statements in a fairly presented in accordance with Egyptian accounting standards and in the light of the prevailing Egyptian laws. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and this responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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



Hazem Hassan

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Opinion

The group continued to record some investments amounting to EGP 51 599 000 on December 31, 2021 at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments" which was applied to the group's annual financial statements on December 31, 2021.

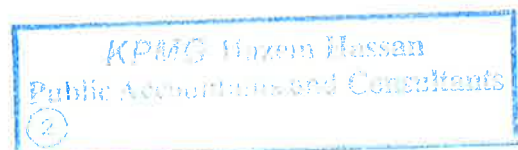
Opinion

Except for the potential impact of the above in the basis for opinion paragraph, in our opinion that the consolidated financial statements referred to above express fairly and clearly, in all their material respects, the consolidated financial position of E-finance for digital and financial investments (E-finance for technology solutions formerly) on December 31, 2021, and its consolidated financial performance and consolidated cash flows for the year ended on December 31, 2021, in accordance with Egyptian accounting standards and accordance to the Egyptian laws and regulations relevant to the preparation of these consolidated financial statements.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo,

8 March 2022



E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of Financial position as of December 31 , 2021

	<u>Note No.</u>	<u>31 December 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	5/4-2	292 781 930	199 009 056
Intangible assets	6/4-4	20 856 753	17 521
Projects under construction	7/4-3	131 936 055	22 556 125
Equity-investment at FVOCI	8/4-6	137 302 008	136 302 008
Equity-Accounted investees (Associates)	10	50 847 092	-
Deferred tax assets	11-2	32 897 546	25 751 098
Prepaid employee benefits	15	6 813 717	9 876 991
Right of use assets	24-1	88 181 926	92 552 288
Total non current assets		761 617 027	486 065 087
<u>Current assets</u>			
Inventory	12/4-10	31 207 754	46 186 142
Work in progress	13/4-11	24 143 638	12 632 744
Trade and other receivables	14	1 354 449 021	779 897 470
Due from related parties	35-1	3 720 433	-
Financial investments at amortized cost	9	501 687 737	-
Cash and cash equivalents	16/4-13	2 367 100 282	633 433 880
Total current assets		4 282 308 865	1 472 150 236
Total assets		5 043 925 892	1 958 215 323
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital	17-2/4-14	888 888 889	800 000 000
Share Premium	18	2 345 616 021	-
Reserves	19/4-15	145 004 418	134 441 041
Retained earnings		503 010 453	268 835 385
Equity attributable to owners of the company		3 882 519 781	1 203 276 426
Non controlling interest	25	61 018 783	60 874 368
Total Equity		3 943 538 564	1 264 150 794
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Lease liability	24-4	59 936 190	73 200 586
Employee benefits	23-1/4-9	159 357 968	147 741 572
Total non current liabilities		219 294 158	220 942 158
<u>Current liabilities</u>			
Lease liability	24-2	34 032 162	22 685 934
Provisions	21/4-8	-	10 000 000
Trade and other payables	22	551 071 909	355 482 534
Credit facilities	20	114 880 023	-
Income tax payable	11-4/4-7	181 109 076	84 953 903
Total current liabilities		881 093 170	473 122 371
Total Liabilities		1 100 387 328	694 064 529
Total equity and liabilities		5 043 925 892	1 958 215 323

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.
 Audit report is attached

Chairman & Managing Director
 Ibrahim Sarhan



Chief Financial Officer
 Essam Bahgat



E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of Profit or Loss for the year ended December 31, 2021

	<u>Note No.</u>	<u>2021</u> <u>L.E.</u>	<u>2020</u> <u>L.E.</u>
Revenue	26/4-18	1 963 345 124	1 232 338 775
Cost of sales	27	(1 040 455 321)	(636 758 288)
Gross profit		922 889 803	595 580 487
Other revenue	28	19 326 677	2 916 046
General and administrative expenses	30	(198 342 791)	(151 444 765)
Marketing and selling expenses	31	(42 939 508)	(17 881 204)
Impairment loss trade receivable and other debit balances		(23 959 594)	(13 360 472)
Provisions no longer required		10 000 000	-
Other expenses	32	(6 325 820)	(2 171 300)
Operating Profit		680 648 767	413 638 792
Dividends income from equity investments at FVOCI	29	3 820 807	10 164 212
Finance cost	33	(14 247 852)	(13 031 013)
Income from Equity-accounted investees	10	1 847 127	-
Finance Income	34	70 006 944	46 147 328
Net profit for the year before tax		742 075 793	456 919 319
Income tax expense	11-1	(222 291 722)	(104 609 558)
Net profit for the year after tax		519 784 071	352 309 761
profit attributable to:			
Owners of the company		519 738 601	353 885 119
Non controlling interest		45 470	(1 575 358)
		519 784 071	352 309 761
Basic Earning per share	41	0.32	0.22

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

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

Consolidated statement of Comperhensive income for the year Ended December 31, 2021

	Financial Year ended 31 December 2021	Financial Year ended 31 December 2020
	<u>L.E.</u>	<u>L.E.</u>
Net profit for the year	519 784 071	352 309 761
<u>other comprehensive income</u>		
Actuarial gain (losses) from employee benefit	7 776 483	4 241 902
Income Tax related to other comprehensive income	(1 749 709)	(954 427)
Total other comprehensive Income	6 026 774	3 287 475
Total comprehensive Income for the year	525 810 845	355 597 236
Attributable to:		
Owners of the company	525 643 892	357 172 594
Non controlling interest (Note 25)	166 953	(1 575 358)
Total comprehensive Income for the year	525 810 845	355 597 236

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

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

Consolidated statement of change in shareholders equity for the year ended December 31, 2021

	<u>Paid in Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Reserve resulted from spin-off</u>	<u>Retained earnings</u>	<u>Owners Equity</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
Comprehensive Income								
Net profit for the year ended 31 December 2020	-	-	-	-	353 885 119	353 885 119	(1 575 358)	352 309 761
Comprehensive Income items	-	-	-	-	3 287 475	3 287 475	-	3 287 475
Total comprehensive income	-	-	-	-	357 172 594	357 172 594	(1 575 358)	355 597 236
Transaction with the owners of the company								
Dividends according to the ordinary general assembly meeting held in March 19 ,2020	-	-	-	-	(263 258 068)	(263 258 068)	-	(263 258 068)
Transferred to legal reserve	-	17 237 916	-	-	(17 237 916)	-	-	-
Reserve resulted from spin-off	-	-	-	69 713 889	(69 713 889)	-	-	-
Non controlling interest in the capital of subsidiaries companies	-	-	-	-	-	-	33 043 471	33 043 471
Total transaction with the owners of the company	-	17 237 916	-	69 713 889	(350 209 873)	(263 258 068)	33 043 471	(230 214 597)
Balance as of December 31 , 2020	800 000 000	44 727 152	20 000 000	69 713 889	268 835 385	1 203 276 426	60 874 368	1 264 150 794

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

Consolidated statement of change in shareholders equity for the year ended December 31, 2021

	<u>Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Share Premium</u>	<u>Reserve resulted from spin-off</u>	<u>Retained earnings</u>	<u>Owners Equity</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>	<u>L.E.</u>	<u>L.E.</u>
Balance at the Beginning of Jan. 2021	800 000 000	44 727 152	20 000 000	-	69 713 889	268 835 385	1 203 276 426	60 874 368	1 264 150 794
Comprehensive income	-	-	-	-	-	-	-	-	-
Net profit for the year ended 31 December 2021	-	-	-	-	-	519 738 601	519 738 601	45 470	519 784 071
Comprehensive income items	-	-	-	-	-	5 905 291	5 905 291	121 483	6 026 774
Total comprehensive income	-	-	-	-	-	525 643 892	525 643 892	166 953	525 810 845
Transaction with the owners of the company									
Dividends according to the ordinary general assembly meeting held in March 17 ,2021	-	-	-	-	-	(207 520 401)	(207 520 401)	(22 538)	(207 542 939)
Capital Increase dated 13 December 2021	88 888 889	-	-	-	-	-	88 888 889	-	88 888 889
Share Premium	-	-	-	2 345 616 021	-	-	2345 616 021	-	2345 616 021
Legal Reserve	-	10 563 377	-	-	-	(10 563 377)	-	-	-
Dividends BOD and Employees	-	-	-	-	-	(73 385 046)	(73 385 046)	-	(73 385 046)
Total transaction with the owners of the company	88 888 889	10 563 377	-	2 345 616 021	-	(291 468 824)	2153 599 463	(22 538)	2153 576 925
Balance as of December 31 , 2021	888 888 889	55 290 529	20 000 000	2 345 616 021	69 713 889	503 010 453	3 882 519 781	61 018 783	3 943 538 564

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

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

Consolidated statement of Cash flows for the year Ended December 31, 2021

	31 December 2021	31 December 2020
	L.E.	L.E.
Cash flow from operating activities		
Profit for the year before income tax	742 075 793	456 919 319
Adjusted as the follows:		
Fixed assets depreciation expenses	41 180 122	33 501 439
Amortization expenses of intangible assets	3 442 230	49 859
Amortization expenses of right of use asset	29 398 456	18 609 723
Amortization of paid in advance- employee benefits	2 974 311	1 902 354
Income from Equity-investment- at FVOCI	(3 820 807)	(10 164 212)
Debit interest	3 295 542	1 727 045
Credit interest	(69 025 092)	(43 727 663)
End of service benefit formed	31 087 870	30 823 846
Provision formed for Impairment loss trade receivable and other debit balances	(23 959 594)	4 345 445
Finance expenses-right of use asset	10 695 841	9 056 419
Foreign currency translation	(981 852)	(2 419 665)
Transferred cost to association projects	-	5 456 137
provision no longer required	(10 000 000)	
Capital (gain)/ Losses	(1 074 623)	(505 466)
	755 288 197	505 574 580
Change in inventory	14 978 388	(29 010 877)
Change in work in process	(11 510 894)	24 050 350
Change in employee benefit - paid in advance	-	(14 763 905)
Change in trade and other receivables	(552 874 760)	(112 587 192)
Change in due from related parties	(2 478 406)	1 904 761
Change in trade and other payables	189 817 849	24 379 876
Cashflow provided from operating activities	393 220 374	399 547 593
Debit interest paid	(3 295 542)	(1 727 045)
Credit interest collected	69 025 092	41 734 568
Payment to employee benefits	(4 941 613)	(5 382 224)
Dividends paid to employees and board members	(73 385 046)	(71 174 187)
Income taxes paid (11-4)	(131 855 767)	(72 587 597)
Net cash flow provided from operating activities	248 767 498	290 411 108
Cash flow from investing activities		
Proceeds from disposal fixed assets	15 871	163 530
Proceeds from dividends of Equity-investment- at FVOCI	2 660 408	9 264 212
Payment from acquiring Equity-investment- at FVOCI	(1 000 000)	(33 051 008)
Payment of fixed assets and projects under construction	(247 603 087)	(59 198 270)
Payment of acquiring Equity-Accounted in investees (Associates) companies	(50 847 092)	-
Payment of purchasing intangible assets	(22 745 539)	-
Payment of acquiring investments at amortized cost	(501 687 737)	-
payment to prepaid employee benefit	(886 802)	-
Net cash flow (used in) investing activities	(822 093 978)	(82 821 536)
Cash flow from financing activities		
Interest paid-lease contracts	(10 695 841)	(9 056 419)
Proceeds from increase in paid up capital	88 888 889	-
Proceeds from share premium	2 345 616 021	-
Lease liability paid	(24 153 271)	(14 376 754)
Proceeds from credit facility	114 880 023	-
Proceeds from non controlling interest share	-	33 043 471
Dividends to owners of the company	(207 542 939)	(192 083 881)
Net cash flow result from financing activities	2 306 992 882	(182 473 583)
Net change in cash & cash equivalent during the year	1 733 666 402	25 115 989
Cash & cash equivalent at beginning of the year	627 896 859	602 780 870
Cash & cash equivalent at end of the year	16 2 361 563 261	627 896 859

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

1- Company'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 Smart card operation technology company ECARDS, 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.

Technology Company for Ecommerce Operations E-ASWAAQ MISR

- The company was established in the name of the Electronic Market Operation 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.

E nable for Outsourcing Services Company

- The company was established in the name of E Nable for outsourcing services, 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 operations for financial institutions E-Finance Company (S.A.E)

- The company was established in the name of technological operations for financial institutions -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 demerge 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 demerge (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 relation to its rights and obligations and also in all licenses granted to the demerger company before the demerge.

Technological Operation for Tax Solutions (e tax) (SAE)

- The company was established in the name of the E Tax (Technological operations for tax solutions E-TAX company), 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.

Technological Operation for Health Insurance Services (E Health)

- 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, branched from salah salem st, Safer square, Heliopolis, Cairo.

1-2- Group's Purpose:

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

- Providing specialized operating services for information and communication technology systems, whether inside or outside the Arab Republic of Egypt (except for the Sinai region, prior approval of the authority is required) and these services include the following:
 - Managing, operating and maintaining all devices, equipment and computer networks.
 - Production, issuance, printing, packaging, management and operation of a smart card system.
 - Managing and operating the applications for providing banking services over the phone and through the Internet, electronic payment services, and electronic circulation of secured documents.
- Establishing, managing and operating the systems and management of customer service canters through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
- Establishing and managing training canters for preparing researchers and information technology transfer centres.
- Training for operating, managing and maintaining the computer, card system and applications for providing banking services, customer service canters and applications for electronic payment services.
- Technology business incubators and entrepreneurship support.
- Information and communication technology industry, including its industrial activities, design and development of electronics, data canters and outsourcing activities, software development and technology education.
- Description, design and development of computer systems of various kinds.
- Production, development and operations of embedded systems, and training on them.
- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission and circulation networks.
- Providing technical, financial and administrative support to the companies to which the company contributes and works 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 for using them.
- The production of electronic content in various forms such as sound, image and data.
- Entering data to computers and by electronic means.
- Description and design work for data transmission and circulation networks.
- Establishing and managing training centers for preparing researchers and centers for transferring information technology and training to use them.
- Establishing, managing and developing consulting and study centers specialized in the fields of information and communication.
- Design, operation and maintenance of payment systems and electronic receipts systems.
- Trade in telecommunications equipment of all kinds, its spare parts and accessories, computers, its spare parts and accessories, and the supply of integrated systems for networks.
- Wired and wireless communication networks contracting business of all kinds, and the supply of their spare parts and requirements.
- Establishing, managing and operating outlets for the company to provide its services.
- Providing all consultations for the operation, management and maintenance of the computer, 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.

Smart Card Operation Technology Company E-CARDS: -

- Preparing, designing, operating, issuing, 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 competent authorities without breaching 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 breaching 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.

Technology Company for Ecommerce Operations E-ASWAAQ MISR

- Establishing, developing and operating electronic markets.
- Create, design, develop, operate, manage, maintain and advertise for e-commerce platforms and applications.
- Online marketing.
- E-commerce.
- The work of designing and producing programs and applications, establishing databases and electronic information systems, operating and training them for agricultural, industrial, technological and exporting 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 canters.
- 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, and networks, and the internal systems of banks, networks, and mainframes.
- Providing specialized operating services for information and communication technology systems.

E nable for Outsourcing Services Company

- The information and communication technology industry, including its industrial activities, the core of electronics development, data canters, 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.
- 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 activities or that help it achieve its purpose in Egypt or abroad.

Technological operations for financial insittutions E-Finance Company (S.A.E)

- Information and communication technology, including industrial activities, design and development of electronics and data centers, outsourcing activities, software development, and technological education.
- Software design and production.
- Design and production of computer equipment.
- Communications and Internet services.
- Establishing networks for transmitting audio, video and written information, and providing value-added services.
- Establishing and managing training canters for preparing researchers and information technology transfer canters.
- Establishing, managing, and developing consulting and study canters 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 company (E tax) (SAE)

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 aforementioned the objectives of the ministry, without breaching 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.

Technological Operation for Health Insurance Services (E-Health) Company

Managing and operating the technological services of the comprehensive health insurance system.

- Specialized digital services for the health insurance sector and the health sector all over the Republic.

This is without breaching the provisions of applicable laws, regulations and decisions, and on condition that the necessary licenses are issued to practice these activities.

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

2- Financial statement approval

The consolidated financial statements were approved for issuance by the Company' Board of Directors on March 8, 2022

3- Basis of measurement

The consolidated financial statements are prepared according to the going concern assumption and the historical cost principle, except for financial assets and liabilities that are measured at fair value which are financial derivatives, financial assets and liabilities classified at fair value through profit or loss, and financial assets classified at fair value through other comprehensive income, as well as financial assets and liabilities measured at amortized cost. Historical cost is generally based on the fair value of the consideration given to acquire the assets.

3-1 Compliance with the Accounting Standards and Laws:

- The attached consolidated financial statements were prepared according to the Egyptian Accounting Standards released by the minister of investment number 110 for 2015 and in the light of Egyptian laws and regulations in force. the Egyptian accounting standards require referring back to IFRS regarding the events and transactions which do not have an applicable Egyptian accounting standard or legal requirements that clarify a way for treatment.

3-2 Presentation Currency:

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

3-3 Consolidation basis

The consolidated financial statements consist of the financial statements of the parent company and its subsidiaries for the financial year ended on December 31, 2021. the parent company has control over the investee company if it has all the following:

- 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 power 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 power over the investee, including:

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

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

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

The rights of non-controlling interest holders in the consolidated financial position are presented under equity in a separate clause from the equity holders of the parent company.

When the Group loses its ultimate or joint control over a subsidiary or joint venture that oblige to joint control and instead retains a significant influence over it, then it recognizes the remaining investment as an investment in an associate and measures it at its fair value on the date of losing the ultimate or joint control. The fair value of the investment remaining on the date of losing the ultimate or joint control, is considered a cost at initial recognition of the investment in an associate.

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	Operation of electronic markets	Egypt	61%
E aswaq Misr			
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 consolidated financial statements requires management to make judgments and estimates that affect the values of revenues, expenditures, assets and liabilities included in the consolidated financial statements and the accompanying disclosures, as well as disclosure of contingent liabilities at the date of the financial statements. The uncertainty surrounding these assumptions and estimates may result in results that require significant adjustments to the carrying value of the affected assets and liabilities in future periods.

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

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

Judgment

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

Equity Accounted in investees (associate)

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

The associate company business combination results, assets, and liabilities are shown in the financial statements of the group using the equity method, except for the investment held for trading which is accounted for according to the Egyptian accounting standard no 32 "Current assets held for sale and discontinued operations" which is measured using book value or fair value (less cost to sell) which is less

Besides, Using equity method the investment in associate is shown using the adjusted cost in the groups statement of financial position with the share of the group in the subsequent changes following the acquisition date in the company's net assets of the associate company after deducting any impairment which may rise on the value of each investment individually, and any increase in the group share of the company's net losses over the book value of the investment is not recognized except if this increase was in the limits of the legal or judgmental provision of the group towards the associate or the amounts that the group has settled on the behalf of this company.

In the case of dealing with any associate company, the group's share of intercompany losses or profits is derecognized in the extent of the group's share of this associate, besides this losses may be an evidence on the decline in value of this transferred asset, such in case, an adequate provision is formed to meet this provision.

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 company's management determines the estimated useful life of fixed assets for the purpose of calculating depreciation. This estimate will be determined after considering the expected useful life of the asset or the 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.

Defined Benefit Plan

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

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

Fair value measurement

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

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

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

The group 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.

Allowance for expected credit losses for trade receivables

The Group uses the provision register to calculate the expected credit losses for its trade receivables. Provision rates are based on days of delay for the customer group.

The calculation is initially based on the Group's historical default rates. The Group will accurately calculate the matrix to adjust the historical credit loss with prospective information. For example, if projected economic conditions (i.e. GDP) are expected to deteriorate over the next year which may lead to an increase in the number of defaults, then the historical default rates are adjusted. At each reporting date, the historical default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the relationship between defaulting historical rates which are observed, expected economic conditions and expected credit losses is a significant judgment. The value of expected credit losses is the most sensitive item to changes in expected economic conditions and circumstances. The historical credit loss and economic conditions expectations may not represent an actual customer default for the group in the future. Information regarding the expected credit losses of the company's trade receivables is disclosed in note 14.

4 The most significant accounting policies applied

The accounting policies mentioned below are applied in a consistent manner during the financial periods presented in these consolidated financial statements, with the exception of Egyptian Accounting Standard No. 47, which is to be applied as of January 1, 2021.

4-1 Translating transactions in foreign currencies

The Group holds its accounts in Egyptian pound, and transactions are recognized in foreign currency books based on the prevailing price of foreign currencies and at the end of each financial period. fair value denominated in a foreign currency using the exchange rates prevailing at the date that the fair value was determined, and items of a non-monetary nature that are measured at historical cost are translated.

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 the 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.

4-2 Fixed assets

All items of fixed assets appear in the statement of financial position at their historical cost, minus the accumulated depreciation, in addition to the accumulated losses resulting from impairment in their value. The cost of a fixed asset includes all expenditures directly attributable to the acquisition of the asset. Subsequent expenditures are added to the carrying amount of the asset or recognized separately depending on the case - only when it is likely that the use of this item will generate future economic benefits for the company and the acquisition cost of this item can be measured reliably.

Repair and maintenance expenses are charged to the profit or loss statement for the fiscal year in which these expenses are incurred. Profits and losses arising from the disposal or liquidation of fixed assets are determined on the basis of the difference between the processed of disposal - if any - and the book value of those assets and are included in the profit or loss statement.

Depreciation is charged to the consolidated income statement according to the straight-line method based on the estimated useful life of each type of fixed assets, so that it reflects the benefit from the economic benefits of the assets, and the 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
POSs	From 2 to 3 years
ATMs	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 to be determined (net after 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.

4-3 Projects under Construction

Projects in progress are recorded at cost, minus the sum of impairment in their value if any. The cost includes all costs directly related to the asset and necessary to prepare the asset to the status in which it is operated and for the purpose for which it was acquired. The projects under construction are transferred to the item of fixed assets when they are completed and available for the purpose for which they were acquired, and then their depreciation begins using the same bases followed by the depreciation of similar items of fixed assets.

4-4 Intangible assets

Assets of a non-monetary nature that do not have a physical but identifiable existence that are acquired for business purposes and from which future benefits are expected to flow are treated as intangible assets. Intangible assets (other than goodwill) include computer systems, licensing networks, and trademark rights. Intangible assets are measured at cost, which is the cash price on the date of its initial recognition. In the event of deferment of payment for periods longer than the normal credit period, the difference between the cash price and the total amount paid is recognized as interest. Intangible assets are presented net of depreciation and impairment losses. Subsequent expenditures on the acquisition of intangible assets are capitalized within the carrying amount of the capitalized assets only when such expenditures increase the future economic benefits of the asset or assets, while all other expenditures when incurred are charged to the profit or loss statement. Intangible assets are depreciated according to the straight-line method over the useful lives of intangible assets unless the useful life of intangible assets is indefinite, in which case an impairment test is conducted for those assets on an annual basis.

on a straight-line basis over the useful life of the asset as follows:

The useful life of the asset

Software

4 years

4-5 Impairment in fixed assets and intangible assets

On an annual basis - or whenever necessary - the group reviews the book values of its tangible assets to determine whether there are evidences or indications of the possibility of impairment in their value, if the impairment losses in its value. If the recoverable amount of an asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In the case of using logical and fixed bases to distribute assets to the cash-generating units, the general assets of the group are also distributed to those units. If this is not possible, the group's general assets are distributed to the smallest group of cash-generating units that the group can determine using logical and consistent bases.

For intangible assets that do not have a definite useful life or are not yet available for use, an annual test for impairment is conducted in their value, or as soon as there is any indication that those assets are subject to impairment.

The recoverable amount of an asset or a cash-generating unit is represented by the "fair value less costs to sell" or "value in use", whichever is greater.

Estimated future cash flows from the use of the asset or cash-generating unit are discounted using a pre-tax discount rate to arrive at the present value of those flows, which expresses their value in use. This rate reflects current market assessments of the time value of money and the risks associated with that asset, which have not been taken into account when estimating the future cash flows generated by it. If the estimated recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, the carrying amount of that asset (or a cash-generating unit) is reduced to reflect its recoverable amount.

The impairment losses are immediately recognized in the income statement. When, in a later period, the impairment loss recognized in prior periods is derecognized, the carrying amount of the asset (or the cash-generating unit) is increased in line with the new estimated recoverable amount, provided that the revised carrying amount does not exceed the original carrying amount that would have been possible that the asset reaches it if the loss resulting from impairment in its value has not been recognized in previous years. This reverse adjustment of impairment losses is immediately recognized in the income statement

4-6 Financial Instruments

Financial Assets

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Upon initial recognition, the entity shall, measure the financial asset or financial liability at its fair value added or deduct it, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that can be directly attributable to the acquisition or issuance of the financial asset or financial liabilities, with the exception of the due from customers who, if the amounts owed to them do not include a significant financing component.

Classification and subsequent measurement

Financial assets- The applied policy from January 1, 2021

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI so this election is made on an investment-by-investment basis.

All financial assets not measured at amortized cost or FVOCI as described above are measured at FVTPL and this includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies related to the application are similar to the accounting policies applied by the Group, with the exception of the following accounting policy, which came into effect starting from January 1, 2020.

Financial assets- Business Model Assessment: Policy applied from January 1, 2021

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.

- How the performance of the portfolio is evaluated and reported to the Group's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applied from 1 January 2021

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

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

In making this assessment, the Group considers:

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

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

Financial assets – Subsequent measurement and gains and losses: Policy applied from January 1, 2021

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss at derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets – Policy applied before January 1, 2021

The Group classifies financial assets into one of the following classifications:

- Loans and debts
- Investments held to maturity
- Investments at fair value through other comprehensive income
- At fair value through profit or loss

Financial assets – Subsequent measurement and gains and losses: Policy applied before January 1, 2021

Financial assets at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets held to maturity	The amortized cost is measured using the effective interest method.
Financial assets at FVOCI	Financial assets are measured at fair value. Changes in fair value other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the accumulated gain or loss recognized in OCI is reclassified to consolidated statement of income.

Financial liabilities – Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

1) Non-derivative financial assets

Policy adopted from January 1, 2021

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and

- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or
- The financial asset according to the terms of payment and the nature of each sector for individual customers and considering the study of expected credit losses prepared by the company.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when

one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 120 days past due; The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; It is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applied before January 1, 2021

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

**Financial assets
at amortized
cost**

The Group assessed evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

**Equity-
accounted
investees**

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses in equity-accounted investees are measured by comparing their carrying amount with the recoverable amount, and the impairment losses are recognized in profit or loss and the impairment loss is reversed when preferential changes occur in the estimates used to determine the recoverable amount.

**Financial assets
at fair value
through OCI**

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale in profit or loss are not reversed.

4-7 Income tax and Deferred Tax

A provision is made to meet potential tax obligations and disputes from the management's point of view in light of the tax claims received and after conducting the necessary studies in this regard.

The group's consolidated income statement is periodically charged with an estimated tax expense for each financial period, which includes both the value of the current tax as well as the deferred tax, provided that the actual tax expense is recorded at the end of each financial year.

Deferred tax assets and liabilities represent the expected tax effects of temporary differences resulting from the difference in the value of assets and liabilities in accordance

with tax rules, and between the book values of those assets and liabilities in accordance with the accounting bases used in preparing the consolidated financial statements.

The current tax is calculated on the basis of the tax base specified in accordance with the laws, regulations and instructions in force in this regard and using the tax rates in effect on the date of preparing the financial statements, while the deferred tax value is determined using the tax rates expected to be applied in the periods during which the obligation will be settled or the asset is used and based on Tax rates and tax laws in force at the date of the financial statements.

The deferred tax is recognized as an expense or revenue in the income statement, except for those related to items that are directly recognized in equity, so the related deferred tax is also treated directly within equity.

In general, all deferred tax liabilities (resulting from future taxable temporary differences) are recognized, while deferred tax assets (resulting from tax-deductible temporary differences) are recognized only if there is probable or other convincing evidence that sufficient tax profits will be achieved in the future. The statement of financial position method is used to calculate deferred tax assets and liabilities, and they are classified under non-current assets and liabilities.

4-8 Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as a result of past events and it is probable that the settlement of that obligation will result in an outflow from the group in the form of resources that include economic benefits and that the estimated costs of meeting those obligations are likely to occur and it is possible to estimate the value of the obligation reliably.

The value that is recognized as a provision represents the best estimates available for the consideration required to settle the current obligation at the date of the financial statements if the risks and uncertainties surrounding that obligation are taken into consideration.

When a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount of the provision represents the present value of those cash flows. If the cash flows are discounted, the book value of the provision increases in each period to reflect the time value of money resulting from the passage of the period. This increase in the provision is recorded in the financing expenses in the income statement.

4-9 Employee Benefits

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

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

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

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

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

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

4-10 Inventory

Inventories are recorded at cost or net realizable value, whichever is lower. The cost is determined using the “first in, first out” method for issuing of the inventory. The net realizable value is estimated on the basis of the selling price in the normal course of business, minus the estimated costs necessary to complete the sale, as well as any other costs necessary to complete the sale.

4-11 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 .

4-12 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.

4-13 Cash and cash equivalents

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

4-14 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.

4-15 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.

4-16 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.

4-17 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. Since the distribution of profits is an inherent right of the owners of the company, no liability is recognized by the employees in the profits whose distribution has not been declared until the date of the financial statements (retained earnings).

4-18 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.

The Group recognizes some revenue over a period of time, by measuring the progress towards the fulfilment of performance obligations, for each performance obligation that is fulfilled over a period of time. The objective when measuring progress is to show the entity's achievement towards transferring control of the promised goods or services to the customer (i.e. the entity's fulfilment of the performance obligation). Similar performance obligations and in similar circumstances.

The Group, when applying a method for measuring progress, shall exclude from the measurement any goods or services over which the Group will not transfer control to the customer. Conversely, the Group shall include, when measuring progress, any goods or services over which the entity has transferred control to the customer in fulfilment of a performance obligation.

Output Method

Output methods recognize revenue based on direct measurements of the value of the goods or services transferred to the customer to date, attributable to the remaining goods or services promised under the contract. Output methods include methods such as inventory of performance completed to date, assessments of results achieved, a specific milestone reached, the time elapsed, units produced, or units delivered. When an entity assesses whether it will apply the output method to measure its progress, the entity must consider whether the output method chosen faithfully reflects the entity's performance towards full fulfilment of the performance obligation.

As a practical means, if an entity has a right in return from a customer in an amount that directly matches the value provided to the customer from the entity's completed performance to date, the entity may recognize revenue in the amount for which the entity is entitled to invoice.

Interest Income

Interest income is recognized according to the accrual principle on the basis of time proportional distribution, taking into consideration the principal outstanding and the effective interest rate applied for the period to the maturity date.

Dividends Group revenue

Revenues arising from dividends due to the group on its investments in equity instruments - except its investments in sister companies - are recognized in profits or losses when the group's right to receive the dividends is issued. The cost of such investments is reduced by pre-acquisition dividends, which clearly represent a recovery of part of the acquisition cost.

4-19 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.

4-20 Borrowing costs

The cost of borrowing is recognized as an expense in the income statement using the effective interest rate method when incurred, except for the borrowing cost that is directly related to the creation or acquisition of assets that qualify to bear the cost of borrowing. its specified purpose.

4-21 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date as a basis, or the price of the closest market owned by the company on that date in the absence of its market price, and the fair value of the liability reflects the risk of non-performance.

A number of the company's accounting policies and related disclosure requirements require the determination of the fair value of financial and non-financial assets and liabilities.

In the case of an active market, the fair value of financial instruments is determined on the basis of the market value of the financial instrument or similar financial instruments at the date of the financial statements. The values of financial assets are determined at the current purchase prices for those assets. The market is considered active if transactions are made on the asset or liability with frequency and a sufficient size to provide information Pricing continuously.

In the event that there is no active market to determine the fair value of financial instruments, the fair value is estimated using various valuation methods, taking into account the prices of recent transactions. The chosen valuation technique includes all the factors that market participants will take into account when pricing the transaction.

If an asset or liability is measured at fair value at the bid and ask price, the company measures long-term assets at the bid price and short-term liabilities at the ask price. The best evidence of the fair value of a financial instrument on initial recognition is usually the transaction price - that is, the fair value of the consideration paid or received. If the Company finds that the fair value at initial recognition differs from the transaction price and fair value (whether at a quoted price in an active market for an identical asset or liability and does not rely on a valuation technique on which any input is judged if it is not significant to the measurement), then the financial instruments are measured. Initially at

fair value, adjusted to defer the difference between fair value at initial recognition and the transaction price. Subsequently, this difference in profit or loss is recognized on an appropriate basis over the life of the instrument but no later than when the valuation is fully supported by reliable market data or when the transaction is closed.

In limited circumstances, the cost may be used as an approximation of fair value. This may be the case if the most recently available information is not sufficient to determine fair value, or if there is a wide range of possible fair value measurements and the cost is the best estimate of fair value within that range.

4-22 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 term as the non-cancellable lease period in line with the lease with the period for which the company has extension options that it is certain to exercise, the periods specified by the company, and the periods for which the company has termination options that It is uncertain that the company will implement it.

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

Notes To the Consolidated Financial Statements For the year ended December 31, 2021

5- Fixed Assets

	<u>Lands & buildings</u>		<u>Computers</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>	
	<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>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 1/1/2021	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 year	71 293 750	40 278 252		7 726 045		9 039 860		2 088 097		3 790 754		1 624 298		327 305		136 168 361		
Transfer from PUC	-	-	-	-	-	2 054 797		-		-		-		-		2 054 797		
Transferred to intangible assets	-	(4 331 864)		-		-		-		-		-		-		(4 331 864)		
Disposals during the year	-	(2 451 015)		-		(2,968,310)		(1,374,311)		(4 827)		-		-		(6 798 463)		
Cost as of 31/12/2021	156 402 336	274 653 685		29 097 938		61 384 891		28 706 154		90 916 287		29 434 321		1 606 105		672 201 717		
<u>Accumulated depreciation</u>																		
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 year	1 986 240	19 115 598		4 449 078		11 287 958		994 994		1 674 494		1 628 120		43 640		41 180 122		
Accumulated depreciation transferred to intangible assets	-	(2 795 941)		-		-		-		-		-		-		(2 795 941)		
Disposals accumulated depreciation	-	(2 451 015)		-		(1 351 036)		(1 257 346)		(4 827)		-		-		(5 064 224)		
Accumulated depreciation as of 31/12/2021	17 873 155	185 164 578		9 983 268		32 186 728		23 217 038		85 840 020		23 832 561		1 322 439		379 419 787		
Net book value as of 31/12/2021	138 529 181	89 489 107		19 114 670		29 198 163		5 489 116		5 076 267		5 601 760		283 666		292 781 930		

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Notes To The consolidated Financial Statements For the year ended December 31, 2021

5- Fixed Assets

	<u>L.E.</u>	<u>Equipment, Computer & software</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</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 accumulated depreciation	-	(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>31/12/2021</u>	<u>31/12/2020</u>
	<u>EGP</u>	<u>EGP</u>
Cost of revenue (Note 27)	29 257 708	23 006 316
General and administrative expenses (Note 30)	11 922 414	10 495 123
Total depreciation of assets	41 180 122	33 501 439

6 Intangible assets

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cost		
The beginning cost of the year	368 036	368 036
Transferred from fixed assets (Note 5)	4 331 864	-
Additions during the year	22 745 539	-
End of the year	27 445 439	368 036
Deduct:		
Beginning accumulated amortization at the year	350 515	300 656
Transferred from fixed assets	2 795 941	-
Amortization for the year	3 442 230	49 859
Accumulated amortization at end of the year	6 588 686	350 515
Net Book Value at end of the year	20 856 753	17 521

Amortization is charged within the following items:

	31 December 2021 <u>L.E</u>	30 December 2020 <u>L.E</u>
Cost of revenue (Note 27)	2 821 378	-
General and Administrative Expenses (Note 30)	620 852	49 859
	3 442 230	49 859

7 Projects under Construction

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Smart card devices & printers and utilities in progress	-	4 036 151
Computers for Operating activities	152 000	1 109 126
ATMs	-	3 651 619
Computers and software	16 659 055	3 559 863
Points of sale devices	-	9 529 682
Networks	-	669 684
Building	115 125 000	-
Total projects under constructions at the end of the year	131 936 055	22 556 125

8 Equity Investments at fair value through OCI

	<u>%</u>	<u>Investment Value</u>	
		<u>31 December</u>	<u>31 December</u>
		<u>2021</u>	<u>2020</u>
		<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.) *	%10.2	18 000 000	18 000 000
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E) **	%9.99	33 599 000	33 599 000
Delta Egypt Payments Company (S.A.E) ***	%10	1 500 000	500 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	83 752 000	83 752 000
Other investments*****		451 008	451 008
		137 302 008	136 302 008

* Investments are the value of the contribution of 10.2% in the Egyptian State Technology Services Company ESERVE (SAE)• 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 Egyptian Company for Electronic Commerce Technology (MTS), 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 this date, and the impairment was reversed in 2018 with an amount of 5 000 000.

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

*** Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), and the payment represents 50% of the issued capital of the company, which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 during 2021 the amount of 1 000 000 was paid, so the paid up capital amounted to 75% (the company did not start Activity yet).

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

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

9 Financial Investment at amortized cost

Treasury bills in the financial position represent as the following:

Purchasing value L.E	Purchasing date	Due date	Return Percentage %	Duration	Return L.E	Current Value L.E	Face Value L.E
500 694 004	23/12/2021	29/3/2022	11.32	96	993 733	501 687 737	515 600 000
500 694 004					993 733	501 687 737	515 600 000

10 Equity accounted investees (associate)

	Percentage	Investment Value	
		31 December 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		1 847 127	-
E Health (Technological Operation for Health Insurance Services)**	35%	13 999 990	-
		50 847 092	-

* The investment in associate companies amounted to 1 399 999 shares in 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 36 847 102 Pounds (Thirty Six Million and eight hundred forty-seven thousand and one hundred two)

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021

11 Tax:

11-1 Income tax

	31 December 2021 L.E	30 December 2020 L.E
Current Income Tax Expenses	228 010 940	104 132 785
Tax dividends income from Equity investment at FVOCI	295 601	900 000
Treasury Bills Tax	2 881 338	1 993 095
Deferred tax (income)	(8 896 157)	(2 416 322)
Deferred Tax at Profit and Loss	222 291 722	104 609 558
Deferred income tax at other comprehensive income	1 749 709	954 427

11-2 Deferred tax

A) Recognized deferred tax assets

	31 December 2021		31 December 2020	
	Assets L.E	Liabilities L.E	Assets L.E	Liabilities L.E
Depreciation of fixed assets	-	13 725 468	-	7 117 393
Obligations of the employee benefits	37 375 053	-	33 241 854	-
Tax Losses	8 875 488	-	-	-
Unrealized foreign currency exchange	372 473	-	-	373 363
	46 623 014	13 725 468	33 241 854	7 490 756
Net deferred tax assets	32 897 546	-	25 751 098	-
Deducts: the previously charged deferred tax assets	(25 751 098)	-	(24 289 203)	-
Add: the deferred tax assets charged to the statement of other comprehensive income	1 749 709	-	954 427	-
Deferred taxes for the year as income	8 896 157	-	2 416 322	-

B) Unrecognized deferred tax assets

	31 December 2021 L.E	31 December 2020 L.E
Impairment loss on trade receivable and other receivables	6 763 954	3 623 046

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

11-3 Adjustment of the effective tax rate

	31 December 2021 <u>L.E</u>		31 December 2020 <u>L.E</u>
Net Profit Before Tax	742 075 793		456 919 319
Tax Income Based on Tax rate	22.5% 166 967 053	22.5%	102 806 847
Expenses that are not deductible and others	42 937 475		24 131 412
Untaxable revenue	(32 712 893)		(16 119 362)
The tax base	752 300 375		464 931 369
Current income tax	29% 222 291 722	22.9%	104 609 558

11-4 Income Tax payable

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Accrued Income Tax at beginning of the year	84 953 903	53 408 715
Formed during the year	228 010 940	104 132 785
Income tax paid	(110 567 910)	(51 253 313)
Withholding tax-debit	(21 287 857)	(21 334 284)
	181 109 076	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.
- 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 31, 2019 and has not yet submitted tax returns in accordance with the law, and there are no tax claims on the company.
- The company's records have not been inspected yet.

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 regularly submits monthly and quarterly return
- The company has not been tax examined until now.

C) 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.
- The company is registered in value-added tax on 18 March 2020.

D) Stamp tax

- The company's records have 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.
- the company submit the tax return on its legal dates.

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 regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) 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.
- The company is registered in value-added tax on 18 March 2020.

d) Stamp tax

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

The Technology Company for Ecommerce Operations E-ASWAQ MISR

a) Corporate tax

- The Technology Company for Ecommerce Operations E-ASWAQ 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) 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 regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) Value added tax

- The company has not been registered yet.
- The company is registered in value-added tax.
- The company submits the tax return on its legal dates.

d) Stamp tax

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

E-nable 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) 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 regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) Value added tax

- The company is registered in value-added tax on 28 March 2021.
- the company submits the tax return on its legal dates.
- The company's record has been inspected till now.

d) 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) Payroll tax

- The company has been inspected by the tax authority as the first financial year has not been ended.
- The company deducts and submits the tax on the legal dates.
- The company regularly submits monthly and quarterly return.

c) Value added tax

- The company has been registered on 24th February 2021.
- The company submits its returns monthly and quarterly and has not been inspected yet.

d) 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 have not been inspected yet.
- The company is registered in value-added tax on 24 February 2021.
- The company submits the tax return on its legal dates.

c) Stamp tax

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

12 Inventory

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cards, Cards centre supplies	15 033 085	29 347 165
Computer devices	2 644 317	314 724
Spare parts	3 096 140	488 219
Point of sale devices	7 556 687	15 159 818
Stationary	204 190	876 216
ATMs	2 673 335	-
	<u>31 207 754</u>	<u>46 186 142</u>

13 Work in progress

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Work in progress for the Government sector	23 832 938	12 632 744
Work in progress for private sector	310 700	-
	<u>24 143 638</u>	<u>12 632 744</u>

14 Trade and other receivables

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Accounts receivable	585 545 175	375 419 419
	<u>585 545 175</u>	<u>375 419 419</u>
Impairment in Accounts receivable	(22 546 831)	(6 102 427)
	<u>562 998 344</u>	<u>369 316 992</u>

Other Debited Balances

Prepaid expenses	23 622 122	9 580 873
Suppliers -Advance payment	14 370 779	19 233 441
Accrued revenue and accrued interest	610 767 368	312 708 257
Deposits with others	8 981 237	7 702 952
Deposits with others - Work Retention	41 199 069	40 808 071
Income Tax	9 466 207	-
Value-added tax	40 377 606	5 839 259
Letter of guarantee margin	3 095 309	8 193 024
Withholding tax	3 854 523	138 350
Prepaid employees' benefits	2 718 298	2 984 560
Notes Receivable	32 072 567	-
Other debit balances	8 440 782	3 391 691
Impairment in other debit balances	(7 515 190)	-
Total other debit balances	<u>791 450 677</u>	<u>410 580 478</u>
Total account receivable and debit balances	<u>1 354 449 021</u>	<u>779 897 470</u>

15 Paid in Advance employees' benefits

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

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Beginning balance	12 861 551	-
Additions of the year	886 802	14 763 905
Disposal of the year	(1 242 027)	-
Amortization of the year	(2 974 311)	(1 902 354)
Net balance	<u>9 532 015</u>	<u>12 861 551</u>
<u>Distributes as follows: -</u>		
Prepaid employee benefits-short term (Note 14)	2 718 298	2 984 560
Prepaid employee benefits – Long term	6 813 717	9 876 991
Total balance	<u>9 532 015</u>	<u>12 861 551</u>

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

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Cost of revenues (Note 27)	2 392 185	1 029 031
General and administrative expenses (Note 30)	582 126	873 323
Total	<u>2 974 311</u>	<u>1 902 354</u>

16 Cash and cash Equivalents

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Banks – Saving Accounts	2 262 143 374	432 958 069
Banks - time deposits	32 543 126	3 010 329
Investment funds*	72 383 638	197 464 532
Cash on hand	30 144	950
Balance of cash and cash equivalents	<u>2 367 100 282</u>	<u>633 433 880</u>

*** Investment Funds**

	31/12/2021 <u>L.E</u>	31/12/2020 <u>L.E</u>
Themar Fund, QNB	24 161 102	197 367 136
SEYOLA fund	48 117 917	-
Youm by youm Account - Bank Misr	104 619	97 396
	<u>72 383 638</u>	<u>197 464 532</u>

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

	31/12/2021	31/12/2020
	<u>L.E</u>	<u>L.E</u>
Cash and Its equivalents	2 367 100 282	633 433 880
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>2 361 563 261</u>	<u>627 896 859</u>

17 Capital

17-1 The authorized capital

The company's authorized capital has been set at 4 billion Egyptian pounds (four billion Egyptian pounds) after increasing it from 3.5 billion Egyptian pounds (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) 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 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.
- The Board of Directors, held on October 31, 2021, decided to increase the issued capital by issuing a number of 177 777 778 shares, with a nominal value of fifty piasters per share, and a total value of 88 888 889 Egyptian pounds, bringing the issued and paid-up capital to 888 888 889 Egyptian pounds and these shares are distributed in the capital as follows:

<u>Shareholder</u>	<u>Equity Ratio</u>	<u>Number of shares</u>	<u>Nominal value in EGP</u>
	<u>%</u>		
The National Investment Bank	%48.70	865 455 038	432 727 519
Egyptian National Bank	%6.95	123 636 240	61 818 120
Banque Misr	%6.95	123 636 241	61 818 120
Egypt Banks Company for Technological Progress	%6.95	123 636 240	61 818 120
Egyptian Company for Investment Projects	%6.95	123 636 241	61 818 120
Public Shares	%23.50	417 777 778	208 888 889
	%100	1 777 777 778	888 888 889

18 Share premium

The share capital of E-Finance for Digital and Financial Investments S.A.E has been increased with 177 777 778 shares at a price of 13.98 pounds per share, and 2 485 333 336 Egyptian pounds were collected as a value of those shares, and this value has been reduced by direct expenses related to the capital increased shares amounting to 50 828 426 Egyptian pounds as well as the nominal value of the shares of 88 888 889 Egyptian pounds so that the share premium becomes 2 345 616 021 as of December 31, 2021.

19 Reserves

	31 December	31 December
	2021	2020
	<u>L.E</u>	<u>L.E</u>
Legal Reserve *	55 290 529	44 727 152
General Reserve **	20 000 000	20 000 000
Reserve resulted from the spin-off	69 713 889	69 713 889
	<u>145 004 418</u>	<u>134 441 041</u>

* 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.

*** According to the spin-off project issued by the Economic Performance sector on December 15, 2020, which was approved by the company's general assembly, which was held on December 20, 2020, which stipulates setting aside the net value of the land and the buildings on it from the carried profits. Therefore, the company sets aside an amount of 69 713 889 Egyptian pounds from the retained earnings for the year 2020 under the item of the demerge reserve.

20 Credit Facilities

<u>Bank</u>	<u>Authorized facility limit</u> <u>L.E or Its equivalents of</u> <u>Foreign Currency</u>	<u>Used</u> <u>L.E or Its</u> <u>equivalents of</u> <u>Foreign Currency</u>	<u>Nature of facility</u>
QNB	50 000 000	31 577 508	Existing debt limit
QNB	81 500 000	23 581 743	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
United National Bank	500 000 000	39 365 931	Existing debt limit for multiple purpose*
Faisal Islamic Bank	80 000 000	59 720 772	Limit for purchasing of goods and production requirement
Commercial International Bank	150 000 000	-	Existing debit limit
	1 742 000 000	114 880 023	

* This amount represents the letter of guarantee issued and does not represent credit facility for the group.

21 Provisions

	<u>Balance as of 1</u> <u>January 2021</u> <u>L.E</u>	<u>Formed during</u> <u>the 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 as of 31</u> <u>December</u> <u>2021</u> <u>L.E</u>
Provision for contingent claims	10 000 000	--	(10 0000 00)	--	-
	10 000 000	--	(10 0000 00)	--	-
	<u>Balance as of</u> <u>1 January</u> <u>2020</u> <u>L.E</u>	<u>Formed during</u> <u>the 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 as of</u> <u>31 December</u> <u>2020</u> <u>L.E</u>
Provision for contingent claims	10 000 000	--	--	--	10 000 000
	10 000 000	--	--	--	10 000 000

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021

- 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 company's practice of its activities and its contractual relations with others. The provisions formed during the year are included in the item of other expenses in the consolidated statement of profit or loss. The company's management annually reviews and settles these allocations according to the latest developments. And discussions and agreements with interested parties.

22 Trade and other payables

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Accounts payable	191 763 468	175 208 275
	191 763 468	175 208 275
Other credit balance		
Accrued expenses	56 721 911	15 440 065
Payroll tax	4 152 685	9 319 497
Value Added Tax (VAT)	41 457 108	24 357 006
Advance payment from Customer	220 557 532	124 721 040
Withholding tax	6 940 326	4 332 944
Retention payable	654 776	494 581
Employee Benefits – E-Tax	6 753 378	-
Other Credit balances	22 070 725	1 609 126
Total credit balances	359 308 441	180 274 259
Total payable and other credit balances	551 071 909	355 482 534

23 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 company'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 the system's funds The best possible investment.

23-1 Movement in the present value of the employee benefits obligations - (end of service benefits)

	31 December 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	19 552 322	17 715 859
Current service cost	11 535 548	13 107 987
Actuarial (gain) on the liability recognized in other comprehensive income	(7 776 483)	(4 241 902)
Transferred to Associate	(6 753 378)	-
Paid during the year	(4 941 613)	(5 382 224)
Liabilities at end of the year	159 357 968	147 741 572

23-2 The amounts recognized in the consolidated statement of profit or loss

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
The interest cost	19 552 322	17 715 859
Current service cost	11 535 548	13 107 987
End of the year	31 087 870	30 823 846

23 -3 The most important actuarial assumptions used in calculating the liability according to the actuarial expert's study

	31 December 2021 <u>L.E</u>	31December 2020 <u>L.E</u>
Discount rate	14.5%	14%
Gross salary rate	10%	12%
Death rate	2.45%	2.45%

23-4 Quantitative sensitivity analysis and its effect on the benefit obligation, as follows

Assumptions

	Sensitivity analysis			
	31 December 2021		31 December 2020	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	0.5%	0.5%	0.5%	0.5%
Discount rate	151 581 485	167 134 451	138 350 879	157 132 265
Current salary rate	167 134 451	151 581 485	157 132 265	138 350 879
	1%	1%	1%	1%
Death rate	164 875 499	153 840 437	151 214 720	144 268 424

The above sensitivity analysis has been determined based on a method that captures the effect on the benefit obligation as a result of reasonable changes in the key assumptions that occur at the end of the reporting period. Sensitivity analysis is based on a change in a material assumption, while all other assumptions are held constant. Sensitivity analysis may not be reflective of any actual change in the defined benefit obligation because it is unlikely that changes in the assumptions will occur when separated from each other.

23-5 Demographic Data

	<u>2021</u>	<u>2020</u>
Number of employees involved	735	584
average age (year)	35.26	35.05
Average Monthly Salary (EGP)	23 129	30 634
Average service life (year)	4.23	4.44

24 Lease contracts

The company 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 the subcontractor.

Following the contracts, the company has leased: -

24-1 Right of use asset

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Balance beginning of the Period (year)	107 381 762	-
Additions during year	68 204 242	119 820 996
Disposals during year	(58 812 582)	(12 439 234)
Balance end of year	116 773 422	107 381 762
Balance beginning of the year	14 829 474	
Amortization at the beginning of the year	29 398 456	18 609 723
Disposals – Accumulated amortization	(15 636 434)	(3 780 249)
Balance end of year	28 591 496	14 829 474
Net Right of use	88 181 926	92 552 288

The amounts recognized in the consolidated statement of profit or loss

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Cost of Revenue (Note 26)	6 347 745	7 443 459
General and Administrative expenses (Note 30)	23 050 711	11 166 264
Total	29 398 456	18 609 723

24-2 Lease Liability

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

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Balance beginning of the year	95 886 520	-
Additions during the year	68 204 242	119 820 996
Disposals during the year	(45 969 139)	(9 557 722)
Finance Cost	10 695 841	9 056 419
Lease payment	(34 849 112)	(23 433 173)
Balance at the end of the year	93 968 352	95 886 520
They are divided as follows: -		
Contract lease liability – non-current liability	59 936 190	73 200 586
Contract lease liability- current liability	34 032 162	22 685 934
Balance at the end of the year	93 968 352	95 886 520

**E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021**

25 Non-Controlling interest

	E- Finance	E-Cards	Khales	E-Aswaq	E-nable	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 comprehensive income for the year	43 331	6 227 204	2 271 072	(8 374 662)	8	166 953
The share of non-controlling interest in dividends	(22 538)	-	-	-	-	(22 538)
Total non-controlling interests as at December 31, 2021	63 256	23 300 121	32 864 952	4 789 442	1 012	61 018 783

29 Dividend income from equity investments fair value through OCI

	31 December 2021	31 December 2020
Egypt State Technology Services Company ESERVE	2 956 009	10 164 212
International company for consultation and information systems (ACIS)	864 798	-
	3 820 807	10 164 212

30 General and Administrative Expenses

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Wages and Salaries and employee benefit	73 224 992	65 501 822
Amortization of ROU asset (Note 24-1)	23 050 711	11 166 264
Stamps and deductions	13 289 146	13 371 014
Fixed Assets Depreciation (Note 5)	11 922 414	10 495 123
Consulting and legal fees	27 346 619	13 212 999
Comprehensive social insurance	5 494 473	3 598 292
Donations	3 020 076	3 500 000
Rent	3 868 922	5 112 830
Maintenance Expenses	4 494 234	4 514 239
Employee benefits (cars) (Note 15)	582 126	873 323
Amortization of intangible assets (Note 6)	620 852	49 859
Other expenses	31 428 226	20 049 000
	198 342 791	151 444 765

31 Selling and Marketing Expenses

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Exhibitions	20 029 230	10 909 708
Public Relations	4 985 765	3 534 307
Advertisements	7 000 038	2 264 653
Other Marketing Expenses	10 924 475	1 172 536
	42 939 508	17 881 204

32 Other Expenses

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Attendance, remuneration and allowances for members of the Board of Directors	6 325 820	2 171 300
	6 325 820	2 171 300

33 Finance Cost

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Realized Foreign exchange	256 469	2 247 549
Debit interest expense and bank charges	3 295 542	1 727 045
Finance cost-lease contracts (note 23-2)	10 695 841	9 056 419
	14 247 852	13 031 013

34 Finance income

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Foreign exchange Translation gain	981 852	2 419 665
Revenues from Investment in financial investment funds	26 476 326	22 031 569
Bank interest on current accounts	42 372 251	19 954 918
Bank interest on time deposits	176 515	1 741 176
	70 006 944	46 147 328

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021

26 Revenues:

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Installation services and card operation revenue	734 971 058	581 068 477
Integrated solutions revenue	223 042 658	188 448 228
Hosting services revenue	358 933 917	173 410 643
Installations and technical support revenue	79 068 075	94 413 013
Maintenance and network	351 885 700	96 335 259
Call center revenue	32 707 595	31 823 488
Cards Center Revenue	139 951 154	40 689 039
Other revenue	42 784 967	26 150 628
	1 963 345 124	1 232 338 775

27 Cost of sales

	31 December 2021	31 December 2020
	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	390 507 479	243 561 465
Infrastructure cost	272 173 763	186 925 536
Cost of goods sold	226 014 417	134 325 983
Depreciation of fixed assets (Note 5)	29 257 708	23 006 316
Amortization of ROU asset (Note 24-1)	6 347 745	7 443 459
Card Centre	72 540 389	9 596 943
Technical advice and support	32 288 167	22 750 404
Rent	755 716	2 302 906
Employee benefits (cars) (note 15)	2 392 185	1 029 031
Amortization of intangible assets (Note 6)	2 821 378	--
finances	1 970 525	--
Other Costs	3 385 849	5 816 245
	1 040 455 321	636 758 288

28 Other Revenues:

	31 December 2021	30 December 2020
	<u>L.E</u>	<u>L.E</u>
Capital (loss)	(1 718 368)	(393 273)
Revenue of leased contract termination	2 792 990	--
Other revenue	18 252 055	3 309 319
	19 326 677	2 916 046

**E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021**

35 Related parties

35-1 Due from related party

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

	Relations Nature	Transaction Nature	Volume of Transactions during the year	Balance
				2021 L.E
				2020 L.E
35-1 Due from Related Parties:				
E Tax (Technological Operation for Tax Solutions)	Associate	Services	-	Due from: 746 355
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	2 974 078	Due from: 2 974 078
				3 720 433

35-2 Payment to top management:

The top Management includes the board of directors and the managers of the company. The salaries and benefits paid to the top management are the follows during the physical year ended in:

	31 December 2021 L.E	31 December 2020 L.E
Salaries and Benefits	97 474 520	61 443 439
Board of directors' allowance	6 325 820	2 171 300
	103 800 341	63 614 739

36 Segment reporting

The company has (8) 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) – Communication center services
- Sector (E) - Card Center services
- Sector (F) - hosting services
- Sector (G) - maintenance and network contracts
- Sector (H) – other

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.

E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021

Segment Reporting

The financial year ended on 31 December 2021	Installations and															
	Installation services and operation of cards	Integrated Solutions		Hosting Services		Revenues of Networks and Maintenance Contracts		Support Services		Card Center services		Communication Center Services		Other		Total L.E
		L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E		
Revenues	734 971 058	223 042 658	358 933 917	351 885 700	79 068 075	139 951 154	32 707 595	42 784 967	1 963 345 124							
Depreciation	(9 772 091)	(1 236 796)	(5 635 057)	(2 773 970)	(4 512 331)	(9 561 598)	(748 872)	(4 186 115)	(38 426 830)							
Salaries and wages and employees' benefits	(130 595 621)	(31 112 962)	(50 002 948)	(21 386 561)	(16 276 503)	(11 348 036)	(2 540 428)	(127 244 420)	(390 507 479)							
Other Cost	(200 427 557)	(12 039 479)	(85 050 839)	(185 357 461)	(29 239 124)	(82 305 126)	(11 606 391)	(5 495 035)	(611 521 012)							
Gross profit / (loss)	394 175 789	178 653 421	218 245 073	142 367 708	29 040 117	36 736 394	17 811 904	(94 140 603)	922 889 803							
Gross Profit/loss percentage	%54	%80	%61	%40	%37	%26	%54	(%220)	%47							
Other expense and other revenue	(45 543 325)	(18 472 664)	(11 610 996)	(60 315 537)	(5 397 624)	(4 709 466)	(20 376 958)	(14 387 440)	(180 814 010)							
Net Profit before tax	348 632 464	160 180 757	206 634 077	82 052 171	23 642 493	32 026 928	(2 565 054)	(108 528 043)	742 075 793							
Net profit %	%47	%72	%58	%23	%30	%23	(%8)	(%254)	%38							

**E finance for Digital and Financial Investments Company
(E finance for Technology Solutions (Formerly)) (S.A.E)
Notes to The Consolidated Financial Statements for the year ended December 31, 2021**

Segment Reporting

The financial period ended as of 31 December 2020	Installations and Technological														
	Installation services and operation of cards		Integral Solutions		Hosting Services		Revenues of Networks and Maintenance Contracts		Support Services		Cards centre Services		Communication Center Services		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	L.E	L.E		
Revenues	581 068 477	188 448 228	173 410 643	96 335 259	94 413 013	40 689 039	31 823 488	26 150 628						1 232 338 775	
Depreciation	(12 156 608)	(1 000 893)	(10 983 485)	—	(2 217 284)	(383 969)	(2 412 044)	(793 664)						(29 947 947)	
Salaries and wages and employees' benefits	(128 562 089)	(27 217 518)	(16 808 998)	(17 245 660)	(16 875 426)	(231 349)	(8 363 065)	(28 257 361)						(243 561 466)	
Other Cost	(95 515 124)	(14 987 318)	(5 936 234)	(140 694 077)	(39 700 833)	(44 497 476)	(26 167 685)	(8 610 600)						(376 109 347)	
Gross profit / (loss)	344 834 656	145 242 499	139 681 926	(61 604 478)	35 619 470	(4 423 755)	(5 119 306)	(11 510 997)						582 720 015	
Gross Profit/loss percentage	%59	%77	%81	(%64)	%37	(%11)	(%16)	(%44)						%47	
Other expense and other revenue	(61 721 230)	(24 407 688)	(17 638 393)	(14 953 131)	(4 894 313)	452 501	(2 728 908)	590 466						(125 300 696)	
Net Profit before tax	283 113 426	120 834 811	122 043 533	(76 557 609)	30 725 157	(3 971 254)	(7 848 214)	(10 920 531)						456 419 319	
Net profit %	%49	%64	%70	(%79)	%33	(%10)	(%25)	(%42)						%37	

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

Other financial assets and cash deposits

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

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

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

Trade and other receivables

Credit risk arises based on the company'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 limit of the credit risk represents in the books of financial assets, here below statement with these balances on the financial position date:

	31 December 2021	31 December 2020
	L.E	L.E
Trade and notes receivables and other debit balances	1 354 449 021	779 897 470
Due from related parties	3 720 433	-
Cash and Cash equivalents	2 367 100 282	633 433 880

The Company determines the degree of credit risk based on data identified as expected of loss risk (The historical collection for the customer, customer contract terms) and historical credit terms. Credit risk grades are determined using qualitative and quantitative factors that indicate the risk of default.

The expected credit loss is assessed as follows:

- 1- The customer list has been divided into two sectors.
- 2- Each sector is divided by the age of trade receivables debt.
- 3- Each sector was reviewed according to the historical events of each sector. According to the study conducted, the expected default rate is derived from each of the above period.
- 4- General economic conditions

The Company is reviewing its forward-looking estimates and general economic conditions to assess the expected credit loss, which will depend mainly on current and expected inflation rates.

The following table represents information about exposure to credit risk and credit losses expected from customers:

Exposure to credit risk from the governmental sector:

L.E	Total Trade receivable	Allowance of expected credit losses
Due to 0-90 days.	332 587 740	(2 512 326)
Due to 91 to 180 days	65 521 685	(511 393)
Due to 181 to 270 days	27 904 709	(691 625)
Due to 271 to 365 days	18 057 007	(734 310)
Due to more than 365 days	81 189 824	(15 169 749)
Total	525 260 965	(19 619 403)

Exposure to credit risk from the private sector:

L.E	Total Trade receivable	Allowance of expected credit losses
Due to 0-90 days.	26 457 397	(1 016 689)
Due to 91 to 180 days	18 623 552	(381 602)
Due to 181 to 270 days	6 355 086	(11 223)
Due to 271 to 365 days	5 183 527	(44 682)
Due to more than 365 days	3 664 648	(1 473 232)
Total	60 284 210	(2 927 428)

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 risk rate and interest risk rate, 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 profitable returns. The company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest risk rate 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 the 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:

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Financial Assets	2 367 100 282	633 433 880
	2 367 100 282	633 433 880

Exposure to foreign exchange rate risk

The following table shows the impact of a possible acceptable change in the exchange rates of the US dollar and the euro. In light of maintaining all other variables constant, the impact that occurred on the company's profits before taxation is due to changes in the value of assets and monetary liabilities. Changes in the exchange rates of all other foreign currencies are immaterial.

	Exchange rate	31/12/2021 <u>Net Liabilities</u>	31/12/2020 <u>Net Liabilities</u>
<u>Foreign Currencies</u>			
US Dollar	15.78	(3 314 313)	(3 324 699)
Euro	17.94	(77 079)	(65 555)

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 1.7 Billion Egyptian pound 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.

31 December 2021				
	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Suppliers and Other Credit Balances	551 071 909	551 071 909	-	-
Other Obligations	159 357 968	-	-	159 357 968
Lease liability	93 968 352	34 032 162	59 936 190	-
Total	804 398 229	585 104 071	59 936 190	159 357 968

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>	<u>L.E</u>	<u>L.E</u>
Suppliers and Other Credit Balances	355 482 934	355 482 934	-	-
Other Obligations	147 741 572	-	-	147 741 572
Leased Liability	95 886 520	22 685 934	28 510 178	44 690 408
Total	599 111 026	378 168 868	28 510 178	192 431 980

38 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.

	31 December 2021	31 December 2020
Total liability	1 100 387 328	694 064 529
Less cash & Equivalent	(2 367 100 282)	(633 433 880)
Net Liability	(1 266 712 954)	60 630 649
Total Equity	3 943 538 564	1 264 150 794
Net liability: total equity percentage	(%32.12)	%4.79

39 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:

	31 December 2021 <u>L.E</u>	31 December 2020 <u>L.E</u>
Letters of Guarantee	210 707 740	255 915 789

40 Employees Share Option Plan

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

41 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.

	31 December 2021	30 December 2020
	<u>L.E</u>	<u>L.E</u>
Net profit for the year	519 784 071	353 885 119
BOD and employees share	(33 689 348)	(76 810 243)
Net Profit available for ordinary shares	486 094 723	277 074 876
Average number of shares outstanding during the period for basic earnings (share)	1 629 629 629	1 600 000 000
Basic share in earnings for the year (EGP/share)	0.32	0.22

42 Capital commitments

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

	Contribution Ratio	Capital commitments	
		31 December 2021	31 December 2020
	<u>%</u>	<u>L.E</u>	<u>L.E</u>
Delta Egypt Payments Company (SAE)	%10	500 000	1 500 000
Technological Operation for Tax Solutions (e tax) (SAE)	%35	104 999 925	-
MANASA for African E-commerce	%31	3 100 000	-
E Health (Technological Operation for Health Insurance Services)	%35	125 999 910	-
		234 599 835	1 500 000

43 Important 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 categories 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 issued 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 December 15, 2021.