

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



Hazem Hassan

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Review Report on Interim Condensed Consolidated Financial Statements

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

Introduction

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

Scope of Review

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

Base for Conclusion

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

Conclusion

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

KPMG Hazem Hassan
Public accountants and consultants

Cairo May 30, 2022



E-finance for Digital and Financial Investments Company

Interim condensed Consolidated statement of Financial position as of March 31 , 2022

	<u>Note No.</u>	<u>March, 31 2022</u>	<u>December 31, 2021</u>
		<u>L.E.</u>	<u>L.E.</u>
<u>Assets</u>			
<u>Non current assets</u>			
Fixed assets	5	297 521 072	292 781 930
Intangible assets	6	19 884 887	20 856 753
Projects under construction	7	135 838 202	131 936 055
Equity-investment at FVOCI	8	137 302 008	137 302 008
Equity-Accounted investees (Associates)	10	78 521 126	50 847 092
Deferred tax assets	11-2	25 868 170	32 897 546
Prepaid employee benefits		6 164 142	6 813 717
Right of use assets		60 673 742	88 181 926
Total non current assets		761 773 349	761 617 027
<u>Current assets</u>			
Inventory		22 224 028	31 207 754
Work in progress		35 900 004	24 143 638
Trade and other receivables	12	1 558 331 406	1 354 449 021
Due from related parties	26-1	6 549 040	3 720 433
Financial investments at amortized cost	9	1 221 222 384	501 687 737
Cash and cash equivalents	13	1 752 763 138	2 367 100 282
Total current assets		4 596 990 000	4 282 308 865
Total assets		5 358 763 349	5 043 925 892
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital	14	924 444 445	888 888 889
Share Premium	15	1 956 462 106	2 345 616 021
Reserves		545 855 708	154 197 182
Retained earnings		401 249 072	493 817 689
Equity attributable to owners of the company		3 828 011 331	3 882 519 781
Non controlling interest	18	48 927 223	61 018 783
Total Equity		3 876 938 554	3 943 538 564
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Lease liability		32 524 706	59 936 190
Employee benefits		189 783 396	159 357 968
Total non current liabilities		222 308 102	219 294 158
<u>Current liabilities</u>			
Lease liability		32 670 861	34 032 162
Trade and other payables	17	637 064 862	551 071 909
Credit facilities	16	123 923 535	114 880 023
Due to related parties	26-2	2 494 979	-
Dividend payable		208 969 302	-
Income tax payable	11-4	254 393 154	181 109 076
Total current liabilities		1 259 516 693	881 093 170
Total Liabilities		1 481 824 795	1 100 387 328
Total equity and liabilities		5 358 763 349	5 043 925 892

The attached notes from (1) to (32) are an integral part of these interim condensed consolidated financial statements and to be read with them.

the limited review is attached

Chairman & Managing Director

Ibrahim Sarhan

Chief executive Financial Officer

Essam Bahgat

E-finance for Digital and Financial Investments Company

Interim Condensed Consolidated statement of Profit or Loss for the financial period ended March 31, 2022

	<u>Note No.</u>	<u>for the financial period ended March, 31 2022</u> <u>L.E.</u>	<u>for the financial period ended March, 31 2021</u> <u>L.E.</u>
Revenues	19	559 510 128	463 368 527
Cost of sales	20	(287 148 744)	(253 065 701)
Gross profit		272 361 384	210 302 826
Other revenue		2 719 841	3 150 956
General and administrative expenses	22	(56 131 943)	(38 998 729)
Marketing and selling expenses	23	(16 481 731)	(1 360 479)
Impairment loss trade receivable and other debit balances		(6 000 000)	-
Other expenses		(2 349 000)	(1 018 500)
Operating Profit		194 118 551	172 076 074
Dividends income from equity investments at FVOCI	21	31 625 598	2 956 010
Finance cost	24	(5 662 142)	(3 249 405)
Income from Equity-accounted investees	10	6 674 049	-
Finance Income	25	74 708 529	12 415 204
Net profit for the period before tax		301 464 585	184 197 883
Income tax expense	11-1	(103 165 135)	(41 106 282)
Net profit for the period after tax		198 299 450	143 091 601
profit attributable to:			
Owners of the company		200 326 144	142 437 008
Non controlling interest		(2 026 694)	654 593
		198 299 450	143 091 601
Basic Earning per share	32	0.076	0.075

The attached notes from (1) to (32) are an integral part of these interim condensed consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company

Interim Condensed Consolidated statement of Comprehensive income for the financial period Ended March 31, 2022

	for the financial period ended March, 31 2022 <u>L.E.</u>	for the financial period ended March, 31 2021 <u>L.E.</u>
Net profit for the period	198 299 450	143 091 601
<u>other comprehensive income</u>		
Actuarial gain (losses) from employee benefit	3 302 147	--
Income Tax related to other comprehensive income	(742 982)	--
Total other comprehensive Income	2 559 165	
Total comprehensive Income for the period	200 858 615	143 091 601
Attributable to:		
Owners of the company	202 830 755	142 437 008
Non controlling interest (Note 18)	(1 972 140)	654 593
Total comprehensive Income for the period	200 858 615	143 091 601

The attached notes from (1) to (32) are an integral part of these interim condensed consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company

Translation from Arabic

Interim Condensed Consolidated statement of change in shareholders equity for the financial period ended March 31, 2022

	Paid in Capital	Legal Reserve	General Reserve	Shared Premium	Reserve Realized from Spin-Off	Other Reserve	Retained earnings	Owners Equity	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at the Beginning of Jan. 2022	888 888 889	55 290 529	20 000 000	2 345 616 021	69 713 889	9 192 764	493 817 689	3 882 519 781	61 018 783	3 943 538 564
Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Net profit for the period ended March, 31 2022	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income items	-	-	-	-	-	-	200 326 144	200 326 144	(2 026 694)	198 299 450
Total comprehensive income	-	-	-	-	-	2 504 611	-	2 504 611	54 554	2 559 165
Transaction with the owners of the company	-	-	0	0	0	2 504 611	200 326 144	202 830 755	(1 972 140)	200 858 615
Dividends according to the ordinary general assembly meeting held in Mar 31st,2022	-	-	-	-	-	-	(208 969 302)	(208 969 302)	-	(208 969 302)
Capital increase in 17th of March 2022	35 555 556	-	-	-	-	-	(35 555 556)	-	-	-
Transferred to legal reserve	-	389 153 915	-	(389 153 915)	-	-	-	-	-	-
Non controlling interest in dividends declaration	-	-	-	-	-	-	-	-	(8 423 641)	(8 423 641)
Employee and Board members dividends	-	-	-	-	-	-	(48 369 903)	(48 369 903)	(1 695 779)	(50 065 682)
Total transaction with the owners of the company	35 555 556	389 153 915	-	(389 153 915)	-	-	(292 894 761)	(257 339 205)	(10 119 420)	(267 458 625)
Balance as of March 31 , 2022	924 444 445	444 444 444	20 000 000	1 956 462 106	69 713 889	11 697 375	401 249 072	3 828 011 331	48 927 223	3 876 938 554

E-finance for Digital and Financial Investments Company

Translation from Arabic

Interim Condensed Consolidated statement of change in shareholders equity for the financial period ended March 31, 2022

	Paid up Capital	Legal Reserve	General Reserve	Reserve Resulted from Spin-Off	Other Reserve	Retained earnings	Owners Equity	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance at the Beginning of Jan. 2021	800 000 000	44 727 152	20 000 000	69 713 889	3 287 475	265 547 910	1 203 276 426	60 874 368	1 264 150 794
Comprehensive Income									
Net profit for the period ended March, 31 2021	-	-	-	-	-	142 437 008	142 437 008	654 593	143 091 601
Other comprehensive income items	-	-	-	-	-	-	-	-	-
Total comprehensive income	0	0	0	0	0	142 437 008	142 437 008	654 593	143 091 601
Transaction with the owners of the company									
Dividends according to the ordinary general assembly meeting held on March 17, 2021	-	-	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Total transaction with the owners of the company	-	-	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Balance as of March 31, 2021	800 000 000	44 727 152	20 000 000	69 713 889	3 287 475	200 464 517	1 138 193 033	61 528 961	1 199 721 994

Interim Condensed Consolidated statement of Cash flows for the financial period Ended March 31, 2022

	for the period ended March, 31 2022 <u>L.E.</u>	for the financial period ended March, 31 2021 <u>L.E.</u>
<u>Cash flow from operating activities</u>		
Profit for the period before income tax	301 464 585	184,197,883.00
<u>Adjusted as the follows:</u>		
Fixed assets depreciation expenses	11 578 506	9 785 071
Amortization expenses of intangible assets	1 287 388	516 628
Amortization expenses of right of use asset	8 498 533	6 195 337
Amortization of paid in advance- employee benefits	649 575	891 133
Income from Equity-investment- at FVOCI	(31 625 598)	(2 956 010)
Debit interest	5 662 142	444 763
Credit interest	(74 705 953)	(11 957 254)
End of service benefit formed	34 273 611	9 005 373
Provision formed for Impairment loss trade receivable and other debit balances	(6 000 000)	-
Finance expenses-right of use asset	1 802 525	2 520 020
Foreign currency translation	(2 576)	(457 950)
Investments in associates income	(6 674 049)	-
Lease Termination (gain)/ Losses	(2 620 805)	(2 515 713)
	243 587 884	195 669 281
Change in inventory	8 983 726	(13 537 104)
Change in work in process	(11 756 366)	4 411 600
Change in employee benefit - paid in advance	-	(886 803)
Change in trade and other receivables	(176 923 297)	(154 058 890)
Change in due from related parties	(2 828 607)	(5 065 713)
Change in trade and other payables	73 003 081	82 524 997
Change in due to related parties	2 494 979	-
Cashflow provided from operating activities	136 561 400	109 057 368
Debit interest paid	(5 662 142)	(444 763)
Credit interest collected	74 705 953	11 957 254
Payment to employee benefits	(546 040)	(98 900)
Dividends paid to employees and board members	(58 489 322)	(68 192 720)
Income taxes paid (11-4)	(4 432 117)	-
Net cash flow provided from operating activities	142 137 732	52 278 239
<u>Cash flow from investing activities</u>		
Proceeds from dividends of Equity-investment- at FVOCI	4 496 415	2 660 409
Payment from acquiring Equity-investment- at FVOCI	-	(58 894 184)
Payment of fixed assets and projects under construction	(20 219 795)	(16 369 673)
Payment of acquiring Equity-Accounted in investees (Associates) companies	(20 999 985)	(34 999 975)
Payment of purchasing intangible assets	(315 522)	(6 173 252)
Payment of acquiring investments at amortized cost	(719 534 647)	-
Net cash flow (used in) investing activities	(756 573 534)	(113 776 675)
<u>Cash flow from financing activities</u>		
Financial interest and expenses paid-lease contracts	(1 802 525)	(2 520 020)
Lease liability paid	(7 142 329)	(4 474 278)
Proceeds from credit facility	9 043 512	-
Net cash flow result from financing activities	98 658	(6 994 298)
Net change in cash & cash equivalent during the period	(614 337 144)	(68 492 734)
Cash & cash equivalent at beginning of the period	2,361,563,261	627 896 859
Cash & cash equivalent at end of the period	1 747 226 117	559 404 125

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 E Cards

- The company was established in the name of Smart card operation technology company E Cards, 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, Safeer 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 centres through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
 - Establishing and managing training centres for preparing researchers and information technology transfer centres.
 - Training for operating, managing and maintaining the computer, card system and applications for providing banking services, customer service centres and applications for electronic payment services.
 - Technology business incubators and entrepreneurship support.
 - Information and communication technology industry, including its industrial activities, design and development of electronics, data centres and outsourcing activities, software development and technology education.
 - Description, design and development of computer systems of various kinds.
 - Production, development and operations of embedded systems, and training on them.

- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission and circulation networks.
- 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 centres for preparing researchers and centres for transferring information technology and training to use them.
- Establishing, managing and developing consulting and study centres specialized in the fields of information and communication.
- Design, operation and maintenance of payment systems and electronic receipts systems.
- Trade in telecommunications equipment of all kinds, its spare parts and accessories, computers, its spare parts and accessories, and the supply of integrated systems for networks.
- Wired and wireless communication networks contracting business of all kinds, and the supply of their spare parts and requirements.
- Establishing, managing and operating outlets for the company to provide its services.
- Providing all consultations for the operation, management and maintenance of the computer, 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 when 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, considering 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 centres.
- Collecting bills electronically.
- Establishing, operating and managing warehouses.
- Import, export and commercial agencies.
- Establish operating systems for banking services through the Internet and mobile phones.
- Trade secured documents electronically.
- Managing, maintaining and operating computer equipment, 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 centres, outsourcing activities, software development and technology education.
- Entering data on computers and by electronic means.
- Description and design of computer systems of various kinds.
- Description and design work for data transmission and circulation networks and Implementation and management of data transmission networks.
- Communications and Internet services
- Establishing voice, video and data transmission networks and providing value-added services after obtaining a license from the concerned authorities.
- 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 institutions E-Finance Company (S.A.E)

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

Technological Operation for Tax Solutions 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 the aforementioned 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 Interim Condensed Consolidated financial statements were approved for issuance by the Company' Board of Directors on May 30, 2022

3- Basis of measurement

The Interim Condensed 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 Interim Condensed 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 it is the functional currency, 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 Interim Condensed Consolidated financial statements consist of the financial statements of the parent company and its subsidiaries at each financial position date. 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 the company controls the investee or not, 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 period are included in the Interim Condensed 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 Interim Condensed 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 E Cards	Smart card operation	Egypt	89.7%
The Technology Company for E-commerce Operations E Aswaaq Misr	Operation of electronic markets	Egypt	61%
Enable for outsourcing services	Establishing and operating communications centres	Egypt	99.98%
Technological operation for financial institutions (E Finance)	Operating technology of financial institution	Egypt	99.99%

3-4 Use of professional judgment and estimates

Preparing these Interim Condensed Consolidated financial statements requires management to make judgments and estimates that affect the values of revenues, expenditures, assets and liabilities included in the Interim Condensed 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 Interim Condensed 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 Interim Condensed 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 recorded 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 in 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 behalf of this company.

In 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 these 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 considers 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 highest 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 analysed.

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 12.

4 The most significant accounting policies applied

The accounting policies that are applied in a consistent manner during the financial period of March 31, 2022, are the same accounting policies applied for the consolidated financial statements of year end December 31, 2021, and these policies were applied consistently all over the presented periods in the summarized consolidated financial statements.

E-finance for Digital and Financial Investments Company

Notes To The periodic condensed consolidated Financial Statements for the financial period ended March 31, 2022

-5 Fixed Assets

<u>Cost</u>	<u>Lands & buildings</u>	<u>Equipments, Computer & software</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost as of 1/1/2022	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
Additions during the period	-	11 719 889	1 306 278	2 640 019	86 784	23 246	541 432	-	16 317 648
Cost as of 31/3/2022	156 402 336	286 373 574	30 404 216	64 024 910	28 792 938	90 939 533	29 975 753	1 606 105	688 519 365
Accumulated depreciation									
Accumulated depreciation as of 1/1/2022	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
Depreciation of the period	498 007	5 453 023	1 233 713	3 144 044	248 028	524 154	461 173	16 364	11 578 506
Accumulated depreciation as of 31/3/2022	18 371 162	190 617 601	11 216 981	35 330 772	23 465 066	86 364 174	24 293 734	1 338 803	390 998 293
Net book value as of 31/3/2022	138 031 174	95 755 973	19 187 235	28 694 138	5 327 872	4 575 359	5 682 019	267 302	297 521 072

Depreciation charged to the following items

	<u>Mar 31,2022</u>	<u>Mar 31,2021</u>
	<u>EGP</u>	<u>EGP</u>
Cost of sales (Note 20)	8 136 007	6 632 370
General and administrative expenses (Note 22)	3 442 499	3 152 701
Total depreciation of assets	11 578 506	9 785 071

E-finance for Digital and Financial Investments Company

Notes To the Periodic Condensed Consolidated Financial Statements for the financial period ended March 31, 2022

	<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>
Cost									
Cost as of 1/1/2021	85 108 586	241 158 312	21 371 893	53 258 544	27 992 368	87 130 360	27 810 023	1 278 800	545 108 886
Additions during the 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
Transferred 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
Accumulated depreciation									
Accumulated depreciation as of 1 Jan 2021	15 886 915	171 295 936	5 534 190	22 249 806	23 479 390	84 170 353	22 204 441	1 278 799	346 099 830
Depreciation of the 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

6 Intangible assets

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Cost		
The beginning cost of the period	27 445 439	368 036
Transferred from fixed assets (Note 5)	--	4 331 864
Additions during the period	315 522	22 745 539
End of the period cost	27 760 961	27 445 439
Deduct:		
Beginning accumulated amortization for the period	6 588 686	350 515
Transferred from fixed assets	--	2 795 941
Amortization for the period	1 287 388	3 442 230
Accumulated amortization at end of the period	7 876 074	6 588 686
Net Book Value at end of the period	19 884 887	20 856 753

Amortization is charged within the following items:

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Cost of revenue (Note 20)	951 301	514 438
General and Administrative Expenses (Note 22)	336 087	2 190
	1 287 388	516 628

7 Projects under Construction

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Computers for Operating activities	152 000	152 000
Computers and softwares	19 715 864	16 659 055
Decoration & improvements	476 320	-
Building	115 494 018	115 125 000
Total projects under construction at the end of the period	135 838 202	131 936 055

8 **Equity Investments at fair value through OCI**

	<u>%</u>	<u>Investment Value</u>	
		<u>March 31,</u>	<u>December 31,</u>
		<u>2022</u>	<u>2021</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	1 500 000
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	137 302 008

* 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%.

**** 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	Purchasing date	Due date	Return Percentage	Duration	Net return After Tax	Balance as of 31 Mach, 2022	Face Value
L.E			%		L.E	L.E	L.E
618 954 000	2022/01/04	2023/01/03	13.13	364	15 318 585	634 272 585	700 000 000
364 052 000	2022/02/01	2022/11/01	12.8	273	6 939 880	370 991 880	400 000 000
95 497 437	2022/03/13	2022/04/26	11.97	44	425 793	95 923 230	96 875 000
60 569 070	2022/01/04	2023/01/03	13.13	364	1 528 084	62 097 154	68 500 000
56 839 585	2022/01/12	2022/04/05	11.3	83	1 097 950	57 937 535	58 300 000
						<u>1 221 222 384</u>	

10 **Equity accounted investees (associate)**

	%	Investment Value	
		March 31, 2022	December 31, 2021
		L.E	L.E
Technological Operation for Tax Solutions (E Tax)*	35%	45 003 102	36 847 102
E Health (Technological Operation for Health Insurance Services)**	35%	33 518 024	13 999 990
		<u>78 521 126</u>	<u>50 847 092</u>

- * 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 company share in the retained earnings at the financial position date is 10 003 127 EGP (1 847 127 as of 31 Dec. 2021).

- ** 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 100 million Egyptian pounds with par value 100 Pounds paid at 25%.

The company's share in retained earnings at the financial position date is amounted to (1 481 951) EGP.

11 Tax:

11-1 Income tax

	For the financial period ended March 31, 2022 <u>L.E</u>	March 31, 2021 <u>L.E</u>
Current Income Tax Expenses	65 226 611	43 331 916
Dividends income tax from Equity investment at FVOCI	22 928 383	295 601
Treasury Bills Tax	8 723 747	--
Deferred tax (income)	6 286 394	(2 521 235)
Deferred Tax at Profit and Loss	<u>103 165 135</u>	<u>41 106 282</u>
Deferred income tax at other comprehensive income	<u>742 982</u>	--

11-2 Deferred tax

A) Recognized deferred tax assets

	March 31, 2022		December 31, 2021	
	Assets <u>L.E</u>	Liabilities <u>L.E</u>	Assets <u>L.E</u>	Liabilities <u>L.E</u>
Depreciation of fixed assets	—	13 502 551	--	13 725 468
obligations of the employee benefits	44 216 469	—	37 375 053	—
Dividends income	—	14 296 078	--	--
Tax Losses	8 875 489	--	8 875 488	--
Unrealized foreign currency exchange	574 841	--	372 473	--
	<u>53 666 799</u>	<u>27 798 629</u>	<u>46 623 014</u>	<u>13 725 468</u>
Net deferred tax assets	<u>25 868 170</u>		<u>32 897 546</u>	-
Deducts: the previously charged deferred tax assets	(32 897 546)		(25 751 098)	-
Add: the deferred tax assets charged to the statement of other comprehensive income	742 982		1 749 709	-
Deferred taxes for the period as (expense) income	<u>(6 286 394)</u>		<u>8 896 157</u>	-

B) Unrecognized deferred tax assets

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Impairment loss on trade receivable and other debit balances	8 113 955	6 763 954
	<u>8 113 955</u>	<u>6 763 954</u>

- 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

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Net Profit Before Tax	301 464 585	184 197 883
Tax Income Based on Tax rate 22.5%	67 829 531	41 444 524
Expenses that are not deductible and others	38 796 866	8 977 042
Untaxable revenue	(50 365 403)	(10 480 338)
The tax base	289 896 048	182 694 587
Current income tax 34.22%	103 165 135	41 106 282

11-4 Income Tax payable

	For the financial period ended	
	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Accrued Income Tax at beginning of the period	181 109 076	84 953 903
Formed during the period	65 226 611	228 010 940
Accrued Declaration Tax	18 659 685	--
Income tax paid	(4 432 117)	(110 567 910)
debit -Withholding tax	(6 170 101)	(21 287 857)
	<u>254 393 154</u>	<u>181 109 076</u>

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

- The company submits the tax return on the corporate profits tax on the legal dates, and the company pays the tax due from the reality of these returns.

B) Payroll tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- 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.

D) Stamp tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- 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, and there are no tax claims on the company.
- The company submit the tax return on its legal dates.
- The company's records have not been inspected yet.

b) Payroll tax

- The company is committed to withholding and paying the tax on the legal dates.
- 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 18 March 2020.
- The company regularly submits monthly returns on a regular basis.
- The company's records has not been inspected yet.

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, and there are no tax claims on the company.

b) Payroll tax

- The company pays the tax on the legal dates.
- 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.
- The company regularly submits monthly returns on a regular basis.
- The company has not been tax examined until now.

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, and there are no tax claims on the company.

b) Payroll tax

- The company pays the tax on the legal dates.
- 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 regularly submits monthly returns.
- The company's record has not 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, and there are no tax claims on the company.

b) Payroll tax

- The company has not been examined, as the first fiscal year has not yet been closed.
- 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 has not been examined till now.

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, and there are no tax claims on the company.

b) Value added tax

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

c) Stamp tax

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

12 Trade and other receivables

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Accounts receivable	763 121 049	585 545 175
	763 121 049	585 545 175
Impairment in Accounts receivable	(28 546 831)	(22 546 831)
	734 574 218	562 998 344

Other Debited Balances

Prepaid expenses	67 279 338	23 622 122
Suppliers -Advance payment	16 688 658	14 370 779
Accrued revenue	609 239 995	610 767 368
Deposits with others	11 768 787	8 981 237
Deposits with others - Work Retention	44 467 122	41 199 069
Income Tax	5 034 090	9 466 207
Value-added tax	28 882 384	40 377 606
Letter of guarantee margin	3 095 309	3 095 309
Withholding tax	3 936 096	3 854 523
Prepaid employees' benefits	2 718 298	2 718 298
Notes Receivable	--	32 072 567
Other debit balances	38 162 301	8 440 782
Impairment in other debit balances	(7 515 190)	(7 515 190)
Total other debit balances	823 757 188	791 450 677
Total account receivable and other debit balances	1 558 331 406	1 354 449 021

13 **Cash and cash Equivalents**

	March 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Banks – Saving Accounts	1 596 227 918	2 262 143 374
Banks - time deposits	62 266 995	32 543 126
Investment funds*	94 258 639	72 383 638
Cash on hand	9 586	30 144
Balance of cash and cash equivalents	1 752 763 138	2 367 100 282

*** Investment Funds**

	March 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Themar Fund, QNB	24 719 136	24 161 102
SEYOLA fund	49 243 014	48 117 917
30/15 Fund	20 190 120	--
Youm by youm Account - Bank Misr	106 369	104 619
	94 258 639	72 383 638

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

	March 31, 2022 <u>L.E</u>	March 31, 2021 <u>L.E</u>
Cash and Its equivalents	1 752 763 138	564 941 146
<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	1 747 226 117	559 404 125

14 Capital

14-1 The authorized capital

The company's authorized capital has been set at 4 billion Egyptian pounds (four billion Egyptian pounds) after increasing it from 3.5 billion Egyptian pounds to 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.

14-2 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 with the same proportions of ownership of the shareholders and this was recorded in the Commercial Registry on May 20, 2014.
- The extraordinary general assembly held on March 24, 2016 decided to transfer an amount of 50 million Egyptian pounds (fifty million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become the issued and paid-up capital after the increase 225 million Egyptian pounds (two hundred twenty five million Egyptian pounds) Distributed with the same proportions of shareholder ownership and this was recorded in the Commercial Registry on August 1, 2016.
- The extraordinary general assembly 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 million and two hundred fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Company for Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.
- The extraordinary general assembly held on March 21, 2018 decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) paid in full, distributed with the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one

hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full, distributed with the same Shareholders ownership percentages and this was recorded in the Commercial Registry on December 19, 2018.

- The Extraordinary General Assembly held on 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 held 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 Extraordinary General Assembly, held on October 13, 2021, decided to increase the capital by an amount of 88,888,889 Egyptian pounds (eighty-eight million, eight hundred and eighty-eight thousand and eight hundred and eighty-nine Egyptian pounds), so that the issued capital is amounted to 889 888 888 Egyptian pounds (eight hundred eighty-eight million, eight hundred and eighty-eight thousand and eight hundred and eighty-nine Egyptian pounds) distributed over 1 777 777 778 shares.
- The Extraordinary General Assembly, held on September 15, 2021, decided to approve authorizing the company's board of directors to take the necessary measures to increase the issued capital by 4%, by issuing 71 111 111 shares, with a nominal value of fifty piasters per share, with a total value of 35 55 556 pounds. The increase is limited to Reward and incentive system On January 31, 2022, the company's board of directors convened to approve the increase, and the commercial registry was Recorded on March 17, 2022.
- The capital shares shall be distributed as follows:

<u>Shareholder</u>	<u>Equity Ratio</u>	<u>Number of shares</u>	<u>Nominal value in EGP</u>
	%		
The National Investment Bank	%46.80	865 455 038	432 727 519
National Bank of Egypt	%6.69	123 636 240	61 818 120
Banque Misr	%6.69	123 636 240	61 818 120
Egypt Banks Company for Technological Progress	%6.69	123 636 240	61 818 120
Egyptian Company for Investment Projects	%6.69	123 636 240	61 818 120
Public Shares	%22.60	417 777 780	208 888 890
Employee Stock Ownership Plan	%3.84	71 111 111	35 555 556
	%100	1 848 888 889	924 444 445

15 Share premium

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

16 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 equivalents</u> <u>of Foreign Currency</u>	<u>Letter of Credit and</u> <u>letter of Guarantee</u>	<u>Nature of facility</u>
QNB	50 000 000	31 195 112		Existing debt limit
QNB	81 500 000	23 343 253		Limit to issuing letters of credit
QNB	50 000 000		16 914 850	Limit to issuing letters of guarantee
QNB	200 000 000		210 707 740	Limit to issuing letters of guarantee
QNB	45 000 000		44 636 881	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	100 000 000			Existing debt limit
National Bank of Egypt	75 000 000			Existing debt limit
National Bank of Egypt	75 000 000			Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000			Existing debt limit
The United National Bank	150 000 000			Existing debt
Arabian African Bank	75 000 000			Limit on issuing letter of credits
Arabian African Bank	75 000 000			Limit to issue letters of guarantee
Arabian African Bank	500 000			Issuance limit for issuing credit cards with a guarantee of deposits
United National Bank	500 000 000		77 353 238	Existing debt limit for multiple purpose*
Faisal Islamic Bank	80 000 000	69 385 170		Limit for purchasing of goods and production requirement
Commercial International Bank	150 000 000			Existing debit limit
	2 037 000 000	123 923 535	349 612 709	

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

17 Trade and other payables

	March 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accounts payable	203 439 391	191 763 468
	<u>203 439 391</u>	<u>191 763 468</u>
Other credit balance		
Accrued expenses	57 644 844	56 721 911
Payroll tax	8 053 725	4 152 685
Value Added Tax (VAT)	25 917 963	41 457 108
Advance payment from Customer	205 658 755	220 557 532
Withholding tax	5 874 238	6 940 326
Insurance for work guarantee	627 476	654 776
Employee Benefits – E-Tax	6 753 378	6 753 378
Deferred Revenue	63 252 838	—
Other Credit balances	59 842 254	22 070 725
Total other credit balances	<u>433 625 471</u>	<u>359 308 441</u>
Total payable and other credit balances	<u>637 064 862</u>	<u>551 071 909</u>

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

18 Non-Controlling interest

	E- Finance	E-Cards	Khales	E-Aswaq	E-nable	Total
Balance on January 1, 2021	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 period	43 331	6 227 204	2 271 072	(8 374 662)	8	166 953
The share of non-controlling interests in dividends for the year	(22 538)	--	--	--	--	(22 538)
Total non-controlling interest as of December 31, 2021	63 256	23 300 121	32 864 952	4 789 442	1 012	61 018 783
The share of non-controlling interests in comprehensive income for the period	13 314	311 574	173 793	(2 470 885)	64	(1 972 140)
The share of non-controlling interest in dividends	(11 599)	(7 424 744)	(2 683 077)	--	--	(10 119 420)
Total non-controlling interests as of March 31, 2022	64 971	16 186 951	30 355 668	2 318 557	1 076	48 927 223

19 Revenues:

For the financial period ended

	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Installation services and card operation revenue	223 457 170	269 032 025
Integrated solutions revenue	65 613 763	41 556 591
Hosting services revenue	80 952 085	65 694 685
Maintenance and network	28 991 444	31 289 977
Installations and technical support revenue	101 704 797	12 600 777
Cards Center Revenue	42 832 301	23 565 229
Call center revenue	12 275 654	14 809 367
Other revenue	3 682 914	4 819 876
	559 510 128	463 368 527

20 Cost of sales

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	121 245 200	74 059 224
Technical Consultancy and support	40 680 944	22 799 085
Card Centre	39 174 199	16 232 070
Programs license & communications	39 270 847	79 519 546
Cost of goods sold	27 472 463	48 612 770
Depreciation of fixed assets (Note 5)	8 136 007	6 632 370
Amortization of ROU asset	1 563 440	1 648 886
Amortization of intangible assets (Note 6)	951 301	514 438
Rent	530 558	221 061
Employee benefits (cars)	586 466	749 760
Other Costs	7 537 319	2 076 491
	287 148 744	253 065 701

21 Dividends income from equity investments at FVOCI:

	For the financial period ended	
	March 31, 2022	30 March 2021
	<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technology ESERVE (S.A.E)	4 946 057	2 956 010
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E)	25 535 240	--
The international company for consultancy and information systems (ACIS)	1 144 301	--
	31 625 598	2 956 010

22 General and Administrative Expenses

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Wages and Salaries and employee benefit	24 674 165	13 892 115
Amortization of ROU asset	6 935 093	4 548 951
Stamps and deductions	3 206 625	1 779 270
Fixed Assets Depreciation (Note 5)	3 442 499	3 152 701
Consulting and legal fees	3 919 585	3 886 939
Comprehensive social insurance	1 779 537	1 270 864
Donations	2 250 000	20 076
Rent	1 016 588	2 721 351
Maintenance Expenses	1 955 756	591 184
Employee benefits (cars)	122 423	141 373
Amortization of intangible assets (Note 6)	336 087	2 190
Other expenses	6 493 585	6 991 715
	56 131 943	38 998 729

23 Selling and Marketing Expenses

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Exhibitions	4 711 006	196 835
Public Relations	450 216	344 686
Advertisements	8 325 560	227 300
Other Marketing Expenses	2 994 949	591 658
	16 481 731	1 360 479

24 Finance Cost

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Foreign exchange	2 625 809	284 622
Interest expense and bank charges	1 233 808	444 764
Finance cost-lease contracts	1 802 525	2 520 019
	5 662 142	3 249 405

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

25 Finance income

	For the financial period ended	
	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Foreign exchange Translation gain	2 576	457 950
Revenues from Investment in financial investment funds	51 799 474	7 524 328
Bank interest on current accounts	21 755 809	3 912 966
Bank interest on time deposits	1 150 670	519 960
	<u>74 708 529</u>	<u>12 415 204</u>

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

26 Related parties

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

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

	<u>Relations Nature</u>	<u>Transaction Nature</u>	<u>Volume of Transactions during the period</u>	<u>Balance</u>	
				<u>March 31, 2022 L.E</u>	<u>December 31, 2021 L.E</u>
26-1 Due from Related Parties:					
E Tax (Technological Operation for Tax Solutions)	Associate	Services	--	--	746 355
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	3 574 962	6 549 040	2 974 078
				6 549 040	3 720 433
26-2 Due to Related Parties:					
E Tax (Technological Operation for Tax Solutions)	Associate	Services	(11 155 435)	--	--
		Payment on behalf	8 660 456	2 495 979	--
				2 495 979	--

27 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), 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 regarding the results of each of the segments to be disclosed is provided below. Performance is measured based on segment revenue, as included in internal management reports that are reviewed by senior management.

E-finance for Digital and Financial Investments Company

Notes To The periodic condensed consolidated Financial Statements for the financial period ended March 31, 2022

	Mar 31, 2022									
	Installation Services Operation of Cards &	Integrated solution	Cloud Service	Maintenance and Networks	Technical & Consultancy Support	Card Center	Communication Center Services	Others	Total	
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Revenues	223 457 170	65 613 763	80 952 085	28 991 444	101 704 797	42 832 301	12 275 654	3 682 914	559 510 128	
Salaries and Wages and employee benefit	(43 015 403)	(9 255 053)	(6 353 361)	(5 687 958)	(18 519 775)	(2 106 508)	(495 841)	(35 811 301)	(121 245 200)	
Depreciation of fixed assets	(2 813 257)	(354 651)	(1 723 043)	(394 190)	(1 515 394)	(2 575 644)	(231 735)	(1 042 834)	(10 650 748)	
Other Costs	(62 976 347)	(15 845 026)	(12 558 208)	(18 629 144)	(2 809 307)	(31 096 561)	(10 370 526)	(967 677)	(155 252 796)	
Gross Profit(Loss)	114 652 163	40 159 033	60 317 473	4 280 152	78 860 321	7 053 588	1 177 552	(34 138 898)	272 361 384	
%Gross Profit(Loss)	51%	61%	75%	15%	78%	16%	10%	-927%	49%	
Other Expenses and revenues	(28 671 001)	(6 796 003)	(6 099 013)	(1 622 123)	(5 866 621)	(5 073 519)	(4 751 016)	87 982 497	29 103 201	
Net Profit before Tax	85 981 162	33 363 030	54 218 460	2 658 029	72 993 700	1 980 069	(3 573 464)	53 843 599	301 464 585	
%Net Profit before Tax	38%	51%	67%	9%	72%	5%	-29%	1462%	54%	

E-finance for Digital and Financial Investments Company

Notes To The periodic condensed consolidated Financial Statements for the financial period ended March 31, 2022

	Installation Services Operation of Cards & L.E	Integrated solution L.E	Technical & Consultancy				Total
			Cloud Service L.E	Networks L.E	Support L.E	Card Center L.E	
Revenue	269 032 025	41 556 591	65 694 685	31 289 977	12 600 777	23 565 229	463 368 527
Salaries and Wages and employee benefit	(33 471 914)	(5 636 411)	(4 786 512)	(3 574 942)	(4 051 770)	(5 055 323)	(74 059 225)
Depreciation of fixed assets	(1 482 234)	(214 233)	(3 280 716)	-	(1 080 720)	(2 189 727)	(8 795 694)
Other Cost	(98 269 510)	(1 579 402)	(13 338 815)	(24 946 580)	(5 354 333)	(14 302 051)	(170 210 782)
Gross Profit/(Loss)	135 808 367	34 126 545	44 288 642	2 768 455	2 113 954	2 018 128	210 302 826
%Gross Profit/(Loss)	50%	82%	67%	9%	17%	9%	45%
Other Expenses and revenue	(18 024 956)	(2 681 585)	(2 616 546)	(1 846 070)	(501 875)	(2 268 493)	(26 104 943)
Net Profit before Tax	117 783 411	31 444 960	41 672 096	922 385	1 612 079	(250 365)	184 197 883
%Net Profit/ (loss) before Tax	44%	76%	63%	3%	13%	-1%	40%

28 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 13)

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 and 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:

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Trade and notes receivables and other debit balances	1 558 331 406	1 354 449 021
Due from related parties	6 549 040	3 720 433
Cash and Cash equivalents	1 752 763 138	2 367 100 282

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

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 group's income. Financial instruments that are affected by market risks include interest-bearing loans and deposits, the objective of market risk management is to manage and control risk within acceptable limits while at the same time achieving profitable returns. The group does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk arises from fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates or not is

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

mainly related to the company's obligations with a variable interest rate and interest-bearing deposits.

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

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Financial Assets	1 752 763 138	2 367 100 282
	1 752 763 138	2 367 100 282

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.

<u>Foreign Currencies</u>	<u>Exchange rate</u>	<u>Net Liability</u>	
		<u>In Foreign Currency</u>	<u>In EGP</u>
US Dollar	18.31	(258 961)	(17 600 639)
Euro	20.24	(180 777)	(3 658 926)

C) Liquidity risk

The group's management monitors the group's cash flows, financing and liquidity requirements of the group. The group's goal is to achieve a balance between continuity of financing and flexibility by obtaining loans from banks. The group manages liquidity risk by maintaining adequate reserves and by obtaining borrowing facilities, whereby the parent company maintains credit limits of 2 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.

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

December 31, 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

March 31, 2022

	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	637 064 862	637 064 862	--	--
Other Obligations	189 783 396	--	--	189 783 396
Leased Liability	65 195 567	32 670 861	32 524 706	--
Total	892 043 825	669 735 723	32 524 706	189 783 396

29 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.

	March 31, 2022	December 31, 2021
Total liability	1 481 824 795	1 100 387 328
Less cash & Equivalent	(1 752 763 138)	(2 367 100 282)
Net Liability	(270 938 343)	(1 266 712 954)
Total Equity	3 876 938 554	3 943 538 564
Net liability: total equity percentage	(%6.99)	(%32.12)

30 Contingent liabilities

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

	March 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Letters of Guarantee	349 612 709	210 707 740

31 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 September 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing The capital from the retained earnings at the 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

32 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.

	March 31, 2022	March 31, 2021
	<u>L.E</u>	<u>L.E</u>
Net profit for the period for the owners of the company (EGP)	200 326 144	142 437 008
BOD and employees share suggested / actual (EGP)	(64 853 540)	(22 612 998)
Net Profit available for ordinary shares (EGP)	135 472 604	119 824 010
Average number of shares outstanding during the period for basic earnings (share)	1 777 777 778	1 600 000 000
Basic share in earnings for the period (EGP/share)	0.076	0.075