

E-finance for Digital and Financial Investments Company  
Interim condensed Consolidated statement of Financial position as of June 30 , 2022

	<u>Note No.</u>	<u>June, 30 2022</u>	<u>December 31, 2021</u>
		<u>L.E.</u>	<u>L.E.</u>
<b><u>Assets</u></b>			
<b><u>Non current assets</u></b>			
Fixed assets	5	291 468 497	292 781 930
Intangible assets	6	42 290 806	20 856 753
Projects under construction	7	139 258 227	131 936 055
Equity-investment carried by FVOCI	8	140 202 008	137 302 008
Equity-Accounted investees (Associates)	10	89 283 455	50 847 092
Deferred tax assets	11-2	-	32 897 546
Prepaid employee benefits		5 454 567	6 813 717
Right of use assets		52 200 920	88 181 926
<b>Total non current assets</b>		<b>760 158 480</b>	<b>761 617 027</b>
<b><u>Current assets</u></b>			
Inventory		29 052 552	31 207 754
Work in progress		47 492 466	24 143 638
Debtors and othee debt balances	12	1 568 858 986	1 354 449 021
Due from related parties	26-1	6 747 143	3 720 433
Financial investments carried by amortized cost	9	2 109 346 927	501 687 737
Cash and cash equivalents	13	795 563 079	2 367 100 282
<b>Total current assets</b>		<b>4 557 061 153</b>	<b>4 282 308 865</b>
<b>Total assets</b>		<b>5 317 219 633</b>	<b>5 043 925 892</b>
<b><u>Owners equity &amp; Liabilities</u></b>			
<b><u>Owners equity</u></b>			
Paid-up capital	14	924 444 445	888 888 889
Share Premium (special reserve)	15	1 956 462 107	2 345 616 021
Reserves		546 436 309	154 197 182
Retained earnings		680 668 991	493 817 689
<b>Equity attributable to owners of the company</b>		<b>4 108 011 852</b>	<b>3 882 519 781</b>
<b>Non controlling interest</b>	18	57 900 516	61 018 783
<b>Total Equity</b>		<b>4 165 912 368</b>	<b>3 943 538 564</b>
<b><u>Liabilities</u></b>			
<b><u>Non- Current Liabilities</u></b>			
Lease liability		26 882 083	59 936 190
Deferred tax liability	11-2	1 333 220	-
End of service benefits		197 286 830	159 357 968
<b>Total non current liabilities</b>		<b>225 502 133</b>	<b>219 294 158</b>
<b><u>Current liabilities</u></b>			
Lease liability		28 919 435	34 032 162
Payables and other credit balances	17	623 527 069	551 071 909
Credit facilities	16	104 004 137	114 880 023
Due to related parties	26-2	5 616 622	-
Income tax payable	11-4	163 737 869	181 109 076
<b>Total current liabilities</b>		<b>925 805 132</b>	<b>881 093 170</b>
<b>Total Liabilities</b>		<b>1 151 307 265</b>	<b>1 100 387 328</b>
<b>Total equity and liabilities</b>		<b>5 317 219 633</b>	<b>5 043 925 892</b>

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 June 30, 2022

	<u>Note No.</u>	<u>From April 1st till June 30, 2022</u>	<u>From April 1st till June 30, 2021</u>	<u>From 1st Jan till June 30, 2022</u>	<u>From 1st Jan till June 30, 2021</u>
		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Revenues	19	702 452 657	441 001 238	1 261 962 786	904 369 765
Cost of revenue	20	( 286 882 802)	( 214 172 342)	( 574 031 546)	( 467 238 043)
<b>Gross profit</b>		<b>415 569 855</b>	<b>226 828 896</b>	<b>687 931 240</b>	<b>437 131 722</b>
Other income		2 103 135	345 821	4 822 976	3 496 776
General and administrative expenses	22	( 73 491 886)	( 48 255 663)	( 129 781 322)	( 87 254 390)
Marketing and selling expenses	23	( 21 266 065)	( 6 068 684)	( 37 747 796)	( 7 429 163)
Impairment loss trade receivable and other debit balances		-	-	( 6 000 000)	-
Other expenses		( 1 033 000)	( 1 639 320)	( 3 224 500)	( 2 657 820)
<b>Operating Profit</b>		<b>321 882 039</b>	<b>171 211 050</b>	<b>516 000 598</b>	<b>343 287 125</b>
Dividends income from equity investments at FVOCI	21	-	-	31 625 598	2 956 010
Finance cost	24	( 6 475 732)	( 2 933 400)	( 12 134 647)	( 6 182 805)
Income from Equity-accounted investees	10	5 762 329	-	12 436 378	-
Finance Income	25	83 548 329	12 424 259	158 253 629	24 839 463
<b>Net profit for the period before tax</b>		<b>404 716 965</b>	<b>180 701 909</b>	<b>706 181 556</b>	<b>364 899 793</b>
Income tax expense	11-1	(116 493 762)	(48 223 714)	(219 658 901)	(89 329 996)
<b>Net profit for the period after tax</b>		<b>288 223 203</b>	<b>132 478 195</b>	<b>486 522 655</b>	<b>275 569 797</b>
<b>profit attributable to:</b>					
Owners of the company		279 348 388	136 398 357	479 674 534	278 835 366
Non controlling interest		8 874 815	(3 921 162)	6 848 121	(3 265 569)
		<b>288 223 203</b>	<b>132 477 195</b>	<b>486 522 655</b>	<b>275 569 797</b>
<b>Basic Earning per share</b>	32			<b>0.20</b>	<b>0.14</b>

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 June 30, 2022

	<u>From April 1st till</u> <u>June 30, 2022</u>	<u>From April 1st till</u> <u>June 30, 2021</u>	<u>From 1st Jan till</u> <u>June 30, 2022</u>	<u>From 1st Jan till</u> <u>June 30, 2021</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<b>Net profit for the period</b>	<b>288 223 203</b>	<b>132 478 195</b>	<b>486 522 655</b>	<b>275 569 797</b>
<b><u>Other comprehensive income</u></b>				
Actuarial gain (losses) from employee benefit	791 770	-	4 093 914	-
Income Tax related to other comprehensive income	( 112 315)	-	( 855 295)	-
<b>Total other comprehensive Income</b>	<b>679 455</b>	<b>-</b>	<b>3 238 619</b>	<b>-</b>
<b>Total comprehensive Income for the period</b>	<b>288 902 658</b>	<b>132 478 195</b>	<b>489 761 274</b>	<b>275 569 797</b>
<b><u>Attributable to:</u></b>				
Owners of the company	279 928 991	136 398 357	482 759 747	278 835 366
Non controlling interest (Note 18)	8 973 667	(3 920 162)	7 001 527	(3 265 569)
<b>Total comprehensive Income for the period</b>	<b>288 902 658</b>	<b>132 478 195</b>	<b>489 761 274</b>	<b>275 569 797</b>

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 change in shareholders equity for the financial period ended June 30, 2022

	<u>Paid Up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Share Premium (special reserve)</u>	<u>Reserve Resulted from Spin-Off</u>	<u>Other Reserve</u>	<u>Retained earnings</u>	<u>Owners Equity</u>	<u>Non controlling interest</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	
Balance at the Beginning of Jan. 2022	888 888 889	55 290 530	20 000 000	2 345 616 021	69 713 888	9 192 764	493 817 689	3 882 519 781	61 018 783	3 943 538 564
<u>Comprehensive Income items:</u>										
Net profit for the period ended June, 30 2022	-	-	-	-	-	-	479 674 534	479 674 534	6 848 121	486 522 655
Other Comprehensive Income items	-	-	-	-	-	3 085 213	-	3 085 213	153 406	3 238 619
<b>Total comprehensive income</b>	-	-	-	-	-	<b>3 085 213</b>	<b>479 674 534</b>	<b>482 759 747</b>	<b>7 001 527</b>	<b>489 761 274</b>
<u>Transaction with the owners of the company</u>										
Dividends according to the ordinary general assembly meeting held in March 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	-	389 153 914	-	(389 153 914)	-	-	-	-	-	-
Non controlling interest in dividends declaration	-	-	-	-	-	-	-	-	(8 423 632)	(8 423 632)
Employee and Board members dividends	-	-	-	-	-	-	(48 298 374)	(48 298 374)	(1 696 162)	(49 994 536)
<b>Total transaction with the owners of the company</b>	<b>35 555 556</b>	<b>389 153 914</b>	<b>-</b>	<b>(389 153 914)</b>	<b>-</b>	<b>-</b>	<b>(292 823 232)</b>	<b>(257 267 676)</b>	<b>(10 119 794)</b>	<b>(267 387 470)</b>
<b>Balance as of June 30 , 2022</b>	<b>924 444 445</b>	<b>444 444 444</b>	<b>20 000 000</b>	<b>1,956,462,107</b>	<b>69 713 888</b>	<b>12 277 977</b>	<b>680 668 991</b>	<b>4,108,011,852</b>	<b>57 900 516</b>	<b>4,165,912,368</b>

E-finance for Digital and Financial Investments Company

Interim Condensed Consolidated statement of change in shareholders equity for the financial period ended June 30, 2022

	<u>Paid up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Reserve Resulted from Spin-Off</u>	<u>Other Reserve</u>	<u>Retained earnings</u>	<u>Owners Equity</u>	<u>Non controlling Interest</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Balance at the Beginning of Jan. 2021	800 000 000	44 727 152	20 000 000	69 713 889	3 287 475	265 547 910	1 203 276 426	60 874 368	1 264 150 794
<u>Comprehensive Income</u>									
Net profit for the period ended June, 31 2021	-	-	-	-	-	278 835 366	278 835 366	(3 265 569)	275 569 797
Other comprehensive Income items	-	-	-	-	-	-	-	-	-
<u>Total comprehensive income</u>	-	-	-	-	-	278 835 366	278 835 366	(3 265 569)	275 569 797
<u>Transaction with the owners of the company</u>									
Dividends according to the ordinary general assembly meeting held on March 17 ,2021	-	-	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
<u>Total transaction with the owners of the company</u>	-	-	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Balance as of June 30 , 2021	800 000 000	44 727 152	20 000 000	69 713 889	3 287 475	336 862 875	1,274,591,391	57 608 799	1,332,200,190

## Interim Condensed Consolidated statement of Cash flows for the financial period Ended June 30, 2022

	for the financial period ended June 30 2022 <u>L.E.</u>	for the financial period ended June 30 2021 <u>L.E.</u>
<b><u>Cash flow from operating activities</u></b>		
Profit for the period before income tax	706 181 556	364 899 793
<b><u>Adjusted as the follows:</u></b>		
Fixed assets depreciation expenses	24 430 058	19 976 389
Amortization expenses of intangible assets	2 931 684	1 033 256
Amortization expenses of right of use asset	17 000 058	13 343 822
Amortization of paid in advance- employee benefits	1 359 150	1 699 308
Income from Equity-investment- at FVOCI	(31 625 598)	(2 956 010)
Debit interest	12 134 647	798 493
Credit interest	(158 256 855)	(24 253 174)
End of service benefit formed	42 630 806	18 739 535
Provision formed for Impairment loss trade receivable and other debit balances	(6 000 000)	-
Finance expenses-right of use asset	3 513 744	5 253 062
Foreign currency translation	3 226	( 586 289)
Investments in associates income	(12 436 378)	-
Lease Termination (gain)/ Losses	(2 620 815)	(2 545 820)
	<b>599 245 283</b>	<b>395 402 365</b>
Change in inventory	2 155 202	(12 076 610)
Change in work in process	(23 348 828)	(2 169 156)
Change in employee benefit - paid in advance	-	(1 102 988)
Change in trade and other receivables	(229 988 218)	(149 239 502)
Change in due from related parties	(3 026 710)	(7 808 991)
Change in trade and other payables	72 318 886	80 101 429
Change in due to related parties	5 616 622	-
<b>Cashflow generated from operating activities</b>	<b>422 972 237</b>	<b>303 106 547</b>
Debit interest paid	(12 134 647)	( 798 493)
Credit interest collected	38 633 834	24 253 174
Payment to employee benefits	( 474 983)	(1 689 951)
Dividends paid to employees and board members	(49 994 536)	(68 192 720)
Income taxes paid (11-4)	(155 034 183)	(79 096 442)
<b>Net cash generated from operating activities</b>	<b>243 967 722</b>	<b>177 582 115</b>
<b><u>Cash flow from investing activities</u></b>		
Proceeds from dividends of Equity-investment- at FVOCI	28 508 002	2 660 409
Proceeds from acquiring investments at amortized cost	42 459 880	-
Payment from acquiring Equity-investment- at FVOCI	(2 900 000)	( 500 000)
Payment of fixed assets and projects under construction	(38 463 130)	(162 913 813)
Payment of acquiring Equity-Accounted in investees (Associates) companies	(25 999 985)	(34 999 975)
Payment of purchasing intangible assets	(16 341 404)	(6 180 422)
Payment of acquiring investments at amortized cost	(1 554 420 653)	( 155 063 013)
<b>Net cash (used in) investing activities</b>	<b>(1 567 157 290)</b>	<b>( 356 996 814)</b>
<b><u>Cash flow from financing activities</u></b>		
Financial interest and expenses paid-lease contracts	(3 513 744)	(5 253 062)
Lease liability paid	(16 565 071)	(10 329 631)
Proceeds from credit facility	(10 875 886)	-
Dividends payment	(217 392 934)	(7 023 672)
<b>Net cash generated from financing activities</b>	<b>(248 347 635)</b>	<b>(22 606 365)</b>
<b>Net change in cash &amp; cash equivalent during the period</b>	<b>(1 571 537 203)</b>	<b>( 202 021 064)</b>
<b>Cash &amp; cash equivalent at beginning of the period</b>	<b>2361 563 261</b>	<b>627 896 859</b>
<b>Cash &amp; cash equivalent at end of the period</b>	<b>790 026 058</b>	<b>425 875 795</b>

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

**1- Company's background**

**1-1 Legal entity**

**E finance for Digital and Financial Investments**

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to the Operating Technology of Financial Institutions E-Finance Company– S.A.E- an Egyptian joint stock company - Giza Commercial Registry No. 15026 on 08/06/2005 in accordance with the provisions of Law No. 8 of 1997 Law of Guarantees And investment incentives, as amended by Law No. 72 of 2017 and Law No. 159 of 1981 and its executive regulations.
- Then the name was changed to E-Finance for Technology Solutions - an Egyptian joint stock company on 24/12/2020.
- Then the name was changed to E-Finance for digital and financial investments-an Egyptian joint stock company on 29/03/2021.
- The duration of the company is twenty-five years, starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3B 82 - Smart Village - Kilo 28 Cairo-Alexandria Desert Road - Giza.

**Khales for digital payments services**

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

**Smart Card Operation Technology Company 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. 24<sup>th</sup> 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 August 14, 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:

<b>Subsidiaries</b>	<b>Activity</b>	<b>Country of incorporation</b>	<b>Direct and indirect ownership percentage</b>
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 June 30, 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 Interim Condensed Consolidated Financial Statements for the financial period ended Jun 30, 2022**

<u>Cost</u>	<u>Lands &amp; buildings</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture &amp; fixtures &amp; 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>
<b>Cost as of 1/1/2021</b>	85 108 586	241 158 312	21 371 893	53 258 544	27 992 368	87 130 360	27 810 023	1 278 800	<b>545 108 886</b>
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	<b>136 168 361</b>
Transferred from PUC	-	-	-	2 054 797	-	-	-	-	<b>2 054 797</b>
Transferred to intangible assets	-	(4 331 864 )	-	-	-	-	-	-	<b>(4 331 864 )</b>
Disposals during the year	-	(2 451 015 )	-	(2 968 310 )	(1 374 311 )	(4 827 )	-	-	<b>(6 798 463 )</b>
<b>Cost as of 31/12/2021</b>	<b>156 402 336</b>	<b>274 653 685</b>	<b>29 097 938</b>	<b>61 384 891</b>	<b>28 706 154</b>	<b>90 916 287</b>	<b>29 434 321</b>	<b>1 606 105</b>	<b>672 201 717</b>
<b>Accumulated depreciation</b>									
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	<b>346 099 830</b>
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	<b>41 180 122</b>
Accumulated depreciation transferred to intangible assets	-	(2 795 941 )	-	-	-	-	-	-	<b>(2 795 941 )</b>
Disposals accumulated depreciation	-	(2 451 015 )	-	(1 351 036 )	(1 257 346 )	(4 827 )	-	-	<b>(5 064 224 )</b>
<b>Accumulated depreciation as of 31/12/2021</b>	<b>17 873 155</b>	<b>185 164 578</b>	<b>9 983 268</b>	<b>32 186 728</b>	<b>23 217 038</b>	<b>85 840 020</b>	<b>23 832 561</b>	<b>1 322 439</b>	<b>379 419 787</b>
<b>Net book value as of 31/12/2021</b>	<b>138 529 181</b>	<b>89 489 107</b>	<b>19 114 670</b>	<b>29 198 163</b>	<b>5 489 116</b>	<b>5 076 267</b>	<b>5 601 760</b>	<b>283 666</b>	<b>292 781 930</b>

## Notes To The interim condensed consolidated Financial Statements for the financial period ended Jun 30, 2022

### **Depreciation charged to the following items**

**6 Intangible assets**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
<b><u>Cost</u></b>		
The beginning cost of the period/year	27 445 439	368 036
Transferred from fixed assets (Note 5)	--	4 331 864
Transferred from projects under construction	8 024 333	--
Additions during the period/year	16 341 404	22 745 539
<b>End of the period/year cost</b>	<b><u>51 811 176</u></b>	<b><u>27 445 439</u></b>
<b><u>Deduct:</u></b>		
Beginning accumulated amortization for the period/year	6 588 686	350 515
Transferred from fixed assets	--	2 795 941
Amortization for the period/year	2 931 684	3 442 230
<b>Accumulated amortization at end of the period</b>	<b><u>9 520 370</u></b>	<b><u>6 588 686</u></b>
<b>Net Book Value at end of the period/year</b>	<b><u>42 290 806</u></b>	<b><u>20 856 753</u></b>

Amortization is charged within the following items:

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Cost of revenue (Note 20)	2 252 267	1 028 875
General and Administrative Expenses (Note 22)	679 417	4 380
	<b><u>2 931 684</u></b>	<b><u>1 033 255</u></b>

**7 Projects under Construction**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Computers and software	20 359 835	16 811 055
Point of Sales	923 531	-
Building	117 974 861	115 125 000
<b>Total projects under construction at the end of the period/year</b>	<b><u>139 258 227</u></b>	<b><u>131 936 055</u></b>

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

		Investment Value	
		June 31, 2022	December 31, 2021
	<u>%</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	2 000 000	1 500 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	86 152 000	83 752 000
Other investments*****		451 008	451 008
		<b>140 202 008</b>	<b>137 302 008</b>

\* 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.

\*\*\* Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 during 2022 the amount of 500 000 was paid, so the paid-up capital amounted to 100%.

\*\*\*\* Investments are the value of the cost of acquiring 25 000 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	Return	Balance as of 30, Jun 2022	Face Value
L.E			%		L.E	L.E	L.E
618 954 000	2022/01/04	2023/01/03	13.13	364	31 527 784	650 481 784	700 000 000
470 070 000	2022/04/13	2022/10/11	12.84	181	12 038 144	482 108 144	500 000 000
234 967 500	2022/04/12	2022/10/11	10.24	182	6 013 000	240 980 500	250 000 000
469 870 000	2022/04/12	2022/10/11	10.26	182	12 052 000	481 922 000	500 000 000
130 078 786	2022/06/12	2022/09/06	14.75	86	723 394	130 803 180	134 600 000
60 569 070	2022/01/04	2023/01/03	13.13	364	3 114 270	63 683 340	68 500 000
58 289 400	2022/04/20	2022/07/19	11.9	90	1 079 579	59 368 979	60 000 000
<b>2 042 798 756</b>					<b>66 548 171</b>	<b>2 109 346 927</b>	<b>2 213 100 000</b>

**10 Equity accounted investees (associate)**

	%	Investment Value	
		Jun 30, 2022	December 31, 2021
		L.E	L.E
Technological Operation for Tax Solutions (E Tax)*	35%	34 999 975	34 999 975
Group Share in retained earnings		17 329 260	1 847 127
		<b>52 329 235</b>	<b>36 847 102</b>
E Health (Technological Operation for Health Insurance Services)**	35%	34 999 975	13 999 990
Group Share in retained earnings		(3 045 755)	--
		<b>31 954 220</b>	<b>13 999 990</b>
E-Comm Africa	30.9%	5 000 000	--
		<b>89 283 455</b>	<b>50 847 092</b>

\* 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.

The company share in the retained earnings at the financial position date is 17 329 260 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.

The company's share in retained earnings at the financial position date is amounted to (3 045 755) EGP.

**E finance for Digital and Financial Investments Company**  
**Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2022**

\*\*\* The value of the investment represents the group's share of 5 million shares in the African e-commerce platform company E COMM, and the payer represents 100% of the group's share in the issued capital, with 4.9 million shares for the technology company for Ecommerce Operation E-Aswaaq Misr, and 100 thousand shares for the benefit of a technological operation for financial institution E-Finance company, which was established on April 10, 2022, with an issued and paid-in capital of 10 million pounds, with a nominal value of 1 pound per share.

**11 Tax:**

**11-1 Income tax**

	<b>For the financial period ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Current Income Tax Expenses	140 581 545	91 880 439
Dividends income tax from Investment in Subsidiaries	18 600 545	--
Treasury Bills Tax	23 983 745	--
Dividends income tax from Equity investment at FVOCI	3 117 595	295 601
Deferred tax (income)	33 375 471	(2 846 044)
Tax at Profit and Loss	<b>219 658 901</b>	<b>89 329 996</b>
Deferred income tax at other comprehensive income	<b>855 295</b>	--

**11-2 Deferred tax**

**A) Recognized deferred tax assets**

	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	<b><u>Assets</u></b>	<b><u>Liabilities</u></b>	<b><u>Assets</u></b>	<b><u>Liabilities</u></b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Depreciation of fixed assets	--	13 437 077	--	13 725 468
obligations of the employee benefits	44 357 338	--	37 375 053	--
Dividends income	--	35 463 689	--	--
Tax Losses	2 780 886	--	8 875 488	--
Unrealized foreign currency exchange	429 322	--	372 473	--
	<b>47 567 546</b>	<b>48 900 766</b>	<b>46 623 014</b>	<b>13 725 468</b>
Net deferred tax assets	<b>-</b>	<b>1 333 220</b>	<b>32 897 546</b>	<b>-</b>
<b>Deducts:</b> the previously charged deferred tax assets	(32 897 546)	-	(25 751 098)	-
<b>Add:</b> the deferred tax assets charged to the statement of other comprehensive income	855 295	-	1 749 709	-
Deferred taxes for the period as (expense) income	<b>(33 375 471)</b>	<b>-</b>	<b>8 896 157</b>	<b>-</b>



**B) Unrecognized deferred tax assets**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Impairment loss on trade receivable and other debit balances	8 113 955	6 763 954
	<b><u>8 113 955</u></b>	<b><u>6 763 954</u></b>

- 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**

		<b>For the financial period ended</b>	
		<b>June 30, 2022</b>	<b>June 30, 2021</b>
		<b><u>L.E</u></b>	<b><u>L.E</u></b>
Net Profit Before Tax		706 181 556	364 899 793
Tax Income Based on Tax rate	<b>22.5%</b>	<u>158 890 850</u>	<u>82 102 453</u>
Expenses that are not deductible and others		(81 374 690)	43 457 714
The tax base		<u>624 806 866</u>	<u>408 357 507</u>
Current income tax	<b>31.11%</b>	<b><u>219 658 901</u></b>	<b><u>89 329 996</u></b>
	<b>24.48%</b>		

**11-4 Income Tax payable**

		<b>For the financial period ended</b>	
		<b>June 30, 2022</b>	<b>December 31, 2021</b>
		<b><u>L.E</u></b>	<b><u>L.E</u></b>
Accrued Income Tax at beginning of the period		181 109 076	84 953 903
Formed during the period		140 581 545	228 010 940
Accrued Declaration Tax		18 659 684	--
Income tax paid		(155 034 183)	(110 567 910)
debit -Withholding tax		<u>(21 578 253)</u>	<u>(21 287 857)</u>
		<b><u>163 737 869</u></b>	<b><u>181 109 076</u></b>

**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 in accordance with the law, 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 in accordance with the law, and there are no tax claims on the company.

**b) Payroll tax**

- The company pays the tax on the legal dates.
- 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 in accordance with the law, and there are no tax claims on the company.

**b) Payroll tax**

- The company pays the tax on the legal dates.
- 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 in accordance with the law, 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 24<sup>th</sup> 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 accordance with the law, and there are no tax claims on the company.

**b) Value added tax**

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

**c) Stamp tax**

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

**12 Debtors and other Debit balances:**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Accounts receivable	899 816 554	585 545 175
Impairment in Accounts receivable	(28 546 831)	(22 546 831)
	<b><u>871 269 723</u></b>	<b><u>562 998 344</u></b>
<b><u>Other Debited Balances</u></b>		
Prepaid expenses	77 366 221	23 622 122
Suppliers -Advance payment	26 702 275	14 370 779
Accrued revenue	487 574 709	610 767 368
Deposits with others	11 909 851	8 981 237
Deposits with others - Work Retention	57 540 941	41 199 069
Income Tax	9 466 207	9 466 207
Value-added tax	14 179 911	40 377 606
Letter of guarantee margin	3 341 759	3 095 309
Withholding tax	4 014 785	3 854 523
Prepaid employees' benefits	2 718 298	2 718 298
Notes Receivable	---	32 072 567
Other debit balances	10 289 496	8 440 782
Impairment in other debit balances	(7 515 190)	(7 515 190)
<b>Total debit balances</b>	<b><u>697 589 263</u></b>	<b><u>791 450 677</u></b>
<b>Total account receivable and other debit balances</b>	<b><u>1 568 858 986</u></b>	<b><u>1 354 449 021</u></b>

**13 Cash and cash Equivalents**

	June 30, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Banks – Saving Accounts	697 947 584	2 262 143 374
Banks - time deposits	63 611 750	32 543 126
Investment funds*	33 920 613	72 383 638
Cash on hand	83 132	30 144
<b>Balance of cash and cash equivalents</b>	<b>795 563 079</b>	<b>2 367 100 282</b>

**\* Investment Funds**

	June 30, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	6 370 561	24 161 102
SEYOLA fund	6 776 982	48 117 917
30/15 Fund	20 664 740	--
Youm by youm Account - Bank Misr	108 330	104 619
	<b>33 920 613</b>	<b>72 383 638</b>

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

	June 30, 2022	June 30, 2021
	<u>L.E</u>	<u>L.E</u>
Cash and Its equivalents	795 563 079	431 412 816
<b><u>Deduct:</u></b>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
<b>Cash and cash equivalents for the purpose of preparing the cash flow statement</b>	<b>790 026 058</b>	<b>425 875 795</b>

## **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
	<b>%100</b>	<b>1 848 888 889</b>	<b>924 444 445</b>



## 15 Share premium (Special reserves)

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 June 30, 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	30 833 792	-	Existing debt limit
QNB	81 500 000	20 755 151	-	Limit to issuing letters of credit
QNB	50 000 000	-	-	Limit to issuing letters of guarantee
QNB	200 000 000	-	210 707 740	Limit to issuing letters of guarantee
QNB	45 000 000	-	-	Limit to issuing letters of guarantee
Banque Misr	100 000 000	-	-	Limit to issuing local letters of guarantee
Banque Misr	50 000 000	-	-	Import letters of credits
Banque Misr	80 000 000	-	-	Existing debt limit
QNB	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	52 415 194	-	Limit for purchasing of goods and production requirement
Commercial International Bank	150 000 000	-	-	Existing debit limit
	<b>2 037 000 000</b>	<b>104 004 137</b>	<b>288 060 978</b>	

**17 Payables and other Credit balances**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Accounts payable	236 405 942	191 763 468
	<b><u>236 405 942</u></b>	<b><u>191 763 468</u></b>
<b>Other credit balance</b>		
Accrued expenses	47 230 348	56 721 911
Payroll tax	4 736 563	4 152 685
Value Added Tax (VAT)	35 785 204	41 457 108
Advance payment from Customer	181 134 563	220 557 532
Withholding tax	6 381 354	6 940 326
Insurance for work guarantee	894 697	654 776
Employee Benefits – (Associate)	—	6 753 378
Deferred Revenue	82 752 504	—
Other Credit balances	28 205 894	22 070 725
<b>Total other credit balances</b>	<b><u>387 121 127</u></b>	<b><u>359 308 441</u></b>
<b>Total payable and other credit balances</b>	<b><u>623 527 069</u></b>	<b><u>551 071 909</u></b>

## **18 Non-Controlling interest**

	<b>E- Finance</b>	<b>E-Cards</b>	<b>Khales</b>	<b>E-Aswaq</b>	<b>E-nable</b>	<b>Total</b>
<b>Balance on January 1, 2021</b>	<b>42 463</b>	<b>17 072 917</b>	<b>30 593 880</b>	<b>13 164 104</b>	<b>1 004</b>	<b>60 874 368</b>
<b>The share of non-controlling interests in comprehensive income for the period</b>	43 331	6 227 204	2 271 072	(8 374 662)	8	166 953
<b>The share of non-controlling interests in dividends for the year</b>	(22 538)	--	--	--	--	(22 538)
<b>Total non-controlling interest as of December 31, 2021</b>	<b>63 256</b>	<b>23 300 121</b>	<b>32 864 952</b>	<b>4 789 442</b>	<b>1 012</b>	<b>61 018 783</b>
<b>The share of non-controlling interests in comprehensive income for the period</b>	33 203	(1 035 442)	274 254	7 729 419	93	7 001 527
<b>The share of non-controlling interest in dividends</b>	(11 973)	(7 424 744)	(2 683 077)	--	--	(10 119 794)
<b>Total non-controlling interests as of June 30, 2022</b>	<b>84 486</b>	<b>14 839 935</b>	<b>30 456 129</b>	<b>12 518 861</b>	<b>1 105</b>	<b>57 900 516</b>

## **19 Revenues:**

	<b>Period from April 1<sup>st</sup>, till June 30,2022</b>	<b>Period from April 1<sup>st</sup>, till June 30,2021</b>	<b>Period from Jan 1<sup>st</sup>, till June 30,2022</b>	<b>Period from Jan 1<sup>st</sup>, till June 30,2021</b>
			<b><u>L.E</u></b>	<b><u>L.E</u></b>
Installation services and card operation revenue	220 803 598	105 905 011	444 260 768	374 937 036
Integrated solutions revenue	64 801 692	37 649 045	130 415 455	79 205 636
Hosting services revenue	226 514 212	66 759 549	307 466 297	132 454 234
Maintenance and network	71 243 577	98 839 813	100 235 021	130 129 790
Installations and technical support revenue	86 720 958	30 998 846	188 425 755	43 599 623
Cards Center Revenue	17 036 265	57 784 058	59 868 566	81 349 287
Call center revenue	11 652 854	12 135 879	23 928 508	26 945 246
Other revenue	3 679 502	30 929 037	7 362 416	35 748 913
	<b>702 452 658</b>	<b>441 001 238</b>	<b>1 261 962 786</b>	<b>904 369 765</b>

**20 Cost of revenue**

	Period from April 1 <sup>st</sup> , till June 30,2022	Period from April 1 <sup>st</sup> , till June 30,2021	Period from Jan 1 <sup>st</sup> , till June 30,2022	Period from Jan 1 <sup>st</sup> , till June 30,2021
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	116 055 841	86 034 444	237 301 042	160 093 668
Technical Consultancy and support	65 580 976	29 081 289	106 261 920	51 880 374
Card Centre	16 216 810	20 830 548	55 391 008	37 062 618
Programs license & communications	33 489 825	45 964 615	76 425 579	125 484 161
Cost of goods sold	35 836 692	16 338 864	63 309 155	64 951 634
Depreciation of fixed assets (Note 5)	9 515 444	7 343 866	17 651 452	13 976 236
Amortization of ROU asset	1 567 310	1 565 351	3 130 750	3 214 237
Amortization of intangible assets (Note 6)	1 300 966	514 438	2 252 267	1 028 875
Rent	1 403 949	390 173	1 934 507	611 234
Employee benefits (cars)	546 141	714 635	1 132 607	1 464 395
Other Costs	5 368 848	5 394 119	9 241 259	7 470 611
	<b>286 882 802</b>	<b>214 172 342</b>	<b>574 031 546</b>	<b>467 238 043</b>

**21 Dividends income from equity investments at FVOCI:**

**For the financial period ended**

	Period from April 1 <sup>st</sup> , till June 30,2022	Period from April 1 <sup>st</sup> , till June 30,2021	Period from Jan 1 <sup>st</sup> , till June 30,2022	Period from Jan 1 <sup>st</sup> , till June 30,2021
	<u>L.E</u>	<u>L.E</u>	<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	--
	<b>--</b>	<b>--</b>	<b>31 625 598</b>	<b>2 956 010</b>

**22 General and Administrative Expenses**

	Period from April 1 <sup>st</sup> , till June 30,2022	Period from April 1 <sup>st</sup> , till June 30,2021	Period from Jan 1 <sup>st</sup> , till June 30,2022	Period from Jan 1 <sup>st</sup> , till June 30,2021
			<u>L.E</u>	<u>L.E</u>
Wages and Salaries and employee benefit	23 336 019	17 135 546	48 007 550	31 027 660
Amortization of ROU asset	6 934 216	5 580 634	13 869 309	10 129 586
Stamps and deductions	7 845 108	5 579 877	11 051 733	7 359 541
Fixed Assets Depreciation (Note 5)	3 336 107	2 847 451	6 778 606	6 000 153
Consulting and legal fees	5 875 557	6 074 140	9 795 143	10 240 080
Comprehensive social insurance	1 967 779	1 259 558	3 747 316	2 530 422
Donations	3 383 334	2 000 000	5 633 334	2 020 076
Maintenance Expenses	1 629 742	1 168 893	3 585 498	1 760 077
Employee benefits (cars)	173 024	93 540	295 447	234 913
Amortization of intangible assets (Note 6)	343 330	2 190	679 417	4 380
Other expenses	18 667 670	6 513 834	26 337 969	15 947 502
	<b>73 491 886</b>	<b>48 255 663</b>	<b>129 781 322</b>	<b>87 254 390</b>

**23 Selling and Marketing Expenses**

	Period from April 1 <sup>st</sup> , till June 30,2022	Period from April 1 <sup>st</sup> , till June 30,2021	Period from Jan 1 <sup>st</sup> , till June 30,2022	Period from Jan 1 <sup>st</sup> , till June 30,2021
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Exhibitions	1 643 091	1 682 035	6 354 097	1 878 870
Public Relations	360 973	1 368 441	811 189	1 713 127
Advertisements	15 886 582	1 525 966	24 212 143	1 753 266
Other Marketing Expenses	3 375 419	1 492 242	6 370 367	2 083 900
	<b>21 266 065</b>	<b>6 068 684</b>	<b>37 747 796</b>	<b>7 429 163</b>

**24 Finance Cost**

	Period from April 1 <sup>st</sup> , till June 30,2022	Period from April 1 <sup>st</sup> , till June 30,2021	Period from Jan 1 <sup>st</sup> , till June 30,2022	Period from Jan 1 <sup>st</sup> , till June 30,2021
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Foreign exchange	1 580 954	(153 372)	4 203 536	131 250
Interest expense and bank charges	3 183 559	353 730	4 417 367	798 493
Finance cost-lease contracts	1 711 219	2 733 042	3 513 744	5 253 062
	<b>6 475 732</b>	<b>2 933 400</b>	<b>12 134 647</b>	<b>6 182 805</b>

**25      Finance income**

	<b>Period from April 1<sup>st</sup>, till June 30,2022</b>	<b>Period from April 1<sup>st</sup>, till June 30,2021</b>	<b>Period from Jan 1<sup>st</sup>, till June 30,2022</b>	<b>Period from Jan 1<sup>st</sup>, till June 30,2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Foreign exchange Translation gain(Realized)	(2 573)	128 338	(3 226)	586 289
Revenues from Investment in financial investment	72 586 180	12 243 818	124 385 654	24 193 376
Bank interest on Current accounts	10 964 722	52 103	33 871 201	59 798
	<b>83 548 329</b>	<b>12 424 259</b>	<b>158 253 629</b>	<b>24 839 463</b>

**E finance for Digital and Financial Investments Company**  
**Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 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>June 30, 2022 L.F</u>	<u>December 31, 2021 L.F</u>
<b><u>26-1 Due from Related Parties:</u></b>					
E Tax (Technological Operation for Tax Solutions)	Associate	Services	--	--	746 355
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	3 773 065	6 747 143	2 974 078
				<b>6 747 143</b>	<b>3 720 433</b>
<b><u>26-2 Due to Related Parties:</u></b>					
E Tax (Technological Operation for Tax Solutions)	Associate	Services	(6 203 973)	--	--
		Payment on behalf	(159 004)	5 616 622	--
				<b>5 616 622</b>	<b>--</b>

## **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 Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2022

June 30, 2022

	Installation Services Operation of Cards &	Integrated solution	Cloud Service	Maintenance and Networks	Technical & Consultancy Support	Card Center	Communication Center Services	Others	Total
	<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>
Revenues	444,260,768	130,415,455	307,466,297	100,235,021	188,425,755	59,868,566	23,928,508	7,362,416	1,261,962,786
Salaries and Wages and employee benefit	(83,661,197)	(17,032,456)	(20,713,316)	(8,230,040)	(36,668,892)	(4,814,819)	(586,136)	(65,594,186)	(237,301,042)
Depreciation of fixed assets	(6,962,514)	(730,571)	(3,428,728)	(747,043)	(3,064,810)	(5,106,398)	(521,264)	(2,473,141)	(23,034,469)
Other Costs	(106,347,083)	(27,760,093)	(41,923,286)	(41,781,079)	(22,643,855)	(37,167,542)	(24,506,646)	(11,566,451)	(313,696,035)
<b>Gross Profit(Loss)</b>	<b>247,289,974</b>	<b>84,892,335</b>	<b>241,400,967</b>	<b>49,476,859</b>	<b>126,048,198</b>	<b>12,779,807</b>	<b>(1,685,538)</b>	<b>(72,271,362)</b>	<b>687,931,240</b>
<b>%Gross Profit(Loss)</b>	<b>56%</b>	<b>65%</b>	<b>79%</b>	<b>49%</b>	<b>67%</b>	<b>21%</b>	<b>(7)%</b>	<b>(982)%</b>	<b>55%</b>
Other Expenses and revenues	(48,913,080)	(13,423,162)	(14,090,210)	(3,200,983)	(8,394,921)	(13,385,286)	(11,429,718)	131,087,676	18,250,316
<b>Net Profit before Tax</b>	<b>198,376,894</b>	<b>71,469,173</b>	<b>227,310,757</b>	<b>46,275,876</b>	<b>117,653,277</b>	<b>(605,479)</b>	<b>(13,115,256)</b>	<b>58,816,314</b>	<b>706,181,556</b>
<b>%Net Profit before Tax</b>	<b>45%</b>	<b>55%</b>	<b>74%</b>	<b>46%</b>	<b>62%</b>	<b>(1)%</b>	<b>(55)%</b>	<b>799%</b>	<b>56%</b>

# E-finance for Digital and Financial Investments Company

Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2022

Installation Services  
Operation of Cards &

June 30, 2021

	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
Revenue	374,937,036	132,454,234	130,129,790	43,599,623	81,349,287	26,945,246	35,748,913	904,369,765
Salaries and Wages and employee benefit	(65,425,309)	(11,247,930)	(8,863,804)	(10,463,632)	(11,174,523)	(1,228,824)	(38,432,568)	(160,093,668)
Depreciation of fixed assets	(2,866,145)	(5,172,331)	-	(2,064,464)	(4,619,592)	--	(1,873,455)	(17,212,295)
Other Cost	(93,158,243)	(4,478,405)	(50,452,377)	(16,182,266)	(52,507,842)	(15,630,792)	(41,266,606)	(289,932,080)
<b>Gross Profit/(Loss)</b>	<b>213,487,339</b>	<b>61,144,692</b>	<b>70,813,609</b>	<b>14,889,261</b>	<b>13,047,330</b>	<b>9,794,783</b>	<b>(45,823,716)</b>	<b>437,131,722</b>
<b>%Gross Profit/(Loss)</b>	<b>57%</b>	<b>77%</b>	<b>54%</b>	<b>34%</b>	<b>16%</b>	<b>36%</b>	<b>(128)%</b>	<b>48%</b>
Other Expenses and revenue	(28,675,323)	(7,399,009)	(3,949,236)	(751,402)	(4,555,859)	(8,796,829)	(12,542,166)	(72,231,929)
<b>Net Profit before Tax</b>	<b>184,812,016</b>	<b>53,745,683</b>	<b>65,251,504</b>	<b>14,137,859</b>	<b>8,491,471</b>	<b>997,954</b>	<b>(58,365,882)</b>	<b>364,899,793</b>
<b>%Net Profit/ (loss) before Tax</b>	<b>49%</b>	<b>68%</b>	<b>50%</b>	<b>32%</b>	<b>10%</b>	<b>4%</b>	<b>(163)%</b>	<b>40%</b>

## **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:

	<b>June 30, 2022</b>	<b>December31,2021</b>
	<u><b>L.E</b></u>	<u><b>L.E</b></u>
Trade receivables and other debit balances	1 568 858 986	1 354 449 021
Due from related parties	6 747 143	3 720 433
Cash and Cash equivalents	795 563 079	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

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:

	June 30, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
<b><u>Floating interest rate financial instruments</u></b>		
Financial Assets	795 563 079	2 367 100 282
	<b>795 563 079</b>	<b>2 367 100 282</b>

### **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>	Exchange rate	Net Liability	
		<u>In Foreign Currency</u>	<u>In EGP</u>
US Dollar	18.86	3 583 691	67 588 405
Euro	19.67	165 798	3 261 243

### **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 June 30, 2022**

**December 31, 2021**

	<b>Net Book Value</b>	<b>Less than year</b>	<b>From 1 to 2</b>	<b>From 2 to 5</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>	<b>years</b>	<b>years or more</b>
			<b><u>L.E</u></b>	<b><u>L.E</u></b>
Trade payable 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	--
<b>Total</b>	<b>804 398 229</b>	<b>585 104 071</b>	<b>59 936 190</b>	<b>159 357 968</b>

**June 30, 2022**

	<b>Net Book Value</b>	<b>Less than year</b>	<b>From 1 to 2</b>	<b>From 2 to 5</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>	<b>years</b>	<b>years or more</b>
			<b><u>L.E</u></b>	<b><u>L.E</u></b>
Trade payable and Other Credit Balances	623 527 069	623 527 069	--	--
Other Obligations	197 286 830	--	--	197 286 830
Due to related parties	5 616 622	5 616 622	--	--
Lease Liability	55 801 518	28 919 435	26 882 083	--
<b>Total</b>	<b>882 232 039</b>	<b>658 063 126</b>	<b>26 882 083</b>	<b>197 286 830</b>

**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.

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Total liability	1 151 307 265	1 100 387 328
Less cash & Equivalent	(795 563 079)	(2 367 100 282)
<b>Net Liability</b>	<b>355 744 186</b>	<b>(1 266 712 954)</b>
Total Equity	4 165 912 368	3 943 538 564
<b>Net liability: total equity percentage</b>	<b>8.54%</b>	<b>(%32.12)</b>

### **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:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b><u>L.E</u></b>	<b><u>L.E</u></b>
Letters of Guarantee	288 060 978	288 060 978

### **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.

	Period from Jan 1 <sup>st</sup> , till June 30,2022	Period from Jan 1 <sup>st</sup> , till June 30,2021
	<u><b>L.E</b></u>	<u><b>L.E</b></u>
Net profit for the period for the owners of the company (EGP)	<b>479 674 534</b>	<b>278 835 366</b>
BOD and employees share suggested / actual (EGP)	(119 080 850)	(54 476 830)
<b>Net Profit available for ordinary shares (EGP)</b>	<b>360 593 684</b>	<b>224 358 536</b>
Average number of shares outstanding during the period for basic earnings (share)	1 777 777 778	1 600 000 000
<b>Basic share in earnings for the period (EGP/share)</b>	<b>0.20</b>	<b>0.14</b>