

**E-Finance for Digital and Financial
Investments Company (S.A.E)
Interim Condensed Consolidated
Financial Statements
For the period Ended as of 30 September 2022
And Review report**



Hazem Hassan
Public Accountants & Consultants

Translation of review report
originally issued in Arabic

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Review Report on Interim Condensed Consolidated Financial Statements

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

Introduction

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

Scope of Review

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

Base for Conclusion

The Group continued to record some investments under equity investment at fair value through other comprehensive income amounting to EGP 51,599,000 on September 30, 2022 at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments" which was applied to the company's annual financial statements on December 31, 2021.

Conclusion

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

KPMG Hazem Hassan
Public accountants and consultants

Cairo November 14, 2022



E-finance for Digital and Financial Investments Company

Interim condensed Consolidated statement of Financial position as of September 30 , 2022

	Note No.	September 30, 2022	December 31, 2021
		L.E.	L.E.
Assets			
Non current assets			
Fixed assets	5	328 405 987	292 781 930
Intangible assets	6	51 041 867	20 856 753
Projects under construction		141 513 210	131 936 055
Financial-investment at FV through P/L	7	57 786 600	-
Equity-investment at FVOCI	8	140 202 008	137 302 008
Equity-Accounted investees (Associates)	10	96 286 970	50 847 092
Deferred tax assets	11-2	11 336 981	32 897 546
Prepaid employee benefits		4 777 692	6 813 717
Right of use assets		43 700 056	88 181 926
Total non current assets		875 051 371	761 617 027
Current assets			
Inventory		28 808 464	31 207 754
Work in progress		36 229 276	24 143 638
Trade receivables and other debit balances	12	1 713 039 385	1 354 449 021
Due from related parties	27-1	11 493 780	3 720 433
Financial investments at amortized cost	9	2 132 090 351	501 687 737
Cash and cash equivalents	13	653 845 742	2 367 100 282
Total current assets		4 575 506 998	4 282 308 865
Total assets		5 450 558 369	5 043 925 892
Owners equity & Liabilities			
Owners equity			
Paid-up capital	14	924 444 445	888 888 889
Treasury Shares	16	(1 345 051)	-
Share Premium (special reserve)	15	1 956 462 106	2 345 616 021
Employee Share Option Plan reserve	32	57 113 613	-
Reserves		546 456 494	154 197 182
Retained earnings		775 997 927	493 817 689
Equity attributable to owners of the company		4 259 129 534	3 882 519 781
Non controlling interest	19	60 043 965	61 018 783
Total Equity		4 319 173 499	3 943 538 564
Liabilities			
Non- Current Liabilities			
Lease liability		23 799 345	59 936 190
Employee benefits		186 611 044	159 357 968
Total non current liabilities		210 410 389	219 294 158
Current liabilities			
Lease liability		24 568 630	34 032 162
Payables and other credit balances	18	604 296 105	551 071 909
Credit facilities	17	62 419 567	114 880 023
Income tax payable	11-4	229 690 179	181 109 076
Total current liabilities		920 974 481	881 093 170
Total Liabilities		1 131 384 870	1 100 387 328
Total equity and liabilities		5 450 558 369	5 043 925 892

The attached notes from (1) to (34) 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 Sep 30, 2022

	<u>Note No.</u>	<u>For The Financial period from Jul 1,2022 till Sep 30, 2022 L.E.</u>	<u>For The Financial period from Jul 1,2021 till Sep 30, 2021 L.E.</u>	<u>for the financial period ended Sep 30, 2022 L.E.</u>	<u>for the financial period ended Sep 30, 2021 L.E.</u>
Revenues	20	675 835 866	395 235 098	1 937 798 652	1 299 604 863
Cost of sales	21	(282 607 296)	(217 960 309)	(856 638 843)	(685 198 352)
Gross profit		393 228 570	177 274 789	1 081 159 809	614 406 511
Other revenue		61 683	1 134 926	4 884 660	4 631 702
General and administrative expenses	23	(50 596 222)	(40 183 763)	(180 377 551)	(127 438 153)
Marketing and selling expenses	24	(15 938 920)	(5 334 607)	(53 686 716)	(12 763 770)
Employee Share Option Plan expense	32	(33 446 389)	-	(33 446 389)	-
Impairment loss trade receivable and other debit balances		(57 361 876)	(2 250 452)	(63 361 876)	(2 250 452)
Other expenses		(1 383 500)	(1 515 000)	(4 608 000)	(4 172 820)
Operating Profit		234 563 346	129 125 893	750 563 937	472 413 018
Dividends income from equity investments at FVOCI	22	-	-	31 625 598	2 956 010
Finance cost	25	(6 368 055)	(3 451 403)	(18 502 703)	(9 634 208)
Income from Equity-accounted investees	10	7 003 515	1 055 633	19 439 893	1 055 633
Finance Income	26	84 257 489	11 188 680	242 511 120	36 028 143
Net profit for the period before tax		319 456 295	137 918 803	1 025 637 845	502 818 596
Income tax expense	11-1	(114 402 599)	(38 659 368)	(334 061 499)	(127 989 364)
Net profit for the period after tax		205 053 696	99 259 435	691 576 346	374 829 232
profit attributable to:					
Owners of the company		202 780 602	101 554 380	682 455 096	380 389 746
Non controlling interest	19	2 273 094	(2 294 945)	9 121 250	(5 560 514)
		205 053 696	99 259 435	691 576 346	374 829 232
Basic Earning per share	33			0.306	0.187

The attached notes from (1) to (34) are an integral part of these interim condensed consolidated financial

E-finance for Digital and Financial Investments Company

Interim Condensed Consolidated statement of Comprehensive income for the financial period ended Sep 30, 2022

	<u>For The Financial</u> <u>period from Jul</u> <u>1, 2022 till Sep 30,</u> <u>2022</u> <u>L.E.</u>	<u>For The Financial</u> <u>period from Jul</u> <u>1, 2021 till Sep 30,</u> <u>2021</u> <u>L.E.</u>	<u>for the financial</u> <u>period ended Sep</u> <u>30, 2022</u> <u>L.E.</u>	<u>for the financial</u> <u>period ended Sep</u> <u>30, 2021</u> <u>L.E.</u>
Net profit for the period	205 053 696	99 259 435	691 576 346	374 829 232
Other comprehensive income				
Actuarial gain (losses) from employee benefit	(45 660)	7 147 461	4 048 254	7 147 461
Income Tax related to other comprehensive income	10 274	(1 608 179)	(910 857)	(1 608 179)
Total other comprehensive Income	(35 386)	5 539 282	3 137 397	5 539 282
Total comprehensive Income for the period	205 018 310	104 798 717	694 713 743	380 368 514
Attributable to:				
Owners of the company	202 833 668	107 059 688	685 560 493	385 895 054
Non controlling interest (Note 19)	2 184 642	(2 260 971)	9 153 250	(5 526 540)
Total comprehensive Income for the period	205 018 310	104 798 717	694 713 743	380 368 514

The attached notes from (1) to (34) are an integral part of these interim condensed consolidated financial statements and to be read with them.

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

	Paid in Capital	Legal Reserve	General Reserve	Shared Premium (special reserve)	Reserve Resulted from Spin-Off	ESOP Reserve	Treasury Shares	Other Reserve	Retained earnings	Owners Equity	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
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
Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period ended Sep 30, 2022	-	-	-	-	-	-	-	-	-	682 455 096	9 121 250	691 576 346
Other Comprehensive Income items	-	-	-	-	-	-	-	3 105 397	-	3 105 397	32 000	3 137 397
Total comprehensive income	-	-	-	-	-	-	-	3 105 397	682 455 096	685 560 493	9 153 250	694 713 743
Transaction with the owners of the company	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-
Treasury Shares	-	-	-	-	-	-	(1 345 051)	-	-	(1 345 051)	-	(1 345 051)
Employee Share Option Plan	-	-	-	-	-	57 113 613	-	-	-	57 113 613	-	57 113 613
Transferred to legal reserve	-	389 153 914	-	(389 153 914)	-	-	-	-	-	-	-	-
Non controlling interest in dividends declaration	-	-	-	-	-	-	-	-	-	-	(8 446 141)	(8 446 141)
Employee and Board members dividends	-	-	-	-	-	-	-	-	(155 750 000)	(155 750 000)	(1 681 927)	(157 431 927)
Total transaction with the owners of the company	35 555 556	389 153 914	-	(389 153 914)	-	57 113 613	(1 345 051)	-	(400 274 858)	(308 950 740)	(10 128 068)	(319 078 808)
Balance as of Sep 30 , 2022	924 444 445	444 444 444	20 000 000	1 956 462 107	69 713 888	57 113 613	(1 345 051)	12 298 161	775 997 977	4 259 129 534	60 043 965	4 319 173 499

The attached notes from (1) to (34) are an integral part of these interim condensed consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company

Translation from Arabic

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

	Paid in Capital	Legal Reserve	General Reserve	Reserve Resulted from Spin-Off	Other Reserve	Retained earnings	Owners Equity	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at the Beginning of Jan. 2021	800 000 000	44 727 152	20 000 000	69 713 889	3 287 475	265 547 910	1 203 276 426	60 874 368	1 264 150 794
Comprehensive Income									
Net profit for the period ended Sep. 30 2021	-	-	-	-	-	380 389 746	380 389 746	(5 560 514)	374 829 232
Other comprehensive Income items	-	-	-	-	5 505 308	-	5 505 308	33 974	5 539 282
Total comprehensive income	-	-	-	-	5 505 308	380 389 746	385 895 054	(5 526 540)	380 368 514
Transaction with the owners of the company									
Dividends according to the ordinary general assembly meeting held on March 17 ,2021	-	-	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Total transaction with the owners of the company	-	-	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Balance as of Sep 30 , 2021	800 000 000	44 727 152	20 000 000	69 713 889	8 792 783	438 417 255	1 381 651 079	55 347 828	1 436 998 907

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

	for the financial period ended Sep 30, 2022 <u>L.E.</u>	for the financial period ended Sep 30, 2021 <u>L.E.</u>
<u>Cash flow from operating activities</u>		
Profit for the period before income tax	1 025 637 845	502 818 596
<u>Adjusted as the follows:</u>		
Fixed assets depreciation expenses	38 212 006	30 855 463
Amortization expenses of intangible assets	5 314 044	1 560 074
Amortization expenses of right of use asset	25 500 923	21 288 672
Amortization of paid in advance- employee benefits	2 036 025	2 066 947
Income from Equity-investment- at FVOCI	(31 625 598)	(2 956 010)
Debit interest	18 502 703	1 597 702
Credit interest	(50 219 908)	(15 402 516)
Investments income ar amortized Cost	(192 266 685)	-
End of service benefit formed	46 086 361	31 459 935
Provision formed for Impairment loss trade receivable and other debit balances	63 361 876	2 250 452
Finance cost-right of use asset	5 004 894	8 011 951
Foreign currency translation	(24 527)	(858 605)
Investments in associates income	(19 439 893)	-
Employee Share Option Plan cost	33 446 389	-
Lease Termination (gain)	(2 620 815)	(2 576 461)
	966 905 640	580 116 200
Change in inventory	2 399 290	(24 737 086)
Change in work in progress	(12 085 638)	(15 550 781)
Change in employee benefit - paid in advance	-	(886 802)
Change in trade receivables and other debit balances	(429 613 785)	(237 862 983)
Change in trade payables and other credit balances	51 770 625	89 700 224
Change in due from related parties	(7 773 347)	(8 279 322)
Cashflow provided from operating activities	571 602 785	382 499 450
Debit interest paid	(18 502 703)	(1 597 702)
Credit interest collected	50 219 908	15 402 516
Payment to employee benefits	(14 651 984)	(4 546 699)
Dividends paid to employees and board members	(188 623 108)	(68 192 720)
Income taxes paid (11-4)	(194 090 913)	(79 449 276)
Net cash flow provided from operating activities	205 953 985	244 115 569
<u>Cash flow from investing activities</u>		
Proceeds from dividends of Equity-investment- at FVOCI	28 508 002	2 956 010
Proceeds from Fixed Asset Disposal	-	211 174
Proceeds from acquiring investments at amortized cost	37 867 147	(50 055 598)
Payment of Financial-investment at FVTPL	(57 786 600)	-
Payment from acquiring Equity-investment- at FVOCI	(2 900 000)	(500 000)
Payment of fixed assets and projects under construction	(91 437 552)	(216 455 357)
Payment of acquiring Equity-Accounted in investees (Associates) companies	(25 999 985)	-
Payment of purchasing intangible assets	(27 474 825)	(6 540 122)
Payment of acquiring investments at amortized cost	(1513 278 214)	(159 228 800)
Net cash flow (used in) investing activities	(1652 502 027)	(429 612 693)
<u>Cash flow from financing activities</u>		
Financial interest (paid-lease contracts)	(5 004 894)	(8 011 951)
Lease liability paid	(23 998 614)	(15 744 243)
(Used in)Proceeds from credit facility	(52 460 456)	22 684 433
Dividends to owners of the company	(186 223 919)	(139 327 681)
Net cash flow used in financing activities	(267 687 883)	(140 399 442)
Net change in cash & cash equivalent during the period	(1714 235 925)	(325 896 566)
Cash & cash equivalent at beginning of the period	2 361 563 261	627 515 860
Cash & cash equivalent at end of the period (13)	647 327 336	301 619 294

The attached notes from (1) to (34) 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. 24th Roushdy Basha St, branched from Salah Salem St, Safer square, Heliopolis, Cairo.

1-2- Group's Purpose:

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

- Providing specialized operating services for information and communication technology systems, whether inside or outside the Arab Republic of Egypt (except for the Sinai region, prior approval of the authority is required) and these services include the following:
 - Managing, operating and maintaining all devices, equipment and computer networks.
 - Production, issuance, printing, packaging, management and operation of a smart card system.
 - Managing and operating the applications for providing banking services over the phone and through the Internet, electronic payment services, and electronic circulation of secured documents.
- Establishing, managing and operating the systems and management of customer service 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.

E finance for Digital and Financial Investments Company

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

- 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 insittutions 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:

Subsidiaries	Activity	Country of incorporation	Direct and indirect ownership percentage
Khales for Digital Payment Services	Digital payments services	Egypt	70%
Smart Card Operation Technology Company (E Cards)	Smart card operation	Egypt	89.7%

The Technology Company for E-commerce Operations(E Aswaaq Misr)	Operation of electronic markets	Egypt	61%
Enable for outsourcing services	Establishing and operating communications centres	Egypt	99.98%
Technological operation for financial institutions (E Finance)	Operating technology of financial institution	Egypt	99.99%

3-4 Use of professional judgment and estimates

Preparing these Interim Condensed Consolidated financial statements requires management to make judgments and estimates that affect the values of revenues, expenditures, assets and liabilities included in the Interim Condensed Consolidated financial statements and the accompanying disclosures, as well as disclosure of contingent liabilities at the date of the financial statements. The uncertainty surrounding these assumptions and estimates may result in results that require significant adjustments to the carrying value of the affected assets and liabilities in future periods.

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

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

Judgment

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

Equity Accounted in investees (associate)

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

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

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

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

Estimates and assumptions

The following are the main assumptions regarding the future and other major sources of estimation in case of uncertainty in the history of the financial position, which involves significant risk that causes a material adjustment to the carrying values of assets and liabilities during the next financial year. The company made its assumptions and estimates based on the available criteria when preparing the financial statements. However, the current circumstances and assumptions related to future developments may change due to market changes or the existence of conditions beyond the company's control, and these changes are reflected in the assumptions when they occur.

The useful life of fixed assets

The company's management determines the estimated useful life of fixed assets for the purpose of calculating depreciation. This estimate will be determined after considering the expected useful life of the asset or the physical depreciation of the assets. Management periodically reviews the estimated useful life and depreciation method in order to ensure that the method and duration of depreciation is consistent with the expected pattern of economic benefits arising from these assets.

Defined Benefit Plan

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

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

Fair value measurement

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

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

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

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

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

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

Allowance for expected credit losses for trade receivables

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

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

The assessment of the relationship between defaulting historical rates which are observed, expected economic conditions and expected credit losses is a significant judgment. The value of expected credit losses is the most sensitive item to changes in expected economic conditions and circumstances. The historical credit loss and economic conditions expectations may not represent an actual customer default for the group in the future. Information regarding the expected credit losses of the company's trade receivables is disclosed in note 12.

4 The most significant accounting policies applied

The accounting policies that are applied in a consistent manner during the financial period of 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 Sep 30, 2022

-5 Fixed Assets

	<u>L.E.</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<u>Cost</u>									
Cost as of 1/1/2022	156 402 336	274 653 685	29 097 938	61 384 891	28 706 154	90 916 287	29 434 321	1 606 105	672 201 717
Additions during the period	802 988	58 373 876	4 992 996	3 461 078	312 164	4 810 097	1 082 864	-	73 836 063
Disposals during the period						(15 876)			(15 876)
Cost as of 30/09/2022	157 205 324	333 027 561	34 090 934	64 845 969	29 018 318	95 710 508	30 517 185	1 606 105	746 021 904
<u>Accumulated depreciation</u>									
Accumulated depreciation as of 1/1/2022	17 873 155	185 164 578	9 983 268	32 186 728	23 217 038	85 840 020	23 832 561	1 322 439	379 419 787
Depreciation of the period	1 494 022	19 442 484	3 887 959	9 440 765	750 177	1 745 377	1 402 126	49 096	38 212 006
Disposals accumulated depreciation						(15 876)			(15 876)
Accumulated depreciation as of 30/09/2022	19 367 177	204 607 062	13 871 227	41 627 493	23 967 215	87 569 521	25 234 687	1 371 535	417 615 917
Net book value as of Sep 30, 2022	137 838 147	128 420 499	20 219 707	23 218 476	5 051 103	8 140 987	5 282 498	234 570	328 405 987
<u>Depreciation charged to the following items</u>									
			<u>Sep 30,2022</u>	<u>Sep 30,2021</u>					
			<u>EGP</u>	<u>EGP</u>					
Cost of sales (Note 21)			27 867 659	21 647 186					
General and administrative expenses (Note 23)			10 344 347	9 208 277					
Total depreciation of assets			38 212 006	30 855 463					

E-finance for Digital and Financial Investments Company

Notes To the Interim Condensed Consolidated Financial Statements for the financial period ended Sep 30, 2022

-5 Fixed Assets

	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipment</u>	<u>Networks</u>	<u>Point of sales</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost as of 1/1/2021	85 108 586	241 158 312	21 371 893	53 258 544	27 992 368	87 130 360	27 810 023	1 278 800	545 108 886
Additions during the year	71 293 750	40 278 252	7 726 045	9 039 860	2 088 097	3 790 754	1 624 298	327 305	136 168 361
Transferred from PUC	-	-	-	2 054 797	-	-	-	-	2 054 797
Transferred to intangible assets	-	(4 331 864)	-	-	-	-	-	-	(4 331 864)
Disposals during the year	-	(2 451 015)	-	(2 968 310)	(1 374 311)	(4 827)	-	-	(6 798 463)
Cost as of 31/12/2021	156 402 336	274 653 685	29 097 938	61 384 891	28 706 154	90 916 287	29 434 321	1 606 105	672 201 717
Accumulated depreciation									
Accumulated depreciation as of 1 Jan 2021	15 886 915	171 295 936	5 534 190	22 249 806	23 479 390	84 170 353	22 204 441	1 278 799	346 099 830
Depreciation of the year	1 986 240	19 115 598	4 449 078	11 287 958	994 994	1 674 494	1 628 120	43 640	41 180 122
Accumulated depreciation transferred to intangible assets	-	(2 795 941)	-	-	-	-	-	-	(2 795 941)
Disposals accumulated depreciation	-	(2 451 015)	-	(1 351 036)	(1 257 346)	(4 827)	-	-	(5 064 224)
Accumulated depreciation as of 31/12/2021	17 873 155	185 164 578	9 983 268	32 186 728	23 217 038	85 840 020	23 832 561	1 322 439	379 419 787
Net book value as of 31/12/2021	138 529 181	89 489 107	19 114 670	29 198 163	5 489 116	5 076 267	5 601 760	283 666	292 781 930

6 Intangible assets

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
<u>Cost</u>		
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	8 024 334	--
Additions during the period/year	27 474 824	22 745 539
End of the period/year cost	62 944 597	27 445 439
<u>Deduct:</u>		
Beginning accumulated amortization for the period/year	6 588 686	350 515
Transferred from fixed assets	--	2 795 941
Amortization for the period/year	5 314 044	3 442 230
Accumulated amortization at end of the period	11 902 730	6 588 686
Net Book Value at end of the period/year	51 041 867	20 856 753

Amortization is charged within the following items:

	September 30, 2022 <u>L.E</u>	September 30, 2021 <u>L.E</u>
Cost of revenue (Note 21)	3 657 649	1 543 313
General and Administrative Expenses (Note 23)	1 656 395	16 761
	5 314 044	1 560 074

7 Investment in fair value through Profit or Loss

The financial investments in subsidiaries are represented in the following: -

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Nclude Fund for fintech innovation	57 786 600	-

* This investment is the value of the Contribution in the Nclude FinTech Innovation Fund (Limited Partnership), which was established on March 13, 2022, under the regulations of the Financial Services Regulatory Authority of the Abu Dhabi Global Market. "Nclude," is investing in fintech and fintech-enabled start-ups in Egypt and beyond. The investment period is 5 years, and the life of the fund is 10 years. The company's investment in the fund is 10 million US dollars. 3 million US dollars have been paid, equivalent to 57 786 600 Egyptian pounds, and the rest will be paid over a period of four years starting 12 months after the payment. The first payment is in quarterly installments, and the fund manager has the right to request exceptional payments during the investment period of the fund, net proceeds available for distribution (whether Investment Proceeds or income from Short-Term Investments) will be allocated among the Non-Defaulting Partners in proportion to their respective Capital Contributions, and then distributed to the General Partner and

each Non-Defaulting Partner and not later than ninety (90) days after they are realized in respect of Investment Proceeds, as follows:

- (a) one hundred percent (100%) to the Limited Partners until each Limited Partner has received a cumulative amount equal to such Limited Partner's Capital Contributions (the "Return Amount"); and
- (b) thereafter, eighty percent (80%) to the Limited Partners and twenty percent (20%) to the General Partner.

8 Equity Investments at fair value through OCI

		Investment Value	
		September 31, 2022	December 31, 2021
		<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
		140 202 008	137 302 008

* Investments are the value of the contribution of 10.2% in the Egyptian State Technology Services Company ESERVE (SAE) and the payment represents 100% of the company's share in the issued capital, which was Registered in the Commercial Registry under No. 105277 on May 7, 2017.

** The investments are the value of the contribution of 9.99% in the Egyptian Company for Electronic Commerce Technology (MTS), and the payment represents 100% of the issued capital, which was Registered in the Commercial Registry under No. 45813 on May 17, 2010.

*** 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 L.E	Purchasing date	Due date	Return Percentage %	Duration	Return L.E	Balance as of 30, September 2022 L.E	Face Value L.E
618 954 000	2022/01/04	2023/01/03	13.13	364	47 915 108	666 869 108	700 000 000
470 070 000	2022/04/13	2022/10/11	12.84	181	24 208 575	494 278 575	500 000 000
234 967 500	2022/04/12	2022/10/11	10.24	182	12 092 077	247 059 577	250 000 000
469 870 000	2022/04/12	2022/10/11	10.26	182	24 236 440	494 106 440	500 000 000
101 948 680	2022/08/09	2022/11/08	15.94	91	1 359 151	103 307 831	106 000 000
60 569 070	2022/01/04	2023/01/03	13.13	364	4 700 456	65 269 526	68 500 000
59 764 900	2022/07/19	2022/10/18	15	91	1 434 394	61 199 294	60 000 000
2 016 144 150					115 946 201	2 132 090 351	2 184 500 000

10 Equity accounted investees (associate)

	%	Investment Value	
		September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Technological Operation for Tax Solutions (E Tax)*	35%	34 999 975	34 999 975
Group Share in retained earnings		26 076 740	1 847 127
		61 076 715	36 847 102
E Health (Technological Operation for Health Insurance Services)**	35%	34 999 975	13 999 990
Group Share in retained losses		(4 789 720)	--
		30 210 255	13 999 990
E-Comm Africa	30.9%	5 000 000	--
		5 000 000	--
<u>Total Investment in Associates</u>		96 286 970	50 847 092

* The investment in associate companies amounted to 1 399 999 shares in Technological Operation for Tax Solutions (e Tax) representing 35% of the issued capital, which was established on February 1, 2021 with an issued capital 400 million pounds and paid up capital of 100 million Egyptian pounds with par value 100 Pounds.
The company share in the retained earnings at the financial position date is 26 076 740 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.

*** The value of the investment represents the group's share of 5 million shares in the African e-commerce platform company E COMM, benefit of 4.9 million shares for the Technology Company for Ecommerce Operation E-Aswaaq Misr, and 100 thousand shares for the benefit of a E finance for Digital and Financial Investments Company, which was established as per commercial register No.184604 dated 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**

	For the financial period ended September 30, 2022 <u>L.E</u>	September 30, 2021 <u>L.E</u>
Current Income Tax Expenses	221 719 180	129 909 192
Dividends income	51 299 877	--
Treasury Bills Tax	37 275 138	--
Dividends income tax from Equity investment at FVOCI	3 117 596	295 601
Deferred tax (income)	20 649 708	(2 215 429)
Tax at Profit and Loss	<u>334 061 499</u>	<u>127 989 364</u>
Deferred income tax at other comprehensive income	<u>910 857</u>	<u>1 608 179</u>

11-2 Deferred tax**A) Recognized deferred tax assets**

	September 30, 2022		December 31, 2021	
	Assets <u>L.E</u>	Liabilities <u>L.E</u>	Assets <u>L.E</u>	Liabilities <u>L.E</u>
Depreciation of fixed assets	--	16 966 452	--	13 725 468
obligations of the employee benefits	41 987 485	--	37 375 053	--
Dividends income	--	18 404 225	--	--
Tax Losses	4 704 683	--	8 875 488	--
Unrealized foreign currency exchange	15 490	--	372 473	--
	<u>46 707 658</u>	<u>35 370 677</u>	<u>46 623 014</u>	<u>13 725 468</u>
Net deferred tax assets	<u>11 336 981</u>	<u>--</u>	<u>32 897 546</u>	<u>-</u>
Deducts: the previously charged deferred tax assets	(32 897 546)	-		
Add: the deferred tax assets charged to the statement of other comprehensive	910 857	-		
Deferred taxes for the period as (expense) income	<u>(20 649 708)</u>	<u>-</u>		

B) Unrecognized deferred tax assets

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Impairment loss on trade receivable and other debit balances	19 319 694	6 763 954
	<u>19 319 694</u>	<u>6 763 954</u>

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

11-3 Adjustment of the effective tax rate

		September 30, 2022 <u>L.E</u>		September 30, 2021 <u>L.E</u>
Net Profit for the period before Tax		1 025 637 845		502 818 596
Tax Income Based on Tax rate	22.5%	<u>230 768 515</u>	22.5%	<u>131 134 184</u>
Expenses that are not deductible and others		(40 219 267)		74 555 590
The tax base		<u>985 419 577</u>		<u>577 374 186</u>
Current income tax	32.57%	<u>334 061 499</u>	25.45%	<u>127 989 364</u>

11-4 Income Tax payable

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accrued Income Tax (at beginning of the period)	181 109 076	84 953 903
Formed during the period	221 719 180	228 010 940
Accrued Declaration Tax	51 299 877	—
Income tax paid	(194 090 913)	(110 567 910)
Debit -Withholding tax	(30 347 041)	(21 287 857)
	<u>229 690 179</u>	<u>181 109 076</u>

11-5 Tax position

E-finance for Digital and Financial investments

A) corporate tax

- The company is subjected to a tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.
- The company submits the tax return on the corporate profits tax on the legal dates.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 was re-examined and the examination and dispute for the years 2008/2015 was ended, and the settlement was ended with a tax of 3 052 209 Egyptian pounds, and the settlement and payment were made.
- The company is being examined 2016/2019.

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 2018, 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 yet .
- 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 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.

12 Trade receivables and other debit balances:

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accounts receivable	066 294 410 1	585 545 175
Impairment in Accounts receivable	(85 908 707)	(22 546 831)
	385 703	
	980	562 998 344
<u>Other Debit Balances</u>		
Prepaid expenses	72 590 270	23 622 122
Suppliers -Advance payment	28 891 994	14 370 779
Accrued revenue	483 828 279	610 767 368
Deposits with others	12 059 851	8 981 237
Deposits with others - Work Retention	52 599 919	41 199 069
Income Tax	9 034 602	9 466 207
Value-added tax	14 111 873	40 377 606
Letter of guarantee margin	3 176 294	3 095 309
Withholding tax	6 765 959	3 854 523
Prepaid employees' benefits	2 718 298	2 718 298
Notes Receivable	---	32 072 567
Other debit balances (Employee Share Option Plan)	23 667 224	---
Others	30 724 309	8 440 782
Impairment in other debit balances	(7 515 190)	(7 515 190)
Total debit balances	653 682	
	732	791 450 677
Total trade receivable and other debit balances	039 385	
	1 713	1 354 449 021

13 Cash and cash Equivalents

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Banks – Saving Accounts	409 027 192	2 262 143 374
Banks - time deposits	107 816 709	32 543 126
Investment funds*	136 988 092	72 383 638
Cash on hand	13 749	30 144
Balance of cash and cash equivalents	653 845 742	2 367 100 282

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

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Themar Fund, QNB	6 525 536	24 161 102
SEYOLA fund	6 956 836	48 117 917
30/15 Fund	21 244 460	--
Diamond Fund - AAIB	102 150 590	--
Youm by youm Account - Bank Misr	110 670	104 619
	<u>136 988 092</u>	<u>72 383 638</u>

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

	September 30, 2022 <u>L.E</u>	September 30, 2021 <u>L.E</u>
Cash and Its equivalents	653 845 742	307 156 315
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(6 518 406)	(5 537 071)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>647 327 336</u>	<u>301 619 244</u>

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 4 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 888 888 889 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.

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 50 828 426 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

389 153 915 was transferred to the legal reserve so that the share premium balance on September 30, 2022 amounted to EGP 1 956 462 107.

16 Treasury Stocks

On September 8, 2022, the company's board of directors decided to purchase treasury shares with a maximum of 5% of the company's total shares over a period of 9 months, provided that the purchase is made through the local market at market prices. On September 29, the company's management purchased 99 682 shares with a total value of 1 345 051 Egyptian pounds.

17 Credit Facilities

<u>Bank</u>	Authorized facility limits on September 30, 2022 L.E or Its equivalents of Foreign Currency	Used until September 30, 2022 L.E	Letter of Credit and letter of Guarantee L.E	<u>Nature of facility</u>
QNB	50 000 000	31 494 688	--	Existing debt limit
QNB	81 500 000	30 924 879	--	Limit to issuing letters of credit
QNB	50 000 000	--	--	Limit to issuing letters of guarantee
QNB	45 000 000	--	--	Limit to issuing letters of guarantee
Banque Misr	100 000 000	--	--	Limit to issuing letters of guarantee
Banque Misr	50 000 000	--	--	Limit to issuing local letters of guarantee
Banque Misr	80 000 000	--	--	Import letters of credits
QNB	100 000 000	--	--	Existing debt limit
QNB	200 000 000	--	210 707 740	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
Ahli United Bank	150 000 000	--	--	Existing debt
Arab African International Bank	75 000 000	--	--	Limit on issuing letter of credits
Arab African International Bank	75 000 000	--	--	Limit to issue letters of guarantee
Arab African International Bank	500 000	--	--	Issuance limit for issuing credit cards with a guarantee of deposits
Ahli United Bank	500 000 000	--	90 867 986	Existing debt limit for multiple purpose*
Faisal Islamic Bank	80 000 000	--	--	Limit for purchasing of goods and production requirement
Commercial International Bank	150 000 000	--	--	Existing debit limit
Total	2 037 000 000	62 419 567	301 575 726	

18 Payables and other Credit balances

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accounts payable	244 026 063	191 763 468
	<u>244 026 063</u>	<u>191 763 468</u>
Other credit balance		
Accrued expenses	54 050 085	56 721 911
Payroll tax	6 444 247	4 152 685
Value Added Tax (VAT)	33 166 591	41 457 108
Advance payment from Customer	159 875 551	220 557 532
Withholding tax	9 796 981	6 940 326
Insurance for work guarantee	640 477	654 776
Employee Benefits – (Associate)	—	6 753 378
Deferred Revenue	63 123 450	—
Others	33 172 660	22 070 725
Total other credit balances	<u>360 270 042</u>	<u>359 308 441</u>
Total payable and other credit balances	<u>604 296 105</u>	<u>551 071 909</u>

19 Non-Controlling interest

	E- Finance	E-Cards	Khales	E-Aswaq	E-nable	Total
Balance on January 1, 2021	42 463	17 072 917	30 593 880	13 164 104	1 004	60 874 368
The share of non-controlling interests in comprehensive income for the period	43 331	6 227 204	2 271 072	(8 374 662)	8	166 953
The share of non-controlling interests in dividends for the year	(22 538)	--	--	--	--	(22 538)
Total non-controlling interest as of December 31, 2021	63 256	23 300 121	32 864 952	4 789 442	1 012	61 018 783
The share of non-controlling interests in comprehensive income for the period	15 351	1 155 171	1 785 649	6 196 875	204	9 153 250
The share of non-controlling interest in dividends	(41 592)	(7 424 744)	(2 661 732)	--	--	(10 128 068)
Total non-controlling interests as of September 30, 2022	37 015	17 030 548	31 988 869	10 986 317	1 216	60 043 965

20 Revenues:

	For The Financial period from Jul 1,2022 till Sep 30, 2022	For The Financial period from Jul 1,2021 till Sep 30, 2021	For the financial period ended Sep 30, 2022 <u>L.E</u>	For the financial period ended Sep 30, 2021 <u>L.E</u>
Installation services and card operation revenue	218 894 610	121 783 507	663 155 378	496 720 543
Integrated solutions revenue	64 819 526	61 227 622	195 234 981	140 433 258
Hosting services revenue	240 631 835	72 531 114	548 098 132	204 985 348
Maintenance and network	85 339 558	51 150 117	216 865 503	243 974 066
Installations and technical support revenue	45 139 897	18 698 268	233 566 052	62 297 891
Cards Center Revenue	21 010 440	69 844 470	80 878 606	151 193 757
	675 835 866	395 235 098	1 937 798 652	1 299 604 863

21 Cost of revenue

	For The Financial period from Jul 1,2022 till Sep 30, 2022 <u>L.E</u>	For The Financial period from Jul 1,2021 till Sep 30, 2021 <u>L.E</u>	For the financial period ended Sep, 30 2022 <u>L.E</u>	For the financial period ended Sep 30, 2021 <u>L.E</u>
Salaries and Wages and employee benefit	119 628 327	88 226 157	356 929 369	248 319 825
Technical Consultancy and support	59 268 496	36 991 358	165 530 416	88 871 732
Card Centre	28 690 162	4 336 574	84 081 171	41 399 193
Programs license & communications	28 344 776	13 674 377	104 770 354	139 158 538
Cost of goods sold	16 610 209	62 214 853	79 919 364	127 166 487
Depreciation of fixed assets (Note 5)	10 216 207	7 670 950	27 867 659	21 647 186
Amortization of ROU asset	9 037 895	2 385 674	12 168 645	5 599 910
Amortization of intangible assets (Note 6)	1 405 382	514 438	3 657 649	1 543 313
Rent	6 796 494	489 082	8 731 001	1 100 316
Employee benefits (cars)	531 851	250 299	1 664 458	1 714 694
Other Costs	2 077 497	1 206 547	11 318 757	8 677 158
	282 607 296	217 960 309	856 638 843	685 198 352

22 Dividends income from equity investments at FVOCI:

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

23 General and Administrative Expenses

	For The Financial period from Jul 1,2022 till Sep 30, 2022	For The Financial period from Jul 1,2021 till Sep 30, 2021	For the financial period ended Sep 30, 2022 <u>L.E</u>	For the financial period ended Sep 30, 2021 <u>L.E</u>
Wages and Salaries and employee benefit	23 480 918	18 067 055	71 488 468	49 094 715
Amortization of ROU asset	(537 032)	5 559 178	13 332 277	15 688 763
Stamps and deductions	2 444 351	2 597 825	13 496 084	9 957 367
Fixed Assets Depreciation (Note 5)	3 562 086	3 208 124	10 344 347	9 208 277
Consulting and legal fees	3 869 814	4 219 889	13 664 958	14 459 969
Comprehensive social insurance	2 357 930	1 106 300	6 105 246	3 636 722
Donations	1 880 667	--	7 514 001	2 020 076
Maintenance Expenses	3 325 203	589 283	6 910 701	2 349 359
Employee benefits (cars)	147 723	117 340	443 170	352 253
Amortization of intangible assets (Note 6)	976 978	12 380	1 656 395	16 761
Other expenses	9 087 584	4 706 389	35 421 904	20 653 891
	50 596 222	40 183 763	180 377 551	127 438 153

24 Selling and Marketing Expenses

	For The Financial period from Jul 1,2022 till Sep 30, 2022	For The Financial period from Jul 1,2021 till Sep 30, 2021	For the financial period ended Sep 30, 2022	For the financial period ended Sep 30, 2021
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Exhibitions	5 714 962	2 006 882	12 069 057	3 885 752
Public Relations	517 249	245 779	1 328 438	1 958 906
Advertisements	2 456 220	699 862	26 668 363	2 453 128
Other Marketing Expenses	7 250 489	2 382 084	13 620 858	4 465 984
	15 938 920	5 334 607	53 686 716	12 763 770

25 Finance Cost

	For The Financial period from Jul 1,2022 till Sep 30, 2022	For The Financial period from Jul 1,2021 till Sep 30, 2021	For the financial period ended Sep 30, 2022	For the financial period ended Sep 30, 2021
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Foreign exchange	2 883 001	(106 695)	7 086 538	24 555
Bank Interest expense	1 993 904	799 208	6 411 271	1 597 702
Finance cost-lease contracts	1 491 150	2 758 890	5 004 894	8 011 951
	6 368 055	3 451 403	18 502 703	9 634 208

26 Finance income

	For The Financial period from Jul 1,2022 till Sep 30, 2022	For The Financial period from Jul 1,2021 till Sep 30, 2021	For the financial period ended Sep, 30 2022	For the financial period ended Sep, 30 2021
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Foreign exchange	27 751	272 316	24 526	858 605
Translation gain(Realized)				
Revenues from Investment in financial investment	73 861 686	7 353 972	198 247 340	23 857 141
Bank interest on Current accounts	10 368 052	3 562 392	44 239 254	11 312 397
	84 257 489	11 188 680	242 511 120	36 028 143

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

27 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

				Balance	
	<u>Relations Nature</u>	<u>Transaction Nature</u>	<u>Volume of Transactions during the period</u>	<u>September 30, 2021 L.E</u>	<u>December 31, 2021 L.E</u>
<u>27-1 Due from Related Parties:</u>					
E Tax (Technological Operation for Tax Solutions)	Associate	Purchases Payment on behalf	(35 223 696) 31 144 243	3 333 098	746 355
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	5 186 604	8 160 682	2 974 078
				11 493 780	3 720 433

28 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 Statement for the financial period ended September 30, 2022

Sep 30, 2022

	Installation Services Operation of Cards &	Integrated solution	Cloud Service		Networks		Maintenance and & Consultancy		Card Center		Investment		Total	
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Revenues	663 155 378	195 234 981	548 098 132	216 865 503	233 566 052	80 878 606	-	1 937 798 652						
Depreciation of fixed assets	(7 506 108)	(919 039)	(10 743 894)	(9 675 609)	(4 589 923)	(9 561 925)	(697 455)	(43 693 953)						
Salaries and Wages and employee benefit	(130 971 143)	(23 230 626)	(41 056 214)	(19 167 687)	(56 709 894)	(7 116 267)	(78 677 538)	(356 929 369)						
Other Costs	(191 903 903)	(48 708 194)	(60 461 867)	(109 340 848)	(14 674 365)	(27 683 072)	(3 243 272)	(456 015 521)						
Gross Profit(Loss)	332 774 224	122 377 122	435 836 157	78 681 359	157 591 870	36 517 342	(82 618 265)	1 081 159 809						
%Gross Profit(Loss)	50%	63%	80%	36%	67%	45%	0%	56%						
Other Expenses and revenues	(99 626 992)	(25 073 853)	(43 951 024)	(26 841 100)	(21 721 511)	(19 023 923)	180 716 439	(55 521 964)						
Net Profit before Tax	233 147 232	97 303 269	391 885 133	51 840 259	135 870 359	17 493 419	98 098 174	1 025 637 845						
%Net Profit before Tax	35%	50%	71%	24%	58%	22%	0%	53%						

E-finance for Digital and Financial Investments Company

Notes to the Interim Condensed Consolidated Financial Statement for the financial period ended September 30, 2022

	Sep 30,2021															
	Installation Services		Integrated solution		Cloud Service		Maintenance and Networks		Technical Support & Consultancy		Card Center		Investment		Total	
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Revenue	496 720 543	140 433 258	204 985 348	243 974 066	62 297 891	151 193 757	-	1 299 604 863								
Depreciation of fixed assets	(7 473 146)	(913 490)	(4 162 018)	(5 758 374)	(3 405 724)	(7 077 657)	-	(28 790 409)								
Salaries and Wages and employee benefit	(96 927 045)	(21 600 145)	(18 168 061)	(36 212 759)	(14 071 001)	(17 354 863)	(43 985 950)	(248 319 824)								
Other Cost	(116 656 479)	(7 504 061)	(38 640 532)	(116 883 633)	(26 756 904)	(100 521 807)	(1 124 703)	(408 088 119)								
Gross Profit/(Loss)	275 663 873	110 415 562	144 014 737	85 119 300	18 064 262	26 239 430	(45 110 653)	614 406 511								
%Gross Profit/(Loss)	55%	79%	70%	35%	29%	17%	0%	47%								
Other Expenses and revenue	(45 428 759)	(10 931 344)	(6 040 913)	(35 931 489)	(1 035 079)	(7 918 546)	(4 301 785)	(111 587 915)								
Net Profit before Tax	230 235 114	99 484 218	137 973 824	49 187 811	17 029 183	18 320 884	(49 412 438)	502 818 596								
%Net Profit/ (loss) before Tax	46%	71%	67%	20%	27%	12%	0%	39%								

29 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.

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

The limit of the credit risk represents in the books of financial assets, here below statement with these balances on the financial position date:

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Trade receivables and other debit balances	1 713 039 385	1 354 449 021
Due from related parties	11 493 780	3 720 433
Cash and Cash equivalents	653 845 742	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.

E finance for Digital and Financial Investments Company

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

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

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Financial Assets	653 845 742	2 367 100 282
	653 845 742	2 367 100 282

Exposure to foreign exchange rate risk

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

<u>Foreign Currencies</u>	<u>Exchange rate</u>	<u>Net Liability</u>	
		<u>In Foreign Currency</u>	<u>In EGP</u>
US Dollar	19.26	3 534 433	68 073 179
Euro	19.25	84 547	1 627 530

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.

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

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

<u>December 31, 2021</u>	Net Book Value <u>L.E</u>	Less than year <u>L.E</u>	From 1 to 2 years <u>L.E</u>	From 2 to 5 years or more <u>L.E</u>
Trade payable and Other Credit Balances	551 071 909	551 071 909	--	--
Other Obligations	159 357 968	--	--	159 357 968
Bank facilities	114 880 023	114 880 023	--	--
Lease liability	93 968 352	34 032 162	59 936 190	--
Total	1 183 309 542	1 057 983 736	59 936 190	159 357 968
<u>September 30, 2022</u>	Net Book Value <u>L.E</u>	Less than year <u>L.E</u>	From 1 to 2 years <u>L.E</u>	From 2 to 5 years or more <u>L.E</u>
Trade payable and Other Credit Balances	604 296 105	604 296 105	--	--
Other Obligations	186 611 044	--	--	186 611 044
Due to related parties	62 419 567	62 419 567	--	--
Lease Liability	48 367 975	24 568 630	23 799 345	--
Total	901 694 691	691 284 302	23 799 345	186 611 044

30 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.

	September 30, 2022	December 31, 2021
Total liability	1 131 384 870	1 100 387 328
Less cash & Equivalent	(653 845 742)	(2 367 100 282)
Net Liability	477 539 128	(1 266 712 954)
Total Equity	4 319 173 499	3 943 538 564
Net liability: total equity percentage	%11.06	(%32.12)

31 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:

	September 30, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Letters of Guarantee	301 575 726	210 707 740

32 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.
- On the date of September 8, 2022, the company's board of directors approved the decisions of the reward and incentive committee regarding activating the employees share option plan (ESOP) by 1% of the company's shares, provided that 25% of the shares allocated to the plan will be activated, with the rule of promising to sell at reduced prices on the date of September 29, 2022. And the board of directors were delegated to complete the remaining percentage later in accordance with the company's financial performance, and the 25% will be 4 108,893 shares with an estimated value of 14.4 Egyptian pounds per share, with a totals value of 57 113 613 Egyptian pounds (after deducting the nominal value of the shares) and according to the plan the shares were sold For employees, at a reduced value of 5.76 Egyptian pounds per share, so the value that the company will bear on behalf of the company's employees and its subsidiaries is a total of 33 446 389 Egyptian pounds and this amount will be submitted to the consolidated statement of profit and loss for the period ended 30 September 2022

33 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.

	For the financial period ended Sep 30, 2022 <u>L.E</u>	For the financial period ended Sep 30, 2021 <u>L.E</u>
Net profit for the period for the owners of the company (EGP)	682 455 096	380 389 746
BOD and employees share suggested / actual (EGP)	(137 966 468)	(81 031 386)
Net Profit available for ordinary shares (EGP)	544 488 628	299 358 360
Average number of shares outstanding during the period for basic earnings (share)	1 777 678 096	1 600 000 000
Basic share in earnings for the period (EGP/share)	0.306	0.187

34 Subsequent Events

The Central Bank of Egypt decided in its session held on October 27, 2022, to announce the implementation of the flexible exchange rate system for pricing foreign exchange, provided that the prices of buying and selling currencies are determined in the Egyptian pound based on the conditions of supply and demand. Accordingly, the exchange rate of the US dollar began to rise against the Egyptian pound, which led to an increase in it from 19.26 Egyptian pounds to about 23 Egyptian pounds at the end of October 27, 2022. This leads to the rise in the price of the US dollar against the Egyptian pound, to an increase Forex losses during the nine-month period ending on September 30, 2022. from 7 Million EGP Loss into 20 Million EGP.