

**E-Finance for Digital and Financial
Investments Company (S.A.E)
Interim Condensed Separate
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 Separate 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 separate 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 separate 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 separate financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed separate 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 separate financial statements.

Base for Conclusion

The company 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 separate 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



Translation from Arabic

E-Finance for Digital and Financial Investments Company
Interim Condensed Separate Statement of Financial position as of September 30 , 2022

	<u>Note No.</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
		<u>L.E.</u>	<u>L.E.</u>
<u>Non current assets</u>			
Fixed assets	5	70 779 114	71 417 745
Prepaid employee benefits		1 911 668	2 765 168
Equity-investment carried by FVTPL	7	57 786 600	-
Investments in subsidiaries & associate companies	8	951 742 111	904 902 502
Equity-investment carried by FVOCI	6	139 851 000	136 851 000
Deferred tax assets	9-2	16 492 234	11 410 622
Total non current assets		1 238 562 727	1 127 347 037
<u>Current assets</u>			
Debtors and other debit balances	11	426 563 930	76 450 899
Due from related parties	24-1	261 101 275	38 516 931
Financial investments carried by amortized cost	10	1 902 313 699	501 687 737
Cash and cash equivalents	12	305 843 724	1 988 917 762
Total current assets		2 895 822 628	2 605 573 329
Total assets		4 134 385 355	3 732 920 366
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital		924 444 445	888 888 889
Share Premium (Special reserve)	14	1 956 462 107	2 345 616 021
Reserves		538 184 871	148 909 046
Employee Share Option Plan Reserve	28	57 113 613	-
Treasury Stock	15	(1 345 051)	-
Retained earnings		542 845 492	250 990 285
Total Equity		4 017 705 477	3 634 404 241
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
End of service benefits		84 885 240	59 661 417
Total non current liabilities		84 885 240	59 661 417
<u>Current liabilities</u>			
Payables and other credit balances	17	31 794 638	38 854 708
Total current liabilities		31 794 638	38 854 708
Total Liabilities		116 679 878	98 516 125
Total equity and liabilities		4 134 385 355	3 732 920 366

- The attached notes from (1) to (30) are an integral part of these interim condensed separate financial statements and to be read with them.
- The Review report is attached

Chief executive Financial Officer
 Essam Bahgat



Chairman & Managing Director
 Ibrahim Sarhan



E-Finance for Digital and Financial Investments Company

Interim Condensed Separate Statement of Profit or Loss for the financial period ended September 30 , 2022

	<u>Note No.</u>	<u>From July 1, 2022 to September 30, 2022</u>	<u>From July 1, 2021 to September 30, 2021</u>	<u>From January 1, 2022 to September 30, 2022</u>	<u>From January 1, 2021 to September 30, 2021</u>
		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Revenue	18	322 815 954	—	540 447 002	2 956 010
Cost of Revenue	19	(20 745 384)	(23 295 269)	(82 618 262)	(45 187 983)
Gross profit/ (Loss)		302 070 570	(23 295 269)	457 828 740	(42 231 973)
Other Income		17 214 530	707 759	32 380 140	8 944 522
General and administrative expenses	20	(6 526 115)	(2 171 731)	(25 254 454)	(19 753 393)
Marketing and selling expenses	21	(11 788 401)	(924 543)	(39 997 558)	(2 717 323)
Employee Share Option Plan (Share-based Payment) Expense	28	(7 606 765)	—	(7 606 765)	—
Other expenses		(640 000)	(701 500)	(1 656 000)	(1 913 000)
Operating Profit/ (Loss)		292 723 819	(26 385 284)	415 694 103	(57 671 167)
Finance cost	22	(66 737)	(3 087)	(192 657)	(135 743)
Finance Income	23	65 990 995	3 070 258	203 542 866	16 173 762
Net profit /(Loss) for the period before tax		358 648 077	(23 318 113)	619 044 312	(41 633 148)
Income tax (expense)/ Revenue	9-1	(43 483 200)	2 771 226	(82 664 246)	3 205 009
Net profit /(Loss) for the period after tax		315 164 877	(20 546 887)	536 380 066	(38 428 139)
Basic Earning Per Share	29	—	—	0.25	(0.024)

- The attached notes from (1) to (30) are an integral part of these interim condensed separate financial statements and to be read with them.

E-Finance for Digital and Financial Investments Company

Interim Condensed Separate Statement of Comprehensive income for the financial period ended September 30, 2022

	<u>From July 1, 2022 to September 30, 2022</u>	<u>From July 1, 2021 to September 30, 2021</u>	<u>From January 1, 2022 to September 30, 2022</u>	<u>From January 1, 2021 to September 30, 2021</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Net profit/ (Loss) for the period	315 164 877	(20 546 887)	536 380 066	(38 428 139)
<u>Other comprehensive income :-</u>				
Actuarial gain/ (loss) from employee benefit plan	(232 070)	852 216	157 305	852 216
Income Tax related to other comprehensive income	52 215	(191 749)	(35 394)	(191 749)
Total other comprehensive income	(179 855)	660 467	121 911	660 467
Total comprehensive Income	314 985 022	(19 886 420)	536 501 977	(37 767 672)

- The attached notes from (1) to (30) are an integral part of these interim condensed separate financial statements and to be read with them.

E-Finance for Digital and Financial Investments Company

Translation from Arabic

Interim Condensed Separate Statement of change in shareholders equity for the financial period ended September 30, 2022

	Paid-Up Capital	Legal Reserve	General Reserve	Reserve resulted from spin-off	Other Reserves	Employee Share Option Plan (Share-based Payment) Reserve	Treasury Stock	Share Premium (Special Reserve)	Retained earnings	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as of 1/1/ 2022	888 888 889	55 290 530	20 000 000	69 713 888	3 904 628	-	-	2 345 616 021	230 990 285	3 634 404 241
Comprehensive income items:										
Net profit for the period	-	-	-	-	-	-	-	-	536 380 066	536 380 066
Other comprehensive income items	-	-	-	-	121 911	-	-	-	-	121 911
Total comprehensive income	-	-	-	-	121 911	-	-	-	536 380 066	536 501 977
Transaction with the owners of the company										
Transferred to Legal Reserve	-	389 153 914	-	-	-	-	-	(389 153 914)	-	-
Capital Increase in March 17, 2022	35 555 556	-	-	-	-	-	-	-	(35 555 556)	-
Granted Share-based Payments for the Employees	-	-	-	-	-	57 113 613	-	-	-	57 113 613
Treasury Stock	-	-	-	-	-	-	(1 345 051)	-	-	(1 345 051)
Dividends according to the ordinary general assembly meeting held in March 31, 2022	-	-	-	-	-	-	-	-	(208 969 303)	(208 969 303)
Total transaction with the owner's of the company	35 555 556	389 153 914	-	-	-	57 113 613	(1 345 051)	(389 153 914)	(244 524 859)	(153 200 741)
Balance as of September 30, 2022	924 444 445	444 444 444	20 000 000	69 713 888	4 026 539	57 113 613	(1 345 051)	1 956 462 107	542 845 492	4 017 705 477

- The attached notes from (1) to (30) are an integral part of these interim condensed separate financial statements and to be read with them.

E-Finance for Digital and Financial Investments Company

Translation from Arabic

Interim Condensed Separate Statement of change in shareholders equity for the financial Period ended September 30, 2022

	<u>Paid up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Reserve resulted from spin-off</u>	<u>Other Reserves</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Balance as at 1/1/ 2021	800 000 000	44 727 152	20 000 000	69 713 888	3 287 476	257 806 512	1 195 535 028
<u>Comprehensive Income items</u>							
Net Loss for the period	-	-	-	-	-	(38 428 139)	(38 428 139)
Other comprehensive income	-	-	-	-	660 467	-	660 467
Total comprehensive income	-	-	-	-	660 467	(38 428 139)	(37 767 672)
<u>Transaction with the company's shareholders</u>							
Dividends according to the ordinary general assembly meeting held in March 17, 2021	-	-	-	-	-	(207 520 401)	(207 520 401)
Total transaction with shareholders	-	-	-	-	-	(207 520 401)	(207 520 401)
Balance as of September 30 , 2021	800 000 000	44 727 152	20 000 000	69 713 888	3 947 943	11 857 972	950 246 955

- The attached notes from (1) to (30) are an integral part of these interim condensed separate financial statements and to be read with them.

Translation from Arabic

E-Finance for Digital and Financial Investments Company

Interim Condensed Separate Statement of Cash flows for the financial period ended September 30, 2022.

	<u>Financial period ended September 30, 2022</u>	<u>Financial period ended September 30, 2021</u>
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Net profit/ (Loss) for the period	619 044 312	(41 633 148)
<u>Adjustments to reconcile net profit to</u>		
<u>Net cash flow from operating activities</u>		
Fixed assets depreciation	2 191 478	1 641 756
Prepaid Amortization of employee benefits	853 500	935 343
Dividend income from equity investment at FVOCI	(31 625 598)	(2 956 010)
Investment Income from Financial Assets at Amortized Cost	(168 907 578)	(14 087 760)
Credit Interest	(34 610 761)	(2 085 760)
Debit interest	192 657	135 743
Employee end of service benefit formed	24 753 090	15 372 485
Employee Share Option Plan (Share-based Payment) Expense	7 606 765	-
Foreign Currency Exchange	(24 527)	-
	<u>419 473 338</u>	<u>(42 677 351)</u>
Change in accounts receivable & other debit balances	(378 309 331)	(31 737 105)
Change in due from related parties	(221 894 314)	(14 724 428)
Change in Accounts payable & other credit balances	(8 380 594)	(26 014 803)
Change in due to related parties	-	65 709 890
Cash flow (used in) operating activities	<u>(189 110 901)</u>	<u>(49 443 797)</u>
interest paid	(192 657)	(135 743)
End of Services Payments	(61 992)	(58 406)
Income taxes paid	-	(78 901 366)
Interest Collected	34 610 761	2 085 760
Employee dividends	(31 191 525)	(61 169 048)
Net cash (used in) operating activities	<u>(185 946 314)</u>	<u>(187 622 600)</u>
<u>Cash flow from investing activities</u>		
Proceeds of investments at amortized cost	85 821 270	14 087 760
Payments for the acquisition of investments at amortized cost	(1 351 321 170)	-
Payment of purchasing investments in associate companies	(20 999 985)	(48 999 965)
Proceeds from dividends from equity investments at FVOCI	28 508 002	2 956 010
Payment of purchasing fixed assets	(1 552 847)	(3 339 424)
Payment of purchasing Financial investments at FVOCI	(3 000 000)	(500 000)
Payment of purchasing Financial investments at Profit or Loss	(57 786 600)	-
Net cash (used in) investing activities	<u>(1 320 331 330)</u>	<u>(35 795 619)</u>
<u>Cash flow from financing activities</u>		
Dividends Payment	(177 777 778)	(146 351 353)
Net cash (used in) financing activities	<u>(177 777 778)</u>	<u>(146 351 353)</u>
Net change in cash & cash equivalent during the period	<u>(1 684 055 422)</u>	<u>(369 769 572)</u>
Cash & cash equivalent at beginning of the period	<u>1 983 380 741</u>	<u>430 527 096</u>
Cash & cash equivalent at end of the period	<u>299 325 319</u>	<u>60 757 524</u>

(Note No. 12)

- The attached notes from (1) to (30) are an integral part of these interim condensed separate financial statements and to be read with them.

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

1- Company's background

1-1 Legal entity

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to E-finance for Digital and Financial investment 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.
- The demerged company on 31 December 2020 will replace the demerge legally in terms of its rights and obligations, in what it has in rights and what it owes in obligations with what was included in the decision issued by the economic performance sector in the division (from the committee formed pursuant to a decision No. 380 of 2020), and the demerged company shall replace the demerger company in all contracts and agreements concluded before the demerge, as well as in all lease contracts concluded by the demerger company before the demerge. And replace it legally in what it have in rights and what it owes in obligations as well as all licensed agreements.
- 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.

2-1- Company's Purpose:

- Providing Technical, Financial and Managerial Support for the Entities the company invest in which is specialized in Digital Transformation Sector.
- 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.

2- Financial statement approval

The financial statements were approved for issuance by the Company' Board of Directors on November 14, 2022.

3- Basis of preparation of separate financial statement

The separate financial statements are prepared according to the going concern assumption and the historical cost basis, except for financial assets and liabilities that are recorded at fair value through profit or losses or fair value through OCI and financial assets and liabilities carried at amortized cost. The historical cost in general depends on the fair value of the consideration that is delivered to obtain the assets.

3-1 Compliance by the Accounting Standards and Laws:

The attached stand-alone financial statements were prepared according to the Egyptian Accounting Standards released by the minister of investment number 243 for 2006 and in the light of Egyptian laws and regulations. the Egyptian accounting standards require referring back to IFRS regarding the events and transactions which do not have an applicable Egyptian accounting standard or legal requirements that clarify a way for treatment.

3-2 Presentation Currency:

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

3-3 Consolidated financial statements

The company has subsidiaries and parent companies, and the company is required to prepare consolidated financial statements in accordance with Egyptian Accounting Standard No.42 "Consolidated Financial Statements" and Article 188 of the executive regulations of the Companies Law No. 159 of 1981.

The company prepares consolidated financial statements for its subsidiaries and can be consulted to obtain a picture of the financial position, business results and cash flows of the group as a whole.

3-4 Use of professional judgment and estimates

Preparing these separate financial statements requires management to make judgments and estimates that affect the values of revenues, expenditures, assets and liabilities included in the separate 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 separate 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 separate financial statements:

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

The existence of significant influence of investments in equity instruments

The company's management decided that it has no significant influence on its investments in equity shares in some of its invested investments because the company does not have the ability to participate in the financial and operational policy decisions of the investee companies. Ownership structure and management of the other shareholders holding the majority of the shares.

Investments in associate companies

The associate company is a firm for which the company 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 value of investments in associate companies is stated in the company's financial statements at cost.

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.

Estimate of expected credit losses

It's an estimated measurement for credit losses, the present value is calculated for all decline in cash (i.e., the difference between the cash flow of the company according to contract and the cash flow the company expect to collect).

Expected credit losses are discounted at the effective interest rate of the financial asset.

Impairment of non-financial assets

The Company assesses whether there are indicators of impairment in the value of non-financial assets in each reporting period. Non-financial assets are tested for impairment of value when there are indications that the carrying amount may not be recoverable. When calculating the value in use, management estimates the expected future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate in order to calculate the present value of those cash flows.

Defined Benefit Plan

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

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

Fair value measurement

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

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

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

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

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

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

4 The most significant applied accounting policies

The accounting policies are applied when preparing the interim condensed financial statements on September 30, 2022 are the same as the accounting policies applied in the Standalone financial statements on December 31, 2021.

E-Finance for Digital and Financial Investments Company

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

5- Fixed Assets

<u>Cost</u>	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold Improvements</u>	<u>Furniture, Equipments and electrical appliances</u>	<u>Networks and electrical appliances</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>
Cost as of 1/1/2022	86 402 331	619 699	1 276 847	1 228 160	64 718	89 591 755
Additions during the period	-	610 530	802 988	139 329	-	1 552 847
Balance as of September 30, 2022	86 402 331	1 230 229	2 079 835	1 367 489	64 718	91 144 602
Accumulated depreciation						
Accumulated depreciation as of 1/1/2022	17 873 154	149 497	65 926	83 730	1 703	18 174 010
Depreciation of the period	1 494 022	330 840	106 404	248 078	12 134	2 191 478
Accumulated depreciation as of September 30, 2022	19 367 176	480 337	172 330	331 808	13 837	20 365 488
Net book value as of September 30, 2022	67 035 155	749 892	1 907 505	1 035 681	50 881	70 779 114

Depreciation charged under the following items:

	<u>30/09/2022</u>	<u>30/09/2021</u>
	<u>L.E.</u>	<u>L.E.</u>
Cost of Revenue (Note 19)	697 456	-
General & Administrative expenses (Note 20)	1 494 022	1 641 756
	2 191 478	1 641 756

E-Finance for Digital and Financial Investments Company

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

	<u>Lands & Buildings</u>		<u>Computers</u>		<u>Leasehold Improvements</u>		<u>Furniture, Equipments and electrical appliances</u>		<u>Networks and electrical appliances</u>		<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	
<u>Cost</u>											
Cost as of 1/1/2021	85 108 581	-	-	-	-	-	-	-	-	-	85 108 581
Additions during the year	1 293 750	619 699		1 276 847		1 228 160	64 718				4 483 174
Cost as of 31/12/2021	86 402 331	619 699		1 276 847		1 228 160	64 718				89 591 755
<u>Accumulated depreciation</u>											
Accumulated depreciation as of 1/1/2021	15 886 914	-	-	-	-	-	-	-	-	-	15 886 914
Depreciation of the year	1 986 240	149 497		65 926		83 730	1 703				2 287 096
Accumulated depreciation as of 31/12/2021	17 873 154	149 497		65 926		83 730	1 703				18 174 010
Net book value as of 31/12/2021	68 529 177	470 202		1 210 921		1 144 430	63 015				71 417 745

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

6 Equity investment carried by FVOCI

		value of investment	
		September 30,	December 31,
		2022	2021
	%	L.E	L.E
Misr for Government Technological Services – ESERVE (S.A.E.) *	%10.20	18 000 000	18 000 000
Misr Technology Services -MTS (S.A.E) **	%9.99	33 599 000	33 599 000
Delta Misr Company (S.A.E) ***	%10	2 000 000	1 500 000
El Alameya for Consultations & Information System (ACIS) ****	%10	86 152 000	83 752 000
E -Comm Africa (S.A.E) *****	%1	100 000	-
		139 851 000	136 851 000

- The market risk for the available for sale investment is limited because these investments are equity instruments not dealt in active markets and with Egyptian pounds

- * Investments are the value of the contribution of 10.20% in the Misr for Government Technological Services- ESERVE (S.A.E), 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 Misr Technology Services (MTS), 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 Delta Misr Company (S.A.E), which was Registered in the Commercial Registry under No. 8573 on February 21, during 2022, the amount of 500 000 pounds will be paid, so that the payment will be 100% of the capital.
- **** Investments are the value of the cost of acquiring 25,000 shares of the El Alameya for Consultations and Information Systems (ACIS). 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 the 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 that range.
- ***** Investments are the value of the cost of acquiring 100,000 shares of the E -Comm Africa (S.A.E) according to the company's fair value report. The company's contribution is 1% in the company's issued capital

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

7 Equity investment carried by FVTPL

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

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

* This investment is the value of the Contribution in 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 Financial Institutions and Fintech 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 first Payment of 3 Million US dollars on 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.

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

8 Investments in subsidiaries and Associate Companies

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

		<u>September 30,</u>	<u>December 31,</u>
	<u>%</u>	<u>2022</u>	<u>2021</u>
		<u>L.E</u>	<u>L.E</u>
Khales for Digital Payment Services Company (S.A.E.) - A	%70	70 961 651	70 000 000
Smart Card Operation Technology Company E-Cards (S.A.E.) - B	%89	134 166 747	133 500 000
The Technological Company for Ecommerce Operations E-Aswaaq Misr (S.A.E.) - C	%61	28 503 471	27 450 000
E-nable for Outsourcing Services (eNable) (S.A.E.) - D	%99.98	25 849 098	24 995 000
Technological Operation for Financial Institution E-finance Company (S.A.E.) -E	%99.99	622 261 194	599 957 537
Technological Operation for Tax solutions e tax (S.A.E.) - F	%35	34 999 975	34 999 975
Insurance Services Operation Technology Company e-Health (S.A.E) – G	%35	34 999 975	13 999 990
		951 742 111	904 902 502

- A- The value of the company's contribution of 70% in the issued capital of Khales for Digital Payment Services Company (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 144515 on December 30, 2019 (An additional investment value has been added for 118 139 shares at a discounted price that were granted to Khales employees at a value of 961 651 Egyptian pounds) (note 28).
- B- The value of the company's contribution of 89% in the issued capital of the Smart Card Operation Technology Company E-Cards (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 146132 on January 29, 2020. (An additional investment value has been added for 81 910 shares at a discounted price that were granted to E-Cards employees at a value of 666 747 Egyptian pounds) (note 28).
- C- The value of the company's contribution of 61% in the issued capital of The Technology Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 150444 on 1 July,2020. (An additional investment value has been added for 129 419 shares at a discounted price that were granted to E-Aswaaq Misr employees at a value of 1 053 471 Egyptian pounds) (note 28).

E-Finance for Digital and Financial Investments Company

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

- D- The value of the company's contribution of 99.98% in the issued capital of the E-nable for Outsourcing Services (eNable) (S.A.E) and the payment represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159506 on 29 -December-2020. (An additional investment value has been added for 104 926 shares at a discounted price that were granted to eNable employees at a value of 854 098 Egyptian pounds) (note 28).
- E- The value of the company's contribution of 99.99% in the issued capital of the Technological Operation for Financial Institution E-finance Company (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159585 dated on December 30, 2020. (An additional investment value has been added for 2 740 007 shares at a discounted price that were granted to Technological Operation for Financial Institution E-finance employees at a value of 22 303 657 Million Egyptian pounds) (note 28).
- F- The value of the company's contribution of 35% in the issued capital of the Technological Operation for Tax solutions e-tax (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 161093 dated on February 1, 2021.
- G- The value of the company's contribution of 35% in the issued capital of the Insurance Services Operation Technology Company E-Health (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 172265 dated on September 13, 2021.

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

9 Tax

9-1 Income tax

	For the period ended	
	<u>September</u> <u>30, 2022</u>	<u>September 30,</u> <u>2021</u>
	<u>L.E</u>	<u>L.E</u>
Current Income Tax Expenses	-	-
Tax dividends income from equity investments through FVOCI	3 117 596	295 601
Tax dividends income from equity investments in subsidiaries	50 882 140	-
Treasury bills tax	33 781 516	-
Deferred tax (income)	(5 117 006)	(3 500 610)
Current and deferred tax expense / (income)	<u>82 664 246</u>	<u>(3 205 009)</u>
Deferred income tax on other comprehensive income	<u>35 394</u>	<u>191 749</u>

9-2 Deferred tax

Deferred tax assets (liabilities) recognized

	<u>September 30, 2022</u>		<u>December 31, 2021</u>	
	<u>Assets</u> <u>L.E</u>	<u>Liabilities</u> <u>L.E</u>	<u>Assets</u> <u>L.E</u>	<u>Liabilities</u> <u>L.E</u>
Depreciation of fixed assets	-	2 606 945	-	2 386 560
Employee benefit liability	19 099 179	-	13 423 819	-
Unrealized foreign exchange translation	-	-	373 363	-
	<u>19 099 179</u>	<u>2 606 945</u>	<u>13 797 182</u>	<u>2 386 560</u>
Net deferred tax assets	<u>16 492 234</u>	-	<u>11 410 622</u>	-
Deducts the previously charged deferred tax assets	(11 410 622)	-	(8 380 757)	-
Add the deferred tax assets charged to the statement of other comprehensive income	35 394	-	179 173	-
Deferred taxes for the period as income	<u>5 117 006</u>	-	<u>3 209 038</u>	-

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

9-3 Adjustment of the effective tax rate

	For the period ended	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2022</u>	<u>2021</u>
	<u>L.E</u>	<u>L.E</u>
Net Profit/ (loss) of the period before Tax	619 044 312	(41 633 148)
Income Tax Based on Tax rate 22.5%	139 284 970	-
Expenses that are not deductible and others	(146 874 625)	20 642 550
Revenues exempted	(514 886 050)	(14 087 760)
The tax Base	(42 716 363)	(35 078 358)
Current and deferred income tax 13.35%	82 664 246	(3 205 009)

9-4 Income Tax payable

	For the period ended	
	<u>September 30,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
	<u>L.E</u>	<u>L.E</u>
Income Tax at beginning of the period (debit bal.)	(9 466 207)	78 605 765
Formed during the period/ Year	431 604	306 851
Paid during the period/ year	-	(78 912 616)
Tax Adjustments	-	(9 466 207)
	(9 034 603)	(9 466 207)

9-5 Tax position

A) corporate tax

- The company had tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.
- The company submits the tax return on the corporate profits tax on the legal dates, and the company pays the tax due based on these returns.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 and dispute for the years 2008/2015 was ended.
- The company has not been tax examined for the years from 2016 until now.

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 2016, and all dues were paid.
- The company has been examined for the years 2017 and 2018 and the difference has been paid.
- The company has not been tax examined for the years from 2019 until now.

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

C) General 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 tax was examined for the company from 2016 till 2018, and the tax differences were fully paid.

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.

E) Withholding taxes

- Withholding taxes is paid on legal dates.
- The company has not received any tax claims to date.

10 Financial investments carried by amortized cost

Purchasing value	Purchasing date	Due date	Return	Duration	Return	Balance as of September 30, 2022	Face Value
L.E			%		L.E	L.E	L.E
618 954 000	1/4/2022	1/3/2023	13.13%	364	47 915 107	666 869 107	700 000 000
470 070 000	4/13/2022	10/11/2022	12.84%	181	24 208 575	494 278 575	500 000 000
234 967 500	4/12/2022	10/11/2022	10.24%	182	12 092 077	247 059 577	250 000 000
469 870 000	4/12/2022	10/11/2022	10.26%	182	24 236 440	494 106 440	500 000 000
1 793 861 500					108 452 199	1 902 313 699	1 950 000 000

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

11 Debtors and other debit balances

	<u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>December 31,</u> <u>2021</u> <u>L.E</u>
Prepaid expenses	1 738 995	349 003
Deposits with others	160 000	100 000
Value added tax (VAT)	14 111 873	15 757 209
Income Tax (Note 9-3)	9 034 603	9 466 207
Notes Receivable	21 781 393	32 051 421
Prepaid employee benefits	1 138 000	1 138 000
Withholding Tax	3 839 179	3 757 447
Supplier Advance Payment	158 876	5 685 125
Accrued Revenue from dividends	342 783 423	-
Accrued Revenue	6 573 900	6 201 122
Employees - Employee Share Option Plan (Share-based Payment)	23 667 224	-
Other	1 576 464	1 945 365
	<u>426 563 930</u>	<u>76 450 899</u>

12 Cash and cash Equivalents

	<u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>December 31,</u> <u>2021</u> <u>L.E</u>
Banks – Saving Accounts	166 200 885	1 913 928 065
Banks - time deposits	2 654 749	2 606 060
Investment funds*	136 988 090	72 383 637
Balance of cash and cash equivalents	<u>305 843 724</u>	<u>1 988 917 762</u>

***Investment Funds**

	<u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>December 31,</u> <u>2021</u> <u>L.E</u>
Themar Fund, QNB	6 525 536	24 161 101
Sioula Fund	6 956 836	48 117 917
Fund 30/15	21 244 460	-
Diamond Fund	102 150 590	-
Youm by youm Account - Bank Misr	110 668	104 619
	<u>136 988 090</u>	<u>72 383 637</u>

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

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

	<u>September 30,</u> <u>2022</u>	<u>December 31, 2021</u>
	<u>L.E</u>	<u>L.E</u>
Cash and cash equivalents	305 843 724	66 294 545
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(6 518 405)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>299 325 319</u>	<u>60 757 524</u>

13 Capital

13-1 The authorized capital

The company's authorized capital has been set at 4 billion Egyptian pounds four billion Egyptian pounds) after increasing it from 3.5 billion Egyptian pounds to four billion Egyptian pounds, an increase of 500 million Egyptian pounds based on the decisions of the extraordinary general assembly meeting of the company held on 20 December 2020

13-2 Issued and paid-up capital

- The issued capital on the date of the company's incorporation amounted to 60 million Egyptian pounds distributed over 600 thousand shares with a par value of 100 Egyptian pounds in the commercial register on 16 August 2005.
- The issued capital was increased by 60 million Egyptian pounds based on the decision of the extraordinary general assembly meeting of the company held on December 20, 2006, so that the issued and paid-up capital of the company became 120 million Egyptian pounds.
- The extraordinary general assembly held on December 11, 2013 decided to transfer an amount of 55 million Egyptian pounds (fifty-five million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become the issued and paid-up capital after the increase of 175 million Egyptian pounds (one hundred seventy five million Egyptian pounds) distributed in the same proportions of ownership of the shareholders and this was entered in the Commercial Registry on May 20, 2014.
- The extraordinary general assembly held on March 24, 2016 decided to transfer an amount of 50 million Egyptian pounds (fifty million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become the issued and paid-up capital after the increase is 225 million Egyptian pounds (two hundred twenty five million Egyptian pounds) Distributed in the same proportions of shareholder ownership and this was entered in the Commercial Registry on August 1, 2016.
- The extraordinary general assembly convened on November 20, 2016 decided to increase the issued capital of the company by an amount of 22.5 million Egyptian pounds (twenty-two million five hundred thousand Egyptian pounds) to make the issued capital after the increase 247.5 million Egyptian pounds (two hundred forty-seven million five hundred thousand Egyptian pounds) And the payment of it is 236.250 million Egyptian pounds (two hundred thirty-six thousand and two fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Company for Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.

E-Finance for Digital and Financial Investments Company

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

- The extraordinary general assembly held on March 21, 2018, decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) paid in full distributed in the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full distributed in the same Shareholders ownership percentages and this was entered in the Commercial Registry on December 19, 2018.
- The Extraordinary General Assembly held on December 23, 2019, decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly convened on December 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 eight hundred and eighty-nine Egyptian pounds) so that the issued capital amounted to 88 888 889 Egyptian pounds (Eight hundred eighty-eight Egyptian pounds) One million eight hundred and eighty-eight thousand eight hundred and eighty-nine Egyptian pounds) distributed over the number of 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 35 555 556 pounds, provided that the increase is limited to ESOP system. On January 31, 2022, the company's board of directors convened to approve the increase, and the commercial register was entered on March 17, 2022 to be 3.84% After Increase.

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

14 Share Premium

Capital of E-Finance for Financial and Digital Investments S.A.E has been increased. With a number of 177 777 778 shares at a price of 13.98 pounds per share, the value of those shares has been collected with a total amount of 2 485 333 336 Egyptian pounds and this value has been reduced by direct expenses related to the issuance of capital increase shares amounting to 50 828 426 Egyptian pounds, as well as by the nominal value of the shares amounting to 88 888 889 Egyptian pounds, so the share premium balance on December 31, 2021 amounted to 2 345 616 021 Egyptian pounds. Share premium has transferred to the Legal reserve to be decreased by 389 153 914 on September 30, 2022 then the balance of Legal reserve became 1 956 462 107 LE.

15 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.

16 Credit facilities

<u>Bank</u>	Authorized facility limits on September 30, 2022	Used until September 30, 2022	<u>Nature of facility</u>
	L.E or Its equivalents of Foreign Currency	<u>L.E</u>	
Banque Misr	100 000 000	-	Limit to issuing local letters of guarantee
Banque Misr	50 000 000	-	Import letters of credits
Banque Misr	80 000 000	-	Current debt limit
QNB	50 000 000	-	Current debt limit
National Bank of Egypt	75 000 000	-	Current debt limit
National Bank of Egypt	75 000 000	-	Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000	-	Current debt limit
The United National Bank	150 000 000	-	Current debt limit
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
Commercial International Bank	150 000 000	-	Current debt limit

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

17 Payables and other credit balances

	<u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>December 31,</u> <u>2021</u> <u>L.E</u>
Accounts payable	4 457 211	10 288 318
	<u>4 457 211</u>	<u>10 288 318</u>
<u>Other credit balance</u>		
Accrued expenses	9 301 731	6 408 738
Payroll tax	2 184 851	576 691
Withholding tax	3 479 988	4 972 551
Other Credit balances	12 370 857	16 608 410
Total other credit balances	<u>27 337 427</u>	<u>28 566 390</u>
	<u>31 794 638</u>	<u>38 854 708</u>

18 Revenue:

	<u>From July 1,</u> <u>2022 to</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>From July 1,</u> <u>2021 to</u> <u>September 30,</u> <u>2021</u> <u>L.E</u>	<u>From January 1,</u> <u>2022 to</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>From January 1,</u> <u>2021 to</u> <u>September 30,</u> <u>2021</u> <u>L.E</u>
Dividend income from equity investments through FVOCI	-	-	31 625 598	2 956 010
Dividend income from financial investments in subsidiaries	322 815 954	-	508 821 404	-
	<u>322 815 954</u>	<u>-</u>	<u>540 447 002</u>	<u>2 956 010</u>

19 Cost of Revenue

	<u>From July 1,</u> <u>2022 to</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>From July 1,</u> <u>2021 to</u> <u>September 30,</u> <u>2021</u> <u>L.E</u>	<u>From January 1,</u> <u>2022 to</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>From January 1,</u> <u>2021 to September</u> <u>30, 2021</u> <u>L.E</u>
Salaries and Wages	14 620 743	10 092 509	41 664 474	28 613 465
Bounce for Employees	1 986 878	-	12 259 972	-
Employee benefit cost	2 613 298	12 939 953	24 753 090	15 372 485
Infrastructure Cost	-	143 766	-	169 599
Maintenance cost	-	-	15 262	-
Depreciation of Fixed Assets (Note5)	280 026	-	697 456	-
Technical advice and support	959 128	-	2 304 793	-
Employee benefits (cars)	285 311	119 041	923 215	1 032 434
	<u>20 745 384</u>	<u>23 295 269</u>	<u>82 618 262</u>	<u>45 187 983</u>

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

20 General and Administrative Expenses

	<u>From July 1, 2022</u> <u>to September 30,</u> <u>2022</u> <u>L.E</u>	<u>From July 1, 2021</u> <u>to September 30,</u> <u>2021</u> <u>L.E</u>	<u>From January 1,</u> <u>2022 to September</u> <u>30, 2022</u> <u>L.E</u>	<u>From January 1,</u> <u>2021 to September</u> <u>30, 2021</u> <u>L.E</u>
Wages and Salaries	14 750	79 346	14 750	152 207
Depreciation of fixed assets (Note 5)	498 007	623 960	1 494 022	1 641 756
Consulting	987 904	614 300	6 666 400	9 119 710
Facility Expenses	556 949	-	1 155 138	782 280
Maintenance Expenses	186 002	-	431 993	604 900
Rent	752 050	583 014	1 374 650	1 511 154
Donations	1 666 667	-	5 250 001	2 000 000
Hospitality expenses	390 026	-	1 986 634	657 277
Other expenses	1 473 760	271 111	6 880 866	3 284 109
	6 526 115	2 171 731	25 254 454	19 753 393

21 Selling and Marketing Expenses

	<u>From July 1, 2022 to</u> <u>September 30, 2022</u> <u>L.E</u>	<u>From July 1, 2021</u> <u>to September 30,</u> <u>2021</u> <u>L.E</u>	<u>From January 1,</u> <u>2022 to September</u> <u>30, 2022</u> <u>L.E</u>	<u>From January 1,</u> <u>2021 to September</u> <u>30, 2021</u> <u>L.E</u>
Exhibitions	2 972 179	695 427	4 999 188	2 192 670
Public Relations	269 200	-	535 800	-
Advertisements	2 426 110	-	26 038 611	-
Other Marketing Expenses	6 120 912	229 116	8 423 959	524 653
	11 788 401	924 543	39 997 558	2 717 323

22 Finance Expenses

	<u>From July 1, 2022 to</u> <u>September 30, 2022</u> <u>L.E</u>	<u>From July 1,</u> <u>2021 to</u> <u>September 30,</u> <u>2021</u> <u>L.E</u>	<u>From January 1,</u> <u>2022 to September</u> <u>30, 2022</u> <u>L.E</u>	<u>From January 1,</u> <u>2021 to September</u> <u>30, 2021</u> <u>L.E</u>
Bank charges and Finance Cost	66 737	3 087	192 657	135 743
	66 737	3 087	192 657	135 743

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23 Finance income

	<u>From July 1, 2022</u> <u>to September 30,</u> <u>2022</u> <u>L.E</u>	<u>From July 1, 2021</u> <u>to September 30,</u> <u>2021</u> <u>L.E</u>	<u>From January 1,</u> <u>2022 to September</u> <u>30, 2022</u> <u>L.E</u>	<u>From January 1,</u> <u>2021 to September</u> <u>30, 2021</u> <u>L.E</u>
Foreign currencies exchange gain/ (Loss)	27 753	-	24 527	242
Income from Investment in cash funds	3 065 367	2 794 485	5 980 655	14 087 760
Revenue on Investments at amortized cost	58 526 588	-	168 907 578	-
Bank interest on current accounts	4 369 293	272 695	28 530 794	2 034 068
Bank interest on deposits	1 994	3 078	99 312	51 692
	65 990 995	3 070 258	203 542 866	16 173 762

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24 Related parties

Related parties are represented in investee companies, major shareholders, companies controlled by or jointly affected by these parties, pricing policies and the duration of these transactions are approved by the company's management and shareholders.
The following is a summary of the related party balances and the transactions that were executed during the period between the company and related parties

24-1 Due from Related Parties:

	<u>Relations Nature</u>	<u>Transaction Nature</u>	<u>Transaction Volume during the period</u>	<u>Balance</u>	
				<u>September 30, 2022 L.E</u>	<u>December 31, 2021 L.E</u>
Smart Card Operation Technology Company E-Cards	Subsidiary	Service Rendered Payment on behalf	25 058 883 111 213 467	146 507 922	10 235 572
E-nable for Outsourcing Services (eNable)	Subsidiary	Service Received Payment on behalf	(182 493) 10 275 327	12 588 007	2 495 173
Technological Operation for Tax solutions e-tax	Associate	Payment on behalf	176 496	8 790 314	8 613 818
E-Aswaaq The Technology Company for Ecommerce Operations	Subsidiary	Payment on behalf	55 742 637	68 768 057	13 025 420
Khales for Digital Payment Services Company	Subsidiary	Payment on behalf Service Rendered	10 145 116 1 772 041	12 531 683	2 386 567
E-finance Technological Operation For Financial Institutions	Subsidiary	Service Received Payment on behalf	(377 333) 1 364 635	3 994 262	1 234 919
E-Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	7 395 568	7 921 030	525 462
				261 101 275	38 516 931

25 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 12)

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

The company limits its exposure to credit risk by preparing detailed investment studies and is reviewed by the board of directors. The company's management does not expect any failure of any of the dealing parties to fulfill its obligations.

B) Market risk

Market risk arises from the fluctuation of the fair value of future cash flows of a financial instrument as a result of changes in market prices. Examples are foreign exchange rate risk and interest rate risk, which are risks that affect the company's income. Financial instruments that are affected by market risks include interest-bearing loans and deposits, the objective of market risk management is to manage and control risk within acceptable limits while at the same time achieving remunerative returns. The company does not hold or issue derivative financial instruments.

E-Finance for Digital and Financial Investments Company**Notes to The Interim Condensed Separate Financial Statements for the financial period ended September 30, 2022****Exposure to interest rate risk**

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

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>L.E</u>	<u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Cash and cash equivalents	305 843 724	1 988 917 762
	<u>305 843 724</u>	<u>1 988 917 762</u>
	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>L.E</u>	<u>L.E</u>
<u>Fixed interest rate financial instruments</u>		
Treasury bills	1 902 313 699	501 687 737
	<u>1 902 313 699</u>	<u>501 687 737</u>

Exposure to foreign exchange rate risk

The following table shows the impact of a possible acceptable change in the exchange rates of the US dollar and the Euro. Considering maintaining of all other variable's constant, and the impact that occurred on the company's profits before taxation is due to changes in the value of assets and cash liabilities. Changes in the exchange rates of all other foreign currencies are not material.

<u>Foreign Currencies</u>	<u>Value</u>	<u>Exchange rate</u>	<u>Net Liabilities</u>
US Dollar	86 067	19.26	1 657 650

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C) Liquidity risk

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

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

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

<u>On September 30, 2022</u>	Net Book Value <u>L.E</u>	Less than year <u>L.E</u>	From 2 to 5 years <u>L.E</u>	More than 5 years <u>L.E</u>
Suppliers and other credit balances	31 794 638	31 794 638	-	-
Other liability	84 885 240	-	-	84 885 240
Total	116 679 878	31 794 638	-	84 885 240

<u>On December 31, 2021</u>	Net Book Value <u>L.E</u>	Less than year <u>L.E</u>	From 2 to 5 years <u>L.E</u>	More than 5 years <u>L.E</u>
Suppliers and other credit balances	38 854 708	38 854 708	-	-
Other liability	59 661 417	-	-	59 661 417
Total	98 516 125	38 854 708	-	59 661 417

26 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 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 period, and the Company is not subject to any external requirements imposed on its capital.

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Total liability	116 679 878	98 516 125
<u>Less</u>	(305 843 724)	(1 988 917 762)
Cash & Equivalent		
Net Liability	(189 163 846)	(1 890 401 637)
Total Equity	4 017 705 477	3 634 404 241
Percentage of net liabilities to total equity	(4.7%)	(52%)

27 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:

	<u>September 30,</u> <u>2022</u> <u>L.E</u>	<u>December 31, 2021</u> <u>L.E</u>
Letter of Guarantee	210 707 740	210 707 740

28 Employee share option plan

- The extraordinary general assembly of the company, held on December 23, 2019, agreed to add a new chapter to the company's articles of association, which is concerned with rewarding and motivating employees and managers.
- On December 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing the capital from the retained earnings at the nominal value of the share is distributed as follows: -
 - 1) 1% of the shares allocated to the scheme under the system of promise to sell at reduced price (40% of the average share price through a period of three months).
 - 2) 3% of the shares allocated to the system are granted free of charge to the beneficiaries.
- The beneficiary of the plan must meet the plan requirements of the services period to be not less than one year before transferring the ownership of the shares to him/her, and his/her evaluation rate is not less than 90% on the annual performance evaluation reports prepared by the competent department of the company. One of these conditions could be by passed or other extra conditions could be added to them, after obtaining the approval of the Financial Supervisory Authority, and provided that no owe of the beneficiaries has voted on a decision relevant to his/her benefit, and the company is committed to include it in its annual disclosure. The period of this plan is five years starting from the adoption of the plan by the Financial Supervisory Authority.
- On January 16, 2022, the Employee Reward and Incentive Scheme was approved by the Financial Supervisory Authority, and on January 25, the General Authority for Investment and Free Zones approved the ESOP. On January 21, 2022, the company's board of directors convened to approve the company's capital increase by 4%, related to the ESOP.
- 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

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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 distributed as follows:

A number of 492 934 shares worth 7,606,765 Egyptian pounds belonging to the employees of the parent company were charged to the list of profits or losses, and 3 174,401 shares valued at 25,839,624 Egyptian pounds belonging to employees of the subsidiaries were recorded as additional investments in each company in its own right.

29 Basic Earnings per share

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

	<u>From 1 Jan. 2022 to September 30, 2022</u>	<u>From 1 Jan. 2021 to September 30, 2021</u>
	<u>L.E</u>	<u>L.E</u>
Net (Losses)/ profit for the period distributable	536 380 066	(38 428 139)
Employees Share and BOD	(92 742 528)	-
Net profit distributable to common shareholder	443 637 538	(38 428 139)
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)	0.25	(0.024)

30 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 a decrease in the profits of the differences in translating balances in foreign currencies during the nine-month period ending on September 30, 2022. from around 25,000 EGP profits into approximately 296,900 EGP in losses.