

E-Finance For Digital and Financial Investments Company
(S.A.E)
Interim Condensed Separate Financial Statements
For The Financial Period Ended March 31, 2023
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 March 31, 2023, the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity, cash flows for the period ended March 31, 2023, a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

Scope of Review

Except as described in the following paragraphs, 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

- 1- The company continued to record some investments under equity investment at fair value through other comprehensive income amounting to EGP 53 599 000 on March 31, 2023, at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments".
- 2- We were unable to carry out the procedures for limited review for one of the associate companies of the company as stated in Note No. 8 (Technological Operation for Health Insurance Services (E-Health)), Accordingly, we were unable to verify the value of the investment.



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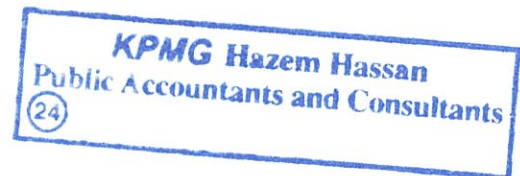
Conclusion

Except for the impact of the above in paragraphs 1 and except for adjustments in the interim condensed separate financial statements of which we would have been aware if the above in paragraph 2 has not occurred, 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 March 31, 2023, nor its financial performance and its cash flows for the period ended March 31, 2023, according to Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

KPMG Hazem Hassan
Public accountants and consultants

Cairo,

May 17, 2023



Translation from Arabic

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

	<u>Note No.</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
		<u>L.E.</u>	<u>L.E.</u>
<u>Non current assets</u>			
Fixed assets	5	70 603 326	71 077 453
Project Under Constructions		1 725 821	1 725 821
Prepaid employee benefits		1 342 668	1 627 168
Due from related parties	24-1	195 267 568	195 267 568
Equity-investment at FVTPL	7	57 786 600	57 786 600
Investments in subsidiaries and associate companies	8	1 037 351 045	1 037 351 045
Equity-investment at FVOCI	6	139 851 000	139 851 000
Employees Loans-ESOP		1 992 655	11 769 336
Deferred tax assets	9-2	21 084 021	18 687 543
Total non current assets		1 527 004 704	1 535 143 534
<u>Current assets</u>			
Trade and other receivables	11	407 938 795	125 731 710
Due from related parties	24-2	160 659 614	97 084 390
Financial investments at amortized cost	10	1 945 650 924	1 931 376 152
Cash and cash equivalents	12	517 133 502	627 153 869
Total current assets		3 031 382 835	2 781 346 121
Total assets		4 558 387 539	4 316 489 655
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital	13	924 444 445	924 444 445
Share Premium (Special reserve)	14	1 956 462 107	1 956 462 107
Reserves		497 036 982	563 784 373
Employee Share Option Plan (Share-based Payment)		247 111 100	247 111 100
Treasury Shares	15	(5 036 004)	(5 036 004)
Retained earnings		404 128 235	478 298 377
Total Equity		4 024 146 865	4 165 064 398
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Employee benefits Liabilities (End of service)		106 342 535	95 564 656
Total non current liabilities		106 342 535	95 564 656
<u>Current liabilities</u>			
Trade and other payables	17	427 898 139	55 860 601
Total current liabilities		427 898 139	55 860 601
Total Liabilities		534 240 674	151 425 257
Total equity and liabilities		4 558 387 539	4 316 489 655

- The attached notes from (1) to (29) 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



Translation from Arabic

E-Finance for Digital and Financial Investments Company

Interim Condensed Separate Statement of Profit or Loss for the financial period ended

	<u>Note No.</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
		<u>L.E.</u>	<u>L.E.</u>
Revenue	18	308 462 760	217 631 049
Cost of Revenue	19	(37 795 194)	(33 065 203)
Gross profit		270 667 566	184 565 846
Other Income		17 065 817	10 942 897
General and administrative expenses	20	(9 766 982)	(6 317 833)
Employee Share Option Plan (Share-based Payment) Expense	34	(2 626 270)	-
Marketing and selling expenses	21	(4 709 768)	(9 975 855)
Other expenses		(880 500)	(714 000)
Operating Profit		269 749 863	178 501 055
Finance cost	22	(960 438)	(121 534)
Finance Income	23	109 729 641	65 869 658
Net profit for the period before tax		378 519 066	244 249 179
Income tax expense	9-1	(50 570 145)	(31 248 908)
Net profit for the period after tax		327 948 921	213 000 271
Basic Earning Per Share	28	0.15	0.10

- The attached notes from (1) to (29) 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 Comprehensive income for the financial period ended

	<u>March 31,2023</u>	<u>March 31,2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Net profit for the period	327 948 921	213 000 271
<u>Other comprehensive income :-</u>		
Actuarial gain from employee benefit plan	3 827 738	366 292
Income Tax related to other comprehensive income	(861 241)	(82 416)
Total other comprehensive income	<u>2 966 497</u>	<u>283 876</u>
Total comprehensive Income	<u><u>330 915 418</u></u>	<u><u>213 284 147</u></u>

- The attached notes from (1) to (29) 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 change in shareholders equity for the financial period ended March 31, 2023

	Paid-Up Capital	Legal Reserve	General Reserve	Reserve realized from split-off	Other Reserves	Employee Share Option Plan 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/ 2023	924 444 445	469 277 757	20 000 000	69 713 888	4 792 728	247 111 100	(5 036 004)	1 956 462 107	478 298 377	4 165 064 398
<u>Comprehensive income items:</u>										
Net profit for the period	-	-	-	-	-	-	-	-	327 948 921	327 948 921
Other comprehensive income items	-	-	-	-	2 966 497	-	-	-	2 966 497	2 966 497
Total comprehensive income	-	-	-	-	2 966 497	-	-	-	327 948 921	330 915 418
<u>Transaction with the owners's of the company</u>										
Transfers of Legal reserve resulted from the split off to retained earnings according to the Ordinary general assembly meeting held in 21 March 2022	-	-	-	(69 713 888)	-	-	-	-	69 713 888	-
Dividends according to the ordinary general assembly meeting held in March 21, 2023 - BOD and Employees	-	-	-	-	-	-	-	-	(67 483 762)	(67 483 762)
Dividends according to the ordinary general assembly meeting held in March 21, 2023	-	-	-	-	-	-	-	-	(404 349 189)	(404 349 189)
Total transaction with the owner's of the company	-	-	-	(69 713 888)	-	-	-	-	(402 119 063)	(471 832 931)
Balance as of March 31 , 2023	924 444 445	469 277 757	20 000 000	-	7 759 225	247 111 100	(5 036 004)	1 956 462 107	404 128 235	4 024 146 865

- The attached notes from (1) to (29) 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 March 31, 2023

	Paid up Capital	Legal Reserve	General Reserve	Reserve resulted from spin-off	Other Reserves	Share Premium (Special Reserve)	Retained earnings	Total
	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	3 904 629	2 345 616 021	250 990 285	3 634 404 242
Comprehensive Income Items								
Net profit for the period	-	-	-	-	-	-	213 000 271	213 000 271
Other comprehensive income	-	-	-	-	283 876	-	-	283 876
Total comprehensive income	-	-	-	-	283 876	-	213 000 271	213 284 147
Transaction with the company's shareholders								
Transferred to Legal Reserve	-	389 153 914	-	-	-	(389 153 914)	-	-
Capital Increase in March 17, 2022	35 555 556	-	-	-	-	-	(35 555 556)	-
Dividends according to the ordinary general assembly meeting held in March 31, 2022	-	-	-	-	-	-	(208 969 302)	(208 969 302)
Total transaction with shareholders	35 555 556	389 153 914	-	-	-	(389 153 914)	(244 524 858)	(208 969 302)
Balance as of March 31, 2022	924 444 445	444 444 444	20 000 000	69 713 888	4 188 505	1 956 462 107	219 465 698	3 638 719 087

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Translation from Arabic

E-Finance for Digital and Financial Investments Company

Interim Condensed Separate Statement of Cash flows for the financial period ended

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Net profit for the period	378 519 066	244 249 179
<u>Adjustments to reconcile net profit to</u>		
<u>Net cash flow from operating activities</u>		
Fixed assets depreciation	921 356	694 070
Prepaid Amortization of employee benefits	284 500	284 500
Dividend income from equity investment at FVOCI	(9 079 830)	(31 625 598)
Investment Income from Financial Assets at Amortized Cost	(84 856 213)	-
Credit Interest	(24 873 428)	(48 548 408)
Debit interest	-	2 162 726
Employee end of service benefit formed	11 130 425	18 748 967
Foreign Currency Exchange	372 690	-
	<u>272 418 566</u>	<u>185 965 436</u>
Change in Trade and other receivables	(310 557 742)	(144 242 621)
Change in due from related parties	(60 100 032)	(59 002 690)
Change in Trade and other payables	(32 684 341)	(16 951 571)
Cash flow (used in) operating activities	<u>(130 923 549)</u>	<u>(34 231 446)</u>
Collected credit interest	24 873 428	1 873 998
Change in Advances to employee-ESOP shares	2 178 700	-
Dividends to Board and employees Rewards	(67 483 762)	-
Net cash (used in) operating activities	<u>(171 355 183)</u>	<u>(32 357 448)</u>
<u>Cash flow from investing activities</u>		
Proceeds of investments at amortized cost	53 610 198	16 081 064
Payments for the acquisition of investments at amortized cost	-	(482 318 263)
Payment of purchasing investments in associate companies	-	(20 999 985)
Proceeds from dividends from equity investments at FVOCI	8 171 847	4 496 415
Payment of purchasing fixed assets	(447 229)	(183 480)
Net cashflow Resulted from /(used in) investing activities	<u>61 334 816</u>	<u>(482 924 249)</u>
<u>Cash flow from financing activities</u>		
Net cash from financing activities	-	-
Net change in cash & cash equivalent during the period	<u>(110 020 367)</u>	<u>(515 281 697)</u>
Cash & cash equivalent at beginning of the period	<u>621 616 848</u>	<u>1 983 380 741</u>
Cash & cash equivalent at end of the period	<u>511 596 481</u>	<u>1 468 099 044</u>

(Note 12)

- The attached notes from (1) to (29) are an integral part of these interim condensed separate financial statements and to be read with them.

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.

E-Finance for Digital and Financial Investments Company

Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

2- Financial statement approval

The interim separate condensed financial statements were approved for issuance by the Company's Board of Directors on 17 May, 2023.

3- Basis of preparation of separate financial statement

The interim separate condensed 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 interim separate 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 condensed 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 March 31, 2023

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 subsidiaries and associate companies

Investments in subsidiaries are recorded at the time of acquisition at cost, and in the event of impairment in the recoverable value of any investment from its book value, the book value is adjusted by the value of impairment and charged to the profit or loss statement for each investment separately. 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 March 31, 2023, are the same as the accounting policies applied in the separate financial statements on December 31, 2022. The accounting policies that mentioned below are applied in a consistent manner during the financial periods presented in these separate financial statements.

4-1 New Editions and Amendments to Egyptian Accounting Standards:

- On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	<ol style="list-style-type: none"> 1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. 2- This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (35) amended 2023 "Agriculture". - Egyptian Accounting Standard No. (49) "Leasing Contracts" 	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023, retrospectively</u> , cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	<ol style="list-style-type: none"> 1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" 	Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the fair value model are effective for financial periods starting <u>on or after January 1, 2023 retrospectively</u> , cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.

E-Finance for Digital and Financial Investments Company

Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<ul style="list-style-type: none"> - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts" 		
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	<p>1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets.</p> <p>2- The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should be carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets" or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should be consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.</p>	<p>Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.</p>	<p>The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023, retrospectively</u>, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.</p>
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	<p>1- This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets" was amended accordingly).</p> <p>2- The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce</p>	<p>Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.</p>	<p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023 retrospectively</u>, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies</p>

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.		this treatment for the first time.
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<ol style="list-style-type: none"> 1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: 5- Egyptian Accounting Standard No. (10) "Fixed Assets". 6- Egyptian Accounting Standard No. (23) "Intangible Assets". 7- Egyptian Accounting Standard No. (34) "Investment property". 	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting on or after July 1, 2024 , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

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Notes to the Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

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 1/1/2023	86 402 332		1 396 627		802 988		1 437 895		1 999 067		92 038 909	
Additions during the period	-		217 185		-		87 100		142 944		447 229	
Balance as of March 31, 2023	86 402 332		1 613 812		802 988		1 524 995		2 142 011		92 486 138	
<u>Accumulated depreciation</u>												
Accumulated depreciation as of 1/1/2023	19 865 184		636 791		22 304		419 296		17 881		20 961 456	
Depreciation of the period	498 007		181 445		22 304		91 680		127 920		921 356	
Accumulated depreciation as of March 31, 2023	20 363 191		818 236		44 608		510 976		145 801		21 882 812	
Net book value as of March 31, 2023	66 039 141		795 576		758 380		1 014 019		1 996 210		70 603 326	
<u>Depreciation charged under the following items:</u>												
	<u>March 31, 2023</u>		<u>March 31, 2022</u>									
	<u>L.E.</u>		<u>L.E.</u>									
Cost of Revenue (Note19)	423 349		-									
General & Administrative expenses (Note20)	498 007		694 070									
	921 356		694 070									

E-Finance for Digital and Financial Investments Company

Notes to the Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

	<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>Cost</u>						
Cost as of 1/1/2022	86 402 332	619 699	1 276 847	1 228 160	64 718	89 591 756
Additions during the year	-	776 928	802 988	209 735	1 934 349	3 724 000
Disposals transferred to subsidiaries	-	-	(1 276 847)	-	-	(1 276 847)
Cost as of 31/12/2022	86 402 332	1 396 627	802 988	1 437 895	1 999 067	92 038 909
<u>Accumulated depreciation</u>						
Accumulated depreciation as of 1/1/2022	17 873 155	149 497	65 926	83 730	1 703	18 174 011
Depreciation of the year	1 992 029	487 294	22 304	335 566	16 178	2 853 371
Accumulated depreciation of Disposed Assets transferred to subsidiaries	-	-	(65 926)	-	-	(65 926)
Accumulated depreciation as of 31/12/2022	19 865 184	636 791	22 304	419 296	17 881	20 961 456
Net book value as of 31/12/2022	66 537 148	759 836	780 684	1 018 599	1 981 186	71 077 453

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

6 Equity investment at FVOCI

	<u>%</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
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	100 000
		<u>139 851 000</u>	<u>139 851 000</u>

- 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 March 31, 2023

7 Equity investment at FVTPL

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Nclude Fund for fintech innovation	57 786 600	57 786 600
	<u>57 786 600</u>	<u>57 786 600</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 March 31, 2023

8 Investments in subsidiaries and Associate Companies

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

	<u>%</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
Khales for Digital Payment Services Company (S.A.E.) - A	%70	74 723 406	74 723 406
Smart Card Operation Technology Company E-Cards (S.A.E) - B	%89	136 210 815	136 210 815
The Technological Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) - C	%61	32 421 570	32 421 570
E-nable for Outsourcing Services (eNable) (S.A.E) - D	%99.98	29 281 150	29 281 150
Technological Operation for Financial Institution E-finance Company (S.A.E) -E	%99.99	694 714 154	694 714 154
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	34 999 975
		<u>1 037 351 045</u>	<u>1 037 351 045</u>

- 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 580 271 shares at a discounted price that were granted to Khales employees at a value of 4 723 406 Egyptian pounds).
- 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 333 024 shares at a discounted price that were granted to E-Cards employees at a value of 2 710 815 Egyptian pounds).
- 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 610 783 shares at a discounted price that were granted to E-Aswaaq Misr employees at a value of 4 971 773 Egyptian pounds).

E-Finance for Digital and Financial Investments Company

Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

- 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 526 554 shares at a discounted price that were granted to eNable employees at a value of 4 286 149 Egyptian pounds).
- 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 11 640 862 shares at a discounted price that were granted to Technological Operation for Financial Institution E-finance employees at a value of 94 756 617 Million Egyptian pounds).
- 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.

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9 Tax

9-1 Income tax

	For the period ended	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Current Income Tax Expenses	6 010 345	4 432 118
Tax dividends income from equity investments through FVOCI	907 983	3 117 595
Tax dividends income from equity investments in subsidiaries	29 938 293	18 600 545
Treasury bills tax	16 971 243	9 334 882
Deferred tax (Benefit)	(3 257 719)	(4 236 232)
Current and deferred tax expense / (income)	<u>50 570 145</u>	<u>31 248 908</u>
Deferred income tax on other comprehensive income	<u>861 241</u>	<u>82 416</u>

9-2 Deferred tax

A) Deferred tax assets (liabilities) recognized

	March 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Depreciation of fixed assets	-	2 843 049	-	2 814 505
Employee benefit liability	23 927 070	-	21 502 048	-
	<u>23 927 070</u>	<u>2 843 049</u>	<u>21 502 048</u>	<u>2 814 505</u>
Net deferred tax assets	<u>21 084 021</u>	<u>-</u>	<u>18 687 543</u>	<u>-</u>
Deduct: the previously charged deferred tax assets	(18 687 543)			
Add: the deferred tax assets charged to the statement of other comprehensive income	861 241			
Deferred taxes for the period Benefit	<u>3 257 719</u>			

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

B) Adjustment of the effective tax rate

		For the period ended	
		<u>March 31, 2023</u>	<u>March 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
Net Profit of the period before Tax		378 556 807	244 249 179
Income Tax Based on Tax rate	22.5%	85 175 282	54 956 065
Expenses that are not deductible and others		(46 318 085)	10 012 039
Revenues exempted		(305 526 077)	(234 562 916)
The tax Base		<u>26 712 645</u>	<u>19 698 302</u>
Current and deferred income tax	13.36%	<u>50 570 145</u>	<u>31 248 908</u>

9-3 Income Tax payable

		For the period ended	
		<u>March 31, 2023</u>	<u>December 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
Income Tax (Debit) at the beginning of the period		(8 758 797)	(9 466 207)
Formed during the period		6 010 345	707 410
		<u>(2 748 452)</u>	<u>(8 758 797)</u>

9-4 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 was re-examined and the inspections and dispute for the years 2008/2015 were ended and the tax settlements was ended with a tax 3 052 209 EGP and the payment was made.
- The years 2016/2020 have been examined and the forms are being extracted.

B) Payroll tax

- 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 being examined for the years from 2019/2020 .

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

C) General sales tax and value added tax

- 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 31 December 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.
- The company has not been tax inspected for the years from 2015 until 2020.

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

<u>Purchasing value</u>	<u>Purchasing date</u>	<u>Due date</u>	<u>Return Percentage</u>	<u>Duration</u>	<u>Net Return</u>	<u>Balance as of March 31, 2023</u>	<u>Face Value</u>
L.E					L.E	L.E	L.E
181 676 000	22/1/2023	18/7/2023	20.80%	177	5 631 783	187 307 783	200 000 000
190 824 000	22/1/2023	18/4/2022	20.41%	86	5 804 353	196 628 353	200 000 000
500 013 668	17/1/2023	18/7/2023	20.50%	182	16 400 559	516 414 227	551 125 000
499 996 299	17/1/2023	18/4/2022	20.30%	91	16 238 858	516 235 158	525 300 000
513 009 595	22/1/2023	18/7/2023	21.00%	177	16 055 808	529 065 403	565 250 000
1 885 519 562					60 131 362	1 945 650 924	2 041 675 000

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Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

11 Trade and other receivables

	<u>March 31, 2023</u>	<u>December 31,2022</u>
	<u>L.E</u>	<u>L.E</u>
Trade Receivables	8 200 478	-
	<u>8 200 478</u>	<u>-</u>
<u>Other Receivables</u>		
Prepaid expenses	1 188 485	157 158
Deposits with others	180 000	180 000
Value added tax (VAT)	15 860 145	16 605 642
Income Tax (Note 9-3)	2 748 452	8 758 797
Prepaid employee benefits	1 138 000	1 138 000
Withholding Tax	4 002 238	4 002 238
Supplier Advance Payment	2 496 177	3 232 477
Advance Payments for the investment	13 143 682	4 928 750
Accrued Revenue	18 714 500	23 047 171
Accrued dividends income	317 029 059	47 370 151
ESOP Employee's share	19 309 937	11 711 956
Other	3 927 642	4 599 370
	<u>407 938 795</u>	<u>125 731 710</u>

12 Cash and cash Equivalents

	<u>March 31, 2023</u>	<u>December 31,2022</u>
	<u>L.E</u>	<u>L.E</u>
Banks – Saving Accounts	423 086 001	159 091 189
Banks - time deposits	55 610 307	55 656 098
Investment funds*	38 437 194	412 406 582
Balance of cash and cash equivalents	<u>517 133 502</u>	<u>627 153 869</u>

***Investment Funds**

	<u>March 31, 2023</u>	<u>December 31,2022</u>
	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	6 935 482	6 714 722
Sioula Fund	7 414 586	7 308 409
Fund 30/15	22 664 680	21 749 920
Diamond Fund	1 305 400	376 519 831
Youm by youm Account - Bank Misr	117 046	113 700
	<u>38 437 194</u>	<u>412 406 582</u>

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

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Cash and cash equivalents	517 133 502	1 473 636 065
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	511 596 481	1 468 099 044

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.
- 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

E-Finance for Digital and Financial Investments Company

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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 March 31, 2023

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 at an average price of 13.49 with a total value of 1 345 051 Egyptian pounds. On October 2, 2022, 250,000 shares were purchased, at an average price of 13.84, with a total value of 3,460,629 Egyptian pounds, and on October 12, 2022, 17,085 shares were purchased, with an average price of 13.48 pounds per share, and a total value of 230,324 pounds. Egyptian, and the value of the treasury shares on December 31, 2022 amounted to a total value of 5 036 004 Egyptian pounds.

16 Credit facilities

Bank	Authorized facility limits on March 31, 2023 L.E or Its equivalents of Foreign Currency	Used until March 31, 2023 L.E	Nature of facility
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 March 31, 2023

17 Trade and other Payables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Accounts payable	4 713 041	21 225 020
	<u>4 713 041</u>	<u>21 225 020</u>
<u>Other Payables</u>		
Accrued expenses	8 365 447	14 694 624
Payroll tax	3 977 692	962 354
Withholding tax	3 580 385	3 617 122
Board of Directors Rewards	2 491 071	5 301 884
Dividends Payables	404 349 189	-
Other Credit balances	421 314	10 059 597
Total other credit balances	<u>427 898 139</u>	<u>55 860 601</u>

18 Revenue:

	<u>For the financial period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Dividend income from equity investments through FVOCI	10 829 829	31 625 598
Dividend income from financial investments in subsidiaries and Associates	297 632 931	186 005 451
	<u>308 462 760</u>	<u>217 631 049</u>

19 Cost of Revenue

	<u>For the financial period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Salaries and Wages	34 631 723	32 715 522
Maintenance cost	20 282	10 567
Depreciation of Fixed Assets (Note5)	423 349	-
Professional Technical support	2 433 802	-
Employee benefits (cars)	286 038	339 114
	<u>37 795 194</u>	<u>33 065 203</u>

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

20 General and Administrative Expenses

	<u>For the financial period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Wages and Salaries	-	291 868
Depreciation of fixed assets (Note 5)	498 007	694 070
Consulting	1 873 974	1 948 760
Facility Expenses	611 033	285 327
Maintenance Expenses	76 820	191 079
Rent	529 264	616 450
Donations	2 000 000	250 000
Hospitality expenses	500 598	457 186
Other expenses	3 677 286	1 583 093
	<u>9 766 982</u>	<u>6 317 833</u>

21 Selling and Marketing Expenses

	<u>For the financial period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Exhibitions	2 362 504	1 767 602
Public Relations	548 490	93 000
Advertisements	199 100	7 964 351
Other Marketing Expenses	1 599 674	150 902
	<u>4 709 768</u>	<u>9 975 855</u>

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22 Finance Expenses

	<u>For the financial period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Bank charges	587 748	115 034
Foreign currencies exchange Loss	372 690	6 500
	<u>960 438</u>	<u>121 534</u>

23 Finance income

	<u>For the financial period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Income from investment in cash funds	6 143 147	1 873 998
Revenue on Investments at amortized cost	84 856 213	46 674 410
Bank interest on current accounts	17 212 056	17 321 250
Bank interest on deposits	1 518 225	-
	<u>109 729 641</u>	<u>65 869 658</u>

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

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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>March 31, 2023</u>	<u>December 31, 2022</u>
				<u>L.E</u>	<u>L.E</u>
Smart Card Operation Technology Company E-Cards	Subsidiary	Debit Balance	-	195 267 568	195 267 568
				<u>195 267 568</u>	<u>195 267 568</u>
24-2 <u>Due from Related Parties:</u>					
Smart Card Operation Technology Company E-Cards	Subsidiary	Payment on behalf	50 063 542	50 063 542	-
E-nable for Outsourcing Services (eNable)	Subsidiary	Payment on behalf	2 626 106	18 510 865	15 884 759
E-finance Technological Operation For Financial Institutions	Subsidiary	Payment on behalf	508 268	53 562 043	53 053 775
Technological Operation for Tax solutions e-tax	Associate	Payment on behalf	-	15 425 808	15 425 808
E-Aswaaq The Technology Company for Ecommerce Operations	Subsidiary	Payment on behalf	10 576 000	12 858 334	2 282 334
Khales for Digital Payment Services Company	Subsidiary	Payment on behalf	117	2 163 681	2 163 564
E-Health (Technological Operation for Health Insurance Services)	Associate	Collection	(198 809)	8 075 341	8 274 150
				<u>160 659 614</u>	<u>97 084 390</u>

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 and 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 March 31, 2023

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>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Cash and cash equivalents	517 133 502	627 153 869
	<u>517 133 502</u>	<u>627 153 869</u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
<u>Fixed interest rate financial instruments</u>		
Treasury bills	1 945 650 924	1 931 376 152
	<u>1 945 650 924</u>	<u>1 931 376 152</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 Assets</u>
US Dollar	5 480	30.90	169 332

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

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 March 31, 2023</u>	Net Book Value	Less than year	From 2 to 5 years	More than 5 years
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Trade and other payables	427 898 139	427 898 139	-	-
Other liability	106 342 535	-	106 342 535	-
Total	534 240 674	427 898 139	106 342 535	-

<u>On December 31, 2022</u>	Net Book Value	Less than year	From 2 to 5 years	More than 5 years
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Trade and other payables	55 860 601	55 860 601	-	-
Other liability	95 564 656	-	-	95 564 656
Total	151 425 257	55 860 601	-	95 564 656

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>March 31, 2023</u>	<u>December 31, 2022</u>
Total liability	534 240 674	151 425 257
<u>Less</u>		
Cash & Equivalent	(517 133 502)	(627 153 869)
Net Liability	17 107 172	(475 728 612)
Total Equity	4 024 146 865	4 165 064 398
Percentage of net liabilities to total equity	%0.425	(%11.4)

E-Finance for Digital and Financial Investments Company
Notes to The Interim Condensed Separate Financial Statements for the financial period ended March 31, 2023

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>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Letter of Guarantee	29 116 000	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 System 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.

E-Finance for Digital and Financial Investments Company
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- 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 promise to sell at affordable prices on the date of September 29, 2022. And the Chairman was 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 total value of 57 113 613 Egyptian pounds (after deducting the nominal value of the shares) and according to the system 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 distributed as follows:

A number of 934 492 shares worth 7 606 765 Egyptian pounds belonging to the employees of the parent company were charged to the statement of profits or losses at December 31, 2022, 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.

During the first quarter of 2023, the ban on selling shares was lifted for the first 25%, and therefore the tax was due and was loaded into the profit or loss statement for the financial period ended on March 31, 2023 in the amount of 2 626 270 Egyptian pounds.

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>For the period ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Net profit for the period	327 948 921	213 000 271
Share of employees and Board members proposed/actual (EGP)	(58 236 221)	(34 372 475)
Net profit distributable to common shareholder	269 712 700	178 627 796
Average number of shares outstanding during the period for basic earnings (share)	1 793 647 756	1 777 777 778
Basic earning per share for the period (EGP/share)	0.15	0.10